

# UNIVERSAL REGISTRATION DOCUMENT



ANNUAL FINANCIAL  
REPORT 2024



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# UNIVERSAL REGISTRATION DOCUMENT 2024

**THIS UNIVERSAL REGISTRATION DOCUMENT INCLUDES  
ALL THE ITEMS OF THE ANNUAL FINANCIAL REPORT**

## **DANONE**

**A French corporation  
(société anonyme) with share capital  
of 169,888,497.75 euros**

**Registered office:  
17, boulevard Haussmann, 75009 Paris  
Paris trade and corporate register number: 552 032 534**



This Universal Registration Document was filed with the French Financial Markets Authority (*Autorité des Marchés Financiers* or *AMF*) on March 11, 2025, as the competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

**This is a free translation into English for information purposes only.**

*Copies of this Universal Registration Document are available from Danone at: 17, boulevard Haussmann – 75009 Paris, on Danone’s website: [www.danone.com](http://www.danone.com) and on the website of the Autorité des Marchés Financiers: [www.amf-france.org](http://www.amf-france.org).  
A PDF version for visually impaired readers is available at [www.danone.com](http://www.danone.com)*

*This Universal Registration Document is a reproduction in PDF format, translated in English, of the official version of the Universal Registration Document established in XHTML, filed with the AMF on March 11, 2025 and available on the AMF website.  
This reproduction is available on Danone’s website.*

# Chief Executive Officer Statement

Antoine de SAINT-AFFRIQUE



**“Strong full-year 2024 results  
Entering the next chapter  
of Renew with confidence”**

“We close the first chapter of Renew Danone with a strong set of results, fully delivering on our 2022 mid-term guidance. In 2024, the quality of our growth has further improved, reaching +4.3% like-for-like sales growth driven by +3.0% volume/mix.

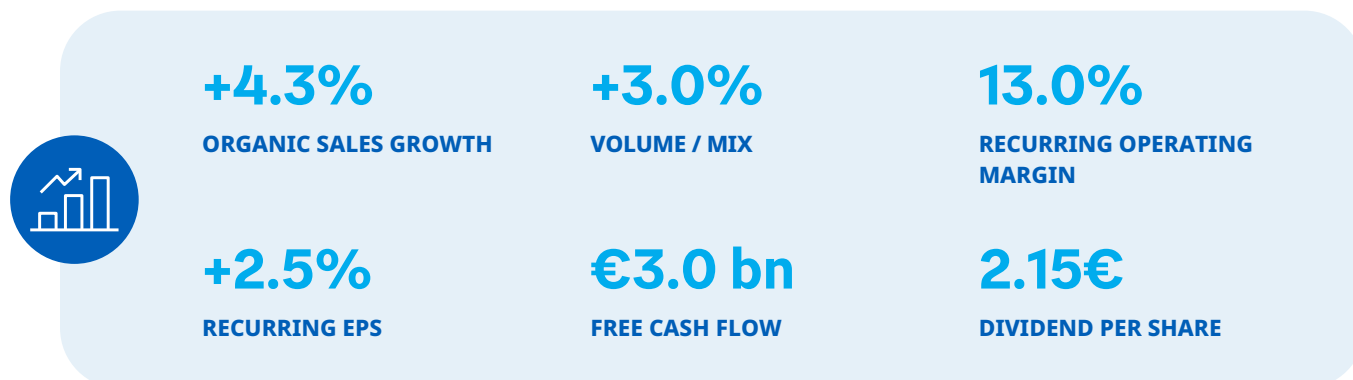
This allowed us to drive operating leverage, enabling us to further reinvest in our brands and capabilities, and support the growth of our categories while maintaining a strong financial discipline. Our focus on value creation and return-oriented capital allocation led to a significant improvement of our ROIC, now back into double-digit territory.

We believe that the food industry is at a tipping point. Our unique, health driven portfolio, our renewed focus on science to the service of consumers, our strong brand portfolio and a continuous improvement mindset give us the confidence that we can seize this long-term market opportunity. We enter the next chapter as a stronger company, ready for more. ”

**Antoine de SAINT-AFFRIQUE,  
Chief Executive Officer**

# Key figures 2024

## FINANCIAL INDICATORS



## SUSTAINABILITY INDICATORS



## Key financial figures

	Year ended December 31			
	2023	2024	Reported changes	Like-for-like changes <sup>(b)</sup>
<i>(in € millions unless stated otherwise)</i>				
<b>Sales</b>	27,619	27,376	(0.9)%	+4.3%
<b>Recurring operating income <sup>(a)</sup></b>	3,481	3,558	2.2%	
<b>Recurring operating margin <sup>(a)</sup></b>	12.6%	13.0%	39 pb	
Recurring net income – Group share <sup>(a)</sup>	2,283	2,345	2.7%	
<b>Net income – Group share</b>	881	2,021	129.4 %	
<b>Recurring EPS (in €) <sup>(a)</sup></b>	3.54	3.63	2.5%	
EPS (in €)	1.36	3.13	130.2%	
<b>Free cash flow <sup>(a)</sup></b>	2,633	3,003	14.0%	
<b>ROIC</b>	9.5%	10.0%	60 pb	

(a) Financial indicator not defined in IFRS, see definition in section 3.6 Financial indicators not defined in IFRS.

# 1

## **INFORMATION ABOUT THE ISSUER AND INFORMATION ON THE UNIVERSAL REGISTRATION DOCUMENT**

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## 1.1 INFORMATION ABOUT THE ISSUER

### INFORMATION CONCERNING THE ISSUER

<b>Legal name and trade name</b>	"Danone" (hereafter the "Company"), having been changed by the Shareholders' Meeting of April 23, 2009 from "Groupe Danone"
<b>Company registration</b>	552 032 534, Paris Trade and Companies Register
<b>APE Industry code</b>	7010Z (activity of registered offices)
<b>Legal entity identifier</b>	969500KMUQ2B6CBAF162 (LEI code)
<b>Date of start of activity</b>	January 1, 1908
<b>Term of the Company</b>	April 25, 2112, since its extension, in 2013, by the Extraordinary Shareholders' Meeting
<b>Registered office</b>	17, boulevard Haussmann, in Paris (75009), France. Tel.+33 (0)1 44 35 20 20
<b>Website</b>	<a href="http://www.danone.com">www.danone.com</a> Information that can be found on the Company's website is not an integral part of this document, except if incorporated by reference into said document
<b>Information about branches (Article L.232-1 of the French commercial code)</b>	Branch (secondary office) located at 17, rue des Deux Gares, Rueil-Malmaison (92500), France
<b>Legal form and applicable law</b>	The Company, a French corporation ( <i>société anonyme</i> ) with a Board of Directors, is subject to the provisions of Book II of the French commercial code.
<b>Corporate purpose</b>	In accordance with Article 2 of its by-laws, Danone's purpose, whether directly or indirectly, in France and in any country, shall be: industry and trade relating to all food products; the performance of any and all property, real estate, industrial, commercial, and financial transactions relating to this purpose. The by-laws are available on Danone's website <a href="http://www.danone.com">www.danone.com</a>
<b>Other information</b>	Danone has the status of <i>Entreprise à Mission</i> since July 3, 2020, date on which this status was recorded at the Paris Trade and Companies Register, following the approval of the Shareholders' Meeting held on June 26, 2020.

### STATUTORY AUDITORS

#### PRINCIPAL STATUTORY AUDITORS

	<b>Ernst &amp; Young Audit Member of the Compagnie Régionale des Commissaires aux comptes de Versailles et du Centre</b>	<b>Forvis Mazars &amp; Associés Member of the Compagnie Régionale des Commissaires aux comptes de Versailles et du Centre <sup>(a)</sup></b>
<b>Address</b>	Tour First, 1, place des Saisons, TSA 14444 92037 Paris-La Défense Cedex	61, rue Henri Regnault 92075 Paris-La Défense Cedex
<b>Represented by</b>	Alexandre CHRÉTIEN and Gilles COHEN	Achour MESSAS and Gonzague SENLIS
<b>Start date of first term of office</b>	April 28, 2016 <sup>(b)</sup>	April 26, 2022
<b>Expiration date of term of office</b>	Shareholders' Meeting deliberating on the financial statements for the fiscal year ending December 31, 2027	

(a) Mazars & Associés and Forvis have joined forces to create a new network, effective since June 1, 2024.

(b) The first term of office with an entity member of Ernst & Young network began on April 22, 2010 with Ernst & Young et Autres.

Pursuant to Order no. 2023-1142 of December 6, 2023 transposing the European Corporate Sustainability Reporting Directive (CSRD) into French Law, Forvis Mazars & Associés was appointed by the Shareholders' Meeting of April 25, 2024 as Statutory Auditor to certify the sustainability information for a period of four financial years, i.e. until the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ended December 31, 2027.



## 1.2 INFORMATION ABOUT THE UNIVERSAL REGISTRATION DOCUMENT

### SELECTED FINANCIAL INFORMATION

Unless otherwise stated, all amounts in this Universal Registration Document are (i) expressed in Euro and (ii) presented in millions for convenience. Such amounts may have been rounded. Rounding differences may exist, including for percentages.

The financial information presented in section *Key figures* is extracted from section 3 *Business highlights in 2024 and outlook for 2025* and from Danone's consolidated financial statements for fiscal year 2024 prepared in accordance with IFRS, which, together with the Notes to the consolidated financial statements for fiscal year 2024 are presented in section 4.1 *Consolidated financial statements and Notes to the Consolidated financial statements*.

### REFERENCES AND DEFINITIONS

Unless otherwise noted, all the references mentioned hereinafter refer to the following elements:

Word	Meaning
ADEME	The French Environment and Energy Management Agency, responsible for implementing public policies in the areas of the environment, energy, and sustainable development.
BEIS	Department for Business, Energy & Industrial Strategy of the United Kingdom (formerly DEFRA, the Department for Environment, Food & Rural Affairs of the United Kingdom).
B Corp™ certification	International B Corp™ certification is awarded by the not-for-profit organization B Lab to for-profit companies demonstrating high social, societal and environmental performance in five impact areas: Governance, Employees, Community, Environment and Customers.
Campus X	Danone's digital training platform.
Category	All references to "Category" or "Categories" refer to one or more of Danone's Essential Dairy & Plant-Based, Specialized Nutrition or Waters activities.
CDP	Not-for-profit organization that runs a global disclosure system for investors, companies, cities, states and regions to help them assess and manage their environmental impact.
CFT 2.0	Cool Farm Tool 2.0.
CNAO (China, North Asia, Oceania)	Zone that refers to China, North Asia & Oceania and includes China, Japan, Australia and New-Zealand.
Company	All references to the "Company" refer to Danone as issuer.
Consolidated financial statements, Notes to the consolidated financial statements	Consolidated financial statements and Notes to the consolidated financial statements for the 2024 fiscal year.
CSO	Chief Sustainability Officer.
CSRD	Corporate Sustainability Reporting Directive.
CWS	Clean Water Standards.
Danone	All references to "Danone" or the "Group" refer to the Company and its consolidated subsidiaries.
Dan'Cares	A Danone initiative focused on employee health and well-being.
Danone Communities	An investment fund that supports social businesses providing access to safe drinking water and nutritious food.
Danone Ecosystem	A program that develops projects to strengthen inclusion and environmental sustainability in local ecosystems.
Danone HOPE Values	Four fundamental values that each Danone employee should use as a moral compass to make the right decisions: Humanism, Openness, Proximity, Enthusiasm.
Danone Impact Journey (DIJ)	Danone's sustainability roadmap focused on Health through food, Nature, and People & Communities.
Danone's market shares and market positions	All references to Danone's market shares or market positions are derived from third-party market studies and databases provided in particular by Nielsen, IRI, Euromonitor and Canadean institutes.

## 1.2 Information about the Universal Registration Document

Word	Meaning
Danone Way	An annual program to measure and advance Danone's sustainable growth performance.
DanSkills	A Danone initiative focused on employee skill development.
EACs	Energy Attribute Certificate.
Emerging countries	All references to "emerging countries" refer to countries other than mature countries where Danone is present.
Essential Dairy & Plant-Based (EDP)	All references to the "Essential Dairy & Plant-Based" or "EDP" Category refer to production and distribution of fresh fermented dairy products and other dairy specialties, plant-based products, and coffee creations.
ESRS	European Sustainability Reporting Standards.
EU ETS market price	European Union Emissions Trading System market price.
Europe	Zone that refers to Europe, which includes Ukraine.
FS (Fidelity Shares)	DANONE shares subject to progressive continuous employment conditions described in section 6.4 <i>Detailed information on long-term compensation plans.</i>
Geographical zone	All references to "geographical zone" or "geographical zones" refer to one or more of Danone's Europe, Noram, CNAO, Latam and Rest of the World geographical zones.
GHG emissions	Green House Gas emissions.
GMH	Global Methane Hub.
GPS (Group performance shares)	DANONE shares subject to performance conditions described in section 6.4 <i>Detailed information on long-term compensation plans.</i>
GPU (Group performance units)	Multi-annual compensation described in section 6.4 <i>Detailed information on long-term compensation plans.</i>
Group	All references to the "Group" or "Danone" refer to the Company and its consolidated subsidiaries.
HRDD	Human Rights Due Diligence.
ID	Inclusion and diversity.
ILO	International Labour Organization.
IPCC	Intergovernmental Panel on Climate Change.
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations.
Latam (Latin America)	Zone that includes Mexico, Brazil, Argentina and Uruguay.
Markets	All references to "markets" for products in particular, or to market shares, refer to markets for packaged products and exclude products that may be otherwise marketed or sold.
Market shares and market positions	Data pertaining to market shares and market positions are based on the value of sales.
Mature countries	All references to "mature countries" refer to Western Europe, North America, Japan, Australia and New Zealand.

Word	Meaning
NGOs	Non-Governmental Organizations.
Noram (North America)	Zone that includes the United States and Canada.
Universal Registration Document	Danone's 2024 Universal Registration Document.
Rest of the World	Zone that includes AMEA (Asia, Middle East including Turkey, Africa) and CIS (Commonwealth of Independent States).
Sales	Danone's consolidated net sales.
SBT Scope	Science-Based Targets Scope.
SBTi	Science-Based Targets initiative.
SBTN	Science-Based Targets for Nature.
SDGs	Sustainable Development Goals.
Scope 1 2 3	Categories of greenhouse gas emissions; scope 1 refers to direct emissions, scope 2 to indirect emissions from purchased energy, and scope 3 to all other indirect emissions.
Specialized Nutrition (SN)	All references herein to the "Specialized Nutrition" Category or "SN" refer to production and distribution of formulas and complementary feeding for babies and young children, as well as food for medical purposes for children and adults with an underlying medical condition.
<i>Société à Mission</i>	All references to " <i>Société à Mission</i> " refer to the status provided for in French law which was adopted by the Company on June 26, 2020.
TCFD	Taskforce on Climate-related Financial Disclosures.
TNFD	Taskforce on Nature-related Financial Disclosures.
UNGPs	United Nations Guiding Principles on Business and Human Rights.
Waters	All references herein to the "Waters" Category refer mainly to plain water, flavored water and functional beverages.
WBCSD	World Business Council for Sustainable Development.
WRI	World Resources Institute.
WISE <sup>2</sup>	Danone's global workplace health and safety program, aimed at developing a health and safety culture in the workplace.
4R strategy	Reduce, Reuse, Recycle, and Reclaim.

## INCORPORATION BY REFERENCE

Pursuant to article 19 of the 2017/1129 Regulation (EU) and to section 36 of IAS 1, "Presentation of Financial Statements", requiring that at least one-year comparative information be presented, this Universal Registration Document incorporates by reference the following information:

Incorporation by reference	2022		2023	
	Universal Registration Document	Pages	Universal Registration Document	Pages
Consolidated financial statements and the Statutory Auditors' report for the fiscal year ended December 31		60 to 121		68 to 133
Annual financial statements and the Statutory Auditors' report for the fiscal year ended December 31	Filed with the AMF on March 16, 2023 (filing number D.23-0099)	122 to 142	Filed with the AMF on March 12, 2024 (filing number D.24-0099)	134 to 156
Selected financial information, the Group's management report and all non-financial information for the fiscal year ended December 31		3 and 42 to 58		3 and 44 to 65

## 1.3 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

### PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

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Antoine de SAINT-AFFRIQUE  
Chief Executive Officer of Danone

### STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

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*This is a free translation into English of the Chief Executive Officer's statement issued in French, and is provided solely for the convenience of English-speaking readers.*

Paris, March 10, 2025

"I hereby certify that to my knowledge all the information in this Universal Registration Document is accurate, and that no information liable to alter its scope has been omitted.

I certify that, to the best of my knowledge, the annual and consolidated financial statements, have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and all the companies included in the consolidation, and that the management report referred to in the cross-reference table in the Appendix to this Universal Registration Document provides a true and fair view of the evolution and results of the business and of the financial position of the Company and of all the companies included in the consolidation, together with a description of the main risks and uncertainties they face, and that it has been prepared in accordance with applicable sustainability reporting standards."

Chief Executive Officer,  
Antoine de SAINT-AFFRIQUE

# 2

## **OVERVIEW OF ACTIVITIES, RISK FACTORS**

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## 2.1 PRESENTATION OF DANONE

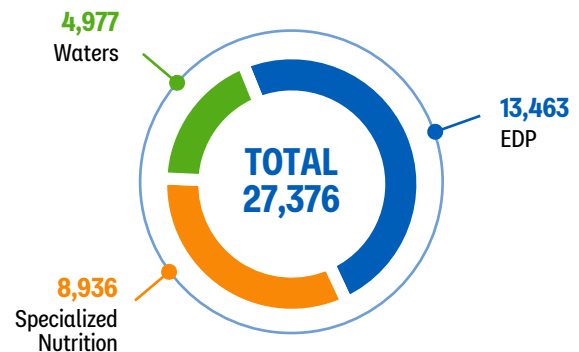
### ACTIVITIES

Danone operates in healthy and on-trend Categories growing faster than the average food and beverages sector:

- Essential Dairy & Plant-Based (EDP) products (49% of the Group's Sales in 2024). Essential Dairy mainly covers yogurts (classic and drinkable), including value-added and functional segments such as immunity, gut health or high protein, coffee creations (coffee creamers and ready-to-drink coffee beverages) and desserts. Plant-Based products mainly include plant-based beverages and, plant-based alternatives to yogurts, but also new categories (plant-based ice creams, frozen desserts, coffee drinks and cheese);
- Specialized Nutrition (33% of the Group's Sales in 2024), which covers formulas and complementary feeding for babies and young children, as well as food for medical purposes for children and adults. The medical nutrition for children includes nutrition products designed to meet the specific needs of children diagnosed with certain medical conditions (in particular certain allergies). The portfolio of adult medical nutrition includes oral nutritional supplements for patients suffering from malnutrition caused by illness as well as tube feeding for patients who can no longer feed themselves normally;
- Waters (18% of the Group's Sales in 2024), which includes plain water, flavored water and functional beverages.

#### CONSOLIDATED SALES BY CATEGORY

(in € millions)



In terms of value, Danone holds the following leadership positions (in the relevant categories and markets):

- no. 1 worldwide for fresh dairy products;
- no. 1 worldwide for plant-based foods and beverages;
- no. 2 worldwide for packaged waters;
- no. 2 worldwide for early life nutrition;
- no. 4 worldwide for adult medical nutrition.

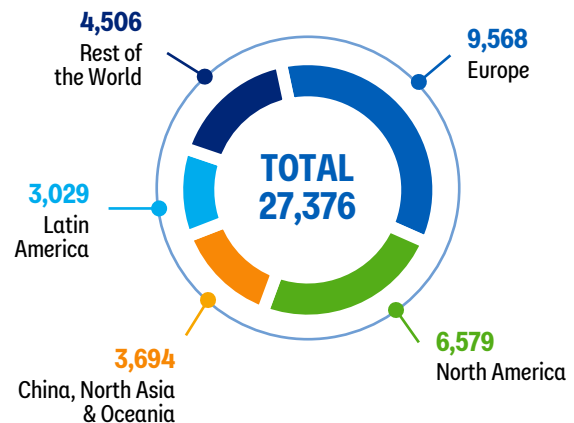
### MAIN MARKETS

Danone operates in five geographical zones:

- Europe (35% of the Group's Sales in 2024), with France, Spain, Germany and the United Kingdom being the largest markets. Europe covers all Categories, from EDP to Waters and Specialized Nutrition.
- North America (24% of the Group's Sales in 2024), which includes the United States and Canada. The largest businesses are Essential Dairy, including yogurts, coffee creations, and Plant-Based products. Danone is also present in Specialized Nutrition and Waters.
- China, North Asia & Oceania (13% of the Group's Sales in 2024). China is the largest country in the zone, where Danone holds strong leadership positions in infant formula, medical nutrition, and Waters. The zone also includes Japan, where Danone sells Essential Dairy products, as well as Australia and New Zealand for Specialized Nutrition.
- Latin America (11% of the Group's Sales in 2024), with the largest contributors being Mexico, Brazil and Argentina.
- The Rest of the World (16% of the Group's Sales in 2024). The zone notably includes Asia Pacific, where the leading country is Indonesia, and Africa and the Middle East, where the largest markets are Turkey and Morocco.

#### CONSOLIDATED SALES BY GEOGRAPHICAL ZONE

(in € millions)





## Top ten countries in terms of sales

(%)	Year ended December 31	
	2023	2024
United States	22%	21%
China	11%	11%
France	8%	8%
Indonesia	6%	6%
United Kingdom	5%	6%
Mexico	5%	5%
Spain	4%	4%
Germany	4%	4%
Poland	3%	3%
Brazil	3%	3%

Changes in the ranking from one year to the next also reflect currency fluctuations, especially high volatility in emerging markets.

## Top ten customers

In 2024, Danone's top ten customers worldwide (three of which are French) accounted for approximately 20% of its consolidated Sales; the top five customers represented approximately 14% of its consolidated Sales.

## 2.2 STRATEGIC PRIORITIES

Danone's mission is to bring health through food to as many people as possible. This mission is rooted in Danone's dual project, as it was defined in 1972 by the Group founder and then CEO Antoine RIBOUD during a landmark speech in Marseille. Today the Group has kept this ambition to create both shareholder and societal value.

## ON-TREND HEALTHY CATEGORIES GROWING FASTER THAN THE AVERAGE FOOD & BEVERAGE

Danone operates in growing, healthy and on-trend categories: Essential Dairy & Plant-Based products (EDP), Waters and Specialized Nutrition.

In each of those segments, the Group has a unique positioning in the industry, with:

- a leading position in all the categories and geographies the Group operates – in 2024, Danone is worldwide number one in Essential Dairy Products, number one in Plant-Based, number two in Waters, number two in early life nutrition and number four in adult medical nutrition;
- a focus on dynamic Categories:
  - in Essential Dairy Products, more than 60% of Danone's revenues come from value-added and functional segments such as immunity, gut health, high protein, indulgence, or coffee creations. In these segments, the Group enjoys leading positions with a powerful mix of global and local brands. Essential Dairy offers a unique balance of nutritional profile, carbon footprint and affordability in comparison to other sources of animal and plant-based protein;
  - in Plant-Based, Danone is a leader within a category benefiting from the rise of flexitarianism. The Group is mainly present in Europe and North America with a portfolio spanning across many key segments, from the established beverages segment to more nascent ones such as yogurts, cheese or ice cream;
  - in Waters, the Group takes advantage of favorable long-term trends and of a balanced portfolio between safe tap-water markets, where its priority is to expand its premium brands across segments, occasions and channels, and non-safe tap-water markets where it leverages its unique access-to-consumer to deliver healthiest hydration;
  - in Specialized Nutrition, Danone has a strong position providing milk formula tailored to the needs of babies. It also supports seniors and patients with various medical conditions, such as allergies, metabolic disorders, cancer or stroke, through its pediatrics and adult medical nutrition;

# 2 OVERVIEW OF ACTIVITIES, RISK FACTORS

## 2.2 Strategic Priorities

- a portfolio of strong brands focused on superior health, nature and social impacts:
  - a strong platform of global brands such as *Aptamil*, *Actimel*, *Activia*, *Danone*, *YoPro*, *Neocate*, *Nutricia* and *evian*, complemented by strong leading local brands;
  - a strong focus on health: in 2024, 87,7% of product volumes sold scored  $\geq 3.5$  stars under the Health Star Rating system. Danone has also been awarded #1 position in the 2024 Global Access To Nutrition index (ATNi), which assesses the world's 30 largest food and beverage manufacturers;
- a pioneering role in sustainability: Danone has a comprehensive and quantified roadmap (the Danone Impact Journey) and is delivering it in pace with objectives and milestones. Danone is also on track to become the largest B Corp™ in the world.
- a broad geographical footprint, offering a balanced exposure to emerging markets and mature markets;
- strong assets and capabilities around gut health, fermentation, dairy and plant-based protein, healthy hydration, infant nutrition, pediatrics and adult medical nutrition.

## A RADICAL TRANSFORMATION WITH RENEW DANONE STRATEGIC PLAN

In 2022, CEO Antoine de Saint-Affrique, together with the leadership team, presented Danone's new strategic plan, Renew Danone.

It was articulated around four strategic pillars:

- strengthening Danone's competitiveness in core categories and geographies ("Win where we are");
- selective expansion of Danone's presence, in terms of segments, channels and geographies ("Expand where we should be");
- active seeding of future growth avenues ("Seed the future")
- active portfolio rotation ("Manage our portfolio").

The plan was based upon an end-to-end step up in the quality of execution, a strengthened innovation model geared for scale and impact, and increased investments behind Danone products (through superiority), brands (more advertising and promotion) and capabilities (notably operations and R&I), and putting science back at the heart of the company. Renew Danone was designed to create the conditions for a sustainable and competitive growth.

Over the 2022-2024 period, Danone consistently delivered on Renew Danone, and has implemented a radical transformation to restore its performance, competitiveness and value creation for the long term.

### Win where we are

In order to "Win where we are", Danone deployed a three-fold approach that started with (i) driving the Core. Core products and brands benefited from an increased support and focus, notably in terms of category management, advertising & promotion and Research and Innovation investment.

For example, the EDP category performance improved significantly between 2022 and 2024, especially in North America and Europe, delivering robust growth, sequentially improving volume/mix, and enhancing its competitiveness across many countries. This was notably made possible by the prioritization of the key platforms, the repositioning of the key brands and the review of product portfolio, including the rationalization of least value-creative Stock Keeping Units (SKUs).

What has been done with the worldwide *Aptamil* platform is another example of what the Group is aiming for, combining both the renovation of its core and consumer-centric innovation.

"Win where we are" also meant (ii) fixing the underperformers, with the right sense of urgency, and considering all options to create value with the Group assets. The successful turnaround of *Mizone*, in China, deploying the renewed *Mizone* proposition, is a good illustration of this effort.

Finally, Danone was set on (iii) is boosting its winners i.e., products and brands that were growing fast and where it had a competitive advantage, that should be rolled out faster at a global level and supported with more consistency over time.

Strongly focusing resource and investments to these platforms, with a consistent effort on science, product superiority and differentiating technology, paid off, as shown by the performance of the winning platforms high protein, medical nutrition, and coffee creations, that all grew double-digit in 2024.

### Expand where we should be

Danone also intended to expand where it should be:

- broadening its segment coverage, entering new adjacent categories or formats with strong growth potential, as it did with sparkling and flavored water;
- diversifying its revenue base, notably by entering new categories in some of its existing markets, to broaden and diversify its sources of growth and profit;
- expanding its channel footprint, lessening its dependency on mass retail, and ensuring the Group has its fair share in out-of-home, pharmacies, or food services. This strategic channels now represent more than 50% of Danone's sales, and increased by 2 to 3 times faster than mass retail in 2024
- further accelerating in digital, building on the strong partnerships it has already developed and leveraging the learnings of its platform in China.

## Seed the future

Danone has been seeding the future, exploring opportunities (products, categories, services) that:

- are a natural growth area for Danone, given its assets and capabilities;
- have the potential to structurally improve the Group's resilience;

Danone is now fully leveraging its ecosystem. End of 2023, the Group launched "Partner for Growth", a global strategic partnerships program aiming to identify and develop partnerships to seize consumer trends to unlock growth opportunities for both Danone and its partners.

In June 2024, Danone, Michelin, the American start-up DMC Biotechnologies and Crédit Agricole Centre France, agreed to create the Biotech Open Platform to bolster the development of advanced fermentation processes, particularly precision fermentation, on a larger scale. Besides, in July 2024, Danone announced it is exploring a multi-year collaboration with Microsoft to integrate artificial intelligence (AI) throughout Danone's operations. Through the collaboration, the Group intends to launch a Danone Microsoft AI Academy, dedicated to upskilling all Danone employees to ensure that all employees are equipped with the AI and digital tools they need to thrive in the new AI-driven economy.

Danone repositioned its venture Fund, Danone Ventures, with objectives to focus on new health and agriculture technologies.

## Manage our portfolio

The fourth pillar of "Renew Danone" was a tighter management of Danone's portfolio, seeking to dispose or divest of activities that were underperforming and/or not fitting with Danone's strategic agenda. In the 2022-2024 period, the company rotated around 9% of its revenues,

with notably the sale of *Michel & Augustin* in February 2024, the sale of *Horizon Organic* and *Wallaby* businesses in April 2024, and the disposal of its EDP business in Russia in May 2024.

This was complemented with small, but strategic acquisitions, for example of *Functional Formularies* and *ProMedica* in the medical nutrition category.

## Critical enablers

Finally, the Renew Danone four strategic pillars were underpinned by four critical enablers. The Group has already worked on transforming initiatives on all of them:

- rebuild strong capabilities, with (i) a greater focus on Research & Innovation and operations, (ii) transformed IT and data and (iii) more integrated shared-service centers;
- drive a major cultural shift, evolving short-term and long-term incentives but also driving a performance culture and constructive dissatisfaction mindset;
- align performance and purpose to build a more sustainable Group, leveraging Danone pioneering role in this area (attested by ATNi – Access to Nutrition initiative, CDP, MSCI ESG index), protecting its license to operate but also generating more impact for its sustainable initiatives by ensuring they are systematically supported by a strong business case;
- ensure Danone relies on sustainable business models through initiatives which create resilience and competitiveness for Danone and for its natural and human ecosystem. Danone's pioneering role in sustainability and unique health portfolio enables to deploy projects at scale with impact.

## RENEW DANONE NEXT CHAPTER

After two years of material progress, Antoine de Saint-Affrique and the leadership team opened in June 2024 the next chapter of the Renew strategy at Danone's Capital Market Event. Danone's next chapter will build on the fundamentals re-established between 2022 and 2024: science and innovation, operational and executional discipline, and proactive portfolio management.

In particular, Danone will project itself into the future of health and nutrition by transforming, whilst driving performance:

- Gradually pivoting the way it addresses its categories, notably protein and gut health;
- Broadening some of its business models, accelerating in "away-from-home" and medical nutrition;
- Further expanding its geographic footprint.

## Pivoting the way we address our categories

Danone will gradually pivot the way it addresses its categories, looking at its markets in a consumer and patient-centric way. This then changes the way Danone looks at its categories from yogurt to gut health and protein expert, from plant based to plant powered, from waters to healthy hydration. In parallel, the Group is driving the success of its medical nutrition business to address the structural trend of ageing populations, whilst evolving infant milk into a more differentiated, more value-added early-life nutrition business.

## Broadening some of our business models

Danone will broaden some of its business models to respond to external trends and capitalize on growth areas. For example, the Group is extending its patient journey by developing its presence in post-discharge care, as well as homecare. The company is also accelerating its away-from-home offer in Essential Dairy Products and Plant-Based as well as Waters.

# 2 OVERVIEW OF ACTIVITIES, RISK FACTORS

## 2.3 Description and Strategy of the Zones

### Further expanding our geographic footprint

Danone will keep winning in the geographies where it is strong and has a balanced portfolio, like Europe, while expanding where its presence is narrow, like in the US, but also catching some opportunities in geographies where it has low presence, such as India or South-East Asia.

### Moving to the front foot on portfolio management

The Group will take a more balanced approach to its portfolio management. It will be more active on the acquisitions side, focusing on targets that fit with its strategy, whilst having a positive contribution to its financial performance. At the same time, Danone will continue to optimize its portfolio, in order to strengthen the Group in the long term.

### Committed to long-term value compounding model

Committed to a long-term value compounding model, Danone aims to consistently deliver attractive returns, and expects, for the 2025-2028 period, like-for-like net sales growth between +3% and +5%, and recurring operating income to grow faster than sales.

This financial guidance should allow Danone to deliver a structurally double-digit return on invested capital (ROIC) and progress towards its long-term ambition of sustainably delivering €3 billion free-cash-flow.

## 2.3 DESCRIPTION AND STRATEGY OF THE ZONES

Starting 2022, as part of its Renew Danone strategy, Danone monitors and evaluates its operational performance by geographical zones to reflect the implementation of its new Local First organization.

## EUROPE

### Market and Zone description

Europe is Danone's largest operating geographical zone, covering more than 20 markets and serving more than 500 million consumers and patients across all channels. It generated €9.6 billion net sales in 2024 (35% of Danone total net Sales), with a balanced portfolio covering all categories: dairy products, plant-based products, yogurt & desserts, Waters, Specialized Nutrition which includes infant milk formulas, pediatric specialties, adult medical nutrition, and baby food. Most of the medical nutrition products (that are often reimbursed by healthcare systems) are recommended or prescribed by healthcare professionals (doctors, medical personnel in hospitals, nursing homes and pharmacies).

The zone is home to over 26,000 Danone employees and to a powerful network of R&I, manufacturing and logistics assets.

Europe is the historical birthplace of Danone, where the first yogurt was made and sold in a pharmacy in Barcelona over 100 years ago. Today, the geographical zone is home to some of Danone's most iconic brands with strong resonance and heritage and leverages a balanced portfolio of global brands (*Aptamil*, *Actimel*, *Activia*, *Danone*, *Alpro*, *Nutricia*, *evian*, *Volvic*) and strong regional and local brands in all Categories (e.g., *Danette* in Dairy, *Zywiec Zdroj* in Waters in Poland, *Blédina* in baby food in France), delivering health, nutrition and positive impact for consumers and patients across their life. Danone's largest markets in Europe are France, the United Kingdom, Spain and Germany.

Danone is market leader, in 2024, in all the Categories in Europe where it plays.

Today more than ever, European consumers are looking for great-tasting, natural and sustainably produced foods and nutritional solutions that supports their health and their immune systems and that can be consumed at different moments throughout the day via convenient formats.

Europe zone is highly committed to sustainability and has a strong roadmap in place, for example:

- to reduce water usage and protect all the watersheds where Danone operates with robust integrated water resources management programs;
- to support farmers' transition to Regenerative Agriculture. Moré Holstein farm in Spain, which has partnered with Danone for more than 40 years, became the first B Corp™ certified farm in Europe in 2024;
- to increase the use of recycled PET in key water brands such as *evian* and *Volvic*;
- to expand the Group medical nutrition ranges with hybrid source of protein, providing high nutritional value at a lower carbon footprint.

### Strategy

Aligned with Danone's mission, Europe zone aims at bringing health through food to as many people as possible, impacting positively people's health and planet and delivering sustainable profitable growth, always putting consumers & patients at the center. Leveraging the Renew Danone strategic framework, Europe's strategy mainly focuses on:

- the strengthening of Danone's competitiveness in core Categories pushing for innovation & product superiority, starting with Dairy in immunity, gut health, and indulgence, alternatives to dairy proteins leveraging *Alpro* brand value, infant milk formula and medicalized solutions from infant to adult, building on the strength of Danone trusted brands and unique market access model;
- the accelerated expansion in attractive and growing segments such as high protein, adult medical nutrition or flavored beverages, while also continuing to expand in growing channels such as e-commerce, pharmacies, discounters or away-from-home.

## NORTH AMERICA

### Market and Zone description

North America is Danone's second geographical zone contributing to 24% of total Sales in 2024 (€6.6 billion), composed of the United States and Canada. North America's scope spans leading or strong challenger positions across several Categories:

- **Yogurt:** the category which is the largest in the zone, consists of trusted brands with strong heritage and local relevance, such as *Oikos*, *Activia* and *Too Good*. Danone is the market leader in both the United States and Canada;
- **Coffee creations:** the business comprises coffee creamers and ready-to-drink coffee beverages, mainly sold under the *International Delight* and *Stok* brands, enabling consumers to replicate the coffeehouse experience at home or on the road;
- **Plant-Based:** the business, spanning *Silk* and *So Delicious* brands, offers beverage and food products that help consumers diversify their sources of protein and enjoy nutritional and great-tasting dairy-free offerings;
- **Specialized Nutrition:** the business in North America is a market leader in the organic baby food and organic infant milk formula categories, led by the *Happy Family* brand. The *Nutricia* brand

continues to expand in North America, anchored in pediatric specialties, tube feeding, faltering growth, and frailty, and the *Happy Family* brand is a market leader in the organic baby food and organic infant formula categories;

- In Waters, Danone is present in North America through the *evian* brand.

North American consumers' fundamental demand drivers continue to be well served by Danone, emphasizing a heightened desire for health and wellness, sustained at home eating, accelerated digital shopping and engagement, and elevated social connectivity.

### Strategy

In North America, Danone's strategy focuses on growing its category-leading and consumer-centric brands across its priority segments, as well as creating joint value with customers to broaden reach with shoppers. Efforts are underpinned by strengthening and developing winning capabilities to enable growth, efficiency, and structural advantage, as well as a strong focus on unlocking the power of its people to drive a culture advantage.

## CNAO

### Market and Zone description

The CNAO (China, North Asia & Oceania) geographical zone operates across four markets (China, Japan, Australia, and New Zealand). It generated €3.7 billion sales in 2024 (13% of Danone total sales). In CNAO, Danone holds leading or strong challenger positions across all categories and territories where it plays and is gaining share with a compact portfolio of locally relevant value propositions.

In China, the barycenter of the geographical zone and Danone's second largest market, the Group has built three solid business platforms with distinctive assets:

- infant milk formula is Danone's largest platform, a clear leader among multinational companies thanks to a competitive portfolio of premium Chinese and international labels, supported by global and local science. The *Aptamil* brand is a leading brand in the market, and the most successful global infant milk formula brand in China today. Danone continues to add value through leading innovations with cutting-edge formula aiming to be one step closer to human milk, while excelling in consumer engagement and market efficiency, supported by advanced digital capabilities;
- in addition to infant milk formula, Danone holds a prominent position in two key therapeutic areas within the medical nutrition sector: adult enteral nutrition and pediatric nutrition for allergy and growth challenges. The Group is present in over 90% of the top tier hospitals and serves more than half of total China's hospital patients, enjoying a strong reputation among authorities and scientific experts. Moreover, Danone is expanding its reach beyond hospitals and into communities through its oral nutritional supplements (ONS);

- finally, Danone beverage category, centered around the *Mizone* brand, operates a lean and efficient business model with a significant local manufacturing footprint, achieving industry leading productivity and a cost-effective route to market for convenience stores and traditional trade. Consumed by over 350 million urban Chinese, *Mizone* enjoys extensive numerical distribution and holds the leading position in functional beverages, thus spearheading the expansive beverage category.

Danone Japan is committed to driving growth in the fresh dairy and plant-based categories. A strong challenger, it holds the top position in protein yogurt and ranks fifth in the dairy category and is rapidly growing, bolstered by functional brands *Bio (Activia)* for gut health and *Oikos* for high protein. Furthermore, Danone leads the plant-based oat milk category with the launch of *Alpro* brand. The Group excels in driving category premiumization by offering products with differentiated functional benefits.

In Australia and New Zealand, Danone is the clear leader in infant milk formula and healthcare nutrition.

### Strategy

CNAO is a growth focus for Danone and will continue to leverage its proven local assets and resilience to push for further market share gains, as well as diversifying the portfolio by entering adjacent categories where appropriate.

# 2 OVERVIEW OF ACTIVITIES, RISK FACTORS

## 2.3 Description and Strategy of the Zones

To execute this strategy, Danone will leverage its digital and data expertise, to enhance media efficiency and content effectiveness, master social and e-commerce, as well as strategically control the expansion of route to markets. Danone's leading-edge global science will be further complemented by local real-world evidence from health tech initiatives, demonstrating its impact on local health through nutrition.

Leveraging its robust R&I infrastructure in China, Danone drives tailored innovations for the Chinese market while delivering scalable solutions with global impact, positioning itself at the forefront of domestic and international growth opportunities.

## LATIN AMERICA

### Market and Zone description

In Latin America, the Group benefits from a portfolio of strong local and global brands that have a great consumer relevance. In 2024, the geographical zone generated €3.0 billion net sales (11% of Danone's total net Sales) across all Categories mainly in Mexico, Brazil and Argentina.

Dairy and Plant-based products are distributed in all main countries of the zone (Mexico, Brazil, Argentina and Uruguay) with leadership position on high protein and kids products notably. Main brands available in Latin America are *Danone*, *Danonino*, *La Serenisima*, *Activia* and *Danette*.

Specialized Nutrition is available for both infants and adults. In Argentina, Danone is the number one player of both segments. Global brands are well deployed across markets with the distribution of *Aptamil*, *Nutrilon*, *Neocate* and *Nutridrink*.

Waters relies on powerful local brands such as *Bonafont* (number two in Mexico) or *Salus* in Uruguay, which stands as undeniable market leader with +70% market share. The Category plays an important role in countries where tap water is considered unsafe.

### Strategy

Latin America is a key region for the Group, where Danone will keep focusing on profitable growth through the following levers:

- drive essentiality and superiority of core business;
- accelerate on functional and kids propositions in Essential Dairy Products;
- expand across channels;
- keep creating value whilst delivering on Danone Impact Journey.

## REST OF THE WORLD

### Market and Zone description

The Rest of the World geographical zone is made up of mostly emerging markets and approximately covers half of the world population. In 2024, the zone generated sales of €4.5 billion (16% of Danone's total sales), across all Danone's Categories:

- in Specialized Nutrition with large presence in the zone and leading position in infant milk formulas in several countries and regions: Indonesia, Thailand, Malaysia, UAE, Turkey and, several countries in Africa;
- in Dairy, with presence in several countries across the African continent, where Danone is the leader in fresh dairy overall and in Turkey and Central Asia;
- in Waters, with leading positions notably in Indonesia, and Turkey.

The Group benefits from a portfolio of strong local and global brands, that have a deep consumer connection:

- heritage brands that contributed to create and build Categories, such as *Danone*, *Danonino*, *Activia* and *Danette* (EDP), *AQUA* (Waters), *SGM* (Specialized Nutrition) in Indonesia, *Bebelac* in Indonesia, Turkey, Middle East and North Africa, *Dumex* in South-East Asia, *Ultramel* and *Nutriday* in South Africa, *Fan Milk* in West Africa, *Jamila* and *Salim* in Morocco, *Aptamil* in Turkey, Middle East, North Africa and India, etc.;

- continued ability to grow new platforms such as:
  - IDA (Iron Deficiency & Anemia) across local and regional brands such as *Bebelac*, *Nursei*, *SGM* and *Dumex*,
  - Extending the Nutrition Journey beyond two years of age with *HiQ Ready to Drink* offers;
  - Indulgence (with *Danette* and *Oikos*),
  - Kids in Africa and Turkey,
  - Affordable nutrition (e.g. Nigeria, Algeria with *Treffle*) and Egypt with *El Baraka*.

Danone sells its products across channels, with presence in millions of traditional and proximity stores, serving the fast-growing modern trade channel, hospitality as well as specialized channels like pharmacies. E-commerce is now developing across the geographical zone and Danone is leading this trend, enjoying strong e-commerce positions in South-East Asia for example.

The zone focuses its sustainability efforts on actions that are locally relevant and fully contributing to the Danone Impact Journey. Examples include:

- an affordable infant milks and cereals formula offering that help consumers tackle iron deficiency;
- continued efforts to lead circularity in Indonesia;
- a commitment to develop a sustainable milk value chain (impacting thousands smallholder farmers in its milk collection network in Africa); and
- solid watersheds preservation programs.

**Strategy**

Rest of the World will continue to be a growth engine for Danone, with a focus on:

- driving its core portfolio of Dairy, Waters and Specialized Nutrition brands e.g., expanding Specialized Nutrition for scale in India, South-East Asia, Africa, and Middle-East;
- fixing some of its underperforming cells, e.g., in Dairy Africa;
- winning with (i) a two-tier approach premium and affordable across Specialized Nutrition and Dairy Africa and Water in Indonesia, (ii) e-commerce, and (iii) strengthening its route to market expansion in general trade across the region.

**2.4 OTHER ELEMENTS RELATED TO DANONE'S ACTIVITY AND ORGANIZATION**

**DISTRIBUTION**

Although they vary to reflect local specificities, Danone's distribution models reflect five main approaches:

- distribution aimed at major retail chains (hypermarkets, supermarkets, chained convenience, discounters);
- distribution to traditional independent proximity market outlets;
- distribution to e-commerce channels;
- distribution to away-from-home outlets (e.g., hotels, restaurants, coffees);
- distribution to specialized distribution channels (hospitals, clinics, pharmacies and homecare).

Danone is constantly streamlining its logistics flows in order to improve service quality while reducing costs. This policy is based on an ongoing assessment of its organization, notably through outsourcing of distribution in collaboration with specialized companies.

**Major retail chains (hypermarkets, supermarkets, chained convenience, discounters)**

Danone establishes global partnerships with its main customers in order to help develop the sales of its products. These partnerships are based on jointly developed business plans that cover all aspects of the global collaboration and highlight the key growth pillars such as logistics collaboration, channel specific sales development, Categories development, global sustainability projects such as food waste, recycling programs, health improvement programs or food safety management.

More specifically, Danone has taken several initiatives to work closely with large retailers in order to optimize the flow of goods and the inventory levels of its customers with the Efficient Consumer Response (ECR) approach. In addition to inventory management, automatic inventory replenishments and just-in-time delivery, ECR aims at working with distributors to better manage consumer demand and expectations at the sales points. To that end, the Group has implemented shared inventory management systems with its leading distributors that are used to coordinate inventory levels among stores, as well as at the distributors' and Danone's warehouses.

Danone also works with its customers to develop specific marketing activities such as joint promotions that answer consumers' needs in each market and channel.

With its unique positioning & portfolio, Danone is a privileged partner for its customers on joint sustainability agenda – developing value creation initiatives around health, planet & social responsibility.

**Traditional independent market outlets**

Globally, and in the emerging countries particularly, a large portion of Danone's sales is generated through traditional market outlets. An in-house sales force and/or exclusivity agreements with distributors or wholesalers represent a competitive advantage for the Group in countries in these markets.

Moreover, in Latin America and Asia, a significant portion of the Waters offer is directly distributed to consumers (Home & office delivery – HOD).

Finally, in emerging countries, Danone is developing new local retail models through large networks of independent sellers to provide access to affordable healthy products.

# 2 OVERVIEW OF ACTIVITIES, RISK FACTORS

## 2.4 Other elements related to Danone's activity and organization

### E-commerce

Danone is stepping up its capabilities in e-commerce and satisfy growing consumer demand through this specific business model. There are mainly three different types of e-commerce:

- brick-and-mortar players (retailers that sell online on top of their core business in physical stores);
- pure players (companies selling exclusively online);
- direct to consumer (a proprietary Danone website that enables sales directly to consumers without intermediaries) & other growing e-commerce sub-channels such as quick commerce, social commerce & e-pharmacy.

Danone works with its customers to make the most of the growing share of grocery sales happening online. For example, exclusive online, tailor-made content is key to ensure consumer understanding and trust in Danone's products.

### Away-from-home outlets

Danone products are distributed in away-from-home outlets (e.g., hotels, restaurants, coffees, travel, institutions such as schools or offices, etc.) which is the opportunity to expose Danone brands, recruit new consumers, embrace and develop habits of consumption. Danone partners both with major chained players and independent points of sale (usually leveraging local distributors as intermediaries).

### Specialized distribution channels (hospitals, clinics, pharmacies and homecare)

For the Specialized Nutrition Category, a significant portion of products are marketed in hospitals, clinics and pharmacies, through specialized distributors or following a tendering process. In homecare, the medical nutrition products and services (e.g. nursing services, education and care) are provided directly to patients at home. Danone also maintains an ongoing relationship with healthcare professionals through its medical representatives, who meet with general practitioners and specialists (pediatricians, allergists, oncologists, geriatricians, nutritionists, dieticians, etc.), as well as pharmacists.

## COMPETITION

The packaged food and beverage sector is highly competitive due to the large number of national and international players. Danone is confident that its strategy for profitable growth is strongly supported by the quality, taste, affordable cost and innovative nature of its products, and by its powerful brand image in the key areas of health, nutrition and societal and environmental responsibility.

Danone believes that strong local market positions are key to success in the food and beverage industry and strives to be the leader in each segment and in every country where it operates, while remaining compliant with competition law and regulations. This strategy enables it to build a long-lasting, balanced and constructive relationship with major distribution networks, by marketing key products yielding growth and profitability for both parties.

Category	Product range	Competitive environment
<b>EDP</b>	Fresh dairy products	Large multinational food and beverage companies (Nestlé, General Mills, Lactalis, Müller), many predominantly local companies specializing in certain product lines or markets (e.g. Chobani, Wimm-Bill-Dann, FrieslandCampina, Lala, Meiji, Arla, Fage), and private labels.
	Plant-based products	A few large international companies (Coca-Cola, Hain Celestial, Nestlé, Unilever), predominantly local companies specializing in certain product lines or markets (Blue Diamond, Califia Farms, Triballat, Ecotone, Oatly, Valsoia, Chobani, Upfield) and private labels.
	Coffee creations	A few large food and beverage multinationals (e.g. Nestlé, PepsiCo), predominantly local companies specializing in certain product lines or markets (e.g. Chobani) and private labels.
<b>Specialized Nutrition</b>	Early life nutrition	Multinational early life nutrition companies (Abbott, Reckitt/Mead Johnson, Nestlé) and some local companies and/or companies specializing in certain product lines or segments (e.g. HIPP, Kendamil Biostime, a2 Milk, Yili, Feihe).
	Adult nutrition	Multinational clinical nutrition and pharmaceutical companies (Nestlé, Abbott, Fresenius) and some local companies specializing in certain product lines or segments (e.g. Nutrisens, Nualtra, Aymes).
<b>Waters</b>	Waters	International beverage companies (Coca-Cola, PepsiCo, Nestlé) and local companies (e.g. Mayora in Indonesia, Nongfu and China Resources in China, Neptune in France).



## RESEARCH AND INNOVATION

Danone's purpose is to bring health through food to as many as possible. Danone Research and Innovation is dedicated to crafting superior products and solutions for consumers and patients at every stage of life. With over a century of experience in addressing consumer needs, Danone Research and Innovation operates as a unified team of 2,000 esteemed experts, introducing over 900 new products annually across more than 50 countries. At Danone, product development is driven by the goal of providing the best user experience possible with products that are delicious, convenient, affordable, and sustainable, in line with Danone Impact Journey commitments.

Danone Research and Innovation is at the forefront of shaping the future of nutrition, supported by more than 200 scientific publications and Congress abstracts, 200 clinical studies, and a portfolio of 5,000 patents.

Danone Research and Innovation directs its scientific and technological resources towards key areas considering emerging trends and insights in everyday nutrition and hydration, gut health, children development, immunity and allergy management, physical energy and performance, mental well-being and brain health, and recovery.

To achieve these goals, Research and Innovation relies on:

- a robust network of more than 2,000 experts spread across:
  - one global Research & Innovation Center at two locations (Paris-Saclay, France and Utrecht, The Netherlands), leveraging their respective science & technological capabilities and eco-systems,
  - six specialized centers in packaging (France), in precision nutrition D-Lab (Singapore), in fresh dairy technology (Spain), in Plant-based (Belgium and USA) and in Specialized Nutrition (China),
  - 55 local Danone subsidiaries;
- consumer centricity: offering superior and innovative solutions for consumer and patient experiences, nutritional quality, and environmental respect, aligning with market expectations;
- healthy portfolio: regularly assessing the nutritional quality of Danone's portfolio, emphasizing WHO (World Health Organization) guidelines and monitoring sugar content, see section 5.4 *Social information*;
- sustainability by design: continuously improving products and processes from quality, decarbonization, and sustainability perspectives, focusing on plant-based and alternative protein sources, and reducing carbon footprint with circular packaging;
- cooperation initiatives and partnerships: collaborating with top universities, academic research centers, suppliers, industry players, and start-ups globally.

Danone has successfully filed a total of 39 patents in 2024, including several key patents in various innovative areas. Additionally, two digital health technology patents have been filed, further demonstrating Danone's commitment to advancing health and nutrition technology.

In 2024 Danone has a record of 114 publications and 111 congress abstracts. Key publications highlight significant work on *Nuturis*, *Nutrison*, and toddler synbiotics (GUMLi – Growing-up Milk Lite), reflecting the Group's dedication to research and development in nutritional science.

Danone has achieved significant clinical evidence, with new data on cesarean sections demonstrating microbiome restoration up to one year of age and fewer reported illness episodes at one year. The Hugs study led to FDA (Food and Drug Administration) approval, permitting the launch of an organic infant formula range in the United States, which includes Danone's patented pre- and probiotic blend (*Happy Family*). The objective of the study was to demonstrate the equivalence in daily weight gain between infants fed with the new patented formula vs those fed with control formula.

Other notable studies include the Marvel study with the *Dugro* brand in Thailand to support developments regarding improved growth and fat-free mass in 90 days, the Poobiome study to predict microbiome, the Multibiotics pilot trial, and the *Oikos* protein absorption study in Japan.

Danone has made remarkable progress in the realm of digital health, amassing over 16 million digital health data points and conducting four digital health technology pilots in adult medical nutrition. This advancement highlights the Group's dedication to integrating digital health solutions into their nutrition offerings.

### R&I DIGITALLY DRIVEN

Six flagships identified by Danone underscore the Group's commitment to pioneering advancements in the field of nutrition and health, ensure excellence and optimize performance across the organization. They reflect a holistic approach to advancing health and nutrition, while ensuring that Danone remains a leader in the industry.

These initiatives, detailed hereafter, are strategically divided into two categories: those aimed at creating strong value and inventing the future of food, and those foundational to driving business superiority.

The integration of digital services and robust data platforms is transforming the way Danone approaches health and nutrition. By harnessing the power of digital technology, the Group is able to offer personalized nutrition solutions and gain deeper consumer insights.

### Creating Strong Value and Inventing the Future of Food

#### Gut Health and Microbiome

Danone's focus on gut health and the microbiome is pivotal, as it plays a crucial role in overall health and well-being. The Group is dedicated to developing new products that support gut health, leveraging advanced research and scientific insights.

#### *In silico* Modeling and Simulation Platform

Danone is investing in advanced *in silico* modeling and simulation platforms to drive innovation. These technologies enable the Group to simulate and predict the effects of various nutritional interventions, accelerating the development of new products.

### Advanced Science and Tech for Next Gen Research and Innovation

Leveraging cutting-edge science and technology, Danone is at the forefront of next-generation Research and Innovation. This includes exploring new scientific frontiers and applying the latest technological advancements to create groundbreaking nutritional solutions.

# 2 OVERVIEW OF ACTIVITIES, RISK FACTORS

## 2.4 Other elements related to Danone's activity and organization

### Foundational Flagships to Drive Business Superiority and Team Performance

#### PLM and Data Foundational Projects

Product Lifecycle Management (PLM) and data foundational projects are essential to Danone's operational excellence. These initiatives ensure that the Group can efficiently manage its product portfolio and leverage data to drive strategic decisions.

#### Consumer Insights for Quality and Product Superiority

Understanding consumer needs and preferences is critical for delivering high-quality products. Danone's focus on consumer insights allows the Group to continuously improve its offerings and maintain product superiority in the market.

#### Digitization and Efficiency for Research and Innovation Processes

The digitization of Research and Innovation processes enhances efficiency and effectiveness. By streamlining operations and utilizing digital tools, Danone is able to maintain high standards and foster continuous improvement.

#### Research and Innovation Evolving Operating Model

The Research and Innovation framework is structured around four key pillars:

- consumer and patients understanding;
- medical and nutrition sciences;

- advanced technologies;
- categories products design, zones deployment and activation.

In order to capitalize on our global scale while maintaining local relevance, we strive to develop distinctive, market-leading products on a broad scale. The newly established operating model functions as a multiplier by adhering to three fundamentals principles:

- interdependence: accomplishing tasks that cannot be achieved independently;
- independence: exercising autonomous decision-making;
- dependence: relying on the support and collaboration of others.

This transformation transitions the Research and Innovation organization from a globally driven model for our international brands and platforms to a cohesive global consumer/patient proposition and a unified product framework.

#### Research and Innovation People

The Danone Experts Program is a framing for those with a scarce, deep-rooted understanding and proficiency in a particular field or domain which is strategically significant for Danone.

Danone Research and Innovation is proud to have fellows and experts who have shown great expertise and dedication in their respective fields, highlighting Danone's commitment to fostering talent and innovation within its ranks.

Further details about Research and Innovation's strategy and activities are available on Danone's website: [www.danone.com](http://www.danone.com).

## PRODUCTION SITES AND EQUIPMENT

Danone has production facilities in its principal markets around the world. The Group's general policy is to own its production facilities. Danone's many production facilities are widely dispersed internationally, except for those producing Specialized Nutrition products, which are more concentrated. As of December 31, 2024, Danone had 151 production sites.

Danone also rents some facilities, notably offices and warehouses.

The production sites are inspected regularly to assess potential improvements to quality, environmental protection, human rights, safety and productivity.

## RAW MATERIALS PURCHASING

Danone's raw material needs consist primarily of:

- materials needed to produce food and beverage products, mainly milk, fruits and sugar. In terms of value, milk is the main raw material purchased, primarily in the form of liquid milk, for which the operating subsidiaries typically enter into agreements with local producers or cooperatives. Its price is set locally, over contractual periods that vary from one country to another. The other main food raw materials are prepared fruit products;
- product packaging materials, in particular plastics and cardboard. Packaging purchases are managed through regional or global purchasing programs to optimize skills and volume effects. Prices are influenced by supply and demand at the global and regional levels, economic cycles, production capacities and oil prices;
- energy supplies, including electricity and gas for factories and diesel for transportation.

Danone's strategy increasingly focuses on the upstream portion of its activities and in particular its supply of raw materials, not only to manage its costs but also to make it a source of value creation, supply chain resilience, and competitive differentiation.

Since fluctuations in the price of its main raw materials can impact the structure of its results, Danone takes the following measures to manage cost volatility:

- continuous productivity gains: Danone strives in particular to optimize its use of raw materials (reduction in production waste, lighter packaging, more effective use of milk subcomponents in its products, reduction of energy consumption and shift toward renewable energies) and take advantage of pooled purchasing, for example through centralized management of ingredient and packaging purchases;
- Market Risk Management (MRM) purchasing policy defining the rules for securing the physical supply and for setting prices with suppliers and/or on financial markets when they exist. The Global procurement team monitors exposures and implements the purchasing policy for each raw materials category, with support from the Finance MRM team for the price setting strategy.

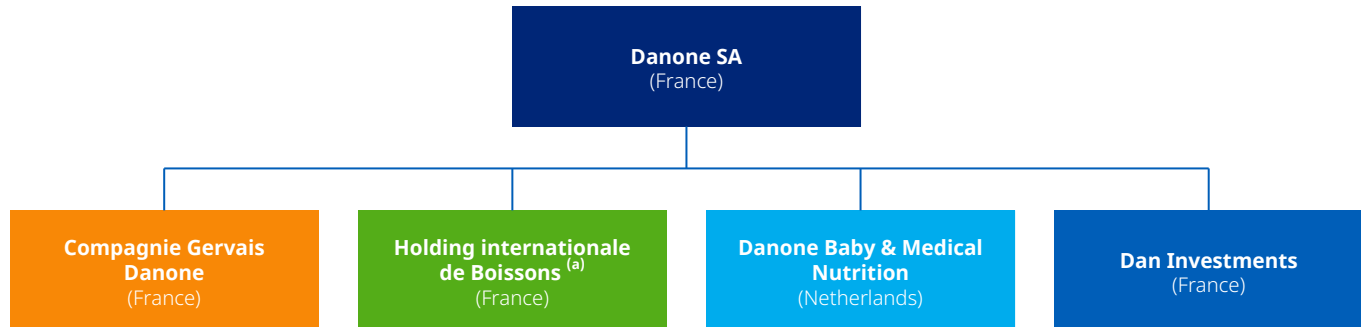
## REGULATORY ENVIRONMENT

Danone carries out its activities in a complex, fast-changing and increasingly stringent regulatory environment.

Danone's products are subject to various local, national and regional laws and regulations in such varied fields as product safety, health and nutrition claims, production, labelling, packaging, storage, transport, distribution, marketing, product advertising and use. In the many countries where the Group operates, it is also subject to a wide range of environmental laws and regulations regarding the use of plastics, food waste, energy, waste management, water treatment, greenhouse gas emissions and, more generally, environmental protection.

Moreover, some countries regulate Danone's activities by issuing permits and inspecting its plants and production sites, by requiring registration before it can sell or refund certain products, by applying standards for some food products and by classifying food products and/or regulating commercial practices related to the sale and price-setting of food products. Many of the food ingredients used by Danone in its activities are subject to the governmental agricultural policies and intervention. The focus on issues related to human rights in the sector's supply chains has led to the drafting of regulations in many countries. These regulations and policies are subject to regular governmental and administrative controls.

## 2.5 SIMPLIFIED ORGANIZATIONAL CHART AS OF DECEMBER 31, 2024



(a) Indirectly owns Évian Resort, which operates the Évian casino and is therefore subject to the supervision of the French Ministry of the Interior and to the regulations applicable to gaming activities in casinos

### Geographical Zones

- Europe <sup>(a)</sup>
- North America <sup>(b)</sup>
- China, North Asia & Oceania <sup>(c)</sup>
- Latin America <sup>(d)</sup>
- Rest of the World <sup>(e)</sup>

### Categories

- Essential Dairy & Plant-Based (EDP)
- Specialized Nutrition
- Waters

(a) Europe incl. Ukraine.

(b) United States and Canada.

(c) China, Japan, Australia and New Zealand.

(d) Mexico, Brazil, Argentina and Uruguay.

(e) Rest of the World including Asia-Pacific, Africa and Middle East.

## PARENT COMPANY DANONE SA

Danone SA is the parent company of the Group. It has mainly a role of (i) holding by directly or indirectly owning, in particular through its four main sub-holdings listed above, companies of the group, and (ii) coordination of the main functions and activities, with an average number of 1,153 employees in 2024.

## SUBSIDIARIES

The list of Danone's consolidated subsidiaries can be consulted on Danone's website [www.danone.com](http://www.danone.com).

## MAIN LISTED COMPANIES

	As of December 31, 2024	
	Category	Listing market
Fan Milk PLC <sup>(a)</sup>	EDP	Ghana (Africa)
Lifeway Foods Inc <sup>(b)</sup>	EDP	United States

(a) Fully consolidated company.

(b) Non-consolidated company.

## 2.6 RISK FACTORS

### IDENTIFICATION AND CONTROL POLICY OF STRATEGIC RISKS

Like any Group, Danone faces external and internal risks as well as uncertainties in the implementation of its strategy and in the conduct of its business. The main specific risks Danone believes it is exposed to as of the date of this Universal Registration Document are described in the following section. Other risks that could adversely affect the Group in the future may exist; they may be general risks or risks that Danone is unaware of or considers non material as of the date of this Universal Registration Document.

Danone maintains an active risk identification and management policy aimed at protecting and developing its assets and reputation, achieving its targets and objectives, and protecting the interests of its consumers, shareholders, employees, customers, suppliers, the environment, the people impacted by its activity, and its other stakeholders without guaranteeing the total absence of risks.

The Company Strategy Department, part of both the Group Finance Direction and the Sustainability and Strategic Business Development Direction, is responsible for identifying and monitoring Danone's strategic risks, and for coordinating the different processes for managing them.

To that end, the Company Strategy Department is supported by the Risk Committee, a group of senior executives from key functions in the Group. This Committee notably ensures emerging risks are identified and qualified – incorporating internal and external inputs, and that mitigation plans are elaborated and executed.

The strategic risk mapping takes the form of a net risk mapping hierarchy based on their likelihood of occurrence and their estimated financial impact on the Group, as described hereafter.

#### Methodology

This risk mapping is prepared and updated annually by the Company Strategy Department. This process is part of the annual strategic planning cycle and results in the development of a new mapping with its related preventive actions. The following methodology is used:

- identification of the risks considered as material by Country Business Units, with support from the main corporate functions;
- consolidation of the major risks at Group level and integration of systemic risks not perceptible at the Country Business Unit level;
- ranking of risks based on their likelihood of occurrence and estimated financial impact, at the level of a Country Business Unit or of the Group;
- determination of preventive or corrective actions, which may be global, or specific to the Country Business Units.

#### Risk monitoring

The most material risks are reviewed during specific meetings of Country Management Committees attended by the General Manager and under the responsibility of the financial director of the country. These meetings happen at least once a year in all Country Business Units (CBUs) of the Group.

Risk Committee is gathering regularly during the year, and is supervised by the Advisory Committee composed of Chief Financial Officer, General Secretary and Company Strategy Head.

A review of the most significant risks is also presented once a year by the Head of Company Strategy to the Executive Committee of Danone. A mapping of Danone's major risks and risk mitigation plans are reviewed and assessed. This work serves as the basis for the presentations made to the Audit Committee and to the Board of Directors.

### MAIN RISK FACTORS

The summary table of most material risks specific to Danone hereafter presents the classification of the risks in three types: (1) Strategic risks, (2) External Environment risks and (3) Operational risks.

Danone's main risks have been assessed on the basis of the probability of their occurrence and the expected magnitude of their negative impact, after taking into account risk management measures effect (i.e. "Net" risks), to give an assessment of the materiality of each risk. The most material risks are mentioned first in each type and the materiality of each risk is disclosed by using a three-level rating scale (**strong**, **medium**, **low**) as follows.

Note that the risks represented in Chapter 5 are "Gross" risks, meaning before any risk management measures effects.

<b>Strategic risks</b>	<b>strong</b>	Over reliance on principal markets and exposure to geopolitical economical and societal instability
	<b>strong</b>	Packaging
	<b>strong</b>	Fast changes in consumer preferences
	<b>medium</b>	Retail shift
<b>External environment risks</b>	<b>strong</b>	Raw materials and energy price volatility & availability
	<b>strong</b>	Impact of climate change on value chain
	<b>medium</b>	Currency volatility
	<b>medium</b>	Legal & Regulatory
	<b>medium</b>	Sanitary crisis
<b>Operational risks</b>	<b>medium</b>	Cybersecurity
	<b>medium</b>	Food safety & product quality issues
	<b>medium</b>	Shortage of talent
	<b>medium</b>	Business transformation

The description of main risks specific to Danone, with their possible negative impacts and measures implemented to manage them are set out hereafter.

## DESCRIPTION OF MAIN RISK FACTORS

### Strategic risks

Description	Management measures
<p><b>strong</b> <b>Over reliance on principal markets and exposure to geopolitical, economical and societal instability</b></p> <p>In 2024, Danone's top-5 markets (United States, China, France, Indonesia and Mexico) accounted for 52% of its consolidated sales. Any poor performance by one or more of Danone's businesses within one or several of these five countries, due to economic slowdown, political instability, geopolitical tensions, sanitary crisis, more stringent regulations, or for any other reasons, would be likely to have a negative impact on Danone's activities and results of the whole Group, thus jeopardizing the achievement of its strategic mandates and financial objectives.</p> <p>This is particularly relevant for China, Danone's second largest country in terms of contribution to the Group's Sales (around 10%) and the largest in terms of contribution to its profits. Danone's business in China is articulated around three activities: infant milk formula, medical nutrition and functional beverages.</p> <p>Within Specialized Nutrition, infant milk formula products sold to Chinese consumers are mostly manufactured in factories located outside China. Changes in public policies or regulation, such as a more stringent regulation of cross-border trade, could lead to significant adverse effects on the sales, margin and financial position of Danone in China and globally.</p>	<p>One of Danone's key priorities is to further build out the resilience of the Group, both at company and country-level. With this in mind, Danone has elaborated a strategy building on:</p> <ul style="list-style-type: none"> <li>■ strong positions in the markets in which it operates with special attention to the principal markets;</li> <li>■ local synergies across categories and channels, enabled by the Group operating model;</li> <li>■ significant synergies across regions to mitigate local risks such as global innovation or global procurement of important raw materials. Danone regularly reviews its portfolio with an objective to balance its strategic opportunities and risks across Categories and geographies.</li> </ul> <p>In parallel, Danone has developed a reporting system to monitor its activity and the potential impact of economic conditions in countries where it is present. Specifically, regarding the resilience of Danone's model in China, the company has:</p> <ul style="list-style-type: none"> <li>■ actively refocused its infant milk formula on controlled channels, and away from uncontrolled channels;</li> <li>■ accelerated growth in the medical nutrition segment and invested in the turnaround of the <i>Mizone</i> beverage business in order to balance the revenue exposure.</li> </ul> <p>In line with this approach, Danone now operates a Research and Innovation facility in Shanghai, as well as local manufacturing facilities for infant milk formula. The Group has also been broadening its local medical nutrition offering.</p>

### Description

### Management measures

#### **strong** Packaging

Packaging is essential for Danone's business as it allows food and beverages protection, an increased shelf-life, and a reduction of food waste. Danone's total packaging represented 1.40 million tons in 2024, out of which plastic represented 0.67 million tons.

However, there is a global focus on plastics because of its associated risks on nature, human rights, quality and food safety. As a result, pressures from regulators, retailers, NGOs, and consumers around plastics are moving at an unprecedented pace.

In many countries, packaging design and packaging waste management is now regulated through measures related to reduction, including reuse, recyclability, and use of recycled material, on top of Extended Producer Responsibility (EPR) framework. For example, the EU Directive 2019/904 on single-use plastics requires ban of plastic spoons and straws, a minimum of recycled material in plastic beverages bottles, tethered caps implementation, reduction of specific plastic food container through reuse, increased EPR fees and/or recyclability requirements. These requirements shall progressively apply in the European Union, through transposition in Member States legislations.

Danone has long been committed in driving the transition towards a circular and low carbon packaging system, which could result in a cost increase related, for instance, to packaging redesign, alternative materials usage, and recycled materials integration.

In the event where:

- Danone would not deliver its Danone Impact Journey ambition and notably reduce sufficiently its use of virgin fossil-based plastics;
- effective systems and infrastructures to collect, reuse and recycle packaging do not realize the required scale up;

Danone could be exposed to the following risks: (i) reputational risks, (ii) challenges on its license to operate, in relation to regulatory measures, retailers packaging restrictions that can induce additional costs, and/or lower sales.

Danone strives to offer nutritious, high-quality food and drinks in packaging that is 100% circular and low carbon. This means all the packaging is designed to be safely reused, recycled, or composted and ensuring the material stays in the economy and does not become waste or pollution. The Group fully embraced the ambition of a circular economy of packaging when it joined the Ellen MacArthur Foundation's (EMF) New Plastics Economy initiative as Strategic Partner in 2017, and signed the 2018 Global Commitment on Plastics, spearheaded by EMF.

Since then, Danone has been working to progress on its targets as well as to advocate for a collective global transition. Since 2018, Danone has demonstrated tangible progress in key areas such as virgin plastic reduction, reuse, recyclability, and recycled content. Between 2018 and 2024, Danone has reduced by 11% its use of plastic packaging and 21% its use of virgin fossil-based plastic.

Still, the Group has experienced systemic barriers notably due to underdeveloped reuse, collection and recycling infrastructures, and scarcity of food grade recycled content which is slowing down its progress. These systemic barriers need to be overcome together with (i) other industry players across the value chain and (ii) policy makers, notably through regulation. This is why Danone has advocated since 2020 with the World Wide Fund for Nature (WWF) and EMF for an ambitious and binding United Nations Global Plastics Treaty as this is an important opportunity to unlock and accelerate the Group and the rest of the industry's progress on plastics circularity.

Building on the challenges faced and the learnings gathered over the last years while acknowledging the need to reduce greenhouse gas emissions related to packaging, in 2023, as part of a new sustainability strategy, Danone Impact Journey, the Group updated and reaffirmed its commitment to:

- have 100% of its packaging to be reusable, recyclable, or compostable by 2030;
- halve the use of virgin fossil-based packaging by 2040, with 30% reduction by 2030, accelerating reuse and recycled materials;
- lead the development of effective collection systems to recover as much plastic as the Group uses by 2040.

Danone shares its packaging vision and commitments with its Suppliers and Subcontractors, asking them to align with its approach to co-build a transparent circular economy. This approach is integrated in the Sustainable Sourcing Policy (SSP) launched in 2024 and added to contract clauses between Danone and its direct suppliers. To achieve its objectives, Danone translates its commitments into action plans in each country where it operates, following the waste hierarchy principles underpinned in the Ellen MacArthur Foundation New Plastics Economy, the European Single Use Plastic Directive, and the upcoming European Packaging and Packaging Waste Regulation (PPWR), through 3 overarching objectives:

- reducing packaging usage;
- improving the circularity of packaging that cannot be eliminated;
- recovering what is not kept in circulation, tackling leakage, while improving working and living conditions of workers in the collection and recycling sectors.

For more information on Danone's packaging, its packaging policy and targets, see section 5.3 *Environmental information*



Description	Management measures
<p><b>strong</b> <b>Fast changes in consumer preferences</b></p> <p>The fast evolution of consumers' preferences and habits requires constant innovation and adaptation of Danone's product range and overall supply chain. Purchases are more and more driven by the diversification of tastes, eating and drinking habits as well as increasing health, social and environmental awareness, in a context where pressure on purchasing power and increased polarization of the world is driving increased consumers' scrutiny on the products they buy.</p> <p>Consumers are more and more seeking products that:</p> <ul style="list-style-type: none"> <li>■ are of high nutritional quality, with the presence or absence of certain ingredients (for example protein, sugar, additives);</li> <li>■ enable packaging circularity (see packaging risk above);</li> <li>■ have a known social or environmental impact, with sustainable sourcing of ingredients;</li> <li>■ are transparent on origin of products and on companies behind the brand (strong trend on local);</li> <li>■ are affordable;</li> <li>■ and come from a company that has socially responsible behaviors.</li> </ul> <p>Government authorities and retailers are also paying increasing attention to health, social and environmental concerns of consumers, principally on (i) health benefits including nutritional quality of products, (ii) local provenance, (iii) labeling of the nutritional quality and/or environmental footprint of products and packaging, as well as (iv) food waste.</p> <p>If Danone is unable (i) to anticipate rapidly enough changes in consumer expectations in terms of tastes, eating and drinking habits, environmental impacts, and business conduct (ii) to identify such consumer trends, (iii) to translate such trends into appropriate product offerings, (iv) to manage pricing responsibly while maintaining high level of productivity in order to limit the inflation passed to consumers and/or (v) to keep pace with consumer preferences, the demand for the Group's products and its sales could fall, Danone could incur losses and its activities, results and reputation could be negatively impacted.</p>	<p>Danone's unique frame of action for sustainable development through the Danone Impact Journey has been defined to adequately respond to the challenges and opportunities of the ongoing food revolution.</p> <p>Danone offers a wide range of protein products, both animal and plant-based, in various shapes and forms (FMCG and medical).</p> <p>Moreover, Danone has developed a portfolio focused on healthy Categories – 89.4% of the volumes sold in 2024. This distinctive healthy portfolio has been recognized by the latest Access to Nutrition global Index (ATNI), in which Danone's portfolio has been assessed as one of the healthiest in the sector, with the highest sales-weighted mean Health Star Rating (HSR) of 3.8 out of 5. On top, in line with its purpose as a <i>Société à Mission</i>, Danone is engaged in an effort to continuously improve the nutritional profile of its products (as defined in its published nutritional standards) and with a specific attention to sugars. The Group also aims to better inform consumers on product nutritional profiles by displaying transparent on pack and online interpretative nutritional information, hence encouraging consumers to make better choices. This is also part of its long-term <i>Société à Mission</i> objectives.</p> <p>Its Research and Innovation capabilities allow Danone to offer a wide variety of products to respond to different diets, consumption needs and situations. As an illustration, Danone has recently launched the first ever hybrid dairy and plant-based baby milk formula, in response to parents' desire for flexitarian options for their baby.</p> <p>In addition, Danone strives to foster ongoing dialogue with its consumers by adapting to new consumer expectations and behaviors, sharing more transparently, in particular through digital communication channels, on its societal and environmental commitments (such as circularity of packaging &amp; regenerative agriculture). Through its ambition towards full B Corp™ certification, Danone aims to develop brands with a positive impact and commits to the highest social and environmental standards.</p> <p>To deliver the mitigation measures:</p> <ul style="list-style-type: none"> <li>■ the Strategy &amp; S&amp;I teams detect trends, market share, and superiority versus indirect and direct competition;</li> <li>■ the Categories &amp; sustainability teams ensure superior delivery of brands in health, environmental, and social performance, such as lower methane dairy, DCF-free products &amp; regenerative agriculture.</li> </ul> <p>For more information on product content and footprint, water stewardship, plastic packaging and sustainable sourcing as well as on the Danone initiative for sustainable development journey, see section 5.3 <i>Environmental information</i></p>

Description	Management measures
<p data-bbox="159 261 391 289"><b>medium Retail shift</b></p> <p data-bbox="131 304 747 410">After the new dynamics and channel shifts of the retail environment fostered by Covid-19, economic pressures and technological advancements have further impacted shoppers' behaviors with increased price sensitivity leading notably to:</p> <ul data-bbox="131 417 553 549" style="list-style-type: none"> <li>■ increase of private labels;</li> <li>■ focus on essential Categories;</li> <li>■ increased importance of value for money;</li> <li>■ fewer impulse purchases.</li> </ul> <p data-bbox="131 563 747 617">As a result, retail continues to undergo significant changes, notably with:</p> <ul data-bbox="131 623 747 825" style="list-style-type: none"> <li>■ an accelerated expansion of discounters – especially in Europe &amp; US;</li> <li>■ continued growth of convenience formats and pharmacy channels, alongside a gradual recovery in out-of-home consumption;</li> <li>■ sustained growth in e-commerce, with omnichannel models driving integration between online and physical touchpoints.</li> </ul> <p data-bbox="131 840 747 893">In this fast-evolving environment, Danone's customers (retailers) are adapting their value proposition and operating model:</p> <ul data-bbox="131 900 747 1166" style="list-style-type: none"> <li>■ competing for shoppers and generating traffic to their stores (special attention on lower price points with private labels and value brands, driving brand perception via promotions, pricing, and/or loyalty programs);</li> <li>■ optimizing processes (including mutualizing purchases via alliances &amp; buying groups);</li> <li>■ generating new revenue streams (retail media, financial services, advanced shopper targeting technologies, etc.);</li> <li>■ reducing stock levels to optimize cash.</li> </ul> <p data-bbox="131 1181 747 1366">As a consequence, Danone needs to adapt its value proposition to consumers and ensure close cooperation with its customers to best address the challenges raised by economic and technological transformations. Otherwise, this could lead to loss of market share, leading to slower growth, and deterioration of operating margin, therefore, negatively impacting the financial situation of Danone.</p>	<p data-bbox="747 304 1247 331">Danone's actions to adapt to the retail shifts include:</p> <ul data-bbox="747 338 1490 1251" style="list-style-type: none"> <li>■ Enhancing Consumer Value proposition through (i) superior product quality, with strong health benefits, and sustainability propositions (ii) designing and delivering products, prices points and formats to win across key consumption moments and channels, (iii) evolving portfolio to address price sensitivity (e.g. addition of entry packs in relevant channels and categories); (iv) enabling increased competitiveness of products (e.g., design to superior value); (v) enhancing brand equity and therefore consumer willingness to pay via increased A&amp;P behind its brands;</li> <li>■ Driving its commercial strategy, including: <ul data-bbox="792 591 1490 1251" style="list-style-type: none"> <li>• embedding sustainability agenda in brands' purpose as well as in portfolio development and activation strategies, enabling distinctive ways to bring value to customers and shoppers,</li> <li>• continue building and leveraging granular shopper understanding, with the aim to develop relevant commercial plans (e.g. portfolio &amp; activation) by key channel and partner with retailers to co-create category growth strategies,</li> <li>• developing capabilities in all channels with an acceleration on growing ones such as discounters, away-from-home and e-commerce,</li> <li>• implementing in-store and online execution excellence programs (integrating the specificities of each channel &amp; category, focusing on levers with highest impact),</li> <li>• build AI-enabled sales capabilities, equipping sales teams to optimize assortment and shelf recommendations and to improve execution at the point of purchase,</li> <li>• advancing several supply chain initiatives, working closely with large retailers to optimize the flow of goods and inventory levels of its customers with the Efficient Consumer Response (ECR) approach,</li> <li>• addressing consumer purchasing power through specific actions (i) segmenting formats and offerings to meet diverse shopper needs, (ii) fine-tuning pricing and promotions to maintain competitiveness, using external insights to align with evolving consumer and retailer dynamics.</li> </ul> </li> </ul>

External environment risks

Description	Management measures
<p><b>strong</b> <b>Raw materials and energy price volatility &amp; availability</b></p> <p>Overall, material costs (raw materials, packaging, energy, finished products) represent around 75% of Danone's cost of goods sold, i.e. around €10 billion on an annual basis.</p> <p>Danone's raw materials can be broadly divided in two Categories: milk &amp; milk ingredients on the one hand and other food and ingredients needed to produce food and beverage products on the other hand (including soybean &amp; nuts, fruits &amp; vegetables, sugar &amp; sweeteners, oils &amp; fats etc.).</p> <p>Some of the key drivers of supply and demand imbalances are:</p> <ul style="list-style-type: none"> <li>■ weather conditions and natural disasters;</li> <li>■ government control and regulatory changes (e.g. implementation of new import tariffs);</li> <li>■ geopolitical events;</li> <li>■ shifts in consumer preferences: e.g., increase in milk protein demand in China can lead to price increase of milk powder supply.</li> </ul> <p>Variations in supply and demand at global or regional levels expose Danone to potential:</p> <ul style="list-style-type: none"> <li>■ price increase for key raw materials that may not be passed on, either in full or in part, in the selling price of Danone's products;</li> <li>■ reduced availability of key raw materials which could adversely affect Danone's ability to meet consumer demand for its products;</li> <li>■ disruption in supplier ecosystem especially in packaging and logistics;</li> </ul> <p>Which could negatively impact the sales, margin and results of Danone.</p> <p>In the current geopolitical context, energy prices face as well risks of volatility globally, potentially affecting operations of certain factories of Danone in Europe, which could negatively impact the sales, margin and results of Danone.</p> <p>Danone's supply policy and exposure to principal raw materials risks, including milk, are described in Note 7.7. to the consolidated financial statements.</p>	<p>To ensure availability of raw materials and energy in a context where supply chains remain under a high level of constraint, in the aftermath of Covid-19 related disruptions and recent geopolitical evolutions, Danone has engaged a program to further:</p> <ul style="list-style-type: none"> <li>■ reduce single sourcing;</li> <li>■ diversify its geographical sourcing.</li> </ul> <p>To limit price volatility, Danone defines for each commodity and entity a hedging strategy depending on the impact on its profit and loss, its position in the market and the need for financial visibility.</p> <p>In the context of high raw materials and energy prices volatility and in order to limit its impact on Danone's activity and results, the Group manages this cost inflation through various actions such as:</p> <ul style="list-style-type: none"> <li>■ reinforcement of real time visibility and business contingency plans;</li> <li>■ simplification and review of specifications of raw materials (ingredients, packaging) in design-to-cost and design-to-value approaches;</li> <li>■ adaptation of commercial negotiations processes (e.g. e-tendering);</li> <li>■ hedging strategies and other measures to manage cost volatility, as described in section 2.4 <i>Other elements related to Danone's activity and organization</i>;</li> <li>■ increased use of renewable energy – half of energy will come from renewable sources by 2030.</li> </ul>

Description	Management measures
<p><b>strong</b> <b>Impact of climate change on value chain</b></p> <p>Climate change may affect Danone in the form of physical risks or transition risks. Danone has updated its climate risks and opportunities assessment at the beginning of 2025, as presented in section 5.2 <i>Sustainability statement - General Disclosures (ESRS 2)</i>.</p> <p>Firstly, on physical risks, Danone's businesses, which are directly related to nature and agriculture, can be impacted by climate change. This includes consequences on soil, biodiversity, and ecosystems, and disruptions in the availability, quality, and prices of raw materials and ingredients.</p> <p>Climate change also affects water availability which can impact Danone's operations as well as subsidiaries' relationships with local stakeholders.</p> <p>Secondly, transition risks include those related to regulations, technology and market evolutions and reputational ones. These climate risks are also present in several of Danone's risks described in this section: two strategic risks (Packaging and Fast changes in consumer preferences), and two external environment risks (Legal &amp; Regulatory and Raw materials and energy price volatility &amp; availability).</p> <p>Overall, Danone considers this risk as medium in the short term but high in the long term.</p>	<p>Danone is taking action to mitigate and adapt to both physical and transition climate risks.</p> <p>Regarding the adaptation to physical risks:</p> <ul style="list-style-type: none"> <li>■ the transition towards regenerative agricultural practices, the efforts to maintain ingredients' availability as well as the climate efficiency of operations are key to adapt Danone's business model to the environmental changes thereby enhancing the resilience of its value chain;</li> <li>■ the initiatives to protect watersheds, reduce water use of operations and strengthen relationships with local stakeholders are part of the adaptation plan to physical risks for Danone's sites.</li> </ul> <p>Regarding the transition risks, Danone is taking action to decarbonize its activities which helps strengthen consumer and customer preference for Danone products and to adapt to external expectations on climate action. Danone also monitors and responds to new regulatory requirements, market and technology evolutions as part of its risk management approaches.</p> <p>Danone adaptation actions are embedded in the Danone Impact Journey programs, in particular on climate, regenerative agriculture, watershed protection and packaging.</p> <p>The Company Strategy, Sustainability and Cycles and Procurement (C&amp;P) departments collaborate to conduct a detailed value chain risk analysis, including water footprint and water risk assessment. This analysis covers factories, watersheds, and key ingredients.</p> <p>For more information on water stewardship and sustainable agriculture, particularly regenerative agriculture, as well as on Danone's commitments on carbon reduction towards Net-Zero including elimination of deforestation as well as action plans, see section 5.3 <i>Environmental information</i>.</p>

Description	Management measures
<p data-bbox="159 261 461 283"><b>medium</b> <b>Currency volatility</b></p> <p data-bbox="139 304 743 485">Most of Danone's subsidiaries operate locally and therefore in the currency of their country. However, the location of certain production units or central, regional or transactional services may result in inter-company billings in foreign currencies. In addition, some of Danone's raw materials are billed or sometimes indexed in foreign currencies. Lastly, Danone also develops export activities.</p> <p data-bbox="139 495 743 651">Fluctuations in foreign exchange rates against the functional currency of some subsidiaries may impact their sales and operating margin. A significant or prolonged drop in their currency, lower availability of hedges for the currency or an increase in their cost can also negatively impact the competitiveness, profitability and results of some subsidiaries.</p> <p data-bbox="139 661 743 761">As of December 31, 2024, the main currencies exposed to transactional currency risk were Chinese yuan, the British pound, the US dollar, the Mexican peso, the Indonesian rupiah and the Brazilian Peso.</p> <p data-bbox="139 772 743 825">Information regarding operational currency risk is presented in Note 14.3. to the consolidated financial statements.</p>	<p data-bbox="764 304 1481 459">Danone's policy, enforced by Corporate Treasury Department, consists of (i) minimizing and managing the impact of exposure of transactional risk on its results, (ii) monitoring and managing it centrally, (iii) whenever allowed by the regulatory and monetary frameworks, executing financial transactions centrally and when not allowed, executing locally, and (iv) using derivative instruments only for the purpose of economic hedging.</p> <p data-bbox="764 470 1481 544">Danone hedges its highly probable commercial transactions so that, as of December 31, its residual exposure of the following fiscal year is significantly reduced.</p>

### Description

### Management measures

#### medium Legal and Regulatory

As a player in the food and beverage industry active in many countries, Danone operates its business in a complex, changing and increasingly stringent regulatory environment.

Laws and regulations applicable to Danone's activities include those governing notably dairy and Plant-Based products, water, infant milk formulas, medical nutrition products, environmental protection, sustainability claims, nutritional content of food products, packaging, marketing practices, intellectual property, taxation, international trade sanctions, integrity, human rights, data privacy, and antitrust.

Specifically, on sustainability topics, a large number of sustainability regulations are emerging throughout the world, particularly in the European Union, such as the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CS3D) or the Directive on the reduction of the impact of certain plastic products on the environment.

For more information on the regulatory environment of the Group, see section 2.4 *Other elements related to Danone's activity and organization*;

For example:

- in many countries, local consumer law restricts marketing practices of products for babies and kids and/or enforce strict registration regulations for these products. For example, in China, regulations require infant milk formula recipes to be registered by a public authority (SAMR) before they can be sold on the market and since 2018, overseas factory audit has been required prior to the registration of infant milk formula;
- in many countries, local laws regulate the conditions of water extraction/bottling rights, which may include the granting of administrative authorizations;
- Danone's production sites are subject to strict environmental regulations and standards on energy use, water use and waste management;
- Danone products are subject to regulations concerning nutritional labelling, health and nutrition claims, and/or nutrition related taxes.

Changes in applicable laws and regulations, more stringent evolution, or toughening of their application could (i) limit Danone's ability to pursue or develop its business activities, thus requiring Danone to adapt or reduce its activities, assets, or strategy (including its geographical presence), (ii) expose Danone to incur additional constraints, costs or investments, and/or (iii) possibly result in litigations. This could lead to significant adverse effects on the sales, margin, and financial position of Danone, as well as on its reputation.

Danone is involved and could be involved in litigations associated with its normal course of business, including (and not limited to) with respect to advertising and marketing practices, products, and labels, antitrust, sustainability and tax, which could adversely affect Danone's financial situation, profitability, and reputation. Danone's exposure to actual or potential material litigations is presented in Note 16.4. to the consolidated financial statements.

Danone has developed a General Secretary organization including General Counsel (Legal, Regulatory Affairs and Compliance) departments, at the local and central levels. The Group and its subsidiaries, assisted by their General Counsel teams and/or external legal advisors, take steps to ensure that they comply with applicable laws and regulations, request administrative authorizations, when necessary, identify any new applicable regulations and monitor claims, litigations, and legal proceedings.

In addition, Danone has developed and implemented internal policies and procedures relating to compliance. In order to ensure that such measures are commonly practiced at Danone, the Group has integrated compliance into its internal control system, including in its internal control framework (for more details, see section 2.7 *Control Environment*).

Description	Management measures
<p><b>medium</b> <b>Sanitary crisis</b></p> <p>While the spread of the Covid-19 has remained controlled during the last two years, Danone, as a global Group, remains exposed to sanitary crises and epidemics.</p> <p>A new sanitary crisis outbreak could mean:</p> <ul style="list-style-type: none"> <li>■ return to low mobility levels, resulting in less revenue from sales done in impulse channels;</li> <li>■ border closures and travel restrictions, impacting sales of Waters in touristic and travel channels;</li> <li>■ impact on consumers' income and purchasing power leading to trading down buying behaviors;</li> </ul> <p>and therefore, a decline in sales and profitability of Danone.</p>	<p>Building on Covid-19 crisis learnings, Danone's actions to adapt to sanitary crises include:</p> <ul style="list-style-type: none"> <li>■ empowering local teams to make agile decisions for business continuity and product availability. This includes adapting product portfolio (refocused range) and managing supply chain (supplier duplication, alternative transportation) to prioritize production capacities on the most relevant formats and channels;</li> <li>■ pro-active management of workforce and ways of working to ensure employees' health and security, and adapt to sharp swings in demand;</li> <li>■ tracking employees' morale and energy levels through strengthened health programs and regular surveys leading to agile decision-making, such as on remote working conditions.</li> </ul>

### Operational risks

Description	Management measures
<p><b>medium</b> <b>Cybersecurity</b></p> <p>Danone's success depends on continuous, uninterrupted availability of its information technology systems, notably to process transactions and to manage stocks, purchases and deliveries of its products. In a fast-changing environment, Danone needs to evolve towards a data enabled organization in order to reach customers more rapidly with products and services adapted to their needs.</p> <p>In this context, Danone factories are also becoming more digitized, and therefore the cyber risk is increasing. The frequency and sophistication of cyberattacks, and other data breaches, are augmenting and may result in an increase of Danone's exposure to risks such as:</p> <ul style="list-style-type: none"> <li>■ hacking of physical facilities (plants, security systems, electric doors etc.);</li> <li>■ leakage of the Group's confidential data;</li> <li>■ cyber fraud &amp; ransomware attacks.</li> </ul> <p>Remote and hybrid working still prevails and the risk associated with increased connectivity and digitalization very much remains.</p> <p>Disruptive technologies such as AI and quantum computing are emerging, increasing the attack surface and making attacks more sophisticated.</p> <p>Geopolitical tensions have shown that hybrid warfare is the new reality and that Cybersecurity and geopolitics have close links. At the same time a more stringent regulatory compliance landscape is emerging for Cybersecurity such as the NIS2 directive.</p> <p>Any breach of IT security resulting in low/reduced data integrity, system failure, loss of data, proprietary or otherwise, may result in high costs and/or multiple impacts for Danone and its subsidiaries, including disruption of production and sales, inaccurate financial reporting, theft of strategic data, regulatory fines, and reputational damages with stakeholders, ultimately impacting Danone's financial results.</p>	<p>Danone is executing an integrated global Cybersecurity strategy covering both IT and Operational Technology. Action plans focus on tackling possible identified weaknesses and improve security systems and processes regarding "identify, protect, detect, respond, recover, and govern" elements, safeguarding against cyberattacks. Danone continues to align the Cybersecurity controls to the U.S. Commerce Department's National Institute of Standards and Technology's (NIST) industry framework to structure these efforts.</p> <p>Danone is accelerating its efforts in cyber risk mitigation and investing significantly through a multi-year transformation program:</p> <ul style="list-style-type: none"> <li>■ an appropriate Cybersecurity organization has been established, including governance. Danone is building out capabilities through a multiyear Cybersecurity Transformation Program, the progress of which is reviewed annually by an external party;</li> <li>■ the Group Cyber Risk Policy Framework continues to be updated to define the ways of working that are supported by the leadership and continues to be communicated to the whole organization, supported by training and awareness;</li> <li>■ end-user awareness is underpinned by mandatory training of Danone employees to create a global Cybersecurity culture;</li> <li>■ Danone keeps increasing Cybersecurity capabilities to protect the Group against information technology and industrial site attacks with: <ul style="list-style-type: none"> <li>• a 24/7 Security Operations Center for IT and Industrial to continue to protect Danone and ensure timely detection and response to incidents,</li> <li>• risk assessment of key technology implementation projects and improving security protection of key infrastructure,</li> <li>• focus on mitigating supply chain Cybersecurity risks,</li> <li>• visibility of threats and management of vulnerabilities,</li> <li>• resilience of critical systems.</li> </ul> </li> </ul>



Description	Management measures
<p><b>medium</b> <b>Food safety &amp; product quality issues</b></p> <p>Because of its activities, Danone is exposed to the risk (genuine, merely perceived or alleged) of products being contaminated and unsafe for consumers or patients, potentially leading to a sanitary crisis.</p> <p>This food safety risk may arise through the actual or alleged existence of hazards in raw materials, packaging, or final products (chemical and microbiological contaminants, foreign bodies, or allergens), that could potentially occur along the value chain, from suppliers to consumers.</p> <p>Because food science, regulations and analytical methods are evolving very quickly and because media cover can exacerbate some issues, the number of topics that may trigger food safety controversies and may be directly associated to Danone's brands is rising.</p> <p>The materialization of the risks described above may lead to a decrease in the Group's sales, significant recall costs, as well as individual or collective claims, fines and/or judicial decisions, which may negatively impact its reputation, consumers' and patients' trust, products demand, and preference.</p> <p>Recurrent contaminations of food products and their impact on consumers and business performance regularly show the importance of food safety and quality for all Food Business operators.</p>	<p>Danone has the duty to ensure that all of its stakeholders trust its products. To honor this commitment, the Group sustainably engages all of its teams, as well as its suppliers and partners.</p> <p>On a day-to-day basis, Danone aims to design, source, manufacture and deliver products and services supported by the latest science, compliant with relevant laws and regulations, as well as internal high-quality and food safety standards.</p> <p>To fulfil its mission and respect its commitments, Danone ensures the following:</p> <ul style="list-style-type: none"> <li>■ maintain and deploy a Quality Management System based on the highest international (ISO, GFSI, etc.) and internal standards to guarantee application of a single benchmark for all Danone products and technologies, wherever they are sold or produced, with an obsession of continuous improvement thanks to robust internal/external audit programs;</li> <li>■ maintain scientific capabilities at the leading edge, leveraging internal expertise as well as external connections and partnerships;</li> <li>■ apply efficient processes to anticipate, assess and manage risks (trends analysis, identification of emerging/evolving risks and management of non-conformities with avoidance of reoccurrence);</li> <li>■ apply robust analytical governance and develop capabilities for internal and external laboratories;</li> <li>■ develop excellence programs (e.g., with raw materials and packaging suppliers);</li> <li>■ develop and spread a culture of quality across the organization.</li> </ul> <p>For more information on Danone's Food Safety Policy, see section 5.4.4 <i>Consumers and patients (ESRS S4)</i></p>

Description	Management measures
<p><b>medium</b> <b>Shortage of talent</b></p> <p>In 2024, Danone employed nearly 90,000 employees in over 55 countries with an overall turnover of 19%. The availability, quality, and engagement of Danone's people, as well as their adaptation to fast-moving environments, play an essential role in Danone's success. 2024 Danone People Survey (DPS) results show an engagement index of 78% (+7% vs FMCG Norm), and an intention to stay index of 85% (+7% vs FMCG Norm).</p> <p>Danone's ability to attract and retain employees with the necessary skills or talents is critical for success. This is especially true in some of Danone's principal markets, emerging countries, or for specific capabilities (for example linked to data/digital), particularly in the context of the Renew Danone journey.</p> <p>If the Group is unable to retain or attract talents, it could affect its competitiveness, ability to transform and therefore its results.</p>	<p>Danone relies on its human resources strategy to attract and retain talents, which revolves around four main axes: (i) employees continuous learning and development, (ii) social dialogue, (iii) inclusive diversity and (iv) health, safety and well-being of employees.</p> <p>Danone has launched several initiatives in 2024 to further strengthen its employee value proposition, with Danone People Journey as a flagship. Danone People Journey will have 3 main pillars: DanSkills, aiming to continuously upskill (and re-skill) Danone teams, equipping every Danoner for a changing world (AI, Green skills...), DanLife, nourishing and strengthening the social pact uniting the Danoners and Danone throughout all their life stages, and The Leadership factory, reinstating Danone as a Leadership reference in a visible way.</p> <p>In addition, Danone will continue to roll out the successful programs already started, as the new set of Danone Behaviors, the refreshed people conversation cycle and the multiple tools digitalization.</p> <p>All these initiatives support Danone's unique culture and are aligned with the HOPE Values (Humanism, Openness, Proximity and Enthusiasm) which Danone recognizes as powerful retention levers as well as important assets to attract talent externally.</p> <p>For more information on Danone's values and Human Resources policies, see section 5.4 <i>Social information</i></p>

Description	Management measures
<p><b>medium Business Transformation</b></p> <p>Danone is now well advanced in the process of its ambitious transformation journey, including</p> <ul style="list-style-type: none"> <li>■ a new governance;</li> <li>■ the transformation of its operations notably through end-to-end integrated approaches;</li> <li>■ the set-up of Danone Business Services (DBS);</li> <li>■ a digital &amp; data agenda.</li> </ul> <p>The objective is to position Danone in line with new market and operating trends, prompted by consumer preferences and competitive dynamics.</p> <p>These transformations, however, could come with some adverse effects, on Danone's results and financial situation, for example:</p> <ul style="list-style-type: none"> <li>■ if the transformation creates severe business disruptions, social tensions, or insufficient focus from Danone's management and staff on operational &amp; delivery priorities;</li> <li>■ if the Group does not succeed in delivering these transformations efficiently and at the right pace, or in achieving the expected benefits.</li> </ul>	<p>Danone has a global and regional transformation governance, under the guidance of COMEX members, ensuring (i) implementation with the right prioritization, (ii) appropriate tracking of delivery on business cases with a relevant pace of change, as well as (iii) transformation processes and means.</p> <p>This governance notably includes:</p> <ul style="list-style-type: none"> <li>■ two specific transformation offices, respectively in charge of the execution of the Finance &amp; Operations transformation and of the IT &amp; Data transformation;</li> <li>■ a tightened governance for CapEx authorization with a CapEx committee, allocating annual budgets according to business cases and monitoring returns at different stage gates.</li> </ul>

## 2.7 CONTROL ENVIRONMENT

### RISK MANAGEMENT

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Danone's risk identification and management system is organized around complementary processes:

- identification and management of strategic risks, as well as coordination of risk mapping and monitoring of the risk universe, led by the Strategic Planning Department (see section 2.6 *Risk factors*);
  - identification and management of operational risks related to the Sales, Purchasing, Operations, Human Resources, Finance, Information Systems and General Secretary functions, under the responsibility and monitoring of the Internal Control Department (see section *Internal control* below);
  - identification and management of risks related to the preparation and processing of financial and accounting information (see section *Financial and accounting information* below);
  - identification and management of risks related to (i) corruption, (ii) anti-competitive practices, and (iii) non-compliance with personal data protection laws and international laws on trade sanctions, under the responsibility of the Compliance Department through the preparation and coordination of a Compliance Program (see section 5.1 *Introduction*);
- other processes such as:
    - the development of procedures regarding competitive intelligence, as well as other initiatives taken in this area by specialized departments such as the Sustainability Strategy, Water and Biodiversity Department and the Food Quality and Safety Department,
    - the Security Department's contribution to the identification of threats against Danone's employees and assets,
    - identification of potential crises by the Crisis Management Department and preparation by the affected entities based on the mapping created for each geographical zone,
    - short decision-making channels and input from the operating units in strategic discussions to facilitate risk reporting,
    - the deployment of Human Rights Due Diligence (HRDD) in Danone's operations and supply chain, led respectively by the Human Resources Department (see section 5.4.1 *Own workforce (ESRS S1)*) and the Procurement Department (see section 5.4.2 *Workers in the value chain (ESRS S2)*)

### ORGANIZATION OF THE FINANCE FUNCTION

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In 2024, the Finance function is organized around:

- central functional departments:
  - Corporate Finance, Control and Finance Digital Transformation to which the following departments report: (i) Treasury and Financing; (ii) Tax; (iii) Insurance; (iv) Consolidation, Reporting & Standards; (v) Internal Control and (vi) Internal Audit,
  - Performance Planning and Management to which the (i) Controlling and (ii) Methods and Business Intelligence departments report,
  - Strategy,
  - Mergers & Acquisitions,
  - Financial Communication,
  - Sustainable Finance;
- transactional functions (accounting, treasury, etc.) and certain expertise functions organized by country or group of countries (Danone Business Services), which are themselves grouped by continent or subcontinent;
- operational finance departments for the geographical zones and key operating activities, responsible for managing and steering the business. Each geographical zone has an operational finance department, which is itself organized by region, with one unit per country or group of countries (Country Business Unit).

## INTERNAL CONTROL

### Internal control objectives

Internal control is implemented by Danone's General Management, managers and operational teams with the primary aim of ensuring:

- the proper functioning of Danone's internal processes, particularly those related to safeguarding assets and the anti-corruption procedure introduced by France's Sapin II law;
- compliance with applicable laws and regulations;
- the reliability of financial and Extra-Financial information.

In 2024, Danone continued to roll out and extend data analysis tools to its operating subsidiaries.

### Key internal control stakeholders

#### General Management

General Management is responsible for Danone's internal control system with support from the Group Finance Department, while the Audit Committee is responsible for monitoring the effectiveness of Danone's internal control and risk management systems (see section 6.1 *Governance bodies*).

#### Internal Control central Department

The Internal Control and Internal Audit teams form part of the same department but have distinct roles, ensuring that the two functions remain independent. They report to the Corporate Finance, Control and Data & Tech Department.

The Internal Control Department's main functions include:

- updating the internal control approach, including the DANgo framework, as well as the use of data analytics;
- defining internal control priorities and presenting the results within Danone;
- supporting and overseeing the international network of internal controllers through coordination, communication and training initiatives alongside Danone Business Services.

#### Network of local internal controllers

At Danone, internal control is carried out by a network of local internal controllers who generally report to the Danone Business Services finance directors. Their main functions are:

- testing control points to assess internal control and documenting this work, based on instructions issued by the Internal Control Department;
- presenting internal control results to subsidiaries' management committees and monitoring action plans;
- actively contributing to all transformation projects to ensure internal control and risk management are taken into account;
- and, more generally, coordinating the internal control system with regard to all stakeholders.

### Internal control system

#### Framework: DANgo

The internal control framework used by Danone is DANgo (Danone Governing and Operating Processes), built in 2006 and completely updated in 2019. It covers the following operating processes: Sales, Purchasing, Operations, Human Resources, Finance, Information Systems and General Secretary and includes a Control Environment

section. All these processes are broken down into 61 risk areas covered by 108 internal control points (Danone Internal Control Evaluations). Six Sustainability controls are embedded in those Operating Processes. For each risk area, the framework specifies the potential impacts for Danone: reputational harm, errors in the financial statements, financial losses, disruptions in operating activities and fraud.

#### Scope

Danone's internal control framework applies to all the fully consolidated subsidiaries.

#### Assessment scope

The depth of internal control at each subsidiary is based on the subsidiary's size and risk level.

#### Assessment methodology

Internal control assessments are based on the testing of control points by local internal controllers, rather than on self-assessment questionnaires. Since the control framework is centered around risk management, the local internal controllers assess the degree of exposure to these risks for each of the control points within the assessment scope. The procedures for testing and assessing degrees of risk exposure are set out in guidelines and specific instructions issued by the Internal Control Department. In addition, this assessment by the subsidiaries is subject to regular internal audits (see below).

#### Reporting on assessments

The results of the internal control assessments conducted at each subsidiary are reported to the Internal Control Department in July and January each year through a tool used by all subsidiaries, along with an action plan for each control point (see section *Review of assessments* below).

#### Assessment of internal control by the Internal Audit Department

The Internal Audit Department conducts audits according to a risk-based approach to ensure the quality of the DANgo assessment carried out by the subsidiaries. In light of heightened compliance requirements, these audits are used to periodically identify any discrepancies between central assessments and those carried out by subsidiaries, which are then reported to the management of the geographical zones and key functions. In 2024, the Internal Audit Department conducted 30 internal audits at subsidiaries or cross-company functions, based on the plan approved by the Audit Committee. The Internal Audit teams carry out all their audits using a data extraction and analysis tool that enables them to apply a risk-based approach. At the end of 2024, Danone's Internal Audit Department had its external certification renewed by France's independent body IFACI (*Institut Français de l'Audit et du Contrôle Internes*), based on the New 2025 IFACI Referential.

Following each internal audit, the management of each subsidiary builds an action plan to correct any weaknesses identified in the internal audit report. The implementation of these action plans is monitored by the operational and functional managers, under the supervision of the Internal Audit Department. In 2024, one follow-up audit was conducted in order to monitor action plans launched in 2023 and specific reporting was carried out for all other matters.

## 2 OVERVIEW OF ACTIVITIES, RISK FACTORS

### 2.7 Control Environment

The Treasury and Financing, Tax and Insurance, Data & Tech, Sustainability, Legal/Compliance, Food Safety, Quality, Industrial, Safety, Organization, Human Resources and Crisis Management Departments arrange audits and periodic inspections at the subsidiary level, in addition to the general internal audits.

#### Internal Control monitoring

##### Monitoring of indicators

The main indicators monitored by the Internal Control Department are high-risk control points.

##### Annual objectives

Each year, Danone sets internal control priorities (the subsidiaries and operational risks that will take priority), which are approved by General Management and the Audit Committee.

##### Review of assessments

Internal control assessments are reviewed at all levels of Danone's organization. The internal control results are first presented to each subsidiary's management committee, which reviews areas of vulnerability, discusses their severity, sets the level of priority and monitors the implementation of action plans.

The internal control results are also presented individually to each of the senior executives of the operating processes covered by DANgo and to the senior executives of the Finance function. Lastly, the Audit

Committee and General Management are informed at least twice a year of the status of the subsidiary assessment processes, the results thereof and the actions being taken to improve the effectiveness of the internal control system. Regional Management is regularly monitoring progress of action plans.

#### Communication and coordination

##### Dedicated platforms

An electronic version of the DANgo framework, with a link to Danone's policies and guidelines, is available to all stakeholders. In addition to DANgo, all internal control methodology (instructions, test scripts, methodology guides) is available on Danone's intranet for internal controllers. The community of internal controllers also share internal control information and best practices on Danone's social network.

##### Coordination of the community of local internal controllers

The Internal Control Department oversees, trains and coordinates the network of internal controllers as a whole but also by region and by operational process to ensure that key messages and best practices are shared effectively. It also organizes an annual workshop attended by the key local internal controllers from each of the Danone Business Services (see section *Financial and accounting information* below) as well as special training sessions on relevant topics such as integrity, sustainability and the use of data analytics.

## FINANCIAL AND ACCOUNTING INFORMATION

### Production of financial and accounting information

The Finance function is responsible for organizing the production process for Danone's financial and accounting information based on the following pillars:

- maintenance and coordination of single sets of finance and internal control guidelines, accessible to all Finance function employees via (i) the central tool containing the Finance function's main organizational principles and processes and Danone's accounting principles and procedures, which are consistent with its internal control principles, and (ii) the DANgo framework (see section *Internal control* above);
- definition of the roles and skills required at the various levels of the finance function;
- development and delivery of internal training programs, meetings to share information and best practices attended regularly by the main finance managers (particularly from Danone Business Services and corporate functions) and organization of regular training sessions on specific accounting topics;
- information sharing: each quarter, all members of the finance function are given access to a website where the Chief Financial Officer comments on the Group's quarterly activity, year-to-date financial results and main challenges.

### Financial planning process

Financial information is prepared using a rigorous and comprehensive financial planning process that includes:

- financial indicators used to monitor performance. These indicators are reviewed regularly to ensure their relevance;
- a three-year strategic plan specifying key financial targets for each year;
- rolling 12-month forecasts performed quarterly for all financial indicators and monthly for certain indicators;
- monthly reports;
- monthly performance review meetings attended by the finance teams and the general managers of the geographical zones;
- quarterly strategy monitoring meetings involving the finance teams and general managers of the geographical zones.

The overall financial planning process is overseen by the Controlling Department, while the geographical zones' finance departments are responsible for monitoring performance, capital expenditure and operating cash flow. Members of the corporate functions visit the operating units on a regular basis to monitor performance, review procedures, hold pre-closing meetings, conduct *ad hoc* audits, review progress on internal control improvement plans, follow up on action plans and give training in accounting standards.

### Financial and accounting information production processes

Financial and accounting information is produced according to the control practices and procedures defined in the DANgo framework, which sets out a large number of controls relating to the quality of financial and accounting information.

Each operating unit prepares a detailed monthly financial report and an exhaustive half-yearly consolidation package for the consolidated financial statements. The Country Business Units and Danone Business Services are jointly responsible for the production and content of their financial statements and the related internal control. Written confirmation of compliance with Danone's procedures and with financial reporting standards is sent twice a year to the central teams of the general manager and finance director of each subsidiary, and those of the finance director of the relevant Danone Business Service, in the form of a representation letter regarding the interim and annual financial accounts closing process, including all aspects of risk management, internal control and corporate law.

The Consolidation, Reporting & Accounting Standards Department is responsible for consolidating the reports and consolidation packages, posting elimination and consolidation entries, and conducting the following key control stages:

- validation, throughout the year, of the main accounting options adopted by the subsidiaries and corporate functions and simulation of complex transactions in the consolidation software;
- in-depth review of certain subsidiaries' monthly reports at the end of May and November (known as the "hard-close" procedure) based on the specific risks and transactions identified for preparing the interim and annual consolidated financial statements, respectively;
- (i) preparatory meetings with the finance teams of the main subsidiaries and the relevant Danone Business Service based on the specific transactions and risks identified; and (ii) presentation to the Audit Committee of specific transactions that took place during the period, the main accounting options adopted and the potential significant developments introduced by changes to IFRS (see section 6.1 *Governance bodies*);
- during the accounts closing process: analysis and validation of the most material line items of the consolidated financial statements (intangible assets, income tax, equity, provisions, liabilities, etc.).

Control activities are therefore conducted at all of the Group's hierarchical and functional levels and include a variety of actions such as approving and authorizing, verifying and reconciling, assessing operating performance, ensuring the safeguarding of assets and monitoring the segregation of duties. The audits conducted independently by the Internal Audit Department provide appropriate oversight. In particular, the internal audits conducted within the Country Business Units and Danone Business Services are aimed primarily at verifying the quality of accounting and financial information. Lastly, detailed audits are conducted on the key controls used in the preparation of financial information (particularly published disclosures) at the subsidiaries and at Danone's head office and on their effective application.

These activities, which are intended to control the accounting and financial information provided by the consolidated subsidiaries, as well as the internal control procedures used to prepare the consolidated financial statements, are appropriate to ensure the reliability of accounting and financial information.

### **Management of risks related to the preparation and processing of financial and accounting information**

When these risks are identified, Danone monitors and manages them as follows:

- the geographical zones' finance departments ensure that the action plans established subsequent to internal and/or external audits and work on key controls have been implemented correctly. Each geographical zone's finance director and each function manager is responsible for improving the system for preparing and processing financial information;
- the risks identified in the results obtained from the annual assessment of internal control (DANgo) and internal audits are subject to specific monitoring;
- in addition, the main identified risks are monitored during the strategic planning and performance monitoring processes, during the regular meetings mainly attended by the finance functions (and during the meetings of the Risks Executive Committee and the Executive Committee);
- the internal control system is adapted according to the risks identified.

### **Financial and accounting information production systems**

#### **SAP/Themis integrated information system**

The management and optimization of information flows for the financial functions as well as the purchasing, industrial, quality, supply chain and sales functions, both within the subsidiaries and between them, is performed primarily through the SAP/Themis integrated information system. This application is steadily being rolled out at the subsidiaries.

#### **Consolidation and reporting software**

Monthly financial reports and, more generally, the financial information used to manage and control the operating units' activities are produced by a unified information system (SAP/Business Objects Financial Consolidation). This system is also used to produce the interim and annual consolidated financial statements. The procedures related to the security, use and development of new features of this consolidation system are carefully documented.



## 2.8 INSURANCE AND RISK COVERAGE

For risks other than those relating to the financial market, Danone has taken out a global insurance coverage policy that is based on stringent risk assessments and uses insurance products from worldwide markets, depending on availability and local regulations. This risk coverage is therefore consistent for all entities over which Danone has operational control.

Insurance programs for property damage, business interruption and commercial general liability risk are negotiated at Group level for all subsidiaries, with leading international insurers. The policies are “all risks” and based on the broadest guarantees available on the market. Deductibles vary but are relatively low compared to those extended to groups of comparable size to reflect the autonomous management of the subsidiaries. The guarantee limits are set on the basis of worst-case scenarios and on insurance market capacity. These programs were renewed on January 1, 2024 and represented a total cost of €41 million in 2024. The increase in the premium mainly reflects an increase in the amounts insured.

Insurance programs for “traditional” risks, which need to be managed locally, such as coverage for vehicle fleets, guarantees for the transportation of goods, work accidents (in countries in which these accidents are covered by private insurance) and some country-specific insurance programs, are negotiated and managed in accordance with local practices and regulations, within the framework of specific guidelines provided and controlled by the Group. Total premiums came to approximately €22 million in 2024.

Lastly, insurance programs for potentially significant special risks, which need to be managed centrally, such as directors and officers liability, cyber risks, fraud, and other risks (product recalls, credit risk and environmental risk) are negotiated according to market capacity, based on scenarios estimating the probable impact of any claims. The total cost of this category of coverage amounted to €7 million in 2024.

In addition, in order to optimize its insurance costs and properly control its risks, Danone has taken out a self-insurance policy through its reinsurance subsidiary Danone Ré (a fully consolidated entity). The self-insurance policy applies to specific risks where costs can be accurately estimated and volatility controlled, as Danone is aware of their frequency and financial impact. It mainly concerns (i) coverage for property damage, business interruption and civil liability for the vast majority of Danone entities (these self-insurance programs are limited to routine claims), cyber risks, certain transportation risks, and (ii) death, disability and education annuities, concerning certain French subsidiaries and, since January 1, 2024, certain health risks. Stop-loss insurance protects Danone Ré against any increased frequency of claims. These self-insurance programs are managed by professional insurers under Danone’s supervision and reserves are determined by independent actuaries.

# 3

## **BUSINESS HIGHLIGHTS IN 2024 AND OUTLOOK FOR 2025**

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Danone's consolidated financial statements and the Notes to the consolidated financial statements are presented in section 4.1 Consolidated financial statements and Notes to the Consolidated financial statements. Risk identification and control policy, as well as strategic, external environmental and operational risks are described in section 2.6 Risk factors.

Amounts are expressed in millions of euros and rounded to the nearest million. Generally speaking, the values presented are rounded to the nearest unit. Consequently, the sum of the rounded amounts may differ, albeit to an insignificant extent, from the reported total. In addition, ratios and variances are calculated based on the underlying amounts and not on the rounded amounts.

Danone reports on financial indicators not defined by IFRS, internally (among indicators used by the chief operating decision makers) and externally. These indicators are defined in section 3.6 Financial indicators not defined in IFRS:

- like-for-like changes on sales;
- margin from operations;
- recurring operating income;
- recurring operating margin;
- other non-recurring financial income and expense;
- non-recurring income tax;
- recurring effective tax rate;
- non-recurring results from associates;
- recurring net income;
- recurring EPS;
- free cash flow;
- net financial debt;
- net debt/EBITDA ratio and ROIC.

Danone also uses references that are defined in section 1.2 Information about the Universal Registration Document.

## 3.1 BUSINESS HIGHLIGHTS IN 2024

### HIGHLIGHTS OF 2024 (AS DETAILED IN THE MAIN PRESS RELEASES ISSUED RELATING TO FISCAL YEAR 2024)

- On January 2, 2024, Danone announced the sale of Horizon Organic and Wallaby businesses in the U.S. to Platinum Equity, a US-based investment firm. The sale is part of Danone's portfolio review and asset rotation program the Group announced in March 2022, as part of its Renew Danone strategy. In 2022, the US premium organic dairy activity, comprised of the Horizon Organic and Wallaby businesses, represented approximately 3% of Danone's global revenues and had a dilutive impact on Danone's like-for-like sales growth and recurring operating margin. Danone retains a non-consolidated minority stake in the business;
- On April 26, 2024, Danone successfully issued a €700 million bond with a 6-year maturity and a 3.481% coupon. The settlement took place on May 3, 2024 and the bonds are listed on Euronext Paris;
- On May 1, 2024, Danone acquired Functional Formularies, a leading whole foods tube feeding business in the US, from Swander Pace Capital. As part of the Renew Danone strategy, this acquisition strengthens Danone's Medical Nutrition portfolio in the US by further expanding its enteral tube feeding ranges;
- On May 17, 2024, Danone completed the sale of its EDP business in Russia to Vamin R LLC following the receipt of Russian regulatory approvals required for this disposal as announced in March 22, 2024 press release. As a reminder, Danone launched the transfer process of this business in October 2022. In July 2023, Danone deconsolidated EDP Russia from its accounts after losing the control of the management. The total loss recognized by Danone in its accounts amounts to €1.2 billion;
- On June 12, 2024, Danone, DMC, Michelin and Crédit Agricole France joined forced to create a cutting-edge biotechnology platform to bolster the development on a larger scale of advanced fermentation processes, particularly precision fermentation, a revolutionary biotechnological process to produce bio-based materials and ingredients. With an investment of over €16 million in the first phase, the platform will be located in Clermont-Ferrand within the Parc Cataroux Center for Sustainable Materials, an innovation accelerator supported by Michelin.

■ On June 20, 2024, in a Capital Market Event, Danone opened the next chapter of its Renew strategy projecting the Group into the future of Health and Nutrition. Its mid-term strategy and value creation journey for the 2025-2028 period will build on the fundamentals the Group reestablished over the last 2 years: science and innovation, operational and executional discipline, and proactive portfolio management.

Danone will project itself into the future of Health and Nutrition by:

- gradually pivoting the way it addresses its categories – notably Protein and Gut Health;
- broadening some of its business models, accelerating in Away-from-home and Medical Nutrition;
- further expanding its geographic footprint;

■ On September 5, 2024, Danone successfully issued a €700 million bond with a 7-year maturity and a 3.20% coupon. The settlement took place on September 12, 2024, and the bonds are listed on Euronext Paris.

■ On February 25, 2025, Danone and NGOs ClientEarth, Surfrider Foundation Europe and Zero Waster France end the legal concerning Danone's vigilance plan regarding plastic. Following the mediation process ordered by the Judicial Court of Paris before which the three NGOs had brought legal proceedings against Danone on January 9, 2023, an agreement between the parties has been reached to end the proceedings concerning Danone's vigilance plan.

This agreement involves reinforcing the vigilance plan, which now gives a more detailed description of the consequences of the use of plastic packaging and sets out in detail all the actions that Danone is implementing in this respect.

## OTHER ACTIVITIES IN 2024

### Acquisitions, disposal of shares in companies in fully consolidated companies

#### 2024 fiscal year

(%)	Ownership interest as of December 31				
	Zone (Country)	Category	Transaction date <sup>(a)</sup>	2023	2024
<b>MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE YEAR</b>					
Nutritional Medicinals, LLC <sup>(b)</sup>	North America (United States)	Specialized Nutrition	May	–	100.0%
<b>MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED</b>					
–	–	–	–	–	–
<b>MAIN COMPANIES NO LONGER FULLY CONSOLIDATED AS OF DECEMBER 31</b>					
Michel et Augustin <sup>(c)</sup>	Europe and North America (France and United States)	EDP	February	100.0%	–
Horizon Organic Dairy, LLC <sup>(d)</sup>	North America (United States)	EDP	April	100.0%	30.0%
JSC Danone Russia <sup>(e)</sup>	Rest of the World (Russia)	EDP	May	100.0%	–

(a) Month in the 2024 fiscal year.

(b) On May 1, 2024, Danone announced the acquisition of Functional Formularies, a leading whole foods tube feeding business in the US, from Swander Pace Capital. Danone finalized the acquisition of Functional Formularies, which is fully consolidated. The definitive amount of goodwill was €122 million as of December 31, 2024.

(c) On December 6, 2023, Danone announced its intention to sell the French company Michel et Augustin. The sale of the associated assets and liabilities was completed on February 29, 2024. As of December 31, 2024, the gain on disposal amounted to €36 million and was recognized in "Other operating income (expense)" for the period (see Note 8.2. to the consolidated financial statements).

(d) See Note 4 to the consolidated financial statements.

(e) See Note 3 to the consolidated financial statements.

## Main changes in investments in associates

### 2024 fiscal year

No material transactions affecting investments in equity-accounted companies were carried out in full-year 2024.

## 2024 sustainability footprint

### 2024 environmental footprint

See section 5.3 *Environmental information*.

### Inclusive diversity and B Corp™ performance

See sections 5.1 *Introduction* and 5.4 *Social information*

## Governance and financial statements

See sections 6.1 *Governance bodies*, 6.2 *Positions and Responsibilities of the Directors*, and 3.4 *Balance sheet and financial security review*.

## Research and Innovation

### Product Superiority Program acceleration

Over the past three years, Danone has accelerated its superiority program across all zones and Categories. Doubling down the number of consumer product tests in 2024. This success is reflecting a deep focus in understanding consumer needs and co-designing with consumers their preferred product experiences.

Design to Superior Value (DtSV) is a global program and methodology aimed at driving consumer-centric renovation. Implemented in project mode across various zones and Categories in 2024, this program is built on three key attributes:

- consumer centricity: ensuring that consumer-valued features are retained while removing those that are not;
- fact-based, cross-functional approach: enhancing business awareness and collaboration across functions to facilitate “Danone First” decisions;
- benchmarking: identifying opportunities to improve the value proposition through internal and external benchmarking.

Danone continues to refine this methodology by incorporating new capabilities and learnings and sharing them across the Group.

### Essential Dairy and Plant-Based Products 2024

2024 was a year of significant innovation for EDP, marked by the introduction of high-protein products, sugar reduction initiatives, and development of nutritionally superior offerings for children and adults alike. The efforts to renovate existing products also ensured continuous improvement and differentiation in the market.

### High-Protein products

Considerable advancements in the high-protein products category, launching numerous innovative products, such as:

- the introduction of Danone drinkable *Skyr* yogurt in France and Spain;
- *Oikos Pro* drinks and shots launched in the United States;
- a new Danone range in Brazil, boasting 10g of protein per cup, leveraging ultrafiltration technology.

Moreover, the plant-based range was expanded with the *Alpro* high-protein plant-based alternative to yogurt in Europe and *Silk* almond milk beverage in the United States. Additionally, the teams worked on renovating existing ranges to enhance product superiority and differentiation, including the *YoPro* yogurt and *Alpro* soy drinks in Europe.

### Sugar reduction and positive nutrition

Significant strides in reducing sugar content and enhancing the nutritional value of their products. Key developments in this area included:

- *TooGood Remix* and *TooGood fruits* on the bottom in the United States;
- *Activia Zero* sugar in the United States;
- *Silk* oat milk creamer with no added sugar in the United States;
- a new *Danoninho* range in Brazil, enriched with probiotics and oats for a healthier breakfast option for kids.

In addition to these launches, the teams introduced a plant-based milk for kids in the United States under the *Silk* brand. This nutritious beverage, developed with pediatricians, provides 8g of protein, Omega 3, prebiotics, and essential vitamins and minerals. The innovation extended to the first-diet category with the launch of new *Blédina* plant-based desserts with no added sugars.

The renovation of kids' ranges in Europe led to 71% compliance with Danone Impact Journey commitments, with a target of 100% compliance by 2025. The teams also made notable progress in Africa by launching a kids range with reduced sugar and iron fortification in Algeria, Egypt and Morocco.

### Gut health and biotics

In Europe, Danone successfully launched *Activia Kéfir*, a yogurt drink to support gut health, packed with a unique blend of 16 live culture strains. The Group also launched *Actimel Triple Action* in Europe. This new *Actimel* dairy drink contains vitamins, minerals, and probiotics to support the immune system, reduce fatigue, and improve gut health.

In the United States, Danone expanded the successful and innovative platform of cold foam creamers to *Silk* and *Dunkin'* brands.

### Circular & low carbon packaging

Research and Innovation continued to accelerate the Danone Impact Journey commitments, with the launch of *Silk* plant-based beverages in 96oz bottles made with up to 50% of Post-Consumer Recycled content (PCR) and *STOK* ready-to-drink coffee in 48oz bottle with up to 88% PCR in the United States, leading the industry. In the United States, another big project was the harmonization of the yogurt cups for lightweighting and design for recyclability. In Europe, Danone launched re-usable caps for *Blédina* meals.

### Waters 2024

In 2024, Research and Innovation Waters Category was dedicated to advancing Danone Impact Journey commitments toward decarbonization, increased recyclability, and reducing the use of virgin fossil-based packaging. Simultaneously, Danone continued to push the boundaries of innovation in functional hydration. The efforts are driving Danone closer to its sustainability goals while delivering superior products to the consumers.

### Decarbonization initiatives

One of the highlights of Danone's decarbonization efforts was the showcase of the *evian* dispenser during the Wimbledon tennis tournament. This innovative solution and new business model aim to significantly reduce Danone's carbon footprint.

### Recyclability efforts

In Europe, tethered caps on all water bottles have been launched. This initiative not only boosts recyclability but also aligns with Danone's commitment to sustainability. In Indonesia, the Group undertook a major renovation of the *AQUA* jugs, replacing polycarbonate with PET material and introducing a new ergonomic design.

### Reduction of virgin fossil-based packaging

A flagship project in this category was the introduction of *Volvic* sparkling flavored waters in cans in the United Kingdom. This move represents a significant step towards reducing Danone's reliance on virgin fossil-based packaging materials.

### Functional Hydration Innovations

Research and Innovation continued to innovate in functional hydration by launching *Volvic* and *Aqua d'or* vitamin waters in Germany and the Nordics. These new offerings are designed to provide enhanced hydration benefits to Danone's consumers.

### Product Renovations for Superiority

Danone's commitment to product superiority led to several renovations across the product range. In France, the *Volvic Juicy* range was revamped, while in Mexico, the Group focused on enhancing the *Bonafont* range. These improvements ensure that the products meet the highest standards of quality and consumer satisfaction.

### Specialized Nutrition 2024

2024 year, was a landmark for Research and Innovation Specialized Nutrition Category, marked by significant innovations and strategic initiatives that reinforced Danone's leadership. With cross-regional product launches, high-protein and plant-based offerings, immune-protective infant formulas, substantial contributions to science and technology and dedication to sugar reduction, the Group solidified its reputation as a leader in advancing global health and wellness.

### Cross-Regional Launches

In 2024, the Specialized Nutrition Category achieved remarkable success with regional product launches, particularly in China and the United States. Notably, *Aptamil Neo* in China, a groundbreaking infant milk formula featuring lipid-coated droplets under the trademark *Nuturis*. This innovative product, positioned in the ultra-premium segment, garnered excellent consumer satisfaction in terms of nutritional value, product quality, and user experience. The success of *Aptamil Neo* in the Chinese market underscores the strategic importance of tailored product offerings to meet specific regional needs.

### United States – Organic Infant Formula Range

In the United States, Danone launched an organic infant formula range under the *Happy Family* brand that include Danone's patented pre- and probiotic blend. Danone developed this to meet the rising demand for organic and nutritionally enhanced infant formulas, thereby strengthening its position in competitive US market.

### Patents and Publications

In 2024, Danone filed several patents, scientific papers & congress abstracts for Specialized Nutrition in science and technology. These achievements showcased the robust innovation pipeline and the Group's commitment to advancing scientific knowledge and technological capabilities in the field of Specialized Nutrition.

### Sugar reduction and positive nutrition

Danone's efforts in sugar reduction and promoting positive nutrition received global recognition.

### Ranking and Impact Journey KPIs

Danone was ranked number one in the 2024 Access to Nutrition initiative (ATNi) Global index, largely due to its efforts in sugar reduction and healthy nutrition. For Specialized Nutrition, 99% of the volume of young child formula (for ages 1-3) had lower added sugar levels. Additionally, three impactful projects were undertaken to address iron deficiency in children in Indonesia (with SGM), Malaysia, and Thailand, further demonstrating Danone's commitment to improving child nutrition globally.

### Products High in Protein and Plant-Based

The focus on high-protein and plant-based products continued to drive innovation within the Specialized Nutrition Category:

- *Fortimel Omega Care* and *Fortimel Plant-Based High Energy High Protein* were launched across the European Union, enabled by cutting-edge technological innovations. These products provided high-protein solutions for specialized nutrition, meeting the increasing consumer demand for health and wellness products. The robust user insights generated on the performance of these products compared to competitors confirmed their superiority, reinforcing Danone's leadership in this segment;

- the launch of *Infatrini* with Human Milk Oligosaccharides (HMOs) in both powder and liquid formats across various countries in Europe, Asia, and Latin America represented a significant advancement in immune protection for infants with faltering growth. This product launch exemplified the commitment to providing advanced nutritional solutions for vulnerable infant populations.

### CO<sub>2</sub> reduction

In the area of sustainability, Danone anticipates a significant reduction of CO<sub>2</sub> in 2024 compared to 2023, attributable to the low carbon dairy ingredient program. The *Nutrison* Core Range achieved a significant CO<sub>2</sub> footprint reduction driven by the increased use of plant-based protein. Furthermore, the introduction of *Fortimel Plant-Based High Energy High Protein*, designed with a low carbon footprint, is expected to deliver incremental CO<sub>2</sub> reduction compared to its dairy-based equivalent.

### Major contracts

Over the last two fiscal years, Danone has not entered into any major contracts entailing a significant obligation or commitment for the Group and its subsidiaries, other than those entered into in the normal course of business.



## 3.2 CONSOLIDATED NET INCOME REVIEW

### KEY FIGURES

	Year ended December 31			
	2023	2024	Reported changes	Like-for-like changes <sup>(a)</sup>
<i>(in € millions unless stated otherwise)</i>				
<b>Sales</b>	<b>27,619</b>	<b>27,376</b>	<b>(0.9)%</b>	<b>+4.3%</b>
<b>Recurring operating income <sup>(a)</sup></b>	<b>3,481</b>	<b>3,558</b>	<b>2.2%</b>	
<b>Recurring operating margin <sup>(a)</sup></b>	<b>12.6%</b>	<b>13.0%</b>	<b>39 bps</b>	
Non-recurring operating income and expenses <sup>(a)</sup>	(1,438)	(179)	1,259	
Operating income	2,042	3,379	65.4%	
Operating margin	7.4%	12.3%	495 bps	
<b>Recurring net income – Group share <sup>(a)</sup></b>	<b>2,283</b>	<b>2,345</b>	<b>2.7%</b>	
Non-recurring net income – Group share	(1,402)	(324)	1,078	
Net income – Group share	881	2,021	129.4%	
<b>Recurring EPS (in €) <sup>(a)</sup></b>	<b>3.54</b>	<b>3.63</b>	<b>+2.5%</b>	
EPS (in €)	1.36	3.13	130.2%	
Cash flow from operating activities	3,442	3,831	11.3%	
<b>Free cash flow <sup>(a)</sup></b>	<b>2,633</b>	<b>3,003</b>	<b>14.0%</b>	

(a) See definition in section 3.6 Financial indicators not defined in IFRS.

## SALES

### Consolidated sales

In 2024, consolidated sales stood at €27,376 million, up +4.3% on a like-for-like basis led by an increase of +3.0% from volume/mix and +1.3% from price.

On a reported basis, sales decreased by (0.9)%, notably due to the negative impact from scope at (4.8)%, resulting predominantly from the exit of EDP Russia and Horizon Organic and Wallaby. Reported sales were also negatively impacted by forex at (2.8)%, while hyperinflation contributed positively at +1.6%.

### Sales by Zone

(in € millions except percentage)	Year ended December 31			
	2023 <sup>(a)</sup>	2024 <sup>(a)</sup>	Sales growth <sup>(d)</sup>	Volume/Mix growth <sup>(d)</sup>
Europe <sup>(b)</sup>	9,382	9,568	1.7%	1.4%
North America	6,889	6,579	5.2%	4.1%
China, North Asia & Oceania	3,496	3,694	8.0%	9.1%
Latin America	2,794	3,029	4.2%	-%
Rest of the World <sup>(c)</sup>	5,058	4,506	5.7%	1.4%
<b>TOTAL</b>	<b>27,619</b>	<b>27,376</b>	<b>4.3%</b>	<b>3.0%</b>

(a) Sales to third parties.

(b) Including sales of €2,297 million generated in France in 2024 (€2,324 million in 2023). See Note 7.2. to the Consolidated financial statements.

(c) Includes the sales of EDP Russia business from January 1, 2023 until the date of deconsolidation, i.e. July 16, 2023 (see Note 3 to the consolidated financial statements).

(d) Like-for-like.

#### Europe

Europe sales were up +1.7% on a like-for-like basis, led by volume/mix up +1.4% and price up +0.2%.

The zone registered its fifth consecutive quarter of positive volume/mix in quarter 4, showing step-by-step progress in EDP competitiveness. Specialized Nutrition delivered resilient growth, while Waters posted solid growth, driven by *evian*, *Volvic* and *Zywiec Zdroj* brands.

#### North America

In North America, sales were up +5.2% on a like-for-like basis, led by strong volume/mix up +4.1% and price up +1.1%.

North America delivered a strong performance in 2024, driven by the continued momentum in High Protein, Coffee Creations and Waters, and in particular by the *Oikos*, *International Delight*, *STÖK* and *evian* brands

#### China, North Asia & Oceania

In China, North Asia & Oceania sales were up +8.0% on a like-for-like basis, with strong volume/mix at +9.1% and price at (1.1)%.

In Specialized Nutrition, Infant Milk Formula continued to gain further market shares, in an improving category, while Medical Nutrition maintained its strong momentum. In Waters, *Mizone* delivered double-digit growth, while EDP sustained its strong performance in Japan.

#### Latin America

In Latin America, sales were up +4.2% on a like-for-like basis, with volume/mix at 0.0% and price at +4.2%.

In EDP, the growth was impacted by the licensing out of milk business in Brazil, while *Danone*, *Danette* and *YoPro* brands delivered a solid performance. In Waters, *Bonafont* delivered solid growth, while Specialized Nutrition posted strong performance, led by *Aptamil*.

#### Rest of the World

In the Rest of the World, sales increased by +5.7% on a like-for-like basis, with volume/mix up +1.4% and price up +4.2%.

The growth was led by the solid performance of Specialized Nutrition and Waters across the region. In EDP, Dairy Africa showed further progress, as demonstrated by the strong growth in Morocco.

## Sales by Category

(in € millions except percentage)	Year ended December 31			
	2023	2024	Sales growth <sup>(a)</sup>	Volume/Mix growth <sup>(a)</sup>
EDP	14,322	13,463	3.8%	2.7%
Specialized Nutrition	8,504	8,936	4.6%	3.4%
Waters	4,793	4,977	5.1%	2.9%
<b>TOTAL</b>	<b>27,619</b>	<b>27,376</b>	<b>4.3%</b>	<b>3.0%</b>

(a) Like-for-like.

## RECURRING OPERATING INCOME AND RECURRING OPERATING MARGIN

### Consolidated recurring operating income and recurring operating margin

Danone's recurring operating income reached €3,558 million in 2024.

Recurring operating margin stood at 13%, up +39 basis points (bps) compared to last year. This increase was mainly led by the strong improvement of margin from operations (+242 bps), notably driven by record productivity level.

Danone continued to step-up its reinvestments in A&P, product superiority and capabilities, which weighed for (173) bps. Finally, Overheads before reinvestments had a negative effect of (18) bps, while other effects had a combined impact of (12) bps, mainly due to a negative impact from Forex.

Cost of goods sold totaled €13,769 million in 2024 (€14,535 million in 2023), or 50.3% of consolidated sales (52.6% in 2023).

Selling expense totaled €6,572 million in 2024 (€6,288 million in 2023), or 24.0% of consolidated sales (22.8% in 2023).

General and administrative expense totaled €2,928 million in 2024, or 10.7% of consolidated sales (9.9% in 2023). Research and Development costs totaled €447 million in 2024 (or 1.6% of consolidated sales), up compared to 2023 (€398 million) (see section 3.1 *Business highlights in 2024*).

Other income and expense stood at €102 million in 2024 (€170 million in 2023).

### Recurring operating income and recurring operating margin by zone

(in € millions except percentage and bps)	Year ended December 31				
	Recurring operating income		Recurring operating margin		Reported changes
	2023	2024	2023	2024	
Europe	1,076	1,143	11.5%	11.9%	48 bps
North America	699	749	10.1%	11.4%	124 bps
China, North Asia & Oceania	1,052	1,086	30.1%	29.4%	-70 bps
Latin America	123	113	4.4%	3.7%	-68 bps
Rest of the World <sup>(a)</sup>	530	468	10.5%	10.4%	-11 bps
<b>TOTAL</b>	<b>3,481</b>	<b>3,558</b>	<b>12.6%</b>	<b>13.0%</b>	<b>39 bps</b>

(a) Includes the sales of EDP Russia business from January 1, 2023 until the date of deconsolidation, i.e. July 16, 2023 (see Note 3 to the consolidated financial statements).

## Recurring operating income and recurring operating margin by Category

	Year ended December 31				
	Recurring operating income		Recurring operating margin		Reported changes
	2023	2024	2023	2024	
<i>(in € millions except percentage and bps)</i>					
EDP	1,224	1,142	8.5%	8.5%	-6 bps
Specialized Nutrition	1,772	1,842	20.8%	20.6%	-22 bps
Waters	485	574	10.1%	11.5%	142 bps
<b>TOTAL</b>	<b>3,481</b>	<b>3,558</b>	<b>12.6%</b>	<b>13.0%</b>	<b>39 bps</b>

## NET FINANCIAL INCOME (EXPENSE)

### Market risks exposure and management policy

See Note 12 of the Notes to the consolidated financial statements.

### Net financial income (expense)

	Year ended December 31	
	2023	2024
<i>(in € millions)</i>		
Interest income on cash equivalents and short term investments	341	403
Financial interest on debt	(513)	(600)
<b>Cost of net financial debt</b>	<b>(172)</b>	<b>(197)</b>
Other financial income	60	41
Other financial expense	(245)	(224)
<b>Other financial income or expense</b>	<b>(185)</b>	<b>(183)</b>
<b>NET FINANCIAL INCOME (EXPENSE)</b>	<b>(357)</b>	<b>(380)</b>

Net financial costs increased by €23 million to €(380) million, reflecting an increase in interest rates.

## EFFECTIVE TAX RATE

Recurring income tax rate stood at 27.3%, in line with the prior year.

## RECURRING NET INCOME – GROUP SHARE AND RECURRING EPS

Recurring net income reached €2,441 million in 2024 (€2,364 million in 2023).

Non recurring operating income and expense reached €(179) million in 2024, including one-off costs related to transformation projects, mainly in Europe and the United States. This compared to €(1,438) million in 2023, that reflected the deconsolidation of EDP Russia and the impairment resulting from the disposal of Horizon Organic and Wallaby in the US.

### Share of profit of equity-accounted companies

Share of profit of equity-accounted companies stood at €30 million, decreasing from €36 million last year.

### Net income from non-controlling interests

Recurring minority interest stood at €96 million, up from €81 million in 2023.

### Recurring net income – Group share

Recurring net income – Group share was €2,345 million in 2024, up +2.7% vs last year.

Recurring EPS increased by +2.5% to €3.63 per share, driven by higher recurring operating income and a good management of financial costs. Reported EPS stood at €3.13 per share, up +130.2%.3.13

### Bridge from Net income – Group share to Recurring net income – Group share

	Year ended December 31					
	2023			2024		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
<i>(in € millions except percentage)</i>						
<b>Operating income</b>	<b>3,481</b>	<b>(1,438)</b>	<b>2,042</b>	<b>3,558</b>	<b>(179)</b>	<b>3,379</b>
Cost of net financial debt	(172)	–	(172)	(197)	–	(197)
Other financial income and expense	(135)	(49)	(185)	(108)	(75)	(183)
<b>Income before taxes</b>	<b>3,173</b>	<b>(1,487)</b>	<b>1,686</b>	<b>3,253</b>	<b>(254)</b>	<b>2,999</b>
Income tax	(864)	95	(768)	(888)	(41)	(929)
Effective tax rate	27.2%	–%	45.6%	27.3%	–%	31.0%
<b>Net income from fully consolidated companies</b>	<b>2,309</b>	<b>(1,392)</b>	<b>917</b>	<b>2,365</b>	<b>(295)</b>	<b>2,070</b>
Share of profit (loss) of equity-accounted companies	55	(19)	36	76	(46)	30
<b>Net income</b>	<b>2,364</b>	<b>(1,411)</b>	<b>953</b>	<b>2,441</b>	<b>(340)</b>	<b>2,100</b>
■ <b>Group share</b>	<b>2,283</b>	<b>(1,402)</b>	<b>881</b>	<b>2,345</b>	<b>(324)</b>	<b>2,021</b>
■ Non-controlling interests	81	(9)	72	96	(17)	79
<b>Diluted EPS (in €)</b>	<b>3.54</b>	<b>–</b>	<b>1.36</b>	<b>3.63</b>	<b>–</b>	<b>3.13</b>

### Bridge from EPS to Recurring EPS

	Year ended December 31			
	2023		2024	
	Recurring	Total	Recurring	Total
<b>Net Income – Group share</b> (in € millions)	<b>2,283</b>	<b>881</b>	<b>2,345</b>	<b>2,021</b>
Coupon relating to hybrid financing net of tax (in € millions)	(8)	(8)	(4)	(4)
<b>NUMBER OF SHARES</b>				
■ Before dilution	641,030,818	641,030,818	643,283,916	643,283,916
■ After dilution	641,738,674	641,738,674	644,436,743	644,436,743
<b>EPS</b> (in €)				
■ Before dilution	3.55	1.36	3.64	3.14
■ After dilution	3.54	1.36	3.63	3.13

## ADDITIONAL INFORMATION ON CONSOLIDATED INCOME STATEMENT

### Bridge from reported to like-for-like figures

(in € millions except percentage)	2023	Like-for-like change	Impact of changes in scope of consolidation	Impact of changes in exchange rates and others, including IAS 29	Contribution of hyperinflation	Reported change	2024
Sales	27,619	+4.3%	(4.8)%	(1.9)%	+1.6%	(0.9)%	27,376

### IAS 29: impact on reported data

Danone has applied IAS 29 to Argentina as from its 2018 financial statements, to Iran as from its 2020 financial statements, to Turkey as from its 2022 financial statements and to Ghana as from its 2023 financial statements.

Danone has applied IAS 29 in hyperinflationary countries as defined in IFRS. Adoption of IAS 29 in hyperinflationary countries requires their

non-monetary assets and liabilities and their income statement to be restated to reflect the changes in the general purchasing power of their functional currency, leading to a gain or loss on the net monetary position, included in the net income. Moreover, their financial statements are converted into euros using the closing exchange rate of the relevant period.

(in € millions except percentage)	2024
Sales	126.1
Sales growth	+0.46%
Recurring Operating Income	(68)
Recurring Net Income – Group share	(114)

**Breakdown by quarter of full-year 2024 sales after application of IAS 29**

Full-year 2024 sales correspond to the addition of:

- Q4 2024 reported sales;
- Q1, Q2 and Q3 2024 sales resulting from the application of IAS 29 until December 31, 2024, to sales of entities of hyperinflationary

countries (application of the inflation rate until December 31, 2024 and translation into euros using December 31, 2024 closing rate) and provided in the table below for information (unaudited data).

<i>(in € millions)</i>	<b>Q1 2024 <sup>(a)</sup></b>	<b>Q2 2024 <sup>(b)</sup></b>	<b>Q3 2024 <sup>(c)</sup></b>	<b>Q4 2024</b>	<b>2024</b>
Europe	2,336	2,447	2,427	2,358	9,568
North America	1,737	1,594	1,611	1,636	6,579
China, North Asia & Oceania	840	1,001	967	886	3,694
Latin America	761	825	720	724	3,029
Rest of the World	1,172	1,093	1,130	1,112	4,506
<b>TOTAL</b>	<b>6,846</b>	<b>6,960</b>	<b>6,855</b>	<b>6,716</b>	<b>27,376</b>

(a) Results from the application of IAS 29 until December 31, 2024 to Q1 sales of entities of hyperinflationary countries.

(b) Results from the application of IAS 29 until December 31, 2024 to Q2 sales of entities of hyperinflationary countries.

(c) Results from the application of IAS 29 until December 31, 2024 to Q3 sales of entities of hyperinflationary countries.

**DIVIDEND PAID IN RESPECT OF 2024 FISCAL YEAR**

At the Annual Shareholders' Meeting on April 25, 2025, Danone's Board of Directors will propose a dividend of €2.15 per share in respect of the 2024 fiscal year, up +2.4% compared to last year. Assuming this proposal is approved, the ex-dividend date will be May 3, 2025, and dividends will be payable on May 7, 2025.

**3.3 FREE CASH FLOW**

At the date of this Universal Registration Document, Danone estimates that the cash flows generated by its operating activities, its cash flow and the funds available through confirmed credit lines managed at the level of the Company will be sufficient to cover the necessary expenses and investments, the debt service (including the financing of the exercise of any put options granted to holders of non-controlling interests) and the payment of dividends.

Free cash flow reached €3,003 million in 2024, up from €2,633 million in 2023, reflecting the increase in recurring operating income, as well as a strong improvement in working capital, now reaching (8.5)% of sales. Capital expenditure stood at €923 million.

**FREE CASH FLOW**
**Transition from operating cash flow to free cash flow**

<i>(in € millions)</i>	<b>Year ended December 31</b>	
	<b>2023</b>	<b>2024</b>
<b>Cash flows provided by operating activities</b>	<b>3,442</b>	<b>3,831</b>
Capital expenditure	(847)	(923)
Disposal of property, plant and equipment and acquisition costs related to acquisitions of companies resulting in control <sup>(a)</sup>	38	95
<b>FREE CASH-FLOW</b>	<b>2,633</b>	<b>3,003</b>

(a) Represents acquisition costs related to acquisitions of companies resulting in control that were paid during the period.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31	
	2023	2024
<i>(in € millions)</i>		
<b>Net income</b>	<b>953</b>	<b>2,100</b>
Share of profit (loss) of equity-accounted companies, net of dividends received	(13)	(7)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	1,611	1,168
Net change in provisions and liabilities	(52)	(21)
Change in deferred taxes	(46)	61
(Gains) losses on disposal of property, plant and equipment and financial investments	(7)	(225)
Expense related to share-based payments and Company Savings Plans	61	71
Cost of net financial debt	170	196
Net interest paid	(181)	(167)
Net change in interest income (expense)	(11)	29
Other items with no cash impact <sup>(a)</sup>	669	122
<b>Cash flows provided by operating activities, before changes in net working capital</b>	<b>3,165</b>	<b>3,297</b>
(Increase) decrease in inventories	41	50
(Increase) decrease in trade receivables	74	(7)
Increase (decrease) in trade payables	324	353
Change in other receivables and payables	(162)	137
Change in working capital requirements	277	534
<b>Cash flows provided by operating activities</b>	<b>3,442</b>	<b>3,831</b>
Capital expenditure <sup>(b)</sup>	(847)	(923)
Proceeds from the disposal of property, plant and equipment <sup>(b)</sup>	15	18
Net cash outflows on purchases of subsidiaries and financial investments <sup>(c)</sup>	(162)	(153)
Net cash inflows on disposal of subsidiaries and financial investments <sup>(c)</sup>	177	507
(Increase) decrease in long-term loans and other long-term financial assets	(17)	87
<b>Cash flows provided by (used in) investment activities</b>	<b>(834)</b>	<b>(463)</b>
Increase in share capital and additional paid-in capital	69	76
Purchase of treasury shares (net of disposals)	-	-
Net issuance of undated subordinated notes	(750)	-
Interest expense and redemption premium on undated subordinated notes	(18)	(5)
Dividends paid to Danone shareholders <sup>(d)</sup>	(1,279)	(1,348)
Buyout of non-controlling interests	(118)	-
Dividends paid to non-controlling interests	(62)	(108)
Contribution from non-controlling interests to capital increases	-	1
Transactions with non-controlling interests	(181)	(108)



<i>(in € millions)</i>	<b>Year ended December 31</b>	
	<b>2023</b>	<b>2024</b>
Bonds issued during the period	1,597	1,397
Bonds redeemed during the period	(1,852)	(2,006)
Net cash flows from other current and non-current financial debt	577	(808)
Net cash flows from short-term investments	(220)	(1,015)
<b>Cash flows provided by (used in) financing activities</b>	<b>(2,057)</b>	<b>(3,817)</b>
Effect of exchange rate and other changes <sup>(e)</sup>	(503)	(2)
<b>INCREASE IN CASH</b>	<b>49</b>	<b>(452)</b>
<b>Cash as of January 1</b>	<b>1,051</b>	<b>2,363</b>
<b>Cash as of December 31</b>	<b>2,363</b>	<b>1,475</b>
<b>Net cash as of January 1</b>	<b>721</b>	<b>1,099</b>
<b>Net cash as of December 31</b>	<b>1,099</b>	<b>647</b>
<b>ADDITIONAL INFORMATION</b>		
Income tax payments during the year	(730)	(766)

(a) As of December 31, 2023, mainly included the impact of recycling translation adjustments related to EDP Russia business following the deconsolidation on July 16, 2023 (see Note 3 to the consolidated financial statements).

(b) Relates to property, plant and equipment and intangible assets used in operating activities.

(c) Acquisition/disposal of companies' shares. In the case of fully consolidated companies, this comprises cash and cash equivalents as of the acquisition/disposal date.

(d) Portion paid in cash.

(e) Effect of reclassification with no material impact on net debt.

## 3.4 BALANCE SHEET AND FINANCIAL SECURITY REVIEW

### CONDENSED CONSOLIDATED BALANCE SHEET

<i>(in € millions)</i>	As of December 31	
	2023	2024
Non-current assets	31,570	32,505
Current assets	12,916	12,786
<b>Total assets</b>	<b>44,486</b>	<b>45,292</b>
<b>Equity - Group share</b>	<b>16,176</b>	<b>17,795</b>
Non-controlling interests	46	59
Non-current liabilities	14,281	13,707
Current liabilities	13,982	13,732
<b>Total equity and liabilities</b>	<b>44,486</b>	<b>45,292</b>
Net debt	10,221	8,601
Net financial debt	9,865	8,285

### FINANCING STRUCTURE AND FINANCIAL SECURITY

#### Liquidity risk exposure and management policy

See Note 12 of the Notes to the consolidated financial statements. In particular, Danone manages its liquidity risk and its financing at Company level.

#### Financing situation and liquidity risk

##### Main financing transactions in 2024

<i>(in millions of currency)</i>	Year ended December 31		
	2024		
	Currency	Nominal	Maturity
<b>NEW FINANCING</b>			
Euro bond	EUR	700	2030
Euro bond	EUR	700	2031
<b>REPAYMENTS AND REDEMPTIONS</b>			
Euro bond	EUR	750	2024
Euro bond	EUR	1250	2024

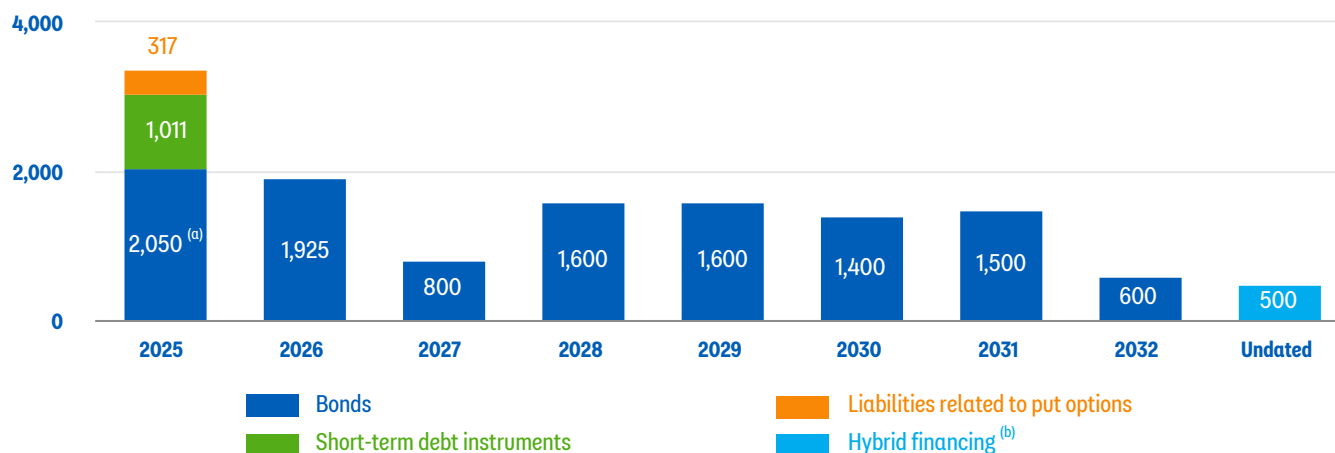
### Main financial debt repayment schedule

This relates to financing managed at the Company level.

#### PROJECTED CASH OUTFLOWS RELATED TO THE CONTRACTUAL REPAYMENT OF THE PRINCIPAL AMOUNT BASED ON THE ASSUMPTION OF NON-RENEWAL

YEAR ENDED DECEMBER 31

(in € millions)



(a) On January 14, 2025, Danone redeemed €750 million worth of bonds issued in 2015 (see Note 12.3 to the consolidated financial statements).

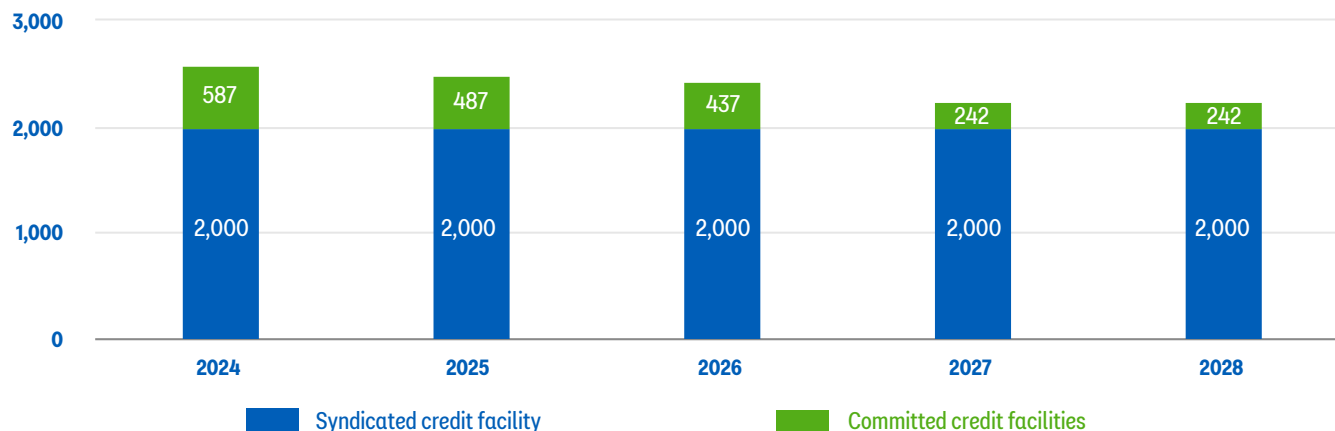
(b) Including €500 million with a call date in 2026

### Sources of financing available at any time

Financing available at any time is carried on the Company's books and comprises committed credit facilities and a syndicated credit facility.

AS OF DECEMBER 31

(in € millions)



## Company rating

	As of December 31			
	2023		2024	
	Moody's	Standard and Poor's	Moody's	Standard and Poor's
<b>SHORT-TERM RATING <sup>(a)</sup></b>				
Rating	–	A-2	–	A-2
<b>LONG-TERM RATING <sup>(b)</sup></b>				
Rating	Baa1	BBB+	Baa1	BBB+
Outlook	Stable	Stable	Stable	Stable

(a) Rating given to the Company's short-term debt instruments program.

(b) Rating given to the Company's senior debt issues with a maturity of more than one year.

## LIABILITIES RELATED TO PUT OPTIONS GRANTED TO NON-CONTROLLING INTERESTS

### General principles

Danone granted put options to third parties with non-controlling interests in certain consolidated subsidiaries, under which the option holders are entitled to sell part or all of their investment in those subsidiaries. These financial liabilities do not bear interest.

### Changes during the period

(in € millions)	2023	2024
<b>As of January 1</b>	<b>323</b>	<b>356</b>
Options exercised <sup>(a)</sup>	(67)	–
Changes in the present value of outstanding options	100	(39)
<b>AS OF DECEMBER 31 <sup>(b)</sup></b>	<b>356</b>	<b>317</b>

(a) Carrying amount at the end of the previous reporting period for options exercised.

(b) In most cases, the strike price is determined based on sales and discounted cash flows.

## NET DEBT AND NET FINANCIAL DEBT

### Net debt

(in € millions)	As of December 31	
	2023	2024
Non-current financial debt <sup>(a)</sup>	10,739	10,175
Current financial debt <sup>(a)</sup>	4,270	3,799
Short-term investments	(3,638)	(4,685)
Cash	(2,363)	(1,475)
Bank overdrafts	1,264	828
Derivatives - assets - Non-current <sup>(b)</sup>	(34)	(3)
Derivatives - assets - Current <sup>(b)</sup>	(16)	(37)
<b>NET DEBT</b>	<b>10,221</b>	<b>8,601</b>

(a) Consists of €868 million in lease liabilities following the application of IFRS 16 "Leases".

(b) Used solely to manage net debt.

### Bridge from net debt to net financial debt

(in € millions)	Year ended December 31	
	2023	2024
<b>Net debt</b>	<b>10,221</b>	<b>8,601</b>
Liabilities related to put options granted to non-controlling interests — Non-current	-	-
Liabilities related to put options granted to non-controlling interests — Current	(356)	(317)
<b>Financial debt excluded from net debt</b>	<b>(356)</b>	<b>(317)</b>
<b>NET FINANCIAL DEBT</b>	<b>9,865</b>	<b>8,285</b>

## Net debt/EBITDA and Return On Invested Capital (ROIC)

Danone tracks these ratios on a yearly basis.

### Net debt/EBITDA

The net debt/EBITDA ratio corresponds to the ratio of net debt to operating income restated for depreciation, amortization and impairment of tangible and intangible assets. The ratio for 2024 fiscal year is 1.9x:

(in € millions except ratio)	2023	2024
<b>Net debt as of December 31</b>	<b>10,221</b>	<b>8,601</b>
Operating income	2,042	3,379
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	1,611	1,168
<b>EBITDA of the year</b>	<b>3,654</b>	<b>4,546</b>
<b>NET DEBT/EBITDA OF THE YEAR <sup>(a)</sup></b>	<b>2.8x</b>	<b>1.9x</b>

(a) Notably includes in 2023 the impact of recycling translation adjustments related to EDP Russia business following the deconsolidation on July 16, 2023 (see Note 3 to the consolidated financial statements). Excluding the recycling translation adjustments, the net debt/EBITDA ratio of 2023 would be 2.5x.

### ROIC

ROIC is the ratio of net operating income in the current year to average capital invested in the current and prior years.

Invested capital = goodwill and other tangible and intangible assets + investments in non-consolidated companies and other financial investments + assets held for sale net of liabilities + working capital requirements - provisions and other net liabilities.

The ROIC stood at 10.0% in 2024:

(in € millions except percentage)	2022	2023	2024
Recurring operating income	3,337	3,481	3,558
Recurring income tax rate	27.3%	27.2%	27.3%
Tax on recurring operating income	(922)	(947)	(971)
Recurring income from equity-accounted companies	31	55	76
<b>Operating income</b>	<b>2,486</b>	<b>2,588</b>	<b>2,662</b>
Intangible assets	24,239	23,093	24,009
Property, plant and equipment	6,752	6,441	6,519
<b>Goodwill and other tangible and intangible assets</b>	<b>30,991</b>	<b>29,534</b>	<b>30,527</b>
Investments in equity-accounted companies	576	416	584
Other financial investments	808	839	864
Short-term loans	3	3	2
<b>Investments in non-consolidated companies and other financial investments</b>	<b>1,387</b>	<b>1,259</b>	<b>1,449</b>
<b>Assets held for sale net of liabilities</b>	<b>191</b>	<b>286</b>	<b>-</b>
Deferred taxes net of deferred tax assets	(848)	(743)	(952)
Provisions for retirement and other long-term benefits	(772)	(904)	(900)
Other non-current provisions and liabilities	(1,565)	(1,303)	(1,152)
<b>Provisions and other net liabilities</b>	<b>(3,185)</b>	<b>(2,950)</b>	<b>(3,003)</b>
<b>Working capital</b>	<b>(1,284)</b>	<b>(1,686)</b>	<b>(2,333)</b>
Invested capital of the year	28,100	26,443	26,641
<b>Average invested capital</b>	<b>27,997</b>	<b>27,271</b>	<b>26,542</b>
<b>ROIC</b>	<b>8.9%</b>	<b>9.5%</b>	<b>10.0%</b>

## SHAREHOLDERS EQUITY

### Change in shareholders equity – Group share

(in € millions)	Year ended December 31	
	2023	2024
<b>As of January 1</b>	<b>17,923</b>	<b>16,176</b>
Net income	881	2,021
Other comprehensive income	(125)	(85)
Dividends paid <sup>(a)</sup>	(1,279)	(1,348)
Cumulative translation adjustments	(638)	902
Other	(586)	129
<b>AS OF DECEMBER 31</b>	<b>16,176</b>	<b>17,795</b>

(a) Impact on the Group share of the equity, the impact of the dividends paid on the consolidated equity amounting to € (1,456) million in 2024 (€ (1,341) million in 2023).

## OFF-BALANCE SHEET COMMITMENTS

### Commitments given as of December 31, 2024 relating to operating activities

(in € millions)	Amount of financial flows for the period					
	Total	2025	2026	2027	2028	2029 and after
Commitments to purchase goods and services <sup>(a)</sup>	<b>(5,358)</b>	(2,763)	(674)	(330)	(207)	(1,384)
Capital expenditure commitments	<b>(152)</b>	(136)	(16)	-	-	-
Guarantees and pledges given	<b>(4)</b>	(4)	-	-	-	-
Other	<b>(199)</b>	(93)	(13)	(16)	(13)	(64)
<b>TOTAL</b>	<b>(5,713)</b>	<b>(2,996)</b>	<b>(703)</b>	<b>(346)</b>	<b>(220)</b>	<b>(1,448)</b>

(a) Commitments relating mainly to purchases of milk, dairy ingredients and other food raw materials.

## 3.5 OUTLOOK 2025

### MATERIAL CHANGE IN FINANCIAL OR TRADING POSITION

There has been no significant change in the financial or trading position of the Company and its subsidiaries as a whole since December 31, 2024.

### OUTLOOK FOR 2025

2025 guidance is in line with mid-term ambition: like-for-like sales growth expected between +3% and +5%, with recurring operating income growing faster than sales.

## 3.6 FINANCIAL INDICATORS NOT DEFINED IN IFRS

Financial indicators not defined in IFRS used by Danone are calculated as follows:

**Like-for-like changes in sales**, reflect Danone's organic performance and essentially exclude the impact of:

- changes in consolidation scope, with indicators related to a given fiscal year calculated on the basis of previous-year's scope;
- changes in applicable accounting principles;
- changes in exchange rates with both previous-year and current-year indicators calculated using the same exchange rates (the exchange rate used is a projected annual rate determined by Danone for the current year and applied to both previous and current years).

Since January 1, 2023, all countries with hyperinflationary economies are taken into account in like-for-like changes as follows: sales growth in excess of around 26% per year (a three-year average at 26% would generally trigger the application of hyperinflationary accounting as defined in IFRS) is now excluded from the like-for-like sales growth calculation.

**Margin from operations** is defined as the Gross margin over Sales ratio, where Gross margin corresponds to the difference between Sales and Industrial costs excluding reengineering initiatives and Logistics/Transportation costs.

**Recurring operating income** is defined as Danone's operating income excluding Other operating income and expenses. Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thus distorting the assessment of its recurring operating performance and its evolution. These mainly include:

- capital gains and losses on disposals of businesses and fully consolidated companies;
- impairment charges on intangible assets with indefinite useful lives;
- costs related to strategic restructuring operations or transformation plans;
- costs related to major external growth transactions;
- costs related to crises and major disputes;
- in connection with IFRS 3 and IFRS 10, (i) acquisition costs related to acquisitions of companies resulting in control, (ii) revaluation gains or losses accounted for following a loss of control, and (iii) changes in earn-outs subsequent to acquisitions resulting in control.

**Recurring operating margin** is defined as Recurring operating income over Sales ratio.

**Other non-recurring financial income and expense** corresponds to financial income and expense items that, in view of their significant or unusual nature, cannot be considered as inherent to Danone's recurring financial management. These notably include changes in the value of non-consolidated interests and profit or losses on the net monetary position.

**Non-recurring income tax** corresponds to income tax on non-recurring items as well as tax income and expense items that, in view of their significant or unusual nature, cannot be considered as inherent to Danone's recurring performance.

**Recurring effective tax rate** measures the effective tax rate of Danone's recurring performance and is computed as the ratio income tax related to recurring items over recurring net income before tax.

**Non-recurring share of profit (loss) of equity-accounted companies** include items that, because of their significant or unusual nature, cannot be viewed as inherent to the companies' recurring activity and thereby distort the assessment of their recurring performance and trends in that performance. These items mainly relate to:

- capital gains and losses on disposal of Investments in equity-accounted companies;
- impairment of investments in equity-accounted companies;
- non-recurring items, as defined by Danone, included in the share of profit (loss) of equity-accounted companies.

**Recurring net income** (or Recurring net income – Group Share) corresponds to the Group share of the consolidated Recurring net income. The Recurring net income excludes items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thus distorting the assessment of its recurring performance and its evolution. Such non-recurring income and expenses correspond to Other operating income and expenses, Other non-recurring financial income and expenses, Non-recurring income tax, and Non-recurring share of profit (loss) from equity-accounted companies. These items, excluded from Net income, represent Non-recurring net income.

**Recurring EPS** (or Recurring net income – Group Share, per share after dilution) is defined as the ratio of Recurring net income adjusted for hybrid financing over Diluted number of shares. In compliance with IFRS, income used to calculate EPS is adjusted for the coupon related to the hybrid financing accrued for the period and presented net of tax.

**Free cash-flow** represents cash flows provided or used by operating activities less capital expenditure net of disposals and, in connection with IFRS 3, excluding (i) acquisition costs related to acquisitions of companies resulting in control, and (ii) earn-outs related to acquisitions of companies resulting in control and paid subsequently to acquisition date.

**Net financial debt** represents the net debt portion bearing interest. It corresponds to current and non-current financial debt (i) excluding Liabilities related to put options granted to non-controlling interests and earn-outs on acquisitions resulting in control and (ii) net of Cash and cash equivalents, Short term investments and Derivatives – assets managing net debt.

**The net debt/EBITDA ratio** corresponds to the ratio of net debt to operating income restated for depreciation, amortization and impairment of tangible and intangible assets.

**ROIC** is the ratio of net operating income in the current year to average capital invested in the current and prior years.



## **3.7 DOCUMENTS AVAILABLE TO THE PUBLIC**

The by-laws, the minutes of Shareholders' Meetings, reports of the Statutory Auditors, and other corporate documents may be consulted at the Company's registered office.

Moreover, historical financial information and certain information regarding the organization and businesses of the Company and its subsidiaries are available on Danone's website [www.danone.com](http://www.danone.com) (section *Regulated information*).

# 4

## FINANCIAL STATEMENTS

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## 4.1 CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED FINANCIAL STATEMENTS

#### Consolidated income statement and earnings per share

(in € millions except earnings per share in €)	Notes	Year ended December 31	
		2023	2024
<b>Sales</b>	7.1, 7.2	<b>27,619</b>	<b>27,376</b>
Cost of goods sold		(14,535)	(13,769)
Selling expense		(6,288)	(6,572)
General and administrative expense		(2,748)	(2,928)
Research and Development expense		(398)	(447)
Other income (expense)	7.3	(170)	(102)
<b>Recurring operating income</b>		<b>3,481</b>	<b>3,558</b>
Other operating income (expense)	8.2	(1,438)	(179)
<b>Operating income</b>		<b>2,042</b>	<b>3,379</b>
Interest income on cash equivalents and short-term investments		341	403
Financial interest on debt		(513)	(600)
Cost of net financial debt	12.7	(172)	(197)
Other financial income	13.3	60	41
Other financial expense	13.3	(245)	(224)
<b>Income before tax</b>		<b>1,686</b>	<b>2,999</b>
Income tax	10.1	(768)	(929)
<b>Net income from fully consolidated companies</b>		<b>917</b>	<b>2,070</b>
Share of profit (loss) of equity-accounted companies	6.4	36	30
<b>NET INCOME</b>		<b>953</b>	<b>2,100</b>
<b>Net income – Group share</b>		<b>881</b>	<b>2,021</b>
Net income – Non-controlling interests		72	79
<b>Earnings per share – Group share</b>	15.4	<b>1.36</b>	<b>3.14</b>
<b>Diluted earnings per share – Group share</b>	15.4	<b>1.36</b>	<b>3.13</b>

## Consolidated statement of comprehensive income

<i>(in € millions)</i>	Year ended December 31	
	2023	2024
<b>Net income – Group share</b>	<b>881</b>	<b>2,021</b>
Translation adjustments	(638)	902
<b>CASH FLOW HEDGE DERIVATIVES</b>		
Gross unrealized gains and losses	(45)	35
Tax effects	17	(6)
<b>Other gains and losses, net of tax</b>	<b>-</b>	<b>-</b>
<b>ITEMS THAT MAY BE SUBSEQUENTLY RECYCLED TO PROFIT OR LOSS</b>	<b>(666)</b>	<b>931</b>
<b>INVESTMENTS IN OTHER NON-CONSOLIDATED COMPANIES</b>		
Gross unrealized gains and losses	(15)	(12)
Tax effects	2	(12)
<b>ACTUARIAL GAINS AND LOSSES ON RETIREMENT COMMITMENTS</b>		
Gross gains and losses	(118)	4
Tax effects	35	(93)
<b>ITEMS NOT SUBSEQUENTLY RECYCLABLE TO PROFIT OR LOSS</b>	<b>(96)</b>	<b>(114)</b>
<b>Total comprehensive income – Group share</b>	<b>118</b>	<b>2,838</b>
Total comprehensive income – Non-controlling interests	69	89
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>187</b>	<b>2,927</b>

## Consolidated balance sheet

(in € millions)	Notes	As of December 31	
		2023	2024
<b>ASSETS</b>			
Goodwill		17,340	18,062
Brands		5,256	5,390
Other intangible assets		498	556
Intangible assets	11.1 to 11.3	23,093	24,009
Property, plant and equipment	7.5	6,441	6,519
Investments in equity-accounted companies	6.1 to 6.5	416	583
Investments in other non-consolidated companies		324	325
Long-term loans and financial assets		515	538
Other financial assets	13.1, 13.2	839	864
Derivatives – assets <sup>(a)</sup>	14.2, 14.3	34	3
Deferred taxes	10.2	746	528
<b>Non-current assets</b>		<b>31,570</b>	<b>32,505</b>
Inventories	7.4	2,341	2,277
Trade receivables	7.4	2,919	2,922
Other current assets	7.4	1,259	1,387
Short-term loans		3	2
Derivatives – assets <sup>(a)</sup>	14.2, 14.3	16	37
Short-term investments	12.1, 12.5	3,638	4,685
Cash		2,363	1,475
Assets held for sale <sup>(b)</sup>	4, 5.2	376	–
<b>Current assets</b>		<b>12,916</b>	<b>12,786</b>
<b>TOTAL ASSETS</b>		<b>44,486</b>	<b>45,292</b>

(a) Derivative instruments used to manage net debt.

(b) As of December 31, 2023, this concerned assets relating to the organic dairy business in the United States and to Michel et Augustin.

(in € millions)	Notes	As of December 31	
		2023	2024
<b>EQUITY AND LIABILITIES</b>			
Share capital		169	170
Additional paid-in capital		5,256	5,331
Retained earnings and other <sup>(a)</sup>	12.3	16,845	17,546
Translation adjustments		(4,036)	(3,134)
Accumulated other comprehensive income		(507)	(592)
Treasury shares	15.2	(1,552)	(1,527)
<b>Equity - Group share</b>		<b>16,176</b>	<b>17,795</b>
Non-controlling interests	5.6	46	59
<b>Consolidated equity</b>		<b>16,222</b>	<b>17,853</b>
Financing	12.1 to 12.4	10,447	9,929
Derivatives - liabilities <sup>(b)</sup>	14.2, 14.3	293	246
Liabilities related to put options granted to non-controlling interests	5.6	-	-
Non-current financial debt		10,739	10,175
Provisions for retirement obligations and other long-term benefits	9.3	904	900
Deferred taxes	10.2	1,489	1,480
Other provisions and non-current liabilities	16.2, 16.3	1,149	1,152
<b>Non-current liabilities</b>		<b>14,281</b>	<b>13,707</b>
Financing	12.1 to 12.4	5,154	4,291
Derivatives - liabilities <sup>(b)</sup>	14.2, 14.3	23	19
Liabilities related to put options granted to non-controlling interests and earn-outs on acquisitions resulting in control	5.6	356	317
Current financial debt		5,533	4,627
Trade payables	7.4	4,779	5,147
Other provisions and current liabilities	7.4, 16.2	3,580	3,957
Liabilities directly associated with assets held for sale <sup>(c)</sup>	4, 5.2	90	-
<b>Current liabilities</b>		<b>13,982</b>	<b>13,732</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,486</b>	<b>45,292</b>

(a) "Other" corresponds to undated subordinated notes totaling €500 million.

(b) Derivative instruments used to manage net debt.

(c) As of December 31, 2023, these concerned liabilities relating to the organic dairy business in the United States and to Michel et Augustin.

## Consolidated statement of cash flows

(in € millions)	Notes	Year ended December 31	
		2023	2024
<b>Net income</b>		<b>953</b>	<b>2,100</b>
Share of profit (loss) of equity-accounted companies, net of dividends received	6.4	(13)	(7)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	7.2, 7.5, 11.3	1,611	1,168
Net change in provisions and liabilities	16.2, 16.3	(52)	(21)
Change in deferred taxes	10.2	(46)	61
(Gains) losses on disposal of property, plant and equipment and financial investments		(7)	(225)
Expense related to share-based payments and Company Savings Plans	9.4, 9.5	61	71
Cost of net financial debt	12.7	170	196
Net interest paid		(181)	(167)
Net change in interest income (expense)		(11)	29
Other items with no cash impact <sup>(a)</sup>	3	669	122
<b>Cash flows provided by operating activities, before changes in net working capital</b>		<b>3,165</b>	<b>3,297</b>
(Increase) decrease in inventories		41	50
(Increase) decrease in trade receivables		74	(7)
Increase (decrease) in trade payables		324	353
Change in other receivables and payables		(162)	137
Change in working capital requirements	7.4	277	534
<b>Cash flows provided by operating activities</b>		<b>3,442</b>	<b>3,831</b>
Capital expenditure <sup>(b)</sup>	7.5	(847)	(923)
Proceeds from the disposal of property, plant and equipment <sup>(b)</sup>		15	18
Net cash outflows on purchases of subsidiaries and financial investments <sup>(c)</sup>	5.2	(162)	(153)
Net cash inflows on disposal of subsidiaries and financial investments <sup>(c)</sup>	5.2	177	507
(Increase) decrease in long-term loans and other long-term financial assets		(17)	87
<b>Cash flows provided by (used in) investment activities</b>		<b>(834)</b>	<b>(463)</b>
Increase in share capital and additional paid-in capital		69	76
Purchase of treasury shares (net of disposals)	15.2	-	-
Net issuance of undated subordinated notes	12.4	(750)	-
Interest expense and redemption premium on undated subordinated notes	12.4	(18)	(5)
Dividends paid to Danone shareholders <sup>(d)</sup>	15.5	(1,279)	(1,348)
Buyout of non-controlling interests	5.6	(118)	-
Dividends paid to non-controlling interests		(62)	(108)
Contribution from non-controlling interests to capital increases		-	1
Transactions with non-controlling interests		(181)	(108)
Bonds issued during the period	12.3, 12.4	1,597	1,397
Bonds redeemed during the period	12.3, 12.4	(1,852)	(2,006)
Net cash flows from other current and non-current financial debt	12.3	577	(808)
Net cash flows from short-term investments	12.5	(220)	(1,015)
<b>Cash flows provided by (used in) financing activities</b>		<b>(2,057)</b>	<b>(3,817)</b>
Effect of exchange rate and other changes <sup>(e)</sup>		(503)	(2)



<i>(in € millions)</i>	Notes	Year ended December 31	
		2023	2024
<b>INCREASE IN CASH</b>		49	(452)
<b>Cash as of January 1</b>	12.6	1,051	2,363
<b>Cash as of December 31</b>	12.6	2,363	1,475
<b>Net cash as of January 1</b>	12.6	721	1,099
<b>Net cash as of December 31</b>	12.6	1,099	647

**ADDITIONAL INFORMATION**

Income tax payments during the year		(730)	(766)
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- (a) *As of December 31, 2023, mainly included the impact of recycling translation adjustments related to EDP Russia business following the deconsolidation on July 16, 2023 (see Note 3 to the consolidated financial statements).*
- (b) *Relates to property, plant and equipment and intangible assets used in operating activities.*
- (c) *Acquisition/disposal of companies' shares. In the case of fully consolidated companies, this comprises cash and cash equivalents as of the acquisition/disposal date.*
- (d) *Portion paid in cash.*
- (e) *Effect of reclassification with no material impact on net debt.*

Cash flows correspond to items presented in the consolidated balance sheet. However, these may differ from the changes shown in assets and liabilities in the balance sheet, mainly as a result of the rules for (i) converting into euros transactions in currencies other than the functional currency, (ii) translating into euros the financial statements of companies with a functional currency other than the euro, (iii) changes in the consolidation scope, and (iv) other non-monetary items.

## Consolidated statement of changes in equity

(in € millions)	Notes	Changes during the period								As of December 31, 2024	
		As of January 1, 2024	Other comprehensive income	Capital increase	Other transactions involving treasury shares Expense related to share-based payments and Company Savings Plans <sup>(b)</sup>	Dividends paid to Danone shareholders	Interest on undated subordinated notes, net of tax	Other transactions with non-controlling interests	Other changes		
Share capital		169	-	1	-	-	-	-	-	-	170
Additional paid-in capital		5,256	-	75	-	-	-	-	-	-	5,331
Retained earnings and other <sup>(a)</sup>	15	16,845	2,021	-	-	71	(1,348)	(5)	13	(51)	17,546
Translation adjustments		(4,036)	902	-	-	-	-	-	-	-	(3,134)
Gains and losses related to hedging derivatives, net of tax		(194)	29	-	-	-	-	-	-	-	(164)
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax		13	(25)	-	-	-	-	-	-	-	(12)
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	9, 10.2	(326)	(89)	-	-	-	-	-	-	-	(415)
<b>Other comprehensive income</b>		<b>(507)</b>	<b>(85)</b>	-	-	-	-	-	-	-	<b>(591)</b>
DANONE treasury shares	15.2	(1,552)	-	-	25	-	-	-	-	-	(1,527)
<b>Equity - Group share</b>		<b>16,176</b>	<b>2,838</b>	<b>76</b>	<b>25</b>	<b>71</b>	<b>(1,348)</b>	<b>(5)</b>	<b>13</b>	<b>(51)</b>	<b>17,795</b>
Non-controlling interests		46	89	1	-	-	(108)	-	23	8	59
<b>Consolidated equity</b>		<b>16,222</b>	<b>2,927</b>	<b>76</b>	<b>25</b>	<b>71</b>	<b>(1,456)</b>	<b>(5)</b>	<b>36</b>	<b>(43)</b>	<b>17,853</b>

(a) "Other" corresponds to undated subordinated notes totaling €500 million.

(b) See Notes 9.4 and 9.5 to the consolidated financial statements.

	Notes	Changes during the period								As of December 31, 2023	
		As of January 1, 2023	Other comprehensive income	Capital increase	Other transactions involving treasury shares	Expense related to share-based payments and Company Savings Plans <sup>(b)</sup>	Dividends paid to Danone shareholders	Interest on undated subordinated notes, net of tax	Other transactions with non-controlling interests		Other changes
<i>(in € millions)</i>											
Share capital		<b>169</b>	-	-	-	-	-	-	-	-	<b>169</b>
Additional paid-in capital		<b>5,188</b>	-	68	-	-	-	-	-	-	<b>5,256</b>
Retained earnings and other <sup>(a)</sup>	15	<b>17,916</b>	881	-	-	61	(1,279)	(768)	(138)	173	<b>16,845</b>
Translation adjustments		<b>(3,398)</b>	(638)	-	-	-	-	-	-	-	<b>(4,036)</b>
Gains and losses related to hedging derivatives, net of tax		<b>(165)</b>	(28)	-	-	-	-	-	-	-	<b>(194)</b>
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax		<b>26</b>	(13)	-	-	-	-	-	-	-	<b>13</b>
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	9	<b>(243)</b>	(83)	-	-	-	-	-	-	-	<b>(326)</b>
<b>Other comprehensive income</b>		<b>(382)</b>	<b>(125)</b>	-	-	-	-	-	-	-	<b>(507)</b>
DANONE treasury shares	15.2	<b>(1,569)</b>	-	-	17	-	-	-	-	-	<b>(1,552)</b>
<b>Equity - Group share</b>		<b>17,923</b>	<b>118</b>	<b>69</b>	<b>17</b>	<b>61</b>	<b>(1,279)</b>	<b>(768)</b>	<b>(138)</b>	<b>173</b>	<b>16,176</b>
Non-controlling interests		<b>69</b>	69	-	-	-	(62)	-	(26)	(3)	<b>46</b>
<b>Consolidated equity</b>		<b>17,992</b>	<b>187</b>	<b>69</b>	<b>17</b>	<b>61</b>	<b>(1,341)</b>	<b>(768)</b>	<b>(164)</b>	<b>170</b>	<b>16,222</b>

(a) "Other" corresponds to undated subordinated notes totaling €500 million.

(b) See Notes 9.4 and 9.5 to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## NOTE 1. ACCOUNTING PRINCIPLES

### Note 1.1. Basis of preparation

The consolidated financial statements of Danone (the "Company") and its subsidiaries (together, the "Group") as of and for the year ended December 31, 2024 were approved by its Board of Directors on February 25, 2025 and will be submitted for approval to the Shareholders' Meeting on April 24, 2025.

The consolidated financial statements and the notes to the consolidated financial statements are presented in euros. Unless otherwise mentioned, amounts are stated in millions of euros and rounded to the nearest million. Generally speaking, the values presented are rounded to the nearest unit. Consequently, the rounded

amounts may differ slightly from the reported totals. In addition, ratios and variances are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

The preparation of consolidated financial statements requires management to make estimates, assumptions and appraisals that affect the reported amounts in the consolidated balance sheet, consolidated income statement and notes to the consolidated financial statements. The main such estimates and assumptions relate to:

	Notes
Assessment of the effects of climate change	1.5
Determination of the amount of rebates, discounts and other deductions relating to agreements with customers	7.1
Measurement of deferred tax assets	10.3
Measurement of the recoverable amount of intangible assets	11.3
Determination of the amount of other provisions and non-current and current liabilities	16.2, 16.3

These assumptions, estimates and appraisals are made on the basis of the information available and the conditions in force at the end of the financial period presented. Actual amounts may differ from those estimates.

In addition to the use of estimates, Danone's management uses its judgment to define the accounting treatment for certain activities and transactions, when they are not explicitly addressed in IFRS and related interpretations. This applies particularly to the recognition of put options granted to non-controlling interests.

### Note 1.2. Accounting framework applied

The Group's consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union, which are available on the website of the European Commission.

#### Main standards, amendments and interpretations whose application is mandatory as of January 1, 2024

The following amendments apply to reporting periods beginning on or after January 1, 2024:

- IAS 1, "Classification of Liabilities as Current or Non-current", and "Non-current Liabilities with Covenants";
- IFRS 16, "Lease Liability in a Sale and Leaseback";
- IAS 7 and IFRS 7, "Supplier Finance Arrangements".

These amendments had no material impact on the consolidated financial statements for the year ended December 31, 2024.

#### Main standards, amendments and interpretations published by the IASB whose application is not mandatory in the European Union as of January 1, 2024

Danone did not choose to early adopt any such standards, amendments or interpretations in its consolidated financial statements for the year ended December 31, 2024, and does not expect them to have a material impact on its results of operations or financial position.

### Note 1.3. Application of IFRS Interpretations Committee decisions

In July 2024, the International Financial Reporting Standards Interpretations Committee (IFRS IC) published a decision on IFRS 8, "Operating Segments", concerning the disclosure of revenue and expenses for reporting segments. Danone does not consider the application of the IFRS IC's decision to have a material impact on the 2024 consolidated financial statements.

## Note 1.4. Application of IAS 29

### Accounting principles

IAS 29 "Financial Reporting in Hyperinflationary Economies" requires the non-monetary assets, liabilities and equity as well as income statements of countries with hyperinflationary economies to be restated to reflect the changes in the general purchasing power of their functional currency, thereby generating a profit or loss on the net monetary position which is recognized in net income within "Other financial income" or "Other financial expense". In addition, the financial statements of the subsidiaries in these countries are translated at the closing exchange rate for the reporting period concerned, in accordance with IAS 21.

### Application and main accounting implications

Danone has applied IAS 29 to Argentina as from its 2018 financial statements, to Iran as from its 2020 financial statements, to Turkey as from its 2022 financial statements and to Ghana as from its 2023 financial statements.

#### Argentina

In 2024, Danone used (i) the consumer price index (CPI) to remeasure its income statement items, cash flows and non-monetary assets and liabilities, the amounts of which increased by 118% versus 2023 and (ii) a EUR/ARS exchange rate of 1,070.1 (893.2 in 2023) to translate its income statement.

The application of IAS 29 resulted in a negative impact of €147 million on consolidated equity and non-monetary assets net of non-monetary liabilities as of December 31, 2024 (negative impact of €83 million as of December 31, 2023), and had the following main impacts on the 2024 consolidated income statement:

- a €78 million increase in consolidated sales and a €67 million decrease in recurring operating income (decrease of €198 million and of €59 million, respectively, in 2023);
- a €10 million positive impact on the net monetary position recognized in "Other financial expense" (positive impact of €0.3 million as of 2023);
- a €148 million expense in "Net income – Group share" (€99 million expense as of 2023).

#### Turkey

In 2024, Danone used (i) the consumer price index (CPI) to remeasure its income statement items, cash flows and non-monetary assets and liabilities, the amounts of which increased by 47% versus 2023 and (ii) a EUR/TRY exchange rate of 36.7 (32.6 in 2023) to translate its income statement.

The application of IAS 29 resulted in a positive impact of €177 million on consolidated equity and non-monetary assets net of non-monetary liabilities as of December 31, 2024 (positive impact of €150 million as of December 31, 2023), and had the following main impacts on the 2024 consolidated income statement:

- a €72 million increase in consolidated sales and a €5 million increase in recurring operating income (a €0.4 million decrease and a €3 million increase, respectively, in 2023);
- a €64 million negative impact on the net monetary position recognized in "Other financial expense" (negative impact of €35 million in 2023);
- a €60 million expense in "Net income – Group share" (€33 million expense as of 2023).

#### Ghana

The application of IAS 29 to Ghana did not have a material impact on the 2024 financial statements, as in 2023.

#### Iran

The application of IAS 29 to Iran did not have a material impact on the 2024 financial statements, as in 2023.

## Note 1.5. Assessment of the effects of climate change

Given the nature of Danone's activities and its geographical location, as well as the extent of the current and potential impacts of the climate change risks and opportunities as identified and assessed in its risk factors (see section 2.6 *Risk factors*) as well as in chapter 5.3.1 *Climate change (ESRS E1)*, Danone did not identify any material impacts for 2024.

In particular:

- Danone has carbon credits that are not considered material as of December 31, 2024, and no material liability was recognized in the consolidated balance sheet in this respect;
- no material provision for environmental liabilities and risks is recognized on the consolidated balance sheet as of December 31, 2024;

- in 2024, the Group does not identify any material impacts that could affect the value of its property, plant and equipment, intangible assets and non-financial assets. The implementation of the action plans required to adapt plants and production tools does not lead to identify a risk of obsolescence as of December 31, 2024, and does not affect the depreciation period applicable to these assets.

In addition, as of December 31, 2024, the Group has included in its business plans the identified costs relating to the impacts of the Nature Pillar of the Danone Impact Journey (see section 5.1.3 *Nature Pillar - Preserve & Regenerate Nature*). No additional impairment losses are identified for the 2024 financial year as a result of including these impacts in the impairment tests, as described in Note 11.3 to the consolidated financial statements.

## NOTE 2. SIGNIFICANT EVENTS OF THE YEAR

### Note 2.1. Other significant events

	Notes
Impact of the Ukraine-Russia conflict on Danone	3
Sale of the assets related to the US premium organic dairy activities	4

## NOTE 3. IMPACT OF THE UKRAINE-RUSSIA CONFLICT ON DANONE

### Note 3.1. Background

#### Danone's position in Russia

- On October 14, 2022, Danone announced its decision to initiate a process to transfer the effective control of its Essential Dairy and Plant-Based (EDP) business in Russia. Danone considers that this is the best option to ensure long-term local business continuity for its employees, consumers and partners.
- On July 16, 2023, Danone took note of the decision of the Russian authorities, aiming at placing Danone Russia under the temporary external administration of Russian federal agency Rosimushchestvo.
- On July 18, 2023, the Russian authorities indicated that the Board of Directors and Chief Executive Officer of Danone Russia (EDP) had been changed. These changes took place without the knowledge of, or approval by, Danone.
- On March 22, 2024, Danone announced that the Russian regulatory approvals required for the disposal of its EDP business in Russia to Vamin R LLC had been obtained.
- On May 17, 2024, Danone announced that it had completed the disposal of its EDP business in Russia to Vamin R LLC.

### Note 3.2. Impacts on the 2024 consolidated financial statements

Danone reflected the accounting impacts of the lack of control over the EDP business, i.e., a loss of €706 million mainly comprising net assets for around €219 million and recycling of cumulative translation adjustments for €487 million, in the consolidated financial statements for the year ended December 31, 2023 (see Note 8.2 to the consolidated financial statements).

The transaction was completed on May 17, 2024, and the net gain on the disposal of the EDP business in Russia amounted to €227 million, recognized in "Other operating income (expense)" for the period (see Note 8.2 to the consolidated financial statements).

Danone recognized a cumulative loss over the three years ending December 31, 2022, December 31, 2023, and December 31, 2024 of approximately €1 billion, arising from the disposal of the EDP business in Russia, recognized in Other operating income (expenses).



## **NOTE 4. SALE OF THE ASSETS RELATED TO THE US PREMIUM ORGANIC DAIRY ACTIVITIES**

### **Note 4.1. Background**

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On January 2, 2024, Danone announced it had signed an agreement to sell its premium organic dairy activity in the United States to Platinum Equity, a US-based investment firm.

The sale is part of Danone's portfolio review and asset rotation program announced in March 2022, as part of its Renew Danone strategy.

In 2023, as in 2022, the US premium organic dairy activities, comprising the Horizon Organic and Wallaby businesses, accounted for around 3% of Danone's global sales. These activities are part of the Noram operating segment.

On April 1, 2024, Danone completed the disposal of its premium Horizon Organic and Wallaby organic dairy businesses in the United States to investment firm Platinum Equity. Danone retains a non-consolidated interest in this asset.

### **Note 4.2. Impacts on the 2024 consolidated financial statements**

---

As of December 31, 2023, Danone measured the assets and liabilities held for sale, comprising brands, industrial assets, and current assets and liabilities, at the lower of their carrying amount and fair value under the terms of the sale agreement, less costs to sell, in accordance with IFRS 5. The portion of the carrying amount that exceeds this fair value less costs to sell was written down, representing an amount of €426 million in the consolidated financial statements for the year ended December 31, 2023 (see Note 8.2 to the consolidated financial statements).

The transaction was completed on April 1, 2024 and as of December 31, 2024 the gain on disposal stood at €41 million after recycling of accumulated currency translation adjustments. This gain was recognized in "Other operating income (expense)" for the period (see Note 8.2 to the consolidated financial statements).

Danone retains residual shares representing 30% of the share capital of the premium organic dairy activities in the United States. This remaining interest is accounted for as a non-consolidated investment. As the Group does not have significant influence over the governance, operating and financial policies applied by investment firm Platinum Equity, this interest is recognized in "Investments in other non-consolidated companies".

## NOTE 5. FULLY CONSOLIDATED COMPANIES AND NON-CONTROLLING INTERESTS

### Note 5.1. Accounting principles

#### Fully consolidated companies

The Group fully consolidates all subsidiaries over which it has the ability to exercise exclusive control, whether directly or indirectly. Exclusive control over an investee is assessed (i) by the power the Group has over said investee, (ii) whether it is exposed, or has rights, to variable returns from its involvement with the investee, and (iii) whether it uses its power over the investee to affect the amount of those returns.

Under full consolidation, all of the investee's assets, liabilities and income statement items are recognized in the Group's consolidated financial statements, after eliminating any intercompany transactions, and the portion of net income and equity attributable to owners of the Company (Group share) is shown separately from the portion relating to other shareholders' interests (non-controlling interests). All material intercompany transactions between consolidated entities (including dividends) and all intercompany balances are eliminated in the consolidated financial statements.

#### Business combinations: acquisitions resulting in control, partial disposals resulting in loss of control

The accounting treatment of acquisitions resulting in control and partial disposals resulting in a loss of control is described below.

- when control is obtained, the incidental transaction costs are recognized in the income statement under "Other operating income (expense)" and presented in the statement of cash flows within cash flows from operating activities in the year in which they are incurred. In addition, price adjustments (earn-outs) are initially recognized at fair value as part of the purchase price. Any subsequent changes in value are recognized in the income statement under "Other operating income (expense)".

- when control is obtained (or lost), the revaluation of the previously held interest (or the residual interest) at fair value is recognized in the income statement under (i) "Other operating income (expense)" if control is lost, (ii) "Share of profit (loss) of equity-accounted companies" if the acquisition results in control of an entity previously accounted for by the equity method, and (iii) "Other financial income" or "Other financial expense" if the acquisition results in control of an entity previously accounted for as an investment in a non-consolidated company;
- when control is obtained, non-controlling interests are recognized, either at their share in the fair value of the assets and liabilities of the acquired entity, or at their fair value. In the latter case, goodwill is then increased by the amount relating to these non-controlling interests. The treatment adopted is selected on an individual basis for each acquisition.

Business combinations may be recognized on a provisional basis, as the amounts allocated to the identifiable assets acquired, liabilities assumed and goodwill may be amended during a maximum period of one year from their acquisition date.

#### Acquisitions or disposals of interests in controlled companies with no impact on control

Acquisitions or disposals of interests in controlled companies that do not result in a gain or loss of control are recognized directly in equity under "Retained earnings" as transfers between the Group share of consolidated equity and non-controlling interests. The income statement is not affected and the corresponding cash flows are presented within cash flows relating to financing activities. The same accounting treatment is applied to the costs associated with these transactions.

## Note 5.2. Main changes during the period

### 2024 fiscal year

(%)	Ownership interest as of December 31				
	Zone (Country)	Category	Transaction date <sup>(a)</sup>	2023	2024
<b>MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE YEAR</b>					
Nutritional Medicinals, LLC <sup>(b)</sup>	North America (United States)	Specialized Nutrition	May	-	100.0%
<b>MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED</b>					
—	—	—	—	—	—
<b>MAIN COMPANIES NO LONGER FULLY CONSOLIDATED AS OF DECEMBER 31</b>					
Michel et Augustin <sup>(c)</sup>	Europe and North America (France and United States)	EDP	February	100.0%	-
Horizon Organic Dairy, LLC <sup>(d)</sup>	North America (United States)	EDP	April	100.0%	30.0%
JSC Danone Russia <sup>(e)</sup>	Rest of the World (Russia)	EDP	May	100.0%	-

(a) Month in the 2024 fiscal year.

(b) On May 1, 2024, Danone announced the acquisition of Functional Formularies, a leading whole foods tube feeding business in the US, from Swander Pace Capital. Danone finalized the acquisition of Functional Formularies, which is fully consolidated. The definitive amount of goodwill was €122 million as of December 31, 2024.

(c) On December 6, 2023, Danone announced its intention to sell the French company Michel et Augustin. The sale of the associated assets and liabilities was completed on February 29, 2024. As of December 31, 2024, the gain on disposal amounted to €36 million and was recognized in "Other operating income (expense)" for the period (see Note 8.2 to the consolidated financial statements).

(d) See Note 4 to the consolidated financial statements.

(e) See Note 3 to the consolidated financial statements.

### 2023 fiscal year

(%)	Ownership interest as of December 31				
	Zone (Country)	Category	Transaction date <sup>(a)</sup>	2022	2023
<b>MAIN COMPANIES CONSOLIDATED FOR THE FIRST TIME DURING THE YEAR</b>					
Dumex Baby Food Co., Ltd.	CNAO (China)	Specialized Nutrition	March	-	100.0 %
Centrum Medyczne Promedica Spolka Cywilna Piotr Compala, Halina Compala-Kusnierz	Europe (Poland)	Specialized Nutrition	March	-	100.0 %
<b>MAIN CONSOLIDATED COMPANIES IN WHICH THE GROUP'S OWNERSHIP INTEREST HAS CHANGED</b>					
Harmless Harvest	North America (United States)	Waters	March	51.0 %	100.0 %
Hunan Eurbest Nutritional Food	CNAO (China)	Specialized Nutrition	August	96.5 %	100.0 %
<b>MAIN COMPANIES NO LONGER FULLY CONSOLIDATED AS OF DECEMBER 31</b>					
JSC Danone Russia <sup>(b)</sup>	Rest of the World (Russia)	EDP	July	100.0 %	100.0 %

(a) Month in the 2023 fiscal year.

(b) Related to EDP Russia following deconsolidation on July 16, 2023 (see Note 3 to the consolidated financial statements).

### Note 5.3. Fully consolidated companies

The list of directly and indirectly fully consolidated companies along with equity-accounted companies included in the scope of consolidation as of December 31, 2024, is available on Danone's website ([www.danone.com](http://www.danone.com)).

### Note 5.4. Accounting for acquisitions resulting in control in 2024

The business combinations carried out in 2024 were not material.

### Note 5.5. Accounting for acquisitions resulting in control in 2023

The finalization of the accounting for the business combinations carried out in 2023 did not give rise to material adjustments.

### Note 5.6. Non-controlling interests

#### Main companies in terms of consolidated net income and net assets that are fully consolidated but not wholly owned

The minority shareholders in companies that are consolidated but not wholly owned by the Group were not material as of December 31, 2024.

#### Liabilities related to put options granted to non-controlling interests

##### Accounting principles

Danone granted put options to third parties with non-controlling interests in certain consolidated subsidiaries, under which the option holders are entitled to sell part or all of their investment in those subsidiaries. These financial liabilities do not bear interest.

In accordance with IAS 32 "Financial Instruments: Presentation", when non-controlling interests hold put options enabling them to sell their investment to the Group, a financial liability is recognized in an amount corresponding to the present value of the option strike price. The offsetting entry for the liability arising from these obligations is:

- a reduction in the carrying amount of the non-controlling interests;
- a reduction in equity – Group share for the amount of the liability that exceeds the carrying amount of the corresponding non-controlling interests. This item is adjusted at the end of each reporting period to reflect changes in the strike price of the options and the carrying amount of non-controlling interests. In the absence of specific provisions stipulated in IFRS, the Group has applied the recommendations issued by the French Financial Markets Authority (*Autorité des Marchés Financiers* – AMF) in November 2009.

#### Change during the period

<i>(in € millions)</i>	2023	2024
<b>As of January 1</b>	323	356
Options exercised <sup>(a)</sup>	(67)	0
Changes in the present value of outstanding options	100	(39)
<b>AS OF DECEMBER 31 <sup>(b)</sup></b>	<b>356</b>	<b>317</b>

(a) Carrying amount at the end of the previous reporting period for options exercised.

(b) In most cases, the strike price is determined based on sales and discounted cash flows.

## NOTE 6. INVESTMENTS IN EQUITY-ACCOUNTED COMPANIES

### Note 6.1. Accounting principles

#### Accounting treatment

All companies in which the Group exercises significant influence, directly or indirectly, are accounted for using the equity method. Under this method, the carrying amount of the shares held in the associate or jointly controlled entity represents the purchase cost of the shares, adjusted by the Group's share of changes in the entity's net assets since its acquisition.

Upon the acquisition of investments accounted for using the equity method, the purchase price of the shares is allocated to the identifiable assets acquired and liabilities assumed carried at fair value. The difference between the purchase price and the Group's share in the fair value of the assets acquired and liabilities assumed represents goodwill, which is added to the carrying amount of the shares.

The main components of the "Share of profit (loss) of equity-accounted companies" are:

- the Group's share of the profits or losses of these companies, calculated on the basis of estimates;
- gains or losses on disposals of shareholdings in these companies;
- the revaluation reserve resulting from a loss of influence where there is no disposal of shares;
- any impairment charged against these investments.

#### Impairment review

The Group reviews the measurement of its investments in equity-accounted companies when events or circumstances indicate that they may be impaired. With regard to listed shares, a significant or prolonged fall in their stock price below their historical stock price constitutes an indication of impairment.

An impairment loss is recognized within "Share of profit (loss) of equity-accounted companies" when the recoverable amount of the investment falls below its carrying amount.

### Note 6.2. Main changes during the period

#### 2024 fiscal year

No material transactions affecting investments in equity-accounted companies were carried out in the year ended December 31, 2024.

#### 2023 fiscal year

No material transactions affecting investments in equity-accounted companies were carried out in the year ended December 31, 2023.

**Note 6.3. Carrying amount and change during the period**

	Notes	2023			2024		
		Net goodwill	Group share in net assets and net income	Total	Net goodwill	Group share in net assets and net income	Total
<i>(in € millions)</i>							
<b>As of January 1</b>		<b>162</b>	<b>414</b>	<b>576</b>	<b>165</b>	<b>251</b>	<b>416</b>
Acquisitions, influence acquired during the year and capital increase		32	19	<b>51</b>	-	6	<b>6</b>
Disposals, influence lost during the year and decreases in ownership interest		(4)	(8)	<b>(12)</b>	-	-	-
Reclassification within assets held for sale	6.2	-	-	-	-	-	-
Share of profit (loss) of equity-accounted companies before impact of disposals, revaluation and other	6.4	-	20	<b>20</b>	-	30	<b>30</b>
Dividends paid		-	(23)	<b>(23)</b>	-	(23)	<b>(23)</b>
Translation adjustments		(29)	(198)	<b>(226)</b>	21	187	<b>208</b>
Impairment		-	-	-	-	-	-
Adjustment of the Group's share in net assets		3	27	<b>31</b>	-	(54)	<b>(54)</b>
<b>AS OF DECEMBER 31</b>		<b>165</b>	<b>251</b>	<b>416</b>	<b>186</b>	<b>397</b>	<b>583</b>

**Note 6.4. Share of profit (loss) of equity-accounted companies**

	Notes	Year ended December 31	
		2023	2024
<i>(in € millions)</i>			
Share of profit (loss) of equity-accounted companies before impact of disposals, revaluation and other		20	30
Impairment	6.5	-	-
Gains on disposal, revaluation and other	6.2	16	-
<b>TOTAL</b>		<b>36</b>	<b>30</b>

**Note 6.5. Impairment review of other investments in equity-accounted companies****Impairment review as of December 31, 2024**

Following the impairment review of other investments in equity-accounted companies, the Group did not recognize any impairment.

**Impairment review as of December 31, 2023**

Following the impairment review of other investments in equity-accounted companies, the Group did not recognize any impairment.

## NOTE 7. INFORMATION CONCERNING RECURRING OPERATING ACTIVITIES

### Note 7.1. Accounting principles

#### Sales

Danone's sales mainly comprise sales of finished products. They are recognized in the income statement when the control of goods is transferred. Sales are stated net of trade discounts and customer rebates, as well as net of costs relating to trade support and listing, or linked to occasional promotional initiatives invoiced by retailers. These amounts are estimated when sales are recognized, on the basis of agreements and commitments with the customers concerned.

#### Cost of goods sold

The cost of goods sold mainly comprises industrial costs (including raw material costs, depreciation of industrial assets and personnel costs for the production activity).

#### Selling expense

Selling expense mainly comprises marketing expenses, consumer promotions and personnel costs for staff directly engaged in product sales, and logistics and transportation costs.

#### General and administrative expense

General and administrative expense mainly comprises other personnel and administrative costs.

#### Research and Development expense

Development costs are generally expensed as incurred due to the very short time between the date on which technical feasibility is demonstrated and the date on which the products are launched, see Note 11 to the consolidated financial statements.

### Note 7.2. Operating segments

#### General principles

The primary operating decision-makers (Chief Executive Officer Antoine de Saint-Affrique, and Chief Financial Officer, Technology & Data Jürgen Esser) monitor and evaluate Danone's performance based on the following five geographical zones (corresponding to the four operating segments and an aggregated segment in accordance with IFRS 8):

- Europe;
- North America, comprising the United States and Canada;
- China, North Asia & Oceania;
- Latin America;
- Rest of the World, comprising the AMEA (Asia, Middle East including Turkey, Africa) and CIS regions.

The key indicators reviewed and used internally by the primary operating decision-makers to assess the performance of these operating segments are:

- Sales;
- Recurring operating income;
- Recurring operating margin, which corresponds to the ratio of recurring operating income to sales.

These are the only indicators monitored by category (EDP, Specialized Nutrition and Waters).

## Reporting by geographical zone

(in € millions except %)	As of December 31					
	Sales <sup>(a)</sup>		Recurring operating income		Recurring operating margin	
	2023	2024	2023	2024	2023	2024
Europe <sup>(b)</sup>	9,382	9,568	1,076	1,143	11.5%	11.9%
North America	6,889	6,579	699	749	10.1%	11.4%
China, North Asia & Oceania	3,496	3,694	1,052	1,086	30.1%	29.4%
Latin America	2,794	3,029	123	113	4.4%	3.7%
Rest of the World <sup>(c)</sup>	5,058	4,506	530	468	10.5%	10.4%
<b>GROUP TOTAL</b>	<b>27,619</b>	<b>27,376</b>	<b>3,481</b>	<b>3,558</b>	<b>12.6%</b>	<b>13.0%</b>

(a) Sales to third parties.

(b) Including sales of €2,297 million generated in France in 2024 (€2,324 million in 2023).

(c) Includes the sales of EDP Russia business from January 1, 2023 until the date of deconsolidation, i.e. July 16, 2023 (see Note 3 to the consolidated financial statements).

## Information by category

### Sales, recurring operating income and recurring operating margin

(in € millions except %)	Year ended December 31					
	Sales <sup>(a)</sup>		Recurring operating income		Recurring operating margin	
	2023	2024	2023	2024	2023	2024
EDP	14,322	13,463	1,224	1,142	8.5%	8.5%
Specialized Nutrition	8,504	8,936	1,772	1,842	20.8%	20.6%
Waters	4,793	4,977	485	574	10.1%	11.5%
<b>GROUP TOTAL</b>	<b>27,619</b>	<b>27,376</b>	<b>3,481</b>	<b>3,558</b>	<b>12.6%</b>	<b>13.0%</b>

(a) Sales to third parties.

## Other information

### Top ten countries contributing to sales

(in percentage)	Year ended December 31	
	2023	2024
United States	22%	21%
China	11%	11%
France	8%	8%
Indonesia	6%	6%
United Kingdom	5%	6%
Mexico	5%	5%
Spain	4%	4%
Germany	4%	4%
Poland	3%	3%
Brazil	3%	3%



**Non-current assets: property, plant and equipment and intangible assets****Net book value**

<i>(in € millions)</i>	Year ended December 31	
	2023	2024
Europe <sup>(a)</sup>	11,545	11,732
North America	9,778	10,432
China, North Asia & Oceania	5,317	5,415
Latin America	719	641
Rest of the World	2,176	2,308
<b>GROUP TOTAL</b>	<b>29,534</b>	<b>30,528</b>

(a) Includes €2,424 million for property, plant and equipment and intangible assets in France as of December 31, 2024 (€2,347 million as of December 31, 2023).

**Depreciation and amortization charges of property, plant and equipment and intangible assets**

<i>(in € millions)</i>	2023		2024	
	Depreciation and amortization charges	Of which right-of-use assets <sup>(a)</sup>	Depreciation and amortization charges	Of which right-of-use assets <sup>(a)</sup>
Europe	(472)	(92)	(514)	(97)
North America	(656)	(18)	(240)	(17)
China, North Asia & Oceania	(130)	(14)	(71)	(13)
Latin America	(141)	(40)	(157)	(37)
Rest of the World	(211)	(30)	(186)	(29)
<b>GROUP TOTAL AS OF DECEMBER 31</b>	<b>(1,611)</b>	<b>(194)</b>	<b>(1,168)</b>	<b>(193)</b>

(a) Pursuant to IFRS 16 "Leases".

### Note 7.3. Other components of recurring operating income

#### Other income (expense)

(in € millions)	Year ended December 31	
	2023	2024
Miscellaneous taxes <sup>(a)</sup>	(38)	(76)
Restructuring costs <sup>(b)</sup>	(15)	(8)
Capital gains on disposals of property, plant and equipment and intangible assets	4	6
Other <sup>(c)</sup>	(120)	(25)
<b>TOTAL</b>	<b>(170)</b>	<b>(102)</b>

(a) Comprises notably sales taxes.

(b) Excluding strategic restructuring or transformation operations.

(c) Comprises currency translation differences, asset impairment, provisions for doubtful receivables and several other components.

### Note 7.4. Working capital

#### Accounting principles

##### Inventories

Inventories and work-in-progress are recognized at the lower of cost and net realizable value. Cost is determined using the weighted average cost method.

##### Trade receivables

Trade receivables are recognized at amortized cost in the consolidated balance sheet.

##### Impairment provisions

Impairment provisions mainly concern disputes in which Danone is in talks with customers. Impairment provisions for expected credit losses are recognized to the extent of the losses expected over the life of the receivable.

#### Translation of transactions denominated in foreign currencies

When they are not hedged, transactions denominated in foreign currencies are translated using the exchange rate prevailing on the date of the transaction. At the reporting date, trade receivables and trade payables denominated in foreign currencies are translated using the exchange rates applicable at that date. Foreign exchange gains and losses arising from transactions in foreign currencies are recognized under "Other income (expense)" in the income statement. When they are hedged, the hedging impact is recognized in the same item as the hedged component. As a result, all such transactions are recognized at the hedged rate, with swap points recognized under "Other financial income" or "Other financial expense".

## Carrying amount

(in € millions except %)	As of December 31	
	2023	2024
Raw materials, work in progress and sundry supplies	1,318	1,291
Finished goods	1,306	1,215
Provisions for inventory write-downs	(283)	(229)
<b>Inventories, net</b>	<b>2,341</b>	<b>2,277</b>
Trade and other receivables from operations	3,042	3,035
Expected credit losses	(123)	(113)
<b>Trade receivables, net</b>	<b>2,919</b>	<b>2,922</b>
State and local authorities	887	976
Derivatives – assets <sup>(a)</sup>	38	60
Other	334	351
<b>Total other current assets</b>	<b>1,259</b>	<b>1,387</b>
<b>TOTAL CURRENT ASSETS</b>	<b>6,519</b>	<b>6,586</b>
<b>Trade payables</b>	<b>(4,779)</b>	<b>(5,147)</b>
Year-end discounts payable to customers	(1,440)	(1,482)
State and local authorities	(372)	(438)
Personnel costs, including social security charges	(1,143)	(1,283)
Derivatives – liabilities <sup>(a)</sup>	(69)	(79)
Other	(401)	(489)
<b>Total other current liabilities</b>	<b>(3,425)</b>	<b>(3,771)</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>(8,205)</b>	<b>(8,918)</b>
<b>Working capital</b>	<b>(1,686)</b>	<b>(2,332)</b>
As a percentage of consolidated sales	(6.1)%	(8.5)%

(a) Fair value of derivatives used to hedge operating currency and commodity risks, most of which are set up for a period of less than one year.

## Credit risk on trade receivables

### Credit risk exposure

Credit risk represents the risk of financial loss for the Group if a customer or counterparty should fail to meet its contractual payment obligations. Customer payment terms are generally 30 days and the Group's main customers operate predominantly in the mass-market retail sector where credit risk is considered low.

Due to the large number of customers located in diverse geographical zones and the fact that its main customers are in the mass-market retail sector, and despite the current economic situation, the Group does not believe that it is exposed to significant credit risk or dependent to a material extent on any single customer.

### Sales to the Group's largest customers and past due trade receivables not yet fully impaired

(%)	As of December 31	
	2023	2024
<b>PERCENTAGE OF CONSOLIDATED SALES MADE TO THE GROUP'S LARGEST CUSTOMERS</b>		
Largest Danone customer	7.0%	6.5%
Five largest Danone customers	15.1%	13.7%
Ten largest Danone customers	21.2%	19.7%
<b>PERCENTAGE OF PAST DUE TRADE RECEIVABLES NOT YET FULLY IMPAIRED <sup>(a)</sup></b>	<b>5.2%</b>	<b>4.2%</b>

(a) More than 30 days past due.

### Carrying amount of trade receivables and payables to customers

(in € millions)	As of December 31	
	2023	2024
Trade and other receivables from operations	3,042	3,035
Expected credit losses	(123)	(113)
<b>Trade receivables, net</b>	<b>2,919</b>	<b>2,922</b>
Year-end discounts payable to customers <sup>(a)</sup>	(1,440)	(1,482)
<b>TOTAL CARRYING AMOUNT OF TRADE RECEIVABLES AND PAYABLES TO CUSTOMERS</b>	<b>1,479</b>	<b>1,440</b>

(a) Amount recognized as a current liability in the Group's consolidated balance sheet.

## Factoring programs

As of December 31, 2024, as at December 31, 2023, the amount of trade receivables derecognized in connection with the non-recourse factoring programs was considered not material.

## Reverse factoring programs

### Accounting principles

Danone sets up reverse factoring programs with financial institutions for the payment of its supplier invoices. Suppliers enter into bilateral agreements with said financial institutions, under which they assign amounts receivable from Danone. Danone has analyzed the main characteristics of these agreements in order to confirm their classification and presentation as trade payables. Danone verified that:

- the factoring arrangement is totally independent of the commercial relationship;
- the supplier is free to decide to discount its invoices on a case-by-case basis;
- the date of payment to the supplier or bank corresponds to the payment date indicated on the invoice;
- Danone is not impacted by the result of invoice discounting, since this discount is borne entirely by the supplier and paid directly to the bank;
- the supplier payment terms remain in line with standard industry practice and local regulations;
- these programs do not contain debt-related features such as fees paid to the bank or supplier.

### Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements" are applicable for accounting periods beginning on or after January 1, 2024.

Danone has set up a working group to assess the impact of these amendments on the presentation of reverse factoring programs in the notes to the consolidated financial statements for the year ended December 31, 2024. Danone considers that these amendments do not have a material impact on the information presented in the notes to the consolidated financial statements for the year ended December 31, 2024.

### Reverse factoring programs

Danone uses these reverse factoring programs in the normal course of its business. These programs are implemented within a strict framework, notably:

- to be used and to function as a payment tool;
- for approved invoices only;
- for payment by Danone in accordance with the invoice terms, namely due dates, in accordance with applicable local regulations and practices;
- at no cost to Danone.

As of December 31, 2024, trade payables included in reverse factoring programs are presented within operating liabilities under "Trade payables" until they are paid by Danone.

Several of the Group's subsidiaries in various parts of the world are involved in these programs. As of both December 31, 2024, and December 31, 2023, these programs are considered not material and they do not have a material impact on the Group's exposure to liquidity risk. Danone's liquidity risk management policy is described in Note 12.2 to the consolidated financial statements.

## Note 7.5. Property, plant and equipment, capital expenditure and leases (right-of-use assets)

### Accounting principles

#### Property, plant and equipment acquired

Property, plant and equipment are recognized at acquisition or construction cost.

#### Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line basis over the estimated useful lives as follows:

- buildings: 15 to 40 years;
- machinery and equipment, furniture: 5 to 20 years;
- other: 3 to 10 years.

The depreciation charges in respect of property, plant and equipment are allocated to various headings in the income statement based on the nature and utilization of the assets concerned.

#### Returnable containers

Returnable containers (in particular, jugs in the Waters reporting category) are recognized at cost. They are depreciated on a straight-line basis, based on available statistics for each Group entity, over the shorter of their:

- physical useful life, taking into account the internal and external breakage rates and wear and tear;
- commercial useful life, taking into account planned or likely modifications of containers.

When the amount of the refund changes, the liability for deposits received is measured based on the revised amount and recorded in "Other current provisions and liabilities".

#### Leased assets

IFRS 16 "Leases" requires lessees to use a single accounting model for leases, which involves the recognition in the balance sheet of a right-of-use asset with a corresponding lease liability in respect of the present value of the lease payments due over the reasonably certain term of the lease. Deferred tax is also recognized on the basis of the difference between the carrying amount of the right-of-use asset and the lease liability.

The depreciation charge in respect of the right-of-use asset is presented in various headings within consolidated net income, while the interest expense relating to the lease liability is shown within financial interest on debt.

# 4 FINANCIAL STATEMENTS

## 4.1 Consolidated financial statements and Notes to the Consolidated financial statements

The cash flows relating to the lease payments are presented in cash flows provided by (used in):

- financing activities, for the portion corresponding to the repayment of the lease liability;
- operating activities, for the portion corresponding to the interest on the lease liability.

Danone uses the incremental borrowing rate to determine the lease liability unless the interest rate implicit in the lease can be easily determined. This is calculated separately for each currency and maturity based on the internal financing rate plus a credit spread for Danone SA bond issues, taking into account a linear repayment profile.

The lease term used is the non-cancelable period during which Danone has the right to use the underlying asset, together with both periods covered by options to extend or to terminate the lease if their exercise is considered reasonably certain. The right-of-use asset is depreciated over the lease term or over the useful life of the underlying asset if the exercise of a purchase option is deemed reasonably certain.

Danone uses the simplification measures specified by IFRS 16 and consequently:

- does not restate leases of low value assets whose reasonably certain term is less than 12 months. The corresponding lease expense is recognized in the income statement as incurred;
- distinguishes between the lease and non-lease components and accounts for them accordingly.

In addition, the amendment to IFRS 16 "Lease Liability in a Sale and Leaseback", published by the IASB on September 22, 2022, is applicable for accounting periods beginning on or after January 1, 2024. This amendment did not have a material impact on the consolidated financial statements for the year ended December 31, 2024. See Note 1.2 to the consolidated financial statements.

### Carrying amount and change during the period

	2023				2024			
	Land and buildings	Machinery and equipment	Other and assets in progress	Total	Land and buildings	Machinery and equipment	Other and assets in progress	Total
<i>(in € millions)</i>								
<b>CARRYING AMOUNT</b>								
<b>As of January 1</b>	<b>2,859</b>	<b>2,583</b>	<b>1,310</b>	<b>6,752</b>	<b>2,717</b>	<b>2,508</b>	<b>1,216</b>	<b>6,441</b>
Capital expenditure <sup>(a)</sup>	35	88	585	708	34	108	656	798
Disposals	(2)	(3)	(2)	(7)	(2)	-	(17)	(19)
Reclassification of assets held for sale	(21)	(17)	(0)	(38)	1	0	0	1
Changes in consolidation scope	(38)	(29)	(9)	(76)	(1)	-	-	(1)
Translation adjustments	(58)	(71)	(13)	(142)	11	-	(22)	(11)
Impairment <sup>(a)(b)</sup>	(12)	(37)	(12)	(60)	(8)	(35)	(20)	(63)
Depreciation charges <sup>(a)</sup>	(161)	(426)	(140)	(727)	(153)	(440)	(131)	(724)
Impacts of the above on right-of-use assets (gross) <sup>(c)</sup>	73	23	83	179	102	22	104	228
Impacts of the above on right-of-use assets (depreciation and impairment) <sup>(c)</sup>	(116)	(20)	(58)	(194)	(111)	(19)	(63)	(193)
Other <sup>(d)</sup>	159	415	(528)	46	90	381	(409)	62
<b>AS OF DECEMBER 31</b>	<b>2,717</b>	<b>2,508</b>	<b>1,216</b>	<b>6,441</b>	<b>2,680</b>	<b>2,525</b>	<b>1,314</b>	<b>6,519</b>
<i>Of which cumulated right-of-use assets <sup>(c)</sup></i>	<i>565</i>	<i>139</i>	<i>215</i>	<i>919</i>	<i>559</i>	<i>142</i>	<i>201</i>	<i>902</i>
<i>Of which cumulated gross amount</i>	<i>5,165</i>	<i>8,472</i>	<i>2,422</i>	<i>16,059</i>	<i>5,234</i>	<i>9,257</i>	<i>2,448</i>	<i>16,939</i>
<i>Of which cumulated depreciation and impairment</i>	<i>(2,448)</i>	<i>(5,964)</i>	<i>(1,206)</i>	<i>(9,618)</i>	<i>(2,558)</i>	<i>(6,729)</i>	<i>(1,133)</i>	<i>(10,420)</i>

(a) Excluding right-of-use assets.

(b) And accelerated depreciation.

(c) Pursuant to IFRS 16 "Leases".

(d) Corresponds mainly to the effects of applying IAS 29 (see Note 1.4 to the consolidated financial statements).

## Impairment review of property, plant and equipment

Property, plant and equipment are reviewed for impairment when events or circumstances indicate that the recoverable amount of the asset (or group of assets to which it belongs) may be impaired:

- the recoverable amount corresponds to the higher of market value and value in use;
- value in use is estimated on the basis of the discounted cash flows that the asset (or group of assets to which it belongs) is expected to generate over its estimated useful life in the conditions of use determined by the Group;

- market value corresponds to the estimated net selling price that could be obtained by the Group in an arm's length transaction.

Impairment is recognized when the recoverable amount of an asset is lower than its carrying amount.

## Capital expenditure during the period

	Year ended December 31	
	2023	2024
<i>(in € millions except %)</i>		
Related cash flows	(847)	(923)
<i>As a percentage of sales</i>	3.1 %	3.4 %

## Note 7.6. Off-balance sheet commitments relating to operating activities

### Commitments given in 2024

<i>(in € millions)</i>	Total	Amount of financial flows for the period					2029 and after
		2025	2026	2027	2028		
Commitments to purchase goods and services <sup>(a)</sup>	<b>(5,358)</b>	(2,763)	(674)	(330)	(207)	(1,384)	
Capital expenditure commitments	<b>(152)</b>	(136)	(16)	0	0	-	
Guarantees and pledges given	<b>(4)</b>	(4)	-	-	-	-	
Other	<b>(199)</b>	(93)	(13)	(16)	(13)	(64)	
<b>TOTAL</b>	<b>(5,713)</b>	<b>(2,996)</b>	<b>(703)</b>	<b>(346)</b>	<b>(220)</b>	<b>(1,448)</b>	

(a) Commitments relating mainly to purchases of milk, dairy ingredients and other food raw materials.

### Commitments given in 2023

<i>(in € millions)</i>	Total	Amount of financial flows for the period					2028 and after
		2024	2025	2026	2027		
Commitments to purchase goods and services <sup>(a)</sup>	(5,986)	(2,931)	(833)	(375)	(261)	(1,586)	
Capital expenditure commitments	(184)	(146)	(34)	-	-	(3)	
Guarantees and pledges given	(4)	(4)	-	-	-	-	
Other	(86)	(57)	(13)	(9)	(4)	(3)	
<b>TOTAL</b>	<b>(6,260)</b>	<b>(3,138)</b>	<b>(880)</b>	<b>(384)</b>	<b>(266)</b>	<b>(1,593)</b>	

(a) Commitments relating mainly to purchases of milk, dairy ingredients and other food raw materials.

## Note 7.7. Financial risks associated with operating activities

Details of the Group's financial risk management policy and its organization are provided in Notes 14.1 and 14.3 to the consolidated financial statements.

### Currency risk

#### Risk identification

The Group mainly operates on a local basis and in the currency of the country in which it is operating, thereby incurring no currency risk. However, the location of some of the Group's production units may result in intercompany billings in foreign currencies. This applies particularly to the Specialized Nutrition category and, to a lesser extent, the EDP category. Similarly, some raw materials are billed or indexed in foreign currencies, in particular in the Waters and EDP categories. The Group also develops certain export businesses. The sales and operating margin of some subsidiaries are therefore exposed to fluctuations of foreign exchange rates against their functional currency.

#### Risk monitoring and management

Details of the Group's policy for managing the currency risk arising on its operations are provided in Note 14.3 to the consolidated financial statements, *Management of currency risk arising on operating activities*.

#### Exposure

Pursuant to its forex risk management policy, the Group's residual exposure (after hedging) is not material over the hedging period. As of December 31, 2024, the main hedged currencies in terms of value included the Chinese yuan, the British pound, the US dollar, the Mexican peso, the Indonesian rupiah and the Brazilian real.

### Commodities risk

#### Risk identification

Danone's principal raw material needs consist primarily of:

- materials needed to produce food and beverage products, mainly milk, fruit and sugar. In terms of value, milk is the main raw material purchased, primarily in the form of liquid milk, for which the operating subsidiaries typically enter into agreements with local producers or cooperatives. Its price is set locally, over contractual periods that vary from one country to another. The other main food raw materials are fruit-based preparations;
- product packaging materials, in particular plastics and cardboard ("packaging"). Packaging purchases are managed through regional or global purchasing programs to optimize skills and volume effects. Prices are influenced by supply and demand at global and regional levels, economic cycles, production capacities and oil prices;
- energy supplies, which account for only a limited portion of its purchases.

Danone's strategy increasingly focuses on the upstream part of its business and in particular its raw material supplies, not only in order to manage its costs but also to make them a source of value creation and differentiation relative to its competitors. However, trends in prices for its principal raw materials may affect the structure of Danone's earnings.

#### Risk monitoring and management

Danone manages cost volatility through operating initiatives such as continuous productivity gains: Danone strives in particular to optimize its use of raw materials (reductions in production waste, lighter packaging and more effective use of milk sub-components in its products) and take advantage of pooled purchasing, for example through the centralized management of purchases other than milk for the EDP and Specialized Nutrition categories. Danone has implemented a purchasing policy (Market Risk Management – MRM) which is detailed in Note 14.3 to the consolidated financial statements, in paragraph *Management of commodity price risk*.



## Sensitivity of net income to changes in prices of the two main categories of raw materials purchased by the Group

Impact on the cost of raw materials for the fiscal year concerned of an increase/decrease in their price applied uniformly across all countries, throughout that fiscal year, using constant exchange rates (projected annual rate determined by Danone for the 2024 fiscal year)

	Year ended December 31	
	2023	2024
(in € millions)	Income (expense)	Income (expense)
<b>5% INCREASE</b>		
Liquid milk, milk powder and other milk-based ingredients	(194)	(154)
Plastics, including PET/rPET	(72)	(65)
<b>5% DECREASE</b>		
Liquid milk, milk powder and other milk-based ingredients	194	154
Plastics, including PET/rPET	72	65

## NOTE 8. INFORMATION AND EVENTS CONCERNING NON-RECURRING OPERATING ACTIVITIES

### Note 8.1. Accounting principles

#### Other operating income (expense)

Other operating income and expenses comprise items that, because of their significant or unusual nature, cannot be viewed as inherent to Danone's recurring activity and have limited predictive value, thereby distorting the assessment of its recurring operating performance and trends in that performance. These mainly include:

- capital gains and losses on disposals of businesses and fully consolidated companies;
- under IAS 36, impairment charges on intangible assets with indefinite useful lives;
- costs related to strategic restructuring operations or transformation plans;
- costs related to major external growth transactions;
- costs related to crises and major disputes;
- in connection with IFRS 3 and IFRS 10, (i) acquisition costs related to acquisitions of companies resulting in control, (ii) revaluation gains or losses accounted for following a loss of control, and (iii) changes in earn-outs subsequent to acquisitions resulting in control.

### Note 8.2. Other operating income and expense

#### Other operating income (expense) in 2024

Other operating income (expense) represented a net expense of €(179) million in 2024 and consisted mainly of the following items:

(in € millions)	Notes	Related income (expense)
Impact of the sale of the EDP business in Russia	3	227
Impact of the sale of the assets related to the US premium organic dairy activities	4	41
Impact of the sale of Michel et Augustin	5.2	36
Donation to the Danone Ecosystem association		(50)
Impairment of intangible assets	11.3	(51)
Transformation projects <sup>(a)</sup>		(314)

(a) Mainly in Europe and North America.

## Other operating income (expense) in 2023

Other operating income (expense) represented a net expense of €(1,438) million in 2023 and consisted mainly of the following items:

<i>(in € millions)</i>	Notes	Related income (expense)
Impact of deconsolidation of EDP Russia businesses	3	(706)
Sale of the assets related to the US premium organic dairy activities	4	(426)
Impairment of intangible assets	11.3	(95)
Local First plan		(88)

## NOTE 9. NUMBER OF EMPLOYEES, PERSONNEL COSTS AND EMPLOYEE BENEFITS

### Note 9.1. Number of employees at fully consolidated companies

#### Number of employees as of December 31

	As of December 31	
	2023	2024
<b>TOTAL NUMBER OF EMPLOYEES</b>	<b>88,843</b>	<b>89,528</b>

### Note 9.2. Personnel costs of fully consolidated companies

<i>(in € millions)</i>	Year ended December 31	
	2023	2024
Salaries and social security charges <sup>(a)</sup>	(4,337)	(4,617)
Retirement obligations – defined-benefit plans <sup>(b)</sup>	(34)	(34)
Expenses relating to Group performance shares (GPS) and to fidelity shares	(25)	(51)

(a) Salaries after social security charges. Also comprises contributions in respect of defined-contribution retirement plans.

(b) Mainly comprises obligations for which provisions have been set aside in respect of service costs.

## Note 9.3. Retirement commitments, retirement indemnities and personal protection

### General principles

The Group contributes to employee retirement benefit plans in accordance with the laws and usual practices of countries in which its subsidiaries operate. The Group has no actuarial liability in respect of contributions paid under such plans to private or state-sponsored pension funds. The Group also has contractual obligations for supplementary retirement plans, severance pay, retirement indemnities and personal protection plans. The related actuarial commitments are taken into account either through the payment of contributions to independently managed funds responsible for servicing and administering the funds, or through provisions.

### Accounting principles

#### Defined-contribution retirement plans

Contributions due under defined-contribution plans are expensed as incurred. These expenses are allocated to different headings in the consolidated income statement.

#### Defined-benefit retirement plans

The Group's obligations under defined-benefit retirement plans are calculated using the projected unit credit method and by taking into account actuarial assumptions, including employee turnover, salary increases and employees' expected active lives.

The carrying amounts of these plans on the consolidated balance sheet correspond to the present value of the obligations, as defined above, less the fair value of the plan assets (retirement funds to which the Group contributes, for example). They are presented under "Provisions for retirement obligations and other long-term benefits". In addition, the expected return on plan assets is measured on the basis

of the discount rate used to estimate the present value of retirement commitments. Actuarial gains and losses resulting from experience adjustments and changes in the actuarial assumptions that are used to calculate retirement obligations net of the related assets (including the difference between the expected and actual returns on plan assets) are recognized in full within "Other comprehensive income".

Income and expenses recognized in relation to defined-benefit plans correspond mainly to:

- the cost of services provided during the year and in previous years (where relevant), allocated according to their function to the various headings in the consolidated income statement;
- the accretion of the present value of the obligations, net of the expected return on plan assets, recognized within "Other financial expense".

#### Other long-term benefits

Other long-term benefits may be granted by certain Group companies to their employees, such as personal protection coverage and long service awards. The Group's obligations in respect of these benefits are determined by applying a similar method to that used to determine the obligations relating to defined-benefit retirement plans.

The amounts recognized in the balance sheet in respect of these plans correspond to the present value of the obligations, as detailed above. They are presented under "Provisions for retirement obligations and other long-term benefits". The actuarial gains and losses resulting from experience adjustments and changes in the actuarial assumptions used to calculate obligations are recognized in full within "Recurring operating income" of the fiscal year in which they are incurred.

### Defined-benefit retirement plans

#### Provisions for retirement obligations and other long-term benefits

<i>(in € millions)</i>	As of December 31	
	2023	2024
Defined-benefit retirement plans	873	870
Other long-term benefits	31	30
<b>TOTAL</b>	<b>904</b>	<b>900</b>

## Defined-benefit retirement plans and other post-employment benefits

### Carrying amount of gross obligations

(%)	As of December 31	
	2023	2024
Retirement plan for senior managers	34%	36%
Other	13%	13%
France	48%	49%
Indonesia	13%	11%
Germany	9%	9%
Belgium	8%	8%
United States	6%	6%
Ireland	5%	5%
Other <sup>(a)</sup>	11%	12%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

(a) Several countries, none of which represents more than 5% of the Group's gross obligations.

### Main benefit obligation for the Group

The Group's main defined-benefit retirement plan obligations relate to the retirement plan for senior managers in France. This retirement plan, which was set up in 1976 as a means of retaining key managers, may also include certain senior executives who were "Group senior managers" as of December 31, 2003, at which date the plan was closed to new beneficiaries. As of December 31, 2024, 58 Group senior managers were members of this plan (excluding plan beneficiaries who had already claimed their pension benefits), compared to 170 potential beneficiaries in 2003.

### General principles

This plan provides for a pension based on years of service and the amount of final salary, under the condition that the beneficiary is still in Danone's employment at the time of retirement. The pension is paid after deducting certain items corresponding: (i) with respect to a first category of senior executives, to the full amount of retirement benefits acquired over the course of their professional career; and (ii) with

respect to a second category of senior executives, to the full amount of retirement benefits acquired due to the implementation of a Company non-contributory supplementary retirement plan. The pension may represent up to 65% of a beneficiary's final salary.

If an employee leaves Danone before the age of 55 or dies before retirement, all benefits under this plan are lost. If the employee is laid off after the age of 55, the plan benefits are preserved, subject to the beneficiary not taking up any salaried position at a later date.

### Other obligations

Most of the other retirement plans put in place by the Group concern only a given subsidiary in a specific country. Consequently, the Group is required to manage several different plans in a given country. None of these are material.

**Carrying amount of provisions (gross obligations net of plan assets)**

<i>(in € millions)</i>	As of December 31					
	2023			2024		
	Retirement plan for senior managers	Other plans	Total	Retirement plan for senior managers	Other plans	Total
Vested rights with projected salaries	469	869	1,338	482	862	1,344
Fair value of plan assets	(99)	(366)	(465)	(86)	(387)	(474)
<b>Vested rights net of fair value of plan assets</b>	<b>370</b>	<b>503</b>	<b>873</b>	<b>396</b>	<b>475</b>	<b>869</b>
Impact of asset ceiling	-	-	-	-	-	-
<b>OBLIGATIONS FOR WHICH PROVISIONS HAVE BEEN RECORDED IN THE BALANCE SHEET</b>	<b>370</b>	<b>503</b>	<b>873</b>	<b>396</b>	<b>475</b>	<b>869</b>

The total amount of contributions/benefits to be paid out in 2025 in connection with these plans is estimated at €63 million.

**Actuarial assumptions****Methodology**

The Group defines actuarial assumptions by country and/or subsidiary. The discount rates used in 2024 were obtained by reference to the yield on investment-grade (AA-rated) bonds of private issuers with terms equivalent to that of the commitment in the corresponding currency area.

The credit quality used is assessed on the basis of the rating obtained from the leading financial rating agencies. In the case of illiquid markets, the discount rate is determined using government bonds of equivalent maturity to the term of the assessed plans.

**Retirement plan for senior managers****MAIN ACTUARIAL ASSUMPTIONS**

<i>(%, except for ages, expressed in years)</i>	Year ended December 31	
	Retirement plan for senior managers	
	2023	2024
Discount rate	3.3%	3.5%
Expected return on plan assets	3.3%	3.5%
Salary growth rate	3.0%	3.0%
Retirement age	60-66	60-66

**DISCOUNT RATE SENSITIVITY ANALYSIS**

<i>(in € millions)</i>	Year ended December 31	
	Retirement plan for senior managers	
	2023	2024
	Increase (decrease)	Increase (decrease)
50 bps increase	(36)	(34)
50 bps decrease	40	38

## Changes in carrying amount of provisions

	2023				2024			
	Vested rights	Plan assets	Impact of asset ceiling	Obligations provisioned	Vested rights	Plan assets	Impact of asset ceiling	Obligations provisioned
<i>(in € millions)</i>								
<b>As of January 1</b>	<b>1,228</b>	<b>(483)</b>	<b>-</b>	<b>745</b>	<b>1,339</b>	<b>(465)</b>	<b>-</b>	<b>873</b>
Service cost	31	-	-	<b>31</b>	32	-	-	<b>32</b>
Effect of discounting	54	-	-	<b>54</b>	53	-	-	<b>53</b>
Expected return on plan assets	-	(19)	-	<b>(19)</b>	-	(18)	-	<b>(18)</b>
Other changes	(20)	16	-	<b>(4)</b>	5	-	-	<b>5</b>
Expense for the year	66	(2)	-	<b>63</b>	90	(18)	-	<b>73</b>
Payments made to retirees	(63)	32	-	<b>(32)</b>	(84)	36	-	<b>(48)</b>
Contributions to plan assets	-	(16)	-	<b>(16)</b>	-	(17)	-	<b>(17)</b>
Changes in demographic assumptions	(2)	-	-	<b>(2)</b>	1	-	-	<b>1</b>
Changes in economic assumptions	97	-	-	<b>97</b>	(36)	-	-	<b>(36)</b>
Experience adjustments	18	3	-	<b>21</b>	28	(4)	-	<b>24</b>
Actuarial gains and losses	113	3	-	<b>116</b>	(7)	(4)	-	<b>(11)</b>
Translation adjustments	(4)	1	-	<b>(3)</b>	7	(7)	-	<b>-</b>
Other	-	-	-	<b>-</b>	-	-	-	<b>-</b>
<b>AS OF DECEMBER 31</b>	<b>1,339</b>	<b>(465)</b>	<b>-</b>	<b>873</b>	<b>1,344</b>	<b>(474)</b>	<b>-</b>	<b>870</b>

## Defined-benefit retirement plan assets

The investment policy for plan assets depends on the age profile of employees for each company and on the expected return on the various asset classes.

## Plan assets under the retirement plan for senior managers

	As of December 31	
	2023	2024
<i>(in € millions except %)</i>		
<b>Fair value of plan assets</b>	<b>(99)</b>	<b>(86)</b>
<b>MAIN CLASS OF PLAN ASSETS</b>		
Bonds <sup>(a) (b)</sup>	90%	90%
Equities <sup>(b)</sup>	4%	4%
Real estate and other asset classes <sup>(b)</sup>	5%	5%

(a) These assets are diversified and, in particular, exposure to individual sovereign risk is limited.

(b) These do not include any financial instruments issued by the Group.

## Defined-contribution retirement plans

Contributions paid as part of defined-contribution plans are recognized according to their function under various headings in the consolidated income statement.

## Note 9.4. Group performance shares and fidelity shares

### Group policy

The Group has awarded long-term compensation in the form of Group performance shares (GPS) to around 1,950 senior managers and senior executives, as well as to the corporate officers. Since 2022, it has also granted fidelity shares to around 1,940 senior managers and senior executives.

### General principles applicable to Group performance shares

GPS are shares in the Company that are subject to performance conditions, set by the Shareholders' Meeting for each plan. In the case

of all outstanding plans, the performance conditions are based on aspects of Danone's performance. The definitive grant of GPS is subject to a continuous presence condition of four years for GPS granted prior to 2023 and three years for GPS granted in 2023 or later.

### General principles applicable to fidelity shares

Fidelity shares are shares in the Company that are subject to progressive continuous employment conditions of one to three years, set by the Shareholders' Meeting for each plan.

### Group performance shares and fidelity shares outstanding

(in number of shares)	Year ended December 31	
	2023	2024
<b>As of January 1</b>	<b>2,595,903</b>	<b>3,260,209</b>
Maximum number <sup>(a)</sup>	2,822,688	3,631,605
Shares granted during the year	1,598,442	1,592,664
Maximum number <sup>(a)</sup>	1,799,394	1,790,295
Shares lapsed or canceled during the year <sup>(b)</sup>	(613,313)	(555,018)
Shares delivered during the year	(320,822)	(500,468)
<b>As of December 31</b>	<b>3,260,209</b>	<b>3,797,387</b>
Maximum number <sup>(a)</sup>	3,631,605	4,176,921

(a) In the event that the continuous employment and performance conditions are fully met, where applicable.

(b) Danone has included, in the number of GPS that have lapsed during the year, those GPS likely to lapse due to the non-achievement of these performance conditions, on the basis of information known as of the approval date by the Board of Directors (even if such shares' lapse has not yet been acknowledged by the Board).

## Accounting treatment

### Accounting principles

The fair value of the Group Performance Shares and of the fidelity shares is calculated based on performance conditions. The corresponding expense is spread over the vesting period. It is recorded in general and administrative expense in the consolidated income statement.

In the case of Group Performance Shares, when the performance conditions are:

- based on non-market conditions (such as, for example, those relating to recurring EPS growth, the achievement of a level of free cash flow generation, the level of return on invested capital (ROIC), and environmental performance), the expense recognized in respect of shares that have lapsed is written back in the income statement of the period during which it becomes probable that the performance conditions will not be met;

- based on market conditions (such as, for example, conditions linked to the achievement of a level of Total Shareholder Return), the measurement of the related expenses is assessed at the grant date, and cannot be subsequently written back.

Group Performance Shares and fidelity shares that are not yet vested are also taken into account in the calculation of the diluted number of shares as described in Note 15.4 to the consolidated financial statements.

### Valuation as of the grant date

(in € per share, except number of shares)	Year ended December 31	
	2023	2024
Number of shares granted	1,598,442	1,592,664
Of which based on non-market performance conditions	781,547	768,047
Of which based on market performance conditions	260,516	256,016
Of which fidelity shares	556,379	568,601
Fair value of shares granted based on non-market performance conditions <sup>(a)</sup>	50.7	52.6
Fair value of shares granted based on market performance conditions <sup>(a)</sup>	32.8	34.8
Fair value of fidelity shares granted <sup>(a)</sup>	52.6	54.4
Average DANONE share price	55.3	61.4

(a) Fair value as of the grant date.

### Expense recognized, including taxes

(in € millions)	Year ended December 31	
	2023	2024
Group performance shares (GPS) and fidelity shares	(25)	(51)
<b>TOTAL EXPENSE</b>	<b>(25)</b>	<b>(51)</b>

## Note 9.5. Company Savings Plan

### General and accounting principles

Danone regularly carries out capital increases reserved for Danone employees in France participating in a Company Savings Plan. Since 2019, Danone has also carried out capital increases reserved for employees of foreign companies, based on the authorization granted by the Shareholders' Meeting. The purchase price of the shares corresponds to 70% of the average DANONE share price over the 20 trading days preceding the meeting of the Board of Directors that approves the plan.

The benefit granted to the employees is calculated based on the fair value of the shares at the end of the plan subscription period. The corresponding expense is recognized in general and administrative expense in the consolidated income statement.

### Capital increases reserved for employees

In 2024, these capital increases for employees represented a total amount of €75,526,399.83.



**NOTE 10. INCOME TAX****Note 10.1. Income tax****Income before tax and tax expense**

<i>(in € millions, except tax rate in percentage)</i>	Year ended December 31	
	2023	2024
<b>Income before tax</b>	<b>1,686</b>	<b>2,999</b>
Current tax (expense) income	(814)	(868)
Deferred tax (expense) income	46	(61)
<b>Current and deferred tax (expense) income</b>	<b>(768)</b>	<b>(929)</b>
Effective tax rate	45.6%	31.0%
Amount (paid) received during the year	(730)	(766)

**Tax rate and tax systems****French tax system**

Danone forms a tax group with most French subsidiaries in which it owns, directly or indirectly, more than 95% of the share capital, enabling taxable profits and losses to be offset subject to certain limits and conditions.

**Other tax systems**

Similar tax consolidation arrangements exist in other countries, in particular in the United States, the Netherlands, the United Kingdom, Germany and Spain.

**Effective tax rate**

In 2024, the Group's effective tax rate was 31.0%, lower than in 2023.

**Difference between the effective tax rate and the 25.83% country tax rate in France**

<i>(in percentage)</i>	Notes	Year ended December 31	
		2023	2024
Country tax rate in France		25.8%	25.8%
Difference between French and foreign tax rates <sup>(a) (b)</sup>		(1.8%)	(3.0%)
Tax on dividends and royalties		4.4%	2.7%
Permanent differences		1.7%	1.2%
Tax loss carryforwards <sup>(c)</sup>	10.3	4.9%	5.6%
Tax rate adjustments and unallocated taxes		0.6%	2.1%
Impact of capital gains and losses on disposal and asset impairment <sup>(d) (e)</sup>		11.3%	(6.5%)
Other differences		(1.3%)	3.0%
<b>EFFECTIVE TAX RATE</b>		<b>45.6%</b>	<b>31.0%</b>

(a) Foreign tax rates corresponds to various countries, none of which generates a significant difference with the country tax rate in France.

(b) Includes the impact of differences between French and foreign tax rates on capital gains and losses on disposal and asset impairment.

(c) Includes mainly the impacts of the non-recognition and impairment of deferred tax assets in France in 2024, as well as in 2023.

(d) In 2024, this mainly relates to the disposal of EDP Russia (see Note 3 to the consolidated financial statements).

(e) In 2023, this mainly related to the non-deductibility of goodwill impairment and the recycling of the cumulative translation adjustments related to EDP Russia following the deconsolidation (see Notes 3. 4 and 11.2 to the 2023 consolidated financial statements).

## Note 10.2. Deferred taxes

### Accounting principles

Deferred taxes are recognized for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except for the cases specified in IAS 12 "Income Taxes". Deferred taxes are calculated using the liability method, applying the enacted income tax rates expected to be applicable when the temporary differences will be reversed.

Temporary differences are reflected in the consolidated financial statements as deferred tax assets or liabilities on the basis of the most likely scenario as regards the reversal of the differences.

Deferred tax assets and liabilities are offset when the tax entity has a legal right to offset.

Lastly, the Company and its subsidiaries may be subject to tax audits. A provision is recognized in the consolidated financial statements whenever it is probable that a tax reassessment will be made.

### Carrying amount

(in € millions)	Notes	As of December 31	
		2023	2024
<b>BREAKDOWN BY TYPE OF DEFERRED TAX</b>			
Property, plant and equipment and intangible assets		(1,594)	(1,600)
Tax loss carryforwards	10.3	74	53
Provisions for retirement obligations and other long-term benefits		212	105
Employee profit-sharing provisions		17	17
Restructuring provisions	16.3	36	44
Other		512	429
<b>Net deferred taxes</b>		<b>(743)</b>	<b>(952)</b>
Deferred tax assets		746	528
Deferred tax liabilities		(1,489)	(1,480)
<b>NET DEFERRED TAX LIABILITIES</b>		<b>(743)</b>	<b>(952)</b>

### Change during the period

(in € millions)	Notes	2023	2024
<b>As of January 1</b>		<b>(849)</b>	<b>(743)</b>
Changes recognized in profit or loss		46	(61)
Changes recognized in other comprehensive income		112	(120)
Changes recognized directly in equity		-	6
Changes in consolidation scope	6.2	(28)	4
Other <sup>(a)</sup>		(25)	(38)
<b>As of December 31</b>		<b>(743)</b>	<b>(952)</b>

(a) Consists mainly to the effects of applying IAS 29 (see Note 1.4 to the consolidated financial statements).

## Note 10.3. Tax loss carryforwards

### Accounting principles

Deferred tax assets relating to tax loss carryforwards and temporary differences are recognized when it is more likely than not that these taxes will be recovered. At the end of each reporting period, the Group reviews the unused tax losses and the amount of deferred tax assets

recognized in the balance sheet. In some countries in which losses can be carried forward indefinitely, the Group takes into consideration recovery horizons based on forecast taxable profits, mainly over five years.

## Carrying amount

(in € millions)	As of December 31	
	2023	2024
<b>TAX LOSSES CARRYFORWARDS – RECOGNIZED PORTION</b>		
Recognized tax loss carryforwards <sup>(a) (b)</sup>	289	211
Future tax savings <sup>(c)</sup>	74	53
<b>TAX LOSSES CARRYFORWARDS – UNRECOGNIZED PORTION</b>		
Tax loss carryforwards and tax credits not yet used <sup>(a)</sup>	2,044	2,632
Potential tax savings	543	692

(a) Basis amount.

(b) In 2024, as in 2023, these mainly result from the French tax consolidation group.

(c) These correspond to deferred tax assets arising on tax loss carryforwards.

## Consumption horizon

Most of the losses carried forward had an indefinite useful life as of December 31, 2024. The probable consumption horizon in which these tax losses will be utilized is mainly five years.

## Note 10.4. International tax reform – Pillar II

### General and accounting principles

The Pillar II international tax reform, aimed at establishing a 15% minimum effective tax rate on group profits in each country where they operate, has been applicable by the Group since January 1, 2024.

In May 2023, the IASB published an amendment to IAS 12 "Income Taxes" introducing a temporary exception to the accounting for deferred taxes arising from the implementation of the GloBE (Global anti-Base Erosion) rules, applicable until a new decision is issued by the IASB.

### Impacts on the 2024 consolidated financial statements

Danone has implemented Pillar II and has set up a working group to assess its tax exposure arising from the implementation of the Pillar II model rules.

As of December 31, 2024, Danone considers that the recognition of the additional expense, as well as the application of the temporary exception to the requirements to recognize deferred tax assets and liabilities under Pillar II, do not have a material impact on its results or financial position.

## NOTE 11. INTANGIBLE ASSETS

### Note 11.1. Accounting principles

#### Goodwill

When control of a company is acquired, the fair value of the consideration given to the seller is allocated to the assets acquired and the liabilities and contingent liabilities assumed, which are measured at fair value. The difference between the consideration given to the seller and the Group's share of the fair value of the assets acquired and the liabilities and contingent liabilities assumed represents goodwill. When the option of recognizing non-controlling interests at fair value is applied, the amount of non-controlling interests is added to goodwill. Goodwill is recognized under the dedicated asset heading in the consolidated balance sheet.

Goodwill arising from the acquisition of a foreign entity is recognized in the functional currency of the entity acquired and translated at the exchange rates prevailing at the reporting date.

Goodwill is not amortized but is tested for impairment at least annually.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units (CGU) or groups of CGUs most likely to benefit from the synergies of the business combination, at the lowest level at which goodwill is monitored by the Group. The CGUs correspond to subsidiaries or groups of subsidiaries that are included in the same geographical zone and that generate cash flows that are largely independent from those generated by other CGUs.

### Brands with indefinite useful lives

Acquired brands that are separately identifiable, of material value, supported by advertising expenditure and have indefinite useful lives, are recorded under "Brands" in the consolidated balance sheet. The value of these brands is generally estimated with the assistance of valuation specialists, taking into account various factors including brand awareness and contribution to earnings.

The classification of a brand as an intangible asset with an indefinite useful life is based on criteria such as the brand's expected long-term contribution to the Group's future cash flow, and its overall positioning in its market. Such brands, which are legally protected, are not amortized but are tested for impairment annually or more frequently if there is any indication of impairment (see below).

### Other brands

Other acquired brands that are deemed to have finite useful lives are presented under "Brands" in the consolidated balance sheet. They are amortized on a straight-line basis over their estimated useful lives. The amortization charges in respect of brands with finite useful lives are allocated to various headings in the income statement on the basis of the nature and utilization of the brands concerned. Taken individually, none of these brands are considered material.

### Development costs

Development costs are generally expensed as incurred (see Note 7.1 to the consolidated financial statements).

### Technologies, development costs and other intangible assets

The following elements are recognized in the balance sheet under "Other intangible assets":

- acquired technologies, which are generally valued with the assistance of specialized consultants and amortized over the average duration of the patents;
- acquired development costs meeting the criteria for recognition as an intangible asset under IAS 38 "Intangible Assets" (see above);
- other acquired intangible assets, which are recognized at their acquisition cost. They are amortized on a straight-line basis over their estimated useful lives, which do not exceed 40 years.

The amortization charges in respect of these assets are allocated to various headings in the income statement on the basis of their nature and utilization.

## Note 11.2. Carrying amount and change during the period

(in € millions)	Notes	2023				2024			
		Goodwill	Brands <sup>(a)</sup>	Other intangible assets	Total	Goodwill	Brands <sup>(a)</sup>	Other intangible assets	Total
<b>CARRYING AMOUNT</b>									
<b>As of January 1</b>		<b>17,938</b>	<b>5,843</b>	<b>459</b>	<b>24,239</b>	<b>17,340</b>	<b>5,256</b>	<b>498</b>	<b>23,094</b>
Changes in consolidation scope	5.2	71	-	(1)	70	122	-	-	122
Capital expenditure		-	-	130	130	-	-	147	147
Disposals		-	-	(1)	(1)	-	-	(1)	(1)
Translation adjustments		(440)	(150)	(11)	(601)	600	120	4	724
Impairment	8.2, 11.3	(47)	(48)	(3)	(98)	-	(51)	(8)	(59)
Reclassification of assets held for sale <sup>(b)</sup>		(181)	(448)	-	(629)	-	-	-	-
Depreciation charges		-	-	(107)	(107)	-	-	(125)	(125)
Other <sup>(c)</sup>		-	59	32	91	-	65	41	106
<b>AS OF DECEMBER 31</b>		<b>17,340</b>	<b>5,256</b>	<b>498</b>	<b>23,093</b>	<b>18,062</b>	<b>5,390</b>	<b>556</b>	<b>24,008</b>
<i>Of which amortization</i>		-	(7)	(1,157)		-	(7)	(1,178)	

(a) Includes brands with indefinite useful lives and other brands (none of which are considered to be material taken individually).

(b) As of December 31, 2023, this concerned assets relating to the organic dairy business in the United States and to Michel et Augustin.

(c) Corresponds mainly to the effects of applying IAS 29 (see Note 1.4 to the consolidated financial statements).

## Note 11.3. Impairment review of goodwill and brands with indefinite useful lives

### Methodology

The carrying amounts of goodwill and brands with indefinite useful lives are reviewed for impairment at least annually and whenever events or circumstances indicate that they may be impaired. Such events or circumstances are linked to significant, unfavorable and lasting changes that affect the economic environment or the assumptions or targets set at the time of acquisition.

The cash flows used to determine the value in use of the CGUs or groups of CGUs, and the recoverable amount of the brands with indefinite useful lives are derived from the annual budgets and strategic business plans of the CGUs, groups of CGUs and brands which are drawn up by management on the basis of the information available at that date. The periods applied for the CGUs, groups of CGUs and brands span three to five years.

Future cash flows beyond that period are extrapolated using a long-term growth rate that is specific to each CGU, group of CGUs and brands:

- the operating assumptions used to calculate the terminal value are in line with the final year of the projections described above in terms of sales and recurring operating margin;
- the long-term growth rate is determined for each CGU, group of CGUs, or brands taking into account its average growth rate in recent years and the expected medium-term rate of inflation in its geographical zone (macro-economic fundamentals, demographics, etc.).

Finally, future cash flows are discounted using the weighted average cost of capital method, according to which the cost of debt after tax and the cost of equity are weighted based on their respective proportions in the business sector concerned. It is calculated for the Group and a premium added for certain CGUs, groups of CGUs and brands to take into account the risk factors affecting certain countries.

### Goodwill

Impairment tests are carried out on all property, plant and equipment and intangible assets of the CGUs and groups of CGUs. When the carrying amount of all the property, plant and equipment and intangible assets of the CGUs and groups of CGUs exceeds their recoverable amount, an impairment provision is recognized and first charged against goodwill.

The recoverable amount of the CGUs or groups of CGUs to which the tested assets are allocated is the higher of (i) fair value net of costs to sell, generally estimated on the basis of earnings multiples, and (ii) value in use, assessed with reference to the expected discounted future cash flows of the CGU or group of CGUs concerned.

### Brands with indefinite useful lives

Annual impairment testing of brands with indefinite useful lives is based on an individual recoverable amount established using the royalties method, except in the case of certain brands for which the Group has a third-party valuation. In the case of brands selected on the basis of quantitative and qualitative criteria, the Group estimates the royalty rate of these brands in accordance with a method based on several parameters such as awareness, profitability and market share.

### Impairment tests carried out as of December 31, 2024

For the purposes of impairment testing as of December 31, 2024, the Group projected in its business plans the effects of the following items on its activities, according to its best estimates based on (i) the information available at that date regarding external items, and (ii) the initiatives and projects to be implemented by the Group as envisaged at that same date:

- moderate inflation of raw material costs (milk and ingredients), packaging and logistics costs;
- impacts on the operating margin of the CGUs or groups of CGUs tested, of the costs identified at December 31, 2024, of the Nature Pillar of the Danone Impact Journey, as described in section 5.1.3 *Nature Pillar - Preserve & Regenerate Nature*, which notably includes the Group's objectives in terms of combating the effects of climate change;
- an post-tax discount rate of between 6.6% and 9.9% and a long-term growth rate ranging between 0% and 3.6% for the main intangible assets with indefinite useful lives.

The Group also conducted sensitivity analyses of the physical and transition risks related to climate change and its potential effects on the recoverable amount of the CGUs or groups of CGUs, as set out in section 5.3.1 *Climate change (ESRS E1)*. These risks were weighted based on the probability of occurrence and allocated proportionally to the cash flows of the business plan and the terminal value of the CGUs or groups of CGUs tested. These mainly concern the following issues:

- risks related the supply of milk and key agricultural ingredients, and access to water;
- risks that could lead to restrictions related to packaging;
- risks related to the potential increase in carbon prices (direct and indirect).

The implementation of these sensitivity analyses did not reveal any risk of impairment, understanding that the Group's estimates or judgements of the risks related to climate change may differ from reality, as described in Note 1.1 to the consolidated financial statements (*Basis of preparation*).

## Carrying amount of goodwill and brands with indefinite useful lives

(in € millions)	As of December 31	
	2023	2024
Europe CGU	5,258	5,328
Noram CGU	6,522	6,935
China, North Asia & Oceania CGU	4,733	4,824
Other CGUs <sup>(a)</sup>	827	976
Goodwill	17,340	18,062
Brands with indefinite useful lives <sup>(b)</sup>	5,255	5,390
<b>Carrying amount of goodwill and brands with indefinite useful lives <sup>(c)</sup></b>	<b>22,595</b>	<b>23,453</b>

(a) Comprising nine CGUs.

(b) Consisting of several brands, the most material being Nutricia, International Delight, Silk and Alpro.

(c) After taking into account impairment for the year.

## Goodwill allocated to the Europe CGU, the Noram CGU and the China, North Asia & Oceania CGU

As of December 31, 2024, the recoverable amount exceeded the carrying amount by the following amounts:

(in € billions)	
Europe CGU	8
Noram CGU	2
China, North Asia & Oceania CGU	≥ 10

## Sensitivity analysis for the key recoverable amount assumptions

(in € billions except %)	Year ended December 31	
	Impact on recoverable amount	Annual decrease so recoverable amount equals carrying amount
<b>SALES - (50) BPS DECREASE <sup>(a)</sup></b>		
Europe CGU	(1)	5%
Noram CGU	(0.5)	2%
China, North Asia & Oceania CGU	(1)	≥ 10 %
<b>RECURRING OPERATING MARGIN - (100) BPS DECREASE <sup>(b)</sup></b>		
Europe CGU	(2)	4%
Noram CGU	(1)	1%
China, North Asia & Oceania CGU	(1)	≥ 10 %
<b>LONG-TERM GROWTH RATE - (50) BPS DECREASE</b>		
Europe CGU	(1)	
Noram CGU	(1)	
China, North Asia & Oceania CGU	(2)	
<b>DISCOUNT RATE - 50 BPS INCREASE</b>		
Europe CGU	(2)	
Noram CGU	(1)	
China, North Asia & Oceania CGU	(2)	

(a) Decrease applied each year to sales growth rate assumptions, including in the final year, based on 2025 projections.

(b) Decrease applied each year to recurring operating margin assumptions, including in the final year, based on 2025 projections.

## Goodwill allocated to the other CGUs

As of December 31, 2024, CGUs other than the Europe, Noram and China, North Asia & Oceania CGUs represented in total 5% of the carrying amount of the goodwill allocated to these CGUs.

## Brands with indefinite useful lives

The Group's main brands are *Nutricia*, *International Delight*, *Silk* and *Alpro*. As of December 31, 2024, they represented more than 60% of the carrying amount of the Group's brands with indefinite useful lives. The other brands are located in diverse geographical zones and different countries and concern all categories, none of which individually represented more than 10% of the carrying amount of the Group's brands with indefinite useful lives as of December 31, 2024.

## Impairment review of the main brands with indefinite useful lives

As of December 31, 2024, the Group tested the value of the *Nutricia*, *International Delight*, *Silk* and *Alpro* brands in accordance with the methodology and the valuation model described above and on the basis of assumptions derived from those applied to the groups of CGUs concerned. Following the impairment test, the Group recognized a partial impairment of one of the main brands with indefinite useful lives for a total amount of €35 million, in light of the new assumptions set out in their strategic plan.

In addition, an analysis of the sensitivity for the key recoverable amount assumptions was carried out on each of these main brands. The key assumptions used in the valuation model applied by the Group are (i) sales growth, (ii) the royalty rate, (iii) the long-term growth rate and the inflation rate used to calculate the terminal value, and (iv) the discount rate. The following changes in the key assumptions, deemed

reasonably possible, do not materially alter the findings of the impairment tests:

- 50 bps decrease in sales (decrease applied each year to sales growth assumptions, including in the final year, based on 2025 projections);
- 50 bps decrease in the royalty rate;
- 50 bps decrease in the long-term growth rate;
- 50 bps increase in the discount rate.

## Impairment review of other brands with indefinite useful lives

As of December 31, 2024, impairment tests carried out on brands with indefinite useful lives other than *Nutricia*, *International Delight*, *Silk* and *Alpro* led to the partial impairment, totaling €16 million, of a brand not considered material, in light of the new assumptions set out in their strategic plan. Danone also assessed the sensitivity of the impairment loss to changes in the key assumptions in respect of the main brands concerned. Taken individually, none of the following assumptions would require additional impairment:

- 50 bps decrease in sales (decrease applied each year to sales growth assumptions, including in the final year, based on 2025 projections);
- 50 bps decrease in the royalty rate;
- 50 bps decrease in the long-term growth rate;
- 50 bps increase in the discount rate.

As of December 31, 2023, following the impairment tests of the other brands with indefinite useful lives, the Group recognized impairment against three brands in an aggregate amount of €48 million.

## NOTE 12. FINANCING AND FINANCIAL SECURITY, NET DEBT AND COST OF NET DEBT

### Note 12.1. Accounting principles

#### Financing

Debt instruments are recognized in the consolidated balance sheet (i) under the amortized cost method, using their effective interest rate, or (ii) at their fair value.

They may be hedged by a derivative instrument as follows:

- fair value hedge: changes in the fair value of the hedged component of the debt is recognized in the consolidated balance sheet with the offsetting entry recognized in "Financial interest on debt", thereby neutralizing changes in the fair value of the derivative instrument;
- cash flow hedge: changes in the fair value of the effective portion of the derivative hedging the debt is recognized in the consolidated balance sheet, with the offsetting entry recognized in consolidated equity and recycled to profit or loss when the hedged item (i.e., the interest flows relating to the hedged debt) itself impacts consolidated net income.

#### Hybrid financing

Since the contractual terms of the undated subordinated notes issued by Danone do not stipulate any redemption or coupon payment obligation (payment of a coupon is mandatory mainly in the event of the payment of a dividend to Danone's shareholders):

- they are classified as equity instruments;
- the related coupons are recognized as a deduction from consolidated equity, net of the related tax income. In the consolidated statement of cash flows, they are shown in "Cash flows provided by (used in) financing activities", with the related tax included in "Cash flows provided by operating activities".

## Short-term investments

Short-term investments comprise:

- marketable securities, which are highly liquid instruments with short maturities that are easily convertible into a known amount of cash;
- other short-term investments.

Short-term investments are measured at their fair value, with changes in fair value recognized under "Interest income on cash equivalents and short-term investments" in the consolidated income statement. Other short-term investments are measured at amortized cost.

## Translation of transactions denominated in foreign currencies

At the reporting date, trade receivables and trade payables denominated in foreign currencies are translated using the exchange rates applicable at that date, with changes recognized in the income statement. Foreign exchange gains and losses arising from the translation of intercompany loans classified as net investments in foreign operations and that are used to hedge long-term investments (borrowings or other instruments) in the same currency are recognized in consolidated equity under "Translation adjustments" and recycled when the hedged asset is sold.

## Note 12.2. Liquidity risk and management policy

### Risk identification

Danone does not use debt in either a recurring or significant way in connection with its operating activities. Operating cash flows are generally sufficient to finance Danone's business operations and organic growth. Danone may, however, take on additional debt to finance acquisitions or, occasionally, to manage its cash cycle, particularly when dividends are paid to the Company's shareholders. The Group's objective is always to keep its debt at a level that enables it to maintain the flexibility of its financing sources.

Liquidity risk arises mainly from the maturities of its (i) interest-bearing liabilities (bonds, bank debt, etc.), and (ii) non-interest-bearing liabilities (liabilities related to put options granted to non-controlling interests), and from payments on derivative instruments. As part of its debt management strategy, Danone regularly seeks new financing to refinance its existing debt.

In those countries where centralized financing is not available, when medium-term financing is unavailable and/or in the case of existing financing in a company prior to Danone's acquisition of control, Danone is exposed to liquidity risk involving limited amounts in those countries. More generally, in the event of a systemic financial crisis, Danone may not be able to access the financing or refinancing it needs on the credit or capital markets, or it may not be able to access such financing on satisfactory terms, which could have an adverse impact on its financial position.

Danone's ability to access financing and its borrowing costs could depend in part on its credit rating by financial rating agencies. The Group's short and long-term debt ratings and any potential deterioration in those ratings could result in higher financing costs and affect its access to financing.

Lastly, most of the financing agreements entered into by the Company (bank lines of credit and bonds) include a change of control provision, which offers creditors a right of early repayment in the event that a change in control of the Company causes its rating by the financial rating agencies to fall below investment grade.

### Risk monitoring and management

Under its refinancing policy, Danone reduces its exposure by (i) centralizing its financing sources; (ii) borrowing from diversified financing sources; (iii) arranging a significant portion of its financing as medium-term financing; (iv) maintaining financing sources available at all times; (v) spreading maturities on the basis of projected requirements and cash flow generation; and (vi) ensuring that it is not subject to any covenants.

In those countries where centralized financing is not available, when medium-term financing is unavailable and/or in the case of existing financing in a company prior to Danone's acquisition of control, some Group companies may, for operational reasons, be required to borrow from local sources. From a Group perspective, the amounts borrowed are relatively small, whether considered individually or as a whole, given that the level of operating cash flow is generally sufficient to finance its operations and organic growth.

### Use of financing sources

The Group's policy consists of keeping its financing sources available and managing them at Company level. The Group may need to use (i) its short-term debt instrument program and syndicated credit facility to manage its cash cycle, notably when paying out dividends to Danone shareholders, and (ii) alternatively, its short term debt instruments and EMTN programs or its syndicated credit facility to optimize its borrowings costs while ensuring its financial security, such that the maturity and currency of the financing raised may vary without changing the level of consolidated net debt or the Group's financial security.



## Note 12.3. Financing structure and changes during the period

### Financing classified as debt

(in € millions)	As of December 31, 2023	Bonds issued	Bonds redeemed	Net flows from other financing arrangements	Impact of accrued interest	Impact of changes in exchange rates and other non-cash impacts <sup>(c)</sup>	Reclassification of non-current portion to current items	Changes in consolidation scope	As of December 31, 2024
<b>FINANCING MANAGED AT COMPANY LEVEL</b>									
Bonds – non-current portion	9,722	1,397	(6)	–	–	167	(2,031)	–	9,250
Bonds – current portion	2,000	–	(2,000)	–	–	19	2,031	–	2,049
Short term debt instruments <sup>(a)</sup>	1,619	–	–	(608)	–	–	–	–	1,011
<b>Total</b>	<b>13,341</b>	<b>1,397</b>	<b>(2,006)</b>	<b>(608)</b>	<b>–</b>	<b>185</b>	<b>–</b>	<b>–</b>	<b>12,310</b>
<b>LEASE LIABILITIES</b>									
Non-current portion	687	–	–	–	–	175	(203)	(3)	655
Current portion	192	–	–	(229)	–	38	212	(1)	213
<b>Total</b>	<b>879</b>	<b>–</b>	<b>–</b>	<b>(229)</b>	<b>–</b>	<b>213</b>	<b>9</b>	<b>(4)</b>	<b>868</b>
<b>OTHER FINANCING ARRANGEMENTS <sup>(b)</sup></b>									
Non-current portion	37	–	–	(2)	–	–	(5)	(6)	24
Current portion <sup>(d)</sup>	1,343	–	–	(362)	29	(37)	16	–	989
<b>Total</b>	<b>1,381</b>	<b>–</b>	<b>–</b>	<b>(364)</b>	<b>29</b>	<b>(36)</b>	<b>11</b>	<b>(7)</b>	<b>1,013</b>
<b>TOTAL</b>	<b>15,601</b>	<b>1,397</b>	<b>(2,006)</b>	<b>(1,201)</b>	<b>29</b>	<b>362</b>	<b>20</b>	<b>(11)</b>	<b>14,191</b>

(a) As of December 31, 2024, as at December 31, 2023, short-term debt instruments are included in current financial debt.

(b) Subsidiaries' bank financing.

(c) In terms of lease liabilities, this corresponds mainly to new financing in the period.

(d) As of December 31, 2024, bank overdrafts amounted to €828 million (€1,264 million as of December 31, 2023).

On April 26, 2024, Danone announced that it had successfully issued a €700 million bond with a six-year maturity and a 3.481% coupon.

On May 30, 2024, Danone redeemed €750 million worth of bonds issued in 2015.

On September 5, 2024, Danone announced that it had successfully issued a €700 million bond with a seven-year maturity and a 3.20% coupon.

On November 4, 2024, Danone redeemed €1,250 million worth of bonds issued in 2016.

On January 14, 2025, Danone redeemed €750 million worth of bonds issued in 2015.

### Financing classified as equity

In 2017, Danone launched a hybrid undated bond issue totaling €1.25 billion. The issue consists of a euro-denominated undated bond, paying an initial coupon of 1.75%, with a first call date on June 23, 2023, and has been recognized in equity in accordance with IAS 32 "Financial Instruments: Presentation".

In September 2021, Danone redeemed the hybrid financing ahead of maturity for an amount of €0.5 billion, and at the same time reissued hybrid financing in the form of undated securities for the same amount, denominated in euros, paying an annual coupon of 1% and with a first call on December 16, 2026.

On April 24, 2023, Danone announced its intention to exercise the redemption option on the outstanding €750 million of its 2017 hybrid bond issue. The bonds were redeemed on June 23, 2023 (see the Consolidated statement of changes in equity).

## Note 12.4. Group financing and financial security managed at Company level

### Structure of Group financial security

	As of December 31			
	2023		2024	
	Committed amount	Amount used	Committed amount	Amount used
<i>(in € millions)</i>				
<b>BANK FINANCING <sup>(a)</sup></b>				
Syndicated credit facility <sup>(b)</sup>	2,000	-	2,000	-
Committed credit facilities <sup>(c)</sup>	567	-	587	-
Bank loans	-	-	-	-
<b>CAPITAL MARKETS FINANCING <sup>(a)</sup></b>				
EMTN financing <sup>(d)</sup>	NA	9,912	NA	9,374
Hybrid financing	NA	500	NA	500
Bonds issued on the US market <sup>(d)</sup>	NA	1,810	NA	1,925
Short-term debt instruments	NA	1,619	NA	1,011

(a) The Group's financial structure and financial security are managed at Company level.

(b) In 2024, Danone signed an agreement to extend its €2,000 million syndicated credit facility. The facility is sustainability-linked. Pursuant to the agreement, the maturity of the syndicated loan was extended by seven years.

(c) Portfolio of back-up facilities entered into with major credit institutions, with maturities ranging from 2025 to 2029.

(d) Bonds issued by the Company are disclosed on Danone's website.

### Main financing transactions in 2024

	Year ended December 31		
	2024		
	Currency	Nominal	Maturity
<i>(in millions of currency)</i>			
<b>NEW FINANCING</b>			
Euro bond	EUR	700	2030
Euro bond	EUR	700	2031
<b>REPAYMENTS AND REDEMPTIONS</b>			
Euro bond	EUR	750	2024
Euro bond	EUR	1,250	2024

## Main financing transactions in 2023

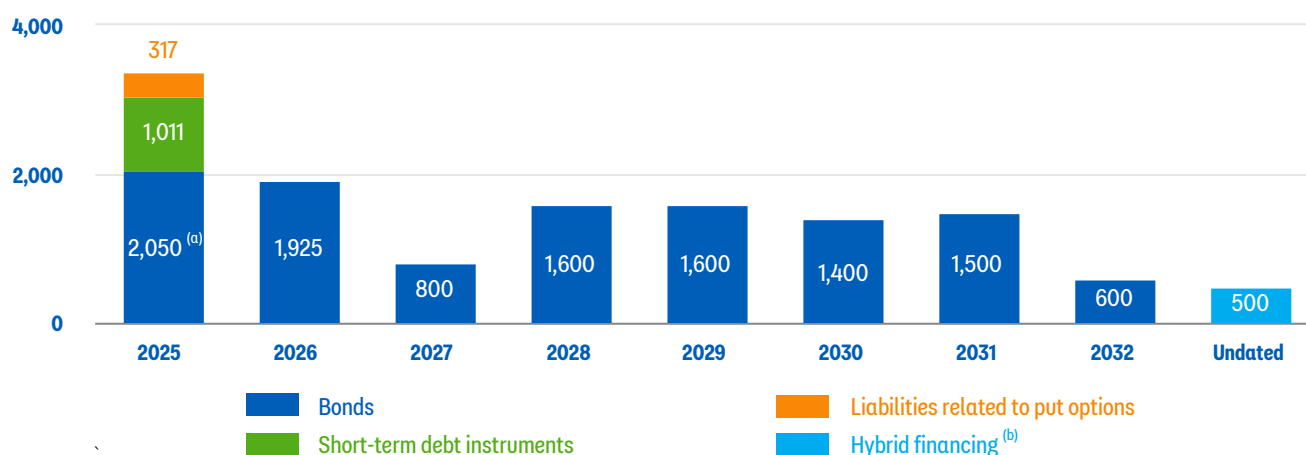
(in millions of currency)	Year ended December 31		
	2023		
	Currency	Nominal	Maturity
<b>NEW FINANCING</b>			
Euro bond	EUR	800	2029
Euro bond	EUR	800	2031
<b>REPAYMENTS AND REDEMPTIONS</b>			
Hybrid bond	EUR	750	2023
Euro bond	EUR	500	2023
USD bond	USD	1,500	2023

## Repayment schedule for financial debt managed at Company level and put options granted to non-controlling interests

### Projected cash outflows related to the contractual repayment of the principal based on the assumption of non-renewal

YEAR ENDED DECEMBER 31

(in € millions)



(a) On January 14, 2025, Danone redeemed €750 million worth of bonds issued in 2015 (see Note 12.3 to the consolidated financial statements).

(b) Including €500 million with a call date in 2026.

### Projected cash outflows related to the contractual payment of interest on financial assets and liabilities managed at Company level, including premiums to be paid on derivatives based on the assumption of non-renewal

(in € millions)	2025 cash flows	2026 cash flows	2027 cash flows	2028 cash flows	2029 cash flows and beyond
Interest on debt <sup>(a)</sup>	(221)	(210)	(153)	(149)	(313)
Cash flows on derivatives <sup>(a)(b)(c)</sup>	(65)	(66)	(66)	(66)	(41)

(a) The floating interest rates are calculated on the basis of the rates applicable as of December 31, 2024.

(b) Net contractual flows, including premiums payable and net flows payable or receivable relating to the exercise of options in the money at year-end.

(c) Concerns derivative instruments used to manage net debt, assets and liabilities.

# 4

## FINANCIAL STATEMENTS

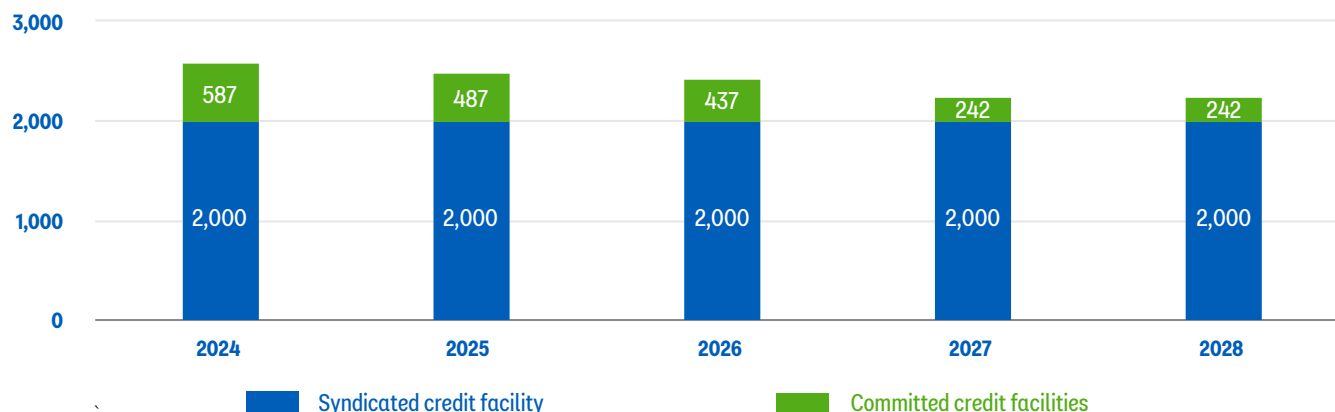
### 4.1 Consolidated financial statements and Notes to the Consolidated financial statements

#### Sources of financing available at any time

Financing available at any time is carried on the Company's books and comprises committed credit facilities and a syndicated credit facility.

##### AS OF DECEMBER 31

(in € millions)



#### Company rating

	As of December 31			
	2023		2024	
	Moody's	Standard and Poor's	Moody's	Standard and Poor's
<b>SHORT-TERM RATING <sup>(a)</sup></b>				
Rating	-	A-2	-	A-2
<b>LONG-TERM RATING <sup>(b)</sup></b>				
Rating	Baa1	BBB+	Baa1	BBB+
Outlook	Stable	Stable	Stable	Stable

(a) Rating given to the Company's short-term debt instrument program.

(b) Rating given to the Company's senior debt issues with a maturity of more than one year.

#### Note 12.5. Cash and short-term investments

##### Carrying amount

(in € millions)	As of December 31	
	2023	2024
Money market funds	1,646	2,135
Bank deposits, negotiable debt instruments and other short-term investments	1,992	2,550
<b>TOTAL SHORT-TERM INVESTMENTS</b>	<b>3,638</b>	<b>4,685</b>
Cash	2,363	1,475
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>6,001</b>	<b>6,160</b>

##### Counterparty risk in respect of short-term investments

The Group invests primarily in money market funds (*organismes de placements collectifs*) or short-term money market funds, which are highly liquid, diversified and not rated. Bank deposits, negotiable debt instruments and other short-term instruments are contracted with leading financial institutions.

**Note 12.6. Net debt**

(in € millions)	As of December 31	
	2023	2024
Non-current financial debt <sup>(a)</sup>	10,739	10,175
Current financial debt <sup>(a)</sup>	4,270	3,799
Short-term investments	(3,638)	(4,685)
Cash	(2,363)	(1,475)
Bank overdrafts	1,264	828
Derivatives – assets – Non-current <sup>(b)</sup>	(34)	(3)
Derivatives – assets – Current <sup>(b)</sup>	(16)	(37)
<b>NET DEBT</b>	<b>10,221</b>	<b>8,601</b>

(a) Consists of €868 million in lease liabilities following the application of IFRS 16 "Leases".

(b) Used solely to manage net debt.

**Changes in net debt in 2024**

Danone's net debt totaled €8,601 million as of December 31, 2024, a decrease of €1,620 million compared to December 31, 2023. It included €317 million in put options granted to non-controlling interests, €39 million lower than as of December 31, 2023.

**Changes in net debt in 2023**

Danone's net debt totaled €10,221 million as of December 31, 2023, an increase of €114 million compared to December 31, 2022. It included €356 million in put options granted to non-controlling interests, €33 million higher than as of December 31, 2022.

**Note 12.7. Cost of net financial debt****Accounting principles**

Financial interest on debt comprises mainly interest charges (calculated at the effective interest rate) on current and non-current financing and the impact of the derivatives relating to said financing.

Interest income and cash equivalents comprise mainly interest received and, if applicable, the impact of measuring short-term investments and cash at fair value through profit or loss.

The related cash flows are presented within "Cash flows provided by operating activities".

**Cost of net financial debt in 2024**

Cost of net financial debt stood at €(197) million at end-2024, compared with €(172) million at end-2023, reflecting the increase in interest rates.

## Note 12.8. Financial risks associated with net debt and financing activities

### Interest rate risk

#### Risk identification

The Group is exposed to interest rate risk on its financial liabilities as well as its cash and cash equivalents. Through its interest-bearing debt, the Group is exposed to the risk of interest rate fluctuations that affect the amount of its financial expense. In accordance with IFRS 9, interest rate fluctuations may also impact the Group's consolidated results of operations and consolidated equity.

#### Risk monitoring and management

The Group has implemented a policy to monitor and manage interest rate risk, as detailed in Note 14.3. to the consolidated financial statements in the section discussing management of the cost of net debt.

#### Exposure

##### Breakdown of net debt between fixed and floating rates

As of December 31, 2024 and December 31, 2023, all consolidated hedged net debt was considered to be at fixed rates.

#### Sensitivity of the cost of net debt to changes in short-term interest rates

In 2024 as in 2023, the impact of changes in short-term interest rates would not have had a material impact on the cost of the Group's net debt. This interest rate sensitivity analysis reflects the following factors:

- financial debt net of short-term investments and cash excluding financial liabilities arising on put options granted to non-controlling interests, as these do not bear interest;
- active interest rate hedges as of December 31.

### Financial currency risk

#### Risk identification

Due to its international presence, the Group could be exposed to foreign exchange rate fluctuations in relation to its financing activities: under its risk pooling policy, the Group manages multi-currency financing and liquidities.

#### Risk monitoring and management

The management policy regarding financial currency risk is detailed in Note 14.3 to the consolidated financial statements, in the section *Management of currency risk arising on financing activities and translation risk on net assets*.

#### Exposure

In light of the Group's policy of managing currency risk arising on financing activities, its residual exposure is not material.

## NOTE 13. OTHER FINANCIAL ASSETS, OTHER FINANCIAL INCOME AND EXPENSE

### Note 13.1. Accounting principles

#### Investments in other non-consolidated companies

Investments in other non-consolidated companies are recognized at fair value in the consolidated balance sheet. Changes in fair value and gains or losses on disposals are recognized in either (i) profit or loss (by default) under "Other financial income" or "Other financial expense" or (ii) consolidated equity under "Accumulated other comprehensive income" (by option) and are not recycled to profit or loss.

#### Fair value

For listed companies, fair value is assessed according to the stock price as of the end of the period.

For unlisted companies, fair value is assessed based on recent transactions entered into with third parties, on prices used in put or call options negotiated with third parties or on external appraisals.

#### Other financial assets

Other financial assets mainly comprise bonds and money market funds and deposits with uncertain maturity dates pursuant to the applicable regulations of certain countries in which the Group operates.

Bonds and money market funds are recognized at fair value in the consolidated balance sheet. Changes in fair value are recognized in consolidated equity under "Accumulated other comprehensive income" and recycled to profit or loss on their disposal under "Other financial income" or "Other financial expense". Their fair value is calculated on the basis of listed prices on active markets.

#### Loans

Loans are measured at amortized cost using the effective interest rate method.

## Note 13.2. Other financial assets

### Main changes during the period

The Group did not carry out any material transactions in either 2024 or 2023.

### Carrying amount

(in € millions)	As of December 31	
	2023	2024
Investments in other non-consolidated companies <sup>(a)</sup>	324	325
Bonds and money market funds <sup>(b)</sup>	114	118
Other <sup>(c)</sup>	392	415
Other financial investments	506	533
Long-term loans	10	6
<b>Other financial assets</b>	<b>839</b>	<b>864</b>

(a) Mainly comprises non-consolidated investments that are not material taken individually.

(b) Bonds and money market funds held to cover certain "damage and personal protection" risk provisions.

(c) "Other" mainly comprises deposits with uncertain maturity dates pursuant to the applicable regulations of certain countries in which the Group operates.

## Note 13.3. Other financial income and expense

### Accounting principles

Other financial income and expense correspond to financial income and expense other than income and expense related to net financial debt. They include in particular:

- swap points and option premiums, in particular those related to currency risk arising on operations and the acquisition/disposal of companies and equity investments, and the ineffective portion of derivatives classified as hedges in accordance with IFRS 9 "Financial Instruments";
- the impact of the accretion of the present value of commitments net of the expected return on plan assets in connection with retirement commitments and other long-term benefits;
- bank commissions, including commissions for the non-use of committed credit facilities;
- changes in the fair value of investments in other non-consolidated companies classified at fair value through profit or loss;
- gains or losses on the net monetary position resulting from the application of IAS 29.

## NOTE 14. FINANCIAL RISK MANAGEMENT ORGANIZATION AND DERIVATIVES

### Note 14.1. Financial risk management organization

In the normal course of its operations, the Group is exposed to financial risks, especially foreign currency, financing and liquidity risks (see Note 12.2 to the consolidated financial statements), interest rate and counterparty risks, equity securities risks and commodity risks.

#### Financial risks

The Group's policy consists of (i) minimizing and managing the impact that its exposure to financial market risks could have on its results and, to a lesser extent, on its balance sheet, (ii) monitoring and managing such exposure centrally, then (iii) executing financial transactions locally or centrally in line with applicable regulations and monetary frameworks, and (iv) using derivative instruments only as part of hedges for accounting purposes.

Through its Treasury and Financing Department, which is part of the Group Finance Department, the Group has the expertise and tools (trading room, front and back office software) to act on different

financial markets following the standards generally implemented by first-tier companies. The Internal Control and Internal Audit Departments review the risk organization and procedures applied. Lastly, a quarterly treasury and financing report is sent to the Group Finance Department, enabling it to monitor the decisions taken to implement the previously approved management strategies.

#### Commodity risks

The Group has implemented a commodity purchasing policy (Market Risk Management – MRM). Exposures are monitored and the policy implemented by the central purchasing team for each raw material category. This team negotiates forward purchase agreements mainly with suppliers. Forward purchase agreements are reviewed by the Market Risk Management Committee at the end of each annual reporting period.

### Note 14.2. Accounting principles

Derivatives are recognized in the consolidated balance sheet at their fair value:

- derivatives used to manage net debt and hedge of net investments in foreign operations are recognized in derivative assets or liabilities;
- forex and commodity derivatives related to operations are recognized as (i) other accounts receivable in "Derivatives – assets" or as (ii) other current liabilities in "Derivatives – liabilities".

When derivatives are designated as:

- fair value hedges of assets or liabilities in the consolidated balance sheet, changes in the value (other than the time value, see below) of both the derivatives and the hedged items are recognized in profit or loss in the same period;
- hedges of net investments in foreign operations, changes in the value (other than the time value) of the derivatives are recognized in equity under translation adjustments and are recycled as income (expense) when the hedged asset is derecognized;
- future cash flow hedges, changes in the value of the effective portion are recognized in equity under "Accumulated other comprehensive income" and are recycled to profit or loss when the hedged item itself is recognized in profit or loss.

- changes in the time value of instruments qualified as fair value or net investment hedges (swap points, currency option premium and basis spread of cross-currency swaps) or of forex derivatives are recognized in equity under "Accumulated other comprehensive income" and amortized over the term of the hedge. In the case of cash flow hedges, changes in the time value of forex derivatives are recognized in equity under "Accumulated other comprehensive income" and taken to profit or loss on expiry of the underlying instrument, in accordance with the principles adopted by the Group. Note that derivatives designated as future cash flow hedges are recognized in accordance with the transaction-related principle (hedging of transactions included in forecasts).

Changes in the fair value of the ineffective portion of derivatives qualified as hedging instruments and changes in the fair value of derivatives that do not meet the criteria for classification as hedging instruments are recognized directly in profit or loss for the period under operating income or financial income, depending on their nature.



## Note 14.3. Derivatives

### Group policy

#### Management of currency risk arising on operating activities

The Group's policy is to hedge its highly probable commercial transactions such that, as of December 31, its residual exposure in respect of the entire next fiscal year is significantly reduced. However, when the hedging conditions in certain currencies deteriorate (less availability, higher cost, etc.), the Group may have to limit the hedging of its highly probable commercial transactions in its foreign currencies, either by not hedging or only partially hedging its exposure. The Group uses forward currency contracts and currency options to reduce its exposure.

Execution of the hedging policy for currency risk arising on operations consists of providing the necessary hedging to subsidiaries through a centralized management system, or, in the case of subsidiaries where such hedges are legally prohibited, through a monitoring and control process.

The Group mainly applies cash flow hedge accounting.

Based on pending transactions as of December 31, 2024, the Group's residual exposure after hedging of currency risks on its highly probable commercial transactions is significantly reduced for 2024, with the main unhedged currency the Turkish lira.

#### Management of currency risk arising on financing activities and translation risk on net assets

The Group's policy consists of maintaining debt and/or the surplus cash positions of Danone and its subsidiaries in their respective functional currencies. Furthermore, in compliance with its policy of managing risks centrally, the Group may manage multi-currency borrowings and surplus cash. The Group has established a policy for monitoring and hedging the net assets of certain subsidiaries, with regular assessments of risks and opportunities with regard to hedging instruments. As part of these policies, the Group therefore uses currency swap contracts (forex swaps or cross-currency swaps).

#### Management of the cost of net debt

In connection with its management of net debt, the Group has implemented a policy to monitor and manage interest rate risk in order to limit the volatility of its financial income (expense) through the use of hedging instruments. These derivatives are mainly interest rate swaps and sometimes collars. All are plain vanilla instruments. Interest rate derivatives are contracted to manage interest rate risk and may or may not be eligible for hedge accounting in accordance with IFRS 9.

#### Hedges of acquisitions and disposals of companies or other equity investments

The Group's policy is generally not to hedge amounts payable or receivable in connection with acquisitions or disposals of companies or other equity investments. However, in certain circumstances, the Group may decide to hedge certain transactions.

#### Management of commodity price volatility risk

The Group has implemented a commodity purchasing policy (Market Risk Management – MRM), defining rules for securing the physical supply and for setting the prices of raw materials on the financial markets. The Group's central purchasing team mainly negotiates forward purchase contracts with suppliers which are based on a financial markets index or on a proxy, since instruments that would fully hedge the price volatility of Danone's main raw materials do not always exist in the financial markets. Exposures are monitored and this policy implemented by the central purchasing team for each raw material category, assisted by the Finance MRM team as concerns the price setting strategy.

The impact of a price change in the two main raw material categories on the cost of the Group's annual purchases is presented in Note 7.7 to the consolidated financial statements.

## Portfolio of derivatives

## Notional and fair value amounts

(in € millions)	As of December 31					
	2023			2024		
	Notional	Fair value	Of which recognized in equity	Notional	Fair value	Of which recognized in equity
<b>Used to manage currency risk arising on operations</b>	<b>(2,258)</b>	<b>(17)</b>	<b>(17)</b>	<b>(2,532)</b>	<b>(16)</b>	<b>(16)</b>
Cash flow hedge – currency options <sup>(a)</sup>	(197)	(1)	(1)	(173)	7	7
Cash flow hedge – forward currency contracts <sup>(a)</sup>	(2,061)	(16)	(16)	(2,358)	(22)	(22)
No hedge accounting applied	-	-	-	-	-	-
<b>Used to manage commodity risk</b>	<b>136</b>	<b>(21)</b>	<b>(21)</b>	<b>157</b>	<b>(3)</b>	<b>(3)</b>
<b>Used to manage net debt</b>	<b>7,285</b>	<b>(261)</b>	<b>(42)</b>	<b>7,821</b>	<b>(217)</b>	<b>(36)</b>
Fair value hedge	3,050	(223)	-	3,050	(159)	-
Cash flow hedge	3,795	(32)	(40)	2,602	(79)	(30)
Net investment hedge	90	(2)	(2)	270	(6)	(6)
No hedge accounting applied	350	(4)	-	1,898	27	-
<b>TOTAL</b>	<b>5,163</b>	<b>(299)</b>	<b>(81)</b>	<b>5,447</b>	<b>(236)</b>	<b>(55)</b>

(a) Pursuant to IFRS 9, the intrinsic value and time value of the operational forex instruments designated as cash flow hedges are recognized in equity.

## Additional information

## Management of currency risk arising on operating activities

## Net notional amount of derivative instruments for the main currencies hedged

(in € millions)	As of December 31					
	2023			2024		
	Forward currency contracts, net <sup>(a)</sup>	Currency options, net <sup>(b)</sup>	Total	Forward currency contracts, net <sup>(a)</sup>	Currency options, net <sup>(b)</sup>	Total
<b>(SALES)/PURCHASES OF CURRENCIES</b>						
CNY <sup>(c)</sup>	(895)	(44)	(939)	(1,177)	(32)	(1,209)
GBP <sup>(c)</sup>	(630)	(90)	(720)	(572)	(138)	(711)
MXN <sup>(c)</sup>	(152)	-	(152)	(180)	-	(180)
CAD <sup>(c)</sup>	(131)	(40)	(171)	(159)	(37)	(196)
BRL <sup>(c)</sup>	(101)	-	(101)	(96)	-	(96)
AUD <sup>(c)</sup>	(68)	(21)	(89)	(75)	-	(75)
PLN <sup>(c)</sup>	(64)	-	(64)	(61)	-	(61)
HKD <sup>(c)</sup>	(5)	-	(5)	(37)	-	(37)
USD <sup>(c)</sup>	306	(2)	304	283	34	317
Other <sup>(c)</sup>	(322)	-	(322)	(285)	-	(285)
<b>TOTAL</b>	<b>(2,061)</b>	<b>(197)</b>	<b>(2,258)</b>	<b>(2,358)</b>	<b>(173)</b>	<b>(2,532)</b>

(a) Spot portion of notional amount, based on closing rates.

(b) Spot portion of notional amount, including in- and out-of-the-money options.

(c) Transactions denominated against the euro or other currencies.

### Sensitivity of equity and net income to changes in fair value

A change in the fair value of the derivative instruments hedging currency risk arising on operations, resulting from a change in exchange rates could have the following impacts on the Group's financial statements:

- an impact on equity in the case of derivatives documented as cash flow hedges;
- an impact on profit or loss in the case of transactions to which hedge accounting is not applied.

These instruments and the hedged items typically have maturities of less than one year. Consequently the cash flows related to these instruments are recognized in the consolidated income statement.

### Gains and losses related to changes in fair value recognized in profit or loss

Gains and losses recognized in profit or loss relate to the following items:

- the ineffective portion, during the year, of changes in the fair value of instruments classified as cash flow hedges: the amounts were not material in either 2024 or in 2023;
- the effective portion deferred in equity in the previous year of instruments classified as cash flow hedges and recycled to profit or loss during the year: the amount recycled in both 2024 and 2023 corresponded to the portion of hedges recorded in equity as of December 31 of the previous year, with most of the hedges maturing in less than one year.

### Management of currency risk arising on financing activities and translation risk on net assets

#### Sensitivity of equity and net income to changes in fair value

A change in the fair value of these derivative financial instruments resulting from a change in foreign exchange rates at the reporting date would not have a material impact on the Group's equity or net income. Changes in the exchange rates of the financial instruments are offset by changes in the exchange rates on loans and borrowings in hedged currencies or on net investments in foreign operations.

### Management of net debt

#### Sensitivity of equity and net income to changes in fair value

A change in the fair value of interest rate derivatives resulting from a change in the yield curve recognized at the reporting date would have the following impact on the Group's equity and net income:

- in equity for the effective portion of instruments eligible to be used as hedges of future cash flows;
- in profit or loss for the ineffective portion of instruments eligible to be used as hedges of future cash flows or as fair value hedges, and for a change in the fair value of instruments not qualifying as hedges.

In both 2024 and 2023, a rate change applied to the entire yield curve would not have a material impact on consolidated equity or net income.

### Gains and losses related to changes in fair value recognized in profit or loss

Gains and losses recognized through profit or loss are related to:

- the ineffective portion, during the year, of changes in the fair value of instruments classified as cash flow hedges;
- the effective portion deferred in equity the previous year of instruments classified as future cash flow hedges and recycled to profit or loss during the year.

The corresponding amounts were not material in either 2024 or 2023.

### Management of commodity price volatility risk

As of December 31, 2024, the commodities portfolio consisted of diesel, plastic, dairy, sugar and soy derivatives in accordance with the Group's management policy, and all of the hedging instruments were classified as future cash flow hedges.

## Note 14.4. Counterparty risk

### Counterparty risk inherent to financial risk management

#### Risk identification

The Group is exposed to counterparty risk, especially on banking counterparties, as part of its financial risk management activities. In the ordinary course of its operations, the Group has financial institutions as counterparties, mainly to manage its cash and its currency and interest rate risks. The failure of these counterparties to comply with one or more of their commitments could adversely affect the Group's financial position.

#### Risk monitoring and management

The Group's overall exposure to counterparty risk has been significantly reduced through the centralization of financial risks and implementation of centralized applications as well as its cash management policy of minimizing and managing surpluses.

The Group's banking policy is designed to apply deposit limits per counterparty and prioritize counterparties' credit rating quality by concentrating its transactions among first-tier counterparties that (i) are rated at least BBB+; (ii) have international branch networks; and (iii) provide it with financing. In order to manage its short-term surpluses, the Group mainly invests in either money market funds (*Organismes de Placements Collectifs*) or short-term money market funds, which are not rated. These funds are liquid and diversified. Other short-term investments are made in accordance with the Group's banking policy as described above.

Lastly, in certain countries, the Group may be obliged to conduct transactions with local banks that have lower credit ratings.

#### Exposure related to short-term investments

See Note 12.5 to the consolidated financial statements.

### Exposure related to derivative instruments

(as a percentage of the total fair value as of December 31)<sup>(a)</sup>

	As of December 31	
	2023	2024
<b>COUNTERPARTY RATING (STANDARD &amp; POOR'S)</b>		
AAA, AA and A	80%	84%
BBB, BB and B	20%	16%
Unrated	-	-

(a) When positive, total fair value of outstanding derivatives by counterparty as of December 31.

The Group has entered into over-the-counter derivatives with leading banks under the terms of framework agreements that provide for the offsetting of amounts payable and receivable in the event one of the contracting parties defaults. These conditional offsetting agreements do not fulfill the IAS 32 criteria for offsetting derivative assets and liabilities in the balance sheet.

### Fair value associated with derivatives counterparty risk

The fair value associated with derivatives counterparty risk is calculated on the basis of historical default probabilities resulting from the calculations of a leading rating agency, to which a recovery rate is applied. As of December 31, 2024 and December 31, 2023, the impact associated with the adjustment required by IFRS 13 was not material.

## Note 14.5. Equity securities risk

	Notes	As of December 31	
		2023	2024
<i>(in € millions)</i>			
<b>RISK ON COMPANY SHARES</b>			
Treasury shares	15.2	1,552	1,527
<b>RISK ON OTHER SHARES</b>			
Investments in equity-accounted companies	6	416	583
Assets held for sale	4, 5.2, 6.5	376	-
Investments in other non-consolidated companies	13.2	324	325

## Note 14.6. Reconciliation of the consolidated balance sheet by class and accounting category

<i>(in € millions)</i>	Fair value through profit or loss	Fair value through other comprehensive income	Amortized cost	Carrying amount	Fair value	Level in the fair value hierarchy <sup>(d)</sup>
<b>As of December 31, 2024</b>						
<b>FINANCIAL ASSETS</b>						
Investments in other non-consolidated companies	41	284	-	325	325	1-3
Long-term loans and financial assets	133	-	405	538	538	1-3
Derivatives – assets <sup>(a)</sup>	30	10	-	40	40	2
Trade receivables <sup>(b)</sup>	-	-	2,922	2,922	2,922	-
Other current assets <sup>(b)</sup>	351	60	976	1,387	1,387	-
Short-term loans	-	-	2	2	2	-
Money market funds	2,135	-	-	2,135	2,135	1
Other short-term investments	-	-	2,550	2,550	2,550	2
Cash	1,475	-	-	1,475	1,475	1
<b>Total</b>	<b>4,165</b>	<b>354</b>	<b>6,855</b>	<b>11,375</b>	<b>11,375</b>	
<b>FINANCIAL LIABILITIES</b>						
Financing <sup>(c)</sup>	2,936	-	11,255	14,191	14,351	1-2
Derivatives – liabilities <sup>(a)</sup>	217	48	-	265	265	2
Trade payables <sup>(b)</sup>	-	-	5,147	5,147	5,147	-
Other current liabilities <sup>(b)</sup>	-	79	3,878	3,957	3,957	-
<b>TOTAL</b>	<b>3,153</b>	<b>127</b>	<b>20,280</b>	<b>23,561</b>	<b>23,720</b>	

(a) Derivative instruments used to manage net debt.

(b) The carrying amount represents a reliable estimate of the fair value given the short-term nature of these items.

(c) Financing hedged by derivatives designated as fair value hedge are remeasured at fair value through profit or loss for the hedged risk.

(d) Level of the hierarchy used to assess fair value.

### Fair value hierarchy under IFRS 7 "Financial instruments – Disclosures"

Level	Fair value is based on:
<b>1</b>	(Unadjusted) prices listed on active markets for identical assets and liabilities.
<b>2</b>	Inputs other than listed prices as per level 1, which are directly or indirectly observable for the asset or liability concerned. For asset and liability derivative instruments recognized at fair value, the Group uses measurement techniques that include inputs observable on the market, notably for interest rate swaps, forward currency purchases and sales, and currency options. The model integrates diverse data such as spot and forward exchange rates and the yield curve.
<b>3</b>	Inputs relating to the asset or liability that are not based on observable data on active markets.

**NOTE 15. DANONE SHARES, DIVIDEND AND EARNINGS PER SHARE****Note 15.1. Accounting principles**

DANONE shares held by the Company and its fully consolidated subsidiaries are recognized as a reduction in consolidated equity under "Treasury shares" and are measured at cost.

**Note 15.2. DANONE treasury shares****CHANGES IN TERMS OF TRANSACTIONS AND USE ACCORDING TO THE COMPANY'S OBJECTIVE**

(in number of shares)	Position as of December 31, 2023	Changes during the period			Position as of December 31, 2024
		Buybacks	Sales/ transfers	Delivery of shares	
Shares allocated to external growth transactions	30,059,360	-	(1,500,000)	-	28,559,360
Shares allocated to employee shareholding plans	61,881	-	1,495,890	(500,468)	1,057,303
Shares allocated for cancellation	-	-	-	-	-
<b>Shares held by the Company</b>	<b>30,121,241</b>	<b>-</b>	<b>(4,110)</b>	<b>(500,468)</b>	<b>29,616,663</b>
Shares held by Danone Spain	5,780,005	-	-	-	5,780,005
<b>SHARES HELD BY THE GROUP</b>	<b>35,901,246</b>	<b>-</b>	<b>(4,110)</b>	<b>(500,468)</b>	<b>35,396,668</b>

**Note 15.3. Outstanding DANONE shares**

(in number of shares)	Notes	As of December 31					
		2023			2024		
		Share capital	Treasury	Outstanding	Share capital	Treasury	Outstanding
<b>As of January 1</b>		<b>675,837,932</b>	<b>(36,230,001)</b>	<b>639,607,931</b>	<b>677,773,128</b>	<b>(35,901,246)</b>	<b>641,871,882</b>
Capital increase	9.5	1,935,196	-	1,935,196	1,780,863	-	1,780,863
Changes in treasury shares	15.2	-	328,755	328,755	-	504,578	504,578
<b>As of December 31</b>		<b>677,773,128</b>	<b>(35,901,246)</b>	<b>641,871,882</b>	<b>679,553,991</b>	<b>(35,396,668)</b>	<b>644,157,323</b>

**Note 15.4. Earnings per share – Group share****Accounting principles**

Earnings per share correspond to net income – Group share adjusted for hybrid financing (adjustment of earnings used to calculate earnings per share for the coupon payable for the period presented net of tax) divided by the number of shares. The number of shares corresponds to the average number of outstanding shares during the year, after deducting the treasury shares held by the Company and its fully consolidated subsidiaries.

Earnings per share after dilution (or diluted earnings per share) correspond to net income – Group share, adjusted for hybrid financing, divided by the diluted number of shares. The diluted number of shares corresponds to the number of shares increased by the net impact (when positive) of the following three items:

- increase in the weighted average number of shares that would result from the acquisition of Group performance shares, taking into account only those shares whose performance conditions are met as of the reporting date;
- increase in the average number of fidelity shares allocated to approximately 1,940 senior managers and senior executives;
- reduction in the number of shares that could theoretically vest as determined under the treasury stock method specified by IAS 33 "Earnings per share".

## Earnings per share

<i>(in € per share, except number of shares)</i>	Notes	Year ended December 31	
		2023	2024
<b>Net income – Group share</b>		<b>881</b>	<b>2,021</b>
Coupon relating to hybrid financing, net of tax		(8)	(4)
<b>Adjusted net income – Group share</b>		<b>873</b>	<b>2,018</b>
<b>NUMBER OF OUTSTANDING SHARES</b>			
<b>As of January 1</b>		<b>639,607,931</b>	<b>641,871,882</b>
Effects of changes during the period	15.3	2,263,951	2,285,441
<b>As of December 31</b>		<b>641,871,882</b>	<b>644,157,323</b>
<b>AVERAGE NUMBER OF OUTSTANDING SHARES</b>			
■ Before dilution		641,030,818	643,283,916
<b>Dilutive impact</b>			
Group performance shares and fidelity shares		707,856	1,152,827
■ After dilution		641,738,674	644,436,743
<b>EARNINGS PER SHARE – GROUP SHARE</b>			
■ Before dilution		1.36	3.14
■ After dilution		1.36	3.13

## Note 15.5. Dividend

### Distributable reserves of the parent company Danone

For each subsidiary or equity-accounted company, legally distributable reserves may differ from reported retained earnings as a consequence of (i) consolidation adjustments applied to their separate financial statements, and (ii) the laws applicable in the countries in which the Group operates. In the case of the Group, under French law, dividends can only be paid out of net income for the year and the distributable reserves of the parent company Danone.

### Payment of the 2024 dividend

The Shareholders' Meeting on April 25, 2024 in Paris approved the dividend proposed relating to the 2023 fiscal year of €2.10 per share in cash.

## NOTE 16. OTHER PROVISIONS AND NON-CURRENT AND CURRENT LIABILITIES AND LEGAL AND ARBITRATION PROCEEDINGS

### Note 16.1. Accounting principles

#### Other provisions

Other provisions consist of provisions and investment subsidies.

In accordance with IAS 37, provisions are recognized when the Group has a present obligation resulting from a past event, it is probable that this obligation will result in a net outflow of resources to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are classified as either current or non-current liabilities, depending on their nature. Provisions due for settlement within twelve months of the year-end or relating to the normal operating cycle are shown under current liabilities.

For each obligation, the amount of the provision recognized as of the reporting date reflects management's best estimate, as of that date, of the probable outflow of resources required to settle said obligation. If payment is made to settle the obligation or an outflow of resources is no longer probable, the provision is reversed to reflect the use/non-use of the provision, respectively.

#### Other non-current liabilities

Other non-current liabilities correspond to liabilities for uncertain income tax positions pursuant to IFRIC 23. They are recognized depending on the likelihood that they will materialize, without taking into account the probability that they will not be detected by the tax authorities. Their measurement must reflect management's best estimate as to their actual amount when they ultimately materialize. The liabilities must be recognized on the basis of their most probable value or a weighted average of the values under various scenarios.

### Note 16.2. Other non-current and current provisions and liabilities

(in € millions)	As of December 31	
	2023	2024
Other non-current provisions	730	710
Other non-current liabilities <sup>(a)</sup>	418	442
<b>Other non-current provisions and liabilities</b>	<b>1,149</b>	<b>1,152</b>
<b>Other current provisions</b>	<b>155</b>	<b>186</b>

(a) These relate to uncertain income tax positions.



### Note 16.3. Changes in Other non-current and current provisions

(in € millions)	As of January 1, 2024	Changes during the period						As of December 31, 2024
		Changes in consolidation scope	Increase	Reversal of provisions used	Reversal of provisions not used	Translation adjustments	Other	
Tax and territorial risks <sup>(a)</sup>	111	0	22	(7)	(5)	(13)	0	108
Employee-related and commercial disputes and other provisions	566	1	82	(22)	(38)	(3)	(30)	556
Restructuring provisions	208	0	142	(103)	(12)	(2)	(2)	232
<b>TOTAL</b>	<b>885</b>	<b>1</b>	<b>246</b>	<b>(131)</b>	<b>(55)</b>	<b>(18)</b>	<b>(32)</b>	<b>896</b>

(a) These concern risks not relating to income tax, which are presented in "Other non-current liabilities".

Changes in other provisions in 2024 were as follows:

- increases resulted primarily from lawsuits arising against the Company and its subsidiaries in the normal course of business;
- reversals of used provisions were booked when the corresponding payments were made. Reversals of provisions not used related mainly to reassessments and situations where some risks ceased to exist. Several provisions were concerned, none of which is material taken individually.

As of December 31, 2024, provisions for tax risks, territorial (not related to income taxes) risks and commercial, employee-related, and other disputes included several provisions for legal, financial, tax and territorial risks as well as provisions for multi-year compensation granted to some employees (provisions accrued in the normal course of business).

Also as of this date, Danone does not consider that it is subject to known risks that could, taken individually, have a material impact on its financial position or profitability.

### Note 16.4. Legal and arbitration proceedings

In 2022, a number of actions were brought by cattle farmers against various players in the dairy industry in Spain, including the Spanish subsidiary Danone S.A. Cattle farmers have filed claims alleging that they have suffered damages for underpriced milk sold. Danone S.A. firmly refutes these allegations and intends to defend its interests in each of these proceedings.

In 2021, a number of class action lawsuits were filed in the United States against the US subsidiary Nurture Inc. on the basis of alleged misleading advertising regarding the presence of certain heavy metals in food products. In several parallel lawsuits, plaintiffs (who are individuals) have alleged that they have suffered personal injury resulting from having consumed these food products. Nurture Inc. formally denies all these allegations in these actions and maintains that its products are safe. Nurture Inc. is vigorously defending its interests in each of these proceedings.

No provision has been recognized in the consolidated financial statements for the year ended December 31, 2024, as the Group is not currently in a position to make a reliable assessment of the potential impact of the outcome of these ongoing proceedings on its results and financial position.

In addition, following a notice issued on July 8, 2024 by the Canadian Food Inspection Agency (CFIA) of several cases of potential Listeria monocytogenes contamination linked to certain Silk refrigerated beverages, produced on a specific production line at a third-party manufacturer in Ontario and distributed in Canada, and Danone Canada's voluntary recall of these products, putative class action lawsuits have been filed against Danone Canada. Danone Canada intends to defend its interests in each of these proceedings.

In general, the Company and its subsidiaries are parties to legal proceedings arising in the ordinary course of business, in particular with competition authorities and other authorities in certain countries. Provisions are recognized when an outflow of resources is probable and the amount can be reliably estimated.

**NOTE 17. RELATED PARTY TRANSACTIONS****Note 17.1. Accounting principles**

The main related parties are the Group's equity-accounted companies, the members of the Executive Committee and the members of the Board of Directors. Danone did not identify any material impacts resulting from transactions with related parties as of December 31, 2024.

**Note 17.2. Transactions with equity-accounted companies**

Transactions with these companies are generally carried out at arm's length. They mainly involve management fees and royalties paid to Danone, services (mainly logistics) and financing. As in 2023, the amounts pertaining to 2024 are not material.

**Note 17.3. Compensation and benefits granted to members of the Executive Committee and Board of Directors**

(in € millions)	Year ended December 31	
	2023	2024
Compensation granted to corporate officers and members of the Executive Committee <sup>(a)</sup>	44.4	41.8
Compensation of Directors	0.9	0.9
<b>TOTAL</b>	<b>45.3</b>	<b>42.7</b>
Carrying amount of shares subject to performance conditions granted during the year <sup>(b)</sup>	14.8	15.0

(a) Annual and multi-year fixed and variable compensation (gross amount excluding employer contributions), of which the variable portion totaled €18.4 million in 2024 (€13.2 million in 2023).

(b) The carrying amount represents the full estimated value as of the grant date in accordance with IFRS 2, assuming that the performance conditions have been satisfied.

**Danone's commitment to corporate officers and Executive Committee members with respect to their retirement plans**

The provisions set aside in respect of the defined-benefit retirement plan represented Danone's commitment as of December 31, 2024 as calculated in accordance with IFRS, i.e., a total of €48.7 million for Executive Committee members. Chief Executive Officer Antoine de Saint-Affrique is not eligible for this plan as it has been closed to new beneficiaries since 2003.

**Loans and guarantees**

In both 2024 and 2023, no loan or guarantee was granted or established by the Company or its subsidiaries on behalf of Executive Committee members.

**NOTE 18. SUBSEQUENT EVENTS**

To the Company's knowledge, no material events occurred between the end of the reporting period and February 25, 2025, the date on which the 2024 consolidated financial statements were approved by the Board of Directors.

## NOTE 19. FEES PAID TO STATUTORY AUDITORS AND TO MEMBERS OF THEIR NETWORKS

(in € millions except %)	Mazars & Associés				Ernst & Young Audit			
	2023		2024		2023		2024	
Statutory audit of the individual and consolidated financial statements	4.2	68 %	4.2	73 %	5.7	84 %	6.1	86 %
Non-audit services	2.0	32 %	1.5	27 %	1.1	16 %	1.0	14 %
<b>TOTAL <sup>(a)</sup></b>	<b>6.2</b>	<b>100 %</b>	<b>5.7</b>	<b>100 %</b>	<b>6.8</b>	<b>100 %</b>	<b>7.1</b>	<b>100 %</b>

(a) Fees invoiced in foreign currencies have been translated into euros on the basis of the annual average exchange rates used by Danone.

In 2024, fees paid to the Statutory Auditors of the parent company and its French subsidiaries in respect of the audit or review of the individual and consolidated financial statements totaled €2.7 million (€2.6 million in 2023), of which €0.9 million payable to Mazars & Associés (€0.9 million in 2023) and €1.7 million to Ernst & Young Audit (€1.7 million in 2023).

Fees for non-audit services for the year ended December 31, 2024 totaled €2.2 million (€2.7 million in 2023), of which €1.5 million payable to Mazars & Associés (€1.8 million in 2023) and €0.7 million to Ernst & Young Audit (€0.8 million in 2023), and included in particular sustainability statement certification work, due diligence, tax services and agreed-upon procedures in respect of disposals of companies' shares, along with fees for tax services related to reorganization projects.

Fees paid to Statutory Auditors' networks for non-audit services provided to certain foreign subsidiaries of Danone totaled €0.3 million (€0.4 million in 2023) of which €0.02 million payable to Mazars & Associés (€0.2 million in 2023) and €0.3 million to Ernst & Young Audit (€0.2 million in 2023), and included in particular tax services relating notably to the review of technical documentation and/or technical analyses of tax positions adopted by certain foreign subsidiaries.

## NOTE 20. EXEMPTION OPTION RELATING TO AUDIT OF INDIVIDUAL FINANCIAL STATEMENTS FOR CERTAIN SUBSIDIARIES

**Companies included in Danone SA's consolidated financial statements for the year ended December 31, 2024, exercising exemption options in respect of that year, which are to be disclosed in the consolidated financial statements pursuant to local regulations**

Country and exemption	Company (company number)
<b>Germany</b> Option for exemption from the application of the regulation of the First, Third, and Fourth Subsections of the Second Section of the Third Book of the German Commercial Code ( <i>Handelsgesetzbuch</i> – HGB) pursuant to § 264 (3) HGB.	Milupa GmbH
<b>Ireland</b> Option for exemption from the publication of individual financial statements pursuant to section 357 (1) of the Companies Act 2014.	Nutricia Infant Nutrition Limited (384474), Danone Europe Limited (407825), Nutricia Ireland Limited (106997)

## STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Danone,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Danone for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for statutory auditors for the period from January 1, 2024, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014.

### Justification of assessments – Key audit matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

### Revenue recognition net of discounts and rebates granted to customers

RISK IDENTIFIED	OUR RESPONSE
As of December 31, 2024, total net sales were recorded for an amount of €27,376 million in the consolidated financial statements.	We assessed the compliance of the revenue recognition rules applied by the Group with International Financial Reporting Standards (IFRS).
As indicated in Note 7.1 to the consolidated financial statements, the Group's sales are stated net of trade discounts and rebates granted to customers (including costs relating to trade support and listing agreements or occasional promotional actions invoiced by retailers). Revenue recognition therefore involves estimates related to such agreements or actions.	We gained an understanding of the procedures and controls implemented relating to the estimation of trade discounts and rebates process.
We deemed the valuation of trade discounts and rebates to be a key audit matter given (i) the Group's broad customer base across different countries and with varying contractual relationships (based on sales volumes, promotional agreements or trade practices), (ii) the significance of trade discounts and rebates, and (iii) the complexity of valuating these amounts at year-end.	In particular, for the main operating entities, we assessed the design and application of the controls that we considered to be key and tested their operating effectiveness on the basis of a sample contracts. <ul style="list-style-type: none"> <li>■ We also performed substantive procedures to assess the amounts to be refunded to customers being reasonably measured and recognized on the reporting date, on a sample on customers, by reconciling the assumptions underlying the valuation of amounts to be retroceded with the contractual data in the information system used to manage trade terms and conditions or in the contracts with the relevant customers,</li> <li>■ by assessing the assumptions used, where applicable, with regard to commercial actions taken or specific situations and customary trade practices,</li> <li>■ by comparing the projections used for previous periods with the associated landing point to analyze whether past objectives have been achieved.</li> </ul>
	We also assessed the appropriateness of the information provided in the notes to the consolidated financial statements.

## Valuation of goodwill and brands

RISK IDENTIFIED	OUR RESPONSE
<p>As of December 31, 2024, goodwill and brands amount to €18,062 million and €5,390 million respectively. During 2024, the Group recognized a €51 million impairment loss on goodwill and brands.</p> <p>Those assets are subject to impairment tests, at least once a year in the case of goodwill and brands with indefinite useful lives and whenever events or circumstances indicate that they may be impaired. Impairment tests are carried out on all tangible and intangible assets of the cash generating units (CGUs) and groups of CGUs.</p> <p>The recoverable amounts of the CGUs or groups of CGUs is the higher of fair value less costs to sell and value in use, estimated on the basis of the discounted future cash flows.</p> <p>Concerning brands, the impairment test is performed according to the royalty relief methodology with the exception of certain brands for which the Group possesses third-party valuations, as explained in the Note 11.3 to the consolidated financial statements.</p> <p>The cash flows used to determine the value in use of the CGUs or groups of CGUs and the recoverable amount of the brands with indefinite useful lives are derived from the annual budgets and strategic business plans of the CGUs or groups of CGUs, which are drawn up by management. In 2024 as indicated in the Note 11.3 to the consolidated financial statements, the management performed additional sensitive analysis regarding the risks linked to climate change.</p> <p>The impairment tests are based on estimates and on management's judgment concerning (i) the definition of the CGUs and groups of CGUs and the allocation of assets to these CGUs, (ii) the estimation of the future performance of the assets or CGUs, and (iii) the determination of the discount rates, long-term growth rates, and royalty rates for brands.</p> <p>Given the sensitivity of these estimates, we considered the measurement of goodwill and brands to be a key audit matter.</p>	<p>We examined the compliance of the methodology applied by the Group with the accounting standards in force.</p> <p>We gained an understanding of the processes implemented by the management to allocate the goodwill to CGUs or groups of CGUs, and examined the allocation of assets to CGUs or groups of CGUs in relation to the actual organization of the Group and of the management of the CGUs.</p> <p>For a sample of CGUs or groups of CGUs and brands identified on the basis of quantitative and qualitative factors, we have:</p> <ul style="list-style-type: none"> <li>■ reconciled the net book value of the net assets attached to the CGUs or group of CGUs tested or the brands tested with the accounting data of the Group;</li> <li>■ examined the methods and main assumptions used to determine the recoverable value, including: <ul style="list-style-type: none"> <li>• forecasted cash flows: we corroborated the business growth and market share hypotheses with the available market analyses. We also compared the main assumptions with past performance and assessed the trends between past forecasts and actual figures;</li> <li>• the long-term growth rates, the discount rates and the royalty rates, with the support of financial valuation experts included in the audit team, we studied the consistency of the rates used with market analyses.</li> </ul> </li> </ul> <p>We also examined the methodology and the assumptions used by the management in its sensitive analysis assuming the risks linked to climate change.</p> <p>We also performed our own sensitivity calculations, to corroborate the analyses carried out by management.</p> <p>We also assessed the appropriateness of the information relating to goodwill and brands presented in the notes to the consolidated financial statements.</p>

## Assessment of liabilities for uncertain income tax positions and tax risks

RISK IDENTIFIED	OUR RESPONSE
<p>Danone operates in many different tax jurisdictions throughout the world. Consequently, the company and its subsidiaries may be subject to inspections or questioning from local tax authorities. The situations for which outflows of resources are considered probable give rise to liabilities measured on the basis of facts known in each relevant jurisdiction involved, in application of IFRIC 23 interpretation.</p> <p>As indicated in the Notes 16.2 and 16.3 to the consolidated financial statements, liabilities for uncertain income tax positions and tax risks, including territorial risks, amount to €442 million and €108 million as of December 31, 2024 respectively.</p> <p>The assessment of liabilities for uncertain income tax positions and tax risks constitutes a key audit matter given the judgment required to assess the probable outflows of resources related to uncertain tax positions.</p>	<p>We assessed the compliance of the valuation of liabilities for uncertain tax income positions and tax risks recognized with the Group's accounting policies and the IFRS framework as adopted in the European Union.</p> <p>We examined the procedures implemented within the Group to identify the main tax risks, as well as management's assessments of these risks.</p> <p>We also gained an understanding of the opinions of main laws firms and experts accompanying the Group, and analyzed past and current experience with the tax authorities in the jurisdictions concerned.</p> <p>Furthermore, we included tax specialists in the audit team in order to assess the assumptions used by management to assess the probable outflows related to uncertain tax positions.</p> <p>We also assessed the appropriateness of the information provided in the notes of the consolidated financial statements.</p>

## Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

## Report on other legal and regulatory requirements

### Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) are in agreement with those on which we have performed our work.

## Appointment of the Statutory Auditors

We were appointed as statutory auditors of Danone by the annual general meeting held on April 26, 2022 for cabinet FORVIS MAZARS & ASSOCIES and on April 28, 2016 for cabinet ERNST & YOUNG Audit.

As at December 31, 2024, cabinet FORVIS MAZARS & ASSOCIES and cabinet ERNST & YOUNG Audit were in the third year and ninth year of total uninterrupted engagement respectively.

Previously, ERNST & YOUNG et Autres held office as statutory auditor of Danone since 2010.

## Responsibilities of management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## Statutory Auditors' responsibilities for the audit of the consolidated financial statements

### Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

### Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 5, 2025

**The Statutory Auditors**  
*French original signed by*

**FORVIS MAZARS & ASSOCIÉS**

Achour MESSAS

Gonzague SENLIS

**ERNST & YOUNG Audit**

Gilles COHEN

Alexandre CHRÉTIEN

## 4.2 PARENT COMPANY FINANCIAL STATEMENTS

### FINANCIAL STATEMENTS OF DANONE SA

#### Income statement

<i>(in € millions)</i>	Notes	Year ended December 31	
		2023	2024
Sales		890	1,030
Other income		130	113
<b>Total operating income</b>	3	<b>1,020</b>	<b>1,143</b>
Personnel costs	4	(322)	(333)
Other operating expense	5	(873)	(929)
<b>Total operating expense</b>		<b>(1,195)</b>	<b>(1,262)</b>
<b>Net operating income (expense)</b>		<b>(175)</b>	<b>(119)</b>
Income from equity interests		2,645	1,103
Interest on loans and receivables and similar income		214	213
Interest on borrowings and similar expense		(444)	(548)
Other financial income (expense)		11	(47)
<b>Net financial income</b>	6	<b>2,426</b>	<b>721</b>
<b>Net income before non-recurring items and tax</b>		<b>2,251</b>	<b>602</b>
<b>Net non-recurring income (expense)</b>	7	<b>(47)</b>	<b>(114)</b>
Income tax	8	76	104
<b>NET INCOME FOR THE YEAR</b>		<b>2,280</b>	<b>592</b>



## Balance sheet

### Assets

	Year ended December 31				
		2023	2024		
<i>(in € millions)</i>	Notes	Net amount	Gross amount	Depreciation, amortization and provisions	Net amount
Intangible assets		203	425	(149)	276
Property, plant and equipment		18	52	(39)	13
Equity interests		27,753	27,667	(150)	27,516
Other financial assets		4,614	4,649	–	4,649
Long-term financial assets	9	32,367	32,316	(150)	32,165
<b>Non-current assets</b>		<b>32,588</b>	<b>32,793</b>	<b>(339)</b>	<b>32,454</b>
Short-term loans and receivables	10	366	348	(5)	342
Marketable securities	11	18	71	–	71
Cash		–	–	–	–
<b>Current assets</b>		<b>384</b>	<b>418</b>	<b>(5)</b>	<b>413</b>
Deferrals and prepaid expense		81	228	–	228
<b>TOTAL ASSETS</b>		<b>33,054</b>	<b>33,439</b>	<b>(344)</b>	<b>33,096</b>

### Equity and liabilities

	Year ended December 31		
	Notes	2023	2024
<i>(in € millions)</i>			
Share capital		169	170
Share premium		5,057	5,132
Revaluation adjustment		4	4
Other reserves		3,790	3,790
Retained earnings		5,091	6,011
Net income for the year		2,280	592
Regulated provisions		21	20
<b>Equity</b>	12	<b>16,413</b>	<b>15,720</b>
Other equity	14	500	500
Provisions for risks and charges	13	125	147
Bonds	14	12,022	11,553
Other financial debt	14	1,619	1,011
Other liabilities	15	2,345	3,992
Deferrals and accrued expense		30	173
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,054</b>	<b>33,096</b>

## NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

The financial statements of the parent company Danone (“the Company”) for the year ended December 31, 2024 were approved by Danone’s Board of Directors on February 25, 2025 and will be submitted for approval to the Shareholders’ Meeting on April 24, 2025. Danone and its consolidated subsidiaries constitute “the Group”.

Unless otherwise mentioned, amounts are stated in millions of euros and rounded to the nearest million. Generally speaking, the values

presented in the parent company financial statements and in the notes thereto are rounded to the nearest unit. Consequently, the rounded amounts may differ slightly from the reported totals. Ratios and variances are calculated on the basis of the underlying amounts and not on the basis of the rounded amounts.

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## NOTE 1. ACCOUNTING PRINCIPLES

The Company’s financial statements are prepared in accordance with French statutory and regulatory provisions and generally accepted accounting principles. The general rules for drawing up and presenting annual financial statements comply with regulation 2014-03 issued by the French accounting standards-setter, the ANC. The main accounting methods used are presented below.

### Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are valued at cost (including acquisition-related costs) and are amortized or depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	15 to 20 years
Fixtures and fittings	8 to 12 years
Other property, plant and equipment	4 to 10 years
Software	1 to 10 years

### Long-term financial assets

Long-term financial assets comprise “Equity interests” and “Other financial assets”.

Equity interests are shares in companies, the long-term holding of which is deemed to be useful for the Company’s activity, notably because it enables the Company to influence or control the issuing company. Investments that do not meet this definition are classified as “Other financial assets”. Equity interests are recognized at cost, including acquisition-related costs, which are amortized over five years as of the date of acquisition. For tax purposes, these assets are subject to accelerated tax amortization rates. An impairment provision is recognized when the recoverable amount of “Equity interests” is below their carrying amount.

Recoverable amount is determined using various criteria including:

- market value;
- value in use based on the present value of future cash flows;
- revalued equity.

Assumptions, estimates or appraisals used to determine the recoverable amount are made on the basis of information available and conditions prevailing at the year-end, which may differ from those available on the date on which the financial statements are issued, particularly in a volatile economic and financial environment. Impairment provisions are recognized within "Other financial income (expense)", with the exception of reversals of impairment in connection with disposals of equity interests, which are recognized within "Net non-recurring income (expense)". Gains or losses on disposals of equity interests are recognized within "Net non-recurring income (expense)".

"Other financial assets" consist mainly of a portion of DANONE treasury shares held pursuant to authorizations given by the Shareholders' Meeting (see below) and long-term loans and receivables granted by the Company.

## DANONE treasury shares

DANONE shares repurchased by the Company are recognized under the heading:

- "Other financial assets", when they are repurchased in connection with corporate acquisitions or to be canceled;
- "Marketable securities", when they are repurchased to cover Group performance share plans under which shares are allocated to certain Danone employees and corporate officers.

They are recognized at cost, excluding acquisition-related costs. In the event of a disposal, the cost of the DANONE shares sold is calculated by allocation category in accordance with the weighted average cost method, which is determined individually for each plan for the shares allocated to cover Group performance share plans.

## DANONE shares recognized within "Other financial assets"

In the case of DANONE shares recognized within "Other financial assets" that are not to be canceled, an impairment provision is recognized when their recoverable amount (determined based on the average share price for the last month of the fiscal year) falls below their carrying amount.

## DANONE shares recognized within "Marketable securities"

### Coverage of Group performance shares for which it is probable that performance conditions will not be met

In the case of treasury shares allocated to cover plans under which the shares are not likely to vest (because it is probable that the performance conditions will not be met), a provision for impairment is recognized when the market value of the shares (determined based on the average share price for the last month of the fiscal year) is less than their carrying amount.

### Coverage of Group performance shares for which it is probable that performance conditions will be met

In the case of treasury shares allocated to cover plans under which the share are likely to vest (because it is probable that the performance conditions will be met), no provision for impairment is recognized. However, where necessary, a provision for risks and charges is recognized in respect of these plans, equal to the carrying amount of the shares allocated to said plans. The amount of the provision is pro rated over the vesting period for beneficiaries who are Danone SA employees, and a corresponding entry is recognized in "Personnel costs" in the income statement. For beneficiaries who are employees of other Group entities, Danone recognizes the expense in full in "Other operating expense" when the decision is taken to allocate shares under said plans.

## Loans and receivables

Loans and receivables are stated at their nominal amount. An impairment provision is recognized when the recoverable amount is less than the carrying amount.

## Recognition of transactions in foreign currencies

Expense and income in foreign currencies are recorded at their exchange value in euros at the date of the transaction.

Liabilities, receivables and cash denominated in foreign currencies are recorded in the balance sheet at their exchange value in euros calculated at the closing rate. The differences resulting from translation at this rate are recorded in the balance sheet within "Deferrals and prepaid expense" and "Deferrals and accrued expense". A provision for risks is recognized for non-hedged unrealized exchange losses.

Cash and current accounts with Danone Finance International denominated in foreign currencies are remeasured at the closing rate, with any changes in value recognized within financial income and expense.

## Marketable securities

Marketable securities comprise a portion of the shares held in treasury as well as other investments made by the Company.

Their gross value corresponds to their acquisition cost excluding acquisition-related costs. For each category of securities, when the market value is lower than the acquisition cost, a provision for impairment is recognized for the difference. For further information about treasury shares reclassified as "Marketable securities", see the above section DANONE shares recognized as "Marketable securities".

## Bonds

Bonds consist in borrowings raised by Danone on capital markets, notably under its EMTN (Euro Medium Term Note) program, through public issues or private placements. They may be denominated in euros or in foreign currencies. Bonds denominated in foreign currencies may be maintained in those currencies or swapped into euros.

Bonds are recognized at their redemption value. Issuance premiums and issuance costs are recognized in the balance sheet and amortized in the income statement over the life of the bonds.

The Company also issues bonds in the form of undated deeply subordinated fixed rate resettable notes. These hybrid financing arrangements are recognized in the balance sheet under "Other Equity".

## Derivatives

Danone hedges a portion of its bonds denominated in foreign currencies using cross-currency swaps. The Company also carries out interest rate hedging transactions in respect of certain borrowings and uses currency swaps to hedge its short-term debt instruments issued in foreign currencies. The Company enters into derivatives directly with banking counterparties or through its wholly-owned subsidiary Danone Corporate Finance Services.

Since January 1, 2017, the Company has applied ANC Regulation no. 2015-05 on forward financial instruments and hedging transactions. As the derivatives entered into by the Company qualify as hedging instruments, the corresponding gains and losses are recognized in the same period as the hedged item.

### Provisions for risks and charges

Provisions are recognized for identified risks and charges of uncertain timing or amount when the Company has an obligation to a third party and it is certain or probable that this obligation will result in a net outflow of resources for the Company.

For further information about provisions in respect of Group performance share plans, see the above section DANONE shares recognized as "Marketable securities".

### Retirement commitments

Supplementary retirement commitments and lump sum retirement payments borne by the Company are presented within "Off-balance sheet commitments".

## NOTE 2. SIGNIFICANT EVENTS OF THE YEAR

Danone received dividends totaling €1.1 billion during the year, mainly from its subsidiaries in the Specialized Nutrition business.

## NOTE 3. OPERATING INCOME

Sales mainly comprise amounts rebilled to direct and indirect subsidiaries for services rendered by the Company to those subsidiaries. They totaled €1,030 million in 2024 (€890 million in 2023).

Other income totaled €113 million in 2024 (€130 million in 2023) and mainly comprised capitalized production costs.

## NOTE 4. PERSONNEL COSTS AND COMPENSATION OF MEMBERS OF MANAGEMENT BODIES AND THE BOARD OF DIRECTORS

### Personnel costs

Personnel costs comprise the gross compensation of the Company's employees and senior executives and the related social security charges as well as costs relating to Group performance share plans set up for certain Danone employees and corporate officers.

### Company's share of the compensation paid to members of the Board of Directors and the Executive Committee

(in € millions)	Year ended December 31	
	2023	2024
Compensation paid to corporate officers and members of the Executive Committee <sup>(a)</sup>	28	23
Compensation paid to non-executive members of the Board of Directors <sup>(b)</sup>	1	1
<b>TOTAL</b>	<b>29</b>	<b>24</b>

(a) Recognized in "Personnel costs".

(b) Recognized in "Other operating expense".

## NOTE 5. OTHER OPERATING EXPENSE

Other operating expense mainly comprises fees paid to external service providers as well as service charges and rents. €929 million in 2024 (€873 million in 2023).

## NOTE 6. NET FINANCIAL INCOME

Net financial income totaled €721 million in 2024 (€2,426 million in 2023).

### Income from equity interests

Income from equity interests consists of dividends received from the Company's equity interests. In 2024, dividends totaled €1,103 million (€2,645 million in 2023), received mostly from subsidiaries in the Specialized Nutrition business.

### Interest on loans and receivables and similar income

In 2024, interest on loans and receivables and similar income comprised mainly (i) interest received on loans and receivables granted to certain direct or indirect subsidiaries (€148 million, mainly in the United States), (ii) interest received from cross-currency swaps (€36 million), (iii) interest on interest rate swaps (€29 million), and (iv) interest on capital gains generated by the mutual fund (SICAV) portfolio (€1 million).

### Interest on borrowings and similar expense

<i>(in € millions)</i>	As of December 31	
	2023	2024
Bonds <sup>(a)</sup>	203	212
Derivatives used to hedge bonds <sup>(b)</sup>	90	159
Current account with Danone Finance International <sup>(a)</sup>	103	121
Short-term borrowings from indirect subsidiaries <sup>(a)</sup>	-	-
Commercial paper <sup>(a)</sup>	47	56
<b>TOTAL</b>	<b>444</b>	<b>548</b>

(a) Interest paid and accrued in respect of the year.

(b) Interest linked to IRSs (interest rate swaps) and CCSs (cross currency swaps).

## NOTE 7. NET NON-RECURRING INCOME (EXPENSE)

In 2024, Danone recorded a net non-recurring expense of €114 million. It mainly includes a donation to the association Danone Ecosystème, expenses in connection with transformation projects, and the disposal of EDP activities in Russia. In 2023, Danone generated a net non-recurring expense of €47 million, which consisted mainly of expenses relating to the deconsolidation of activities in Russia and to the Local First plan.

**NOTE 8. INCOME TAX****Tax group**

The Company forms a tax group with the French subsidiaries in which it holds, directly or indirectly, a stake of more than 95%.

**Companies that were members of the tax group in 2024****As of December 31, 2024**

BLEDINA	DAN INGREDIENTS UNIT
COMPAGNIE GERVAIS DANONE	HELDINVEST 11
DAN INVESTMENTS	HELDINVEST 12
DANONE <sup>(a)</sup>	HOLDING INTERNATIONALE DE BOISSONS
DANONE CORPORATE FINANCE SERVICES	LES PRES RIENT BIO
DANONE DAIRY ASIA	NUTRICIA NUTRITION CLINIQUE SAS
DANONE FINANCE INTERNATIONAL	SOCIÉTÉ ANONYME DES EAUX MINÉRALES D'ÉVIAN
DANONE MANIFESTO VENTURE EUROPE	PRODUITS LAITIERS FRAIS EST EUROPE
DANONE NUTRICIA AFRICA & OVERSEAS	SOCIÉTÉ DES EAUX DE VOLVIC
DANONE PRODUITS FRAIS FRANCE	SOJINAL
	DANONE GLOBAL RESEARCH & INNOVATION CENTER

(a) The Company.

The subsidiaries that are members of the tax group recognize and pay their tax to the Company as if they were taxed separately, in compliance with the rules set by the French tax authorities. The tax saving (or additional expense) – representing the difference between the tax expense recorded by the different subsidiaries of the tax group and the tax expense resulting from the calculation of the earnings of the tax group as a whole – are recognized in the income statement under "Income tax".

In 2024, the tax group recorded a tax loss. As of December 31, 2024, tax loss carry-forwards accumulated within the tax group in France amounted to €1,779 million, compared with €1,173 million as of December 31, 2023.

**Other information**

In accordance with Article 39.4 of the French Tax Code (*Code général des impôts*), in 2024 the Company added back an amount of €0.6 million to its taxable income in respect of passenger vehicle depreciation and rental. No further amounts were added back to taxable income as a result of applying Article 39.5 of the French Tax Code in 2024.

As of December 31, 2024, items likely to result in a reduction of future tax liabilities consisted mainly of accrued expenses and provisions totaled €57 million. These items would reduce future tax expenses by €15 million.

## NOTE 9. LONG-TERM FINANCIAL ASSETS

### Carrying amount and change during the period

<i>(in € millions)</i>	As of December 31, 2023	Changes during the period			As of December 31, 2024
		Increase <sup>(b)</sup>	Decrease <sup>(c)</sup>	Reclassification, translation <sup>(a)</sup>	
<b>GROSS AMOUNT</b>					
Equity interests	27,946	18	(297)	–	27,668
Long-term loans and receivables	3,066	–	(71)	183	3,179
DANONE treasury shares	1,542	–	–	(77)	1,465
Other	5	–	–	–	5
Other financial assets	4,614	–	(71)	106	4,650
<b>Total</b>	<b>32,560</b>	<b>18</b>	<b>(368)</b>	<b>106</b>	<b>32,318</b>
Provisions <sup>(b)</sup>	(192)	(25)	67	–	(150)
<b>NET AMOUNT</b>	<b>32,367</b>	<b>(7)</b>	<b>(301)</b>	<b>106</b>	<b>32,165</b>

(a) Corresponds to impacts of changes in foreign exchange rates on loans.

(b) Consists mainly of provisions for impairment of "Equity interests".

(c) Corresponds mainly to the share capital decrease at the subsidiary in Singapore.

## Equity interests

## Equity interests held in portfolio as of December 31, 2024

	Share capital <sup>(a)</sup>	Other equity <sup>(a)(c)</sup>	% share ownership	Number of shares held	Carrying amount of shares held - Gross	Carrying amount of shares held - Net	Maximum authorized amount of guarantees, security interests and endorsements given by the Company <sup>(b)</sup>	Sales <sup>(b)</sup>	Net income (loss) <sup>(b)</sup>	Dividends received by the Company during the year
<i>(in € millions, except %)</i>										
<b>SUBSIDIARIES (AT LEAST 50% OF THE SHARE CAPITAL HELD BY THE COMPANY)</b>										
<b>FRENCH INVESTMENTS</b>										
BLEDNA	24	80	100 %	1,602,357	43	43	-	704	41	41
COMPAGNIE GERVAIS DANONE	9,338	(165)	100 %	370,575,203	9,755	9,755	-	-	131	-
DAN INVESTMENTS	37	(27)	100 %	1,829,763	82	-	-	-	(7)	-
DANONE CORPORATE FINANCE SERVICES	142	129	100 %	8,875,000	179	179	-	1	9	-
DANONE NUTRICIA AFRICA & OVERSEAS	27	-	100 %	266,421,480	2	2	-	133	5	3
HOLDING INTERNATIONALE DE BOISSONS	324	783	100 %	161,768,722	1,116	1,116	-	-	36	-
DAN INGREDIENTS UNIT	-	-	100 %	38,227	-	-	-	-	(1)	-
<b>FOREIGN INVESTMENTS</b>										
DANONE ASIA PTE LTD	611	(172)	88 %	508,451,086	266	266	-	-	151	47
DANONE BABY AND MEDICAL NUTRITION BV	1,305	12,274	100 %	5,221,575,800	13,575	13,575	-	-	1,464	950
DANONE RE	16	2	100 %	183,000	18	18	-	-	1	-
DANONE SINGAPORE HOLDINGS PTE LTD	77	(3)	61 %	82,769,847	49	49	-	-	19	3
FPS DANONE COMMUNITIES	24	(4)	72 %	20,859	16	15	-	-	-	-
NUTRICIA LLC	-	17	70 %	4,445,000	153	94	-	165	12	-
<b>AFFILIATES (AT LEAST 10% TO 50% OF THE SHARE CAPITAL HELD BY THE COMPANY)</b>										
DANONE ROTSELAAR SP	186	1,243	23 %	21,988	400	400	-	275	33	16
DANONE FINANCE INTERNATIONAL	965	4,971	33 %	4,034,154	2,012	2,004	2 000	-	129	43
<b>TOTAL</b>					<b>27,668</b>	<b>27,517</b>				<b>1,103</b>

(a) Amounts related to foreign companies are translated at the year-end exchange rate.

(b) Amounts related to foreign companies are translated using the average exchange rate for the year.

(c) Excluding net income (loss) for the year.

(d) Acquisition of control of Danone Ré during the year following the liquidation of Danone Finance Netherlands.

**NOTE 10. SHORT-TERM LOANS AND RECEIVABLES**

As of December 31, 2024, this balance sheet item comprised €342 million in loans and receivables due to the Company within less than one year, including tax receivables totaling €115 million, trade receivables totaling €89 million, derivatives totaling €8 million and other receivables totaling €130 million.



## NOTE 11. MARKETABLE SECURITIES

### Carrying amount and change during the period

(in € millions)	As of		Changes during the period			As of December 31, 2024
	December 31, 2023	Increase	Decrease (delivery)	Reallocation	Reclassification	
<b>DANONE SHARES</b>						
DANONE shares covering Group performance shares <sup>(a)</sup>	3	-	(26)	77	-	54
<b>Total</b>	<b>3</b>	<b>-</b>	<b>(26)</b>	<b>77</b>	<b>-</b>	<b>54</b>
SICAV	15	1	-	-	-	16
<b>TOTAL</b>	<b>18</b>	<b>1</b>	<b>(26)</b>	<b>77</b>	<b>-</b>	<b>71</b>

(a) Portion of DANONE treasury shares recognized within "Marketable securities" (see Note 1 to the parent company financial statements).

## NOTE 12. EQUITY

### Carrying amount and change during the period

(in € millions)	As of December 31, 2023		Changes during the period				As of December 31, 2024
	Before allocation	After allocation <sup>(b)</sup>	Net income	Capital decrease	Capital increase	Other	
Share capital	169	169	-	-	1	-	170
<i>In number of shares <sup>(a)</sup></i>	<i>677,773,128</i>	<i>677,773,128</i>	<i>-</i>	<i>-</i>	<i>1,780,863</i>	<i>-</i>	<i>679,553,991</i>
Share premium	5,057	5,057	-	-	75	-	5,132
Legal reserve	25	25	-	-	-	-	25
Other reserves	3,769	3,769	-	-	-	-	3,769
Retained earnings	5,091	6,011	-	-	-	-	6,011
Net income for the year	2,280	-	592	-	-	-	592
Regulated provisions	21	21	-	-	-	-	21
<b>TOTAL</b>	<b>16,413</b>	<b>15,053</b>	<b>592</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>15,720</b>

(a) Ordinary shares with a par value of €0.25.

(b) Following approval at the Shareholders' Meeting of April 25, 2024, of the 2023 net income available for allocation, a total of €1,360 million was allocated to the dividend, and the balance to retained earnings.

**NOTE 13. PROVISIONS FOR RISKS AND CHARGES****Carrying amount and change during the period**

(in € millions)	As of December 31, 2023	Changes during the period				As of December 31, 2024
		Reclassification <sup>(a)</sup>	Increase	Reversal, used provision	Reversal, unused provision	
Provisions in respect of stock option and Group performance share plans	111	-	68	(35)	(3)	141
Restructuring provisions <sup>(b)</sup>	7	14	-	(19)	-	2
Other provisions	7	-	4	-	(5)	5
<b>TOTAL</b>	<b>125</b>	<b>14</b>	<b>72</b>	<b>(54)</b>	<b>(8)</b>	<b>147</b>

(a) Reclassification within accrued expenses.

(b) Relating to the Local First plan.

**NOTE 14. BONDS, OTHER EQUITY AND OTHER FINANCIAL DEBT****Bonds and other equity****Carrying amount of bonds**

(in € millions)	As of December 31	
	2023	2024
Hybrid financing	500	500
Bonds	11,960	11,475
Accrued interest	62	79
<b>TOTAL</b>	<b>12,522</b>	<b>12,053</b>

Disclosures regarding bonds issued by the Company are available on Danone's website. Most of the financing agreements entered into by the Company (bank lines of credit and bonds) include a change of

control provision, which offers creditors the right to demand early repayment in the event that a change in control of the Company results in a rating downgrade below investment grade.

**2024 transactions**

(in millions of currency)	Year ended December 31		
	2024		
	Currency	Nominal	Maturity
<b>NEW FINANCING</b>			
Euro bond	EUR	700	2030
Euro bond	EUR	700	2031
<b>REPAYMENTS AND REDEMPTIONS</b>			
Euro bond	EUR	2,000	2024
Dollar bond	USD	-	-

## Breakdown by type of interest rate (after hedging where applicable) and changes during the period

(in € millions)	As of December 31, 2023	Changes during the period				As of December 31, 2024
		New borrowings	Repayment	Change in accrued interest	Revaluation	
<b>FIXED RATE PORTION</b>						
Bonds	11,960	1,400	(2,000)	-	115	11,475
Accrued interest	62	-	-	17	-	79
<b>FLOATING RATE PORTION</b>						
Bonds	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
<b>TOTAL</b>	<b>12,022</b>	<b>1,400</b>	<b>(2,000)</b>	<b>17</b>	<b>115</b>	<b>11,553</b>

## Breakdown by currency

(in € millions except nominal amounts in foreign currency, in currency millions)	As of December 31, 2024		
	Nominal amount in foreign currency	Historical amount	Carrying amount
<b>BONDS IN EUROS OR IN CURRENCIES HEDGED IN EUROS</b>			
Euro	9,550	9,550	9,550
US dollar	2,000	1,832	1,925
<b>BONDS IN CURRENCIES NOT HEDGED IN EUROS</b>			
None	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>11,382</b>	<b>11,475</b>

## Portfolio of cross-currency swaps hedging certain foreign-currency denominated bonds

(in € millions except nominal amounts in foreign currency, in currency millions)	As of December 31, 2024	
	Nominal amount in foreign currency	Historical value in €
Euro - US dollar	1,000	913
<b>TOTAL</b>	<b>-</b>	<b>913</b>

## Other financial debt

### Breakdown by type of interest rate and changes during the period

(in € millions)	As of December 31, 2023	Changes during the period				As of December 31, 2024
		New borrowings	Repayment	Change in accrued interest	Revaluation	
<b>FIXED RATE PORTION</b>						
Loan from Danone Finance International	-	-	-	-	-	-
<b>FLOATING RATE PORTION</b>						
Commercial paper <sup>(a)</sup>	1,619	-	(608)	-	-	1,011
<b>TOTAL</b>	<b>1,619</b>	<b>-</b>	<b>(608)</b>	<b>-</b>	<b>-</b>	<b>1,011</b>

(a) Net changes.

## Maturity of Bonds and other financial debt

<i>(in € millions)</i>	As of December 31	
	2023	2024
Less than 1 year	3,681	3,140
Between 1 and 5 years	6,260	5,925
More than 5 years	3,700	3,500
<b>TOTAL</b>	<b>13,641</b>	<b>12,565</b>

## Composition of net debt

<i>(in € millions)</i>	As of December 31	
	2023	2024
Bonds	12,022	11,553
Other financial debt	1,619	1,011
Amounts owed by the Company to certain subsidiaries and affiliates <sup>(a)</sup>	1,865	3,450
<b>TOTAL DEBT</b>	<b>15,506</b>	<b>16,015</b>
Marketable securities	18	71
Cash	-	-
<b>Total cash and cash equivalents</b>	<b>18</b>	<b>71</b>
<b>TOTAL NET DEBT</b>	<b>15,488</b>	<b>15,944</b>

(a) Portion of the amounts owed by the Company to subsidiaries and affiliates presented in "Other liabilities".

## NOTE 15. OTHER LIABILITIES

### Composition of other liabilities

<i>(in € millions)</i>	As of December 31	
	2023	2024
Amounts owed by the Company to certain subsidiaries and affiliates <sup>(a)</sup>	1,865	3,450
Trade payables	133	117
Accrued expenses	327	360
Other	20	65
<b>TOTAL</b>	<b>2,345</b>	<b>3,992</b>

(a) Mainly comprising current accounts with Danone Finance Internationale.

### Composition of accrued expenses

<i>(in € millions)</i>	As of December 31	
	2023	2024
Services provided	105	110
Personnel costs	134	113
Social security charges	57	56
Tax liabilities	3	3
Financial debt	27	78
<b>TOTAL</b>	<b>327</b>	<b>360</b>

## NOTE 16. POST-EMPLOYMENT BENEFIT COMMITMENTS AND COMMITMENTS TO MANAGEMENT BODIES AND TO THE BOARD OF DIRECTORS

### Post-employment benefit commitments

<i>(in € millions)</i>	As of December 31	
	2023	2024
<b>SUPPLEMENTARY BENEFITS IN ADDITION TO DEFINED-BENEFIT RETIREMENT PLANS <sup>(a)</sup></b>		
Gross commitments	540	559
Commitments net of retirement plan assets	406	437

(a) Commitments measured using the actuarial method.

These net commitments are presented off-balance sheet (see Note 17 to the parent company financial statements). The main commitment is the retirement plan granted to some senior managers of Danone.

## Retirement plan granted to some senior managers of Danone

### Commitments measured using the actuarial method

<i>(in € millions)</i>	As of December 31	
	Retirement plan for senior managers	
	2023	2024
Gross commitments	469	482
Commitments net of retirement plan assets	370	396

### Main actuarial assumptions

<i>(%, except for ages, expressed in years)</i>	Year ended December 31	
	Retirement plan for senior managers	
	2023	2024
Discount rate	3.3%	3.5%
Expected return on plan assets	3.3%	3.5%
Salary growth rate	3.0%	3.0%
Retirement age	60 - 66	60 - 66

## Commitments to management bodies and to the Board of Directors

### Post-employment benefit commitments for corporate officers and Executive Committee members

<i>(in € millions)</i>	As of December 31	
	2023	2024
	<b>SUPPLEMENTARY BENEFITS IN ADDITION TO DEFINED-BENEFIT RETIREMENT PLANS <sup>(a)</sup></b>	
Gross commitments	42	49

*(a) Commitments measured using the actuarial method.*

### Severance pay for Executive Committee members

Severance pay for members of the Executive Committee in certain cases of termination of their terms of office or functions was set at twice the gross compensation (fixed, variable, and benefits in kind) they received over the 12 months preceding the date of termination.

## NOTE 17. OFF-BALANCE SHEET COMMITMENTS

### Main commitments given directly and indirectly by the Company

(in € millions)	As of December 31	
	2023	2024
Put options held by non-controlling interests over the Company's direct and indirect equity interests <sup>(a)</sup>	356	317
Post-employment benefits <sup>(b)</sup>	406	437
Rents	92	195
Services provided	91	55
Derivatives <sup>(c)</sup>	6,853	5,653
Security interests <sup>(d)</sup>	2,000	2,000
Guarantees	1	1
<b>TOTAL</b>	<b>9,799</b>	<b>8,670</b>

- (a) Commitments given directly or indirectly by the Company (see section Put options over the Company's direct and indirect equity interests below for more details).
- (b) Net commitments in respect of defined-benefit retirement plans (see Note 16 to the parent company financial statements).
- (c) €5,653 million, corresponding to the nominal amount of cross-currency swaps and interest rate swaps.
- (d) The Company acted as joint and several guarantor for Danone Finance International.

### Put options over the Company's direct and indirect equity interests

The Company or certain of its direct or indirect subsidiaries granted put options to non-controlling interests in certain direct or indirect equity interests, giving the holders the right to sell part or all of their investment in these subsidiaries. Their exercise price is generally based on the profitability and financial position of the company concerned at the exercise date of the put option.

### Commitments received

Commitments received by the Company concerned €3 billion in available committed credit facilities as of December 31, 2024.

### Other commitments

The Company and certain of its subsidiaries are parties to various legal and arbitration proceedings arising in the ordinary course of business. In some cases, damages and interest are sought. Provisions are recognized when an outflow of resources is probable and the amount can be reliably estimated.

In the context of exemptions from the preparation, certification and/or publication of the corporate financial statements of certain of its subsidiaries, the Company has granted comfort letters and guarantees in respect of the commitments made by its subsidiaries.

## NOTE 18. HEADCOUNT

### Average number of Company employees during the year

(in number, except %)	Year ended December 31			
	2023		2024	
Executives and managers	892	86%	995	86%
Supervisors and technicians	83	8%	92	8%
Office workers	66	6%	66	6%
<b>TOTAL</b>	<b>1,042</b>	<b>100%</b>	<b>1,153</b>	<b>100%</b>

## NOTE 19. RELATED PARTY TRANSACTIONS

The main related parties are the Group's equity-accounted companies, the members of the Executive Committee and the members of the Board of Directors.

Transactions with equity-accounted companies are generally carried out at arm's length. They mainly involve management fees paid to Danone, services and financing.

Details of the compensation paid to members of the Executive Committee and Board of Directors are provided in Note 4 to the parent company financial statements. Details of retirement commitments made by Danone to corporate officers and Executive Committee members are provided in Note 16 to the parent company financial statements. Related party agreements are described in section 6.6 *Related party agreements and commitments*.

## NOTE 20. SUMMARY OF SHARES HELD IN PORTFOLIO

### Shares in subsidiaries and affiliates

<i>(in € millions)</i>	As of December 31	
	2023	2024
Gross amount	27,946	27,668
Provisions for impairment	(192)	(150)
<b>CARRYING AMOUNT</b>	<b>27,753</b>	<b>27,517</b>

### DANONE treasury shares

<i>(in € millions, except number of shares)</i>	As of December 31			
	2023		2024	
	Number of shares	Carrying amount	Number of shares	Carrying amount
Treasury shares classified as "Long-term financial assets" <sup>(a)</sup>	30,059,360	1,542	28,559,360	1,465
Treasury shares classified as "Marketable securities" <sup>(a)</sup>	61,881	3	1,057,303	54
<b>TOTAL</b>	<b>30,121,241</b>	<b>1,545</b>	<b>29,616,663</b>	<b>1,519</b>

(a) See classification in Note 1 to the parent company financial statements.



## NOTE 21. EARNINGS AND OTHER SIGNIFICANT INFORMATION RELATING TO THE LAST FIVE YEARS

	2020	2021	2022	2023	2024
<b>CAPITAL AT YEAR-END</b>					
Share capital (in €)	171,657,400	171,920,622	168,959,483	169,443,282	169,888,498
Number of shares issued	686,629,600	687,682,489	675,837,932	677,773,128	679,553,991
<b>OPERATIONS AND EARNINGS FOR THE YEAR</b>					
<i>(in € millions)</i>					
Sales before tax	622	635	699	890	1,030
Net income before tax, depreciation, amortization and provisions	1,877	3,807	1,412	2,259	580
Income tax <sup>(a)</sup>	73	47	45	76	104
Net income after tax, depreciation, amortization and provisions	1,931	3,674	1,353	2,280	592
Dividends paid <sup>(b)</sup>	1,272	1,249	1,291	1,360	1,461
<b>EARNINGS PER SHARE</b>					
<i>(in € per share)</i>					
Earnings per share after tax but before depreciation, amortization and provisions	2.84	5.60	2.15	3.45	1.01
Earnings per share after tax, depreciation, amortization and provisions	2.81	5.34	2.00	3.36	0.87
Dividend per share	1.94	1.94	2.00	2.10	2.15
<b>PERSONNEL</b>					
Average number of employees for the year	990	1,008	1,004	1,042	1,153
Payroll expense (in € millions)	169	160	178	218	222
Amounts paid in respect of employee benefits (social security, social benefit schemes, etc.) (in € millions)	91	94	104	104	111

(a) Income (expense).

(b) Amount relating to the 2024 fiscal year estimated as of December 31, 2024 based on the number of treasury shares held on that date by the Company. The 2023 dividend corresponds to the amount actually paid during the 2024 fiscal year.

## NOTE 22. SUBSEQUENT EVENTS

To the best of the Company's knowledge, no significant events occurred between the end of the reporting period and February 25, 2025, the date on which the Board of Directors approved the parent company financial statements for the year ended December 31, 2024.

## STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY DANONE SA

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*This is a translation into English of the statutory auditor's report on the financial statements on the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditor's report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Annual General Meeting of Danone,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Danone for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

### Basis for opinion

#### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie de la profession de commissaire aux comptes*) for statutory auditors for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 of Regulation (EU) N° 537/2014.

### Justification of assessments – Key audit matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## Valuation of equity interests

RISK IDENTIFIED	OUR RESPONSE
<p>As of December 31, 2024, equity interests amounted to €27,518 million out of a balance sheet total of €33,096 million.</p> <p>As indicated in Note 1 to the financial statements of the parent company Danone, section <i>Financial fixed assets</i>, they are subject to impairment when their asset value is lower than their carrying value. Asset value is determined by management based on a variety of criteria, including market value, value in use based on discounted forecast cash flows and restated equity.</p> <p>The assumptions, estimates or assessments used to determine the asset value shall be established on the basis of information or situations existing at the date of preparation of the accounts, which may, where appropriate, prove to be different from reality, in particular in a context of economic and financial volatility.</p> <p>Estimating the asset value of these securities thus requires the exercise of management's judgment in its choice of the elements to be considered according to the holdings concerned, as well as, for the determination of the value in use, the estimation of the future performance of the entities concerned and the discount and long-term growth rates.</p> <p>Given the materiality of equity securities to the company's balance sheet and the judgment required to estimate their asset value, we considered the valuation of equity securities to be a key issue of the audit.</p>	<p>Our work mainly consisted in the following, for a sample of equity interests determined based on qualitative and quantitative criteria:</p> <ul style="list-style-type: none"> <li>■ gain an understanding of the procedures for implementing the impairment tests carried out by the management;</li> <li>■ examine, on the basis of the information provided to us, that the estimate of the asset values of equity securities determined by management is based on an appropriate justification of the valuation methodology and figures used;</li> <li>■ for valuations based on historical data: <ul style="list-style-type: none"> <li>• examining the consistency between the shareholders' equity used and the accounts of the corresponding entities, as well as any adjustments performed on this shareholders' equity;</li> </ul> </li> <li>■ for valuations based on forecasted data: <ul style="list-style-type: none"> <li>• obtaining the forecasted operating cash flows for the activities of the entities concerned and reconciling them with the forecasted data provided in the latest strategic plans;</li> <li>• examining the reasonableness of the assumptions made in the light of the economic environment at the closing date and the date on which the accounts were drawn up;</li> <li>• comparing the forecasts used for prior periods with the corresponding actual figures in order to assess the achievement of past targets.</li> </ul> </li> </ul> <p>We also examined the information provided in Note 1 and Note 9 to the financial statements.</p>

## Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the Shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and the other documents with respect to the financial position and the financial statements provided to the Shareholders.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D.441-6 of the French Commercial Code (*Code de commerce*) is fairly presented and consistent with the financial statements.

### Report on Corporate Governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code (*Code de commerce*) relating to the remuneration and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

### Other information

In accordance with French law, we have verified that the required information concerning the equity and control acquisitions, the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

## Report on other legal and regulatory requirements

### Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of chief executive officer, complies with the single electronic format defined in the Commission Delegated Regulation (EU) No. 2019/815 of December 17, 2018.

Based on the work we performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with those on which we have performed our work.

### Appointment of the Statutory Auditors

We were appointed statutory auditors of Danone by the annual general meetings held on April 28, 2016 for ERNST & YOUNG Audit and on April 22, 2022 for FORVIS MAZARS & Associés.

As of December 31, 2024, the FORVIS MAZARS & ASSOCIES firm was in the third year of its mission without interruption and the ERNST & YOUNG Audit firm was in the ninth year.

Previously, ERNST & YOUNG et Autres held office as statutory auditor of Danone since 2010.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory auditors' responsibilities for the audit of the financial statements

### Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Report to the Audit Committee**

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 5, 2025

**The Statutory Auditors**  
*French original signed by*

**FORVIS MAZARS & ASSOCIES**

Achour MESSAS

Gonzague SENLIS

**ERNST & YOUNG Audit**

Gilles COHEN

Alexandre CHRÉTIEN

### 4.3 INFORMATION ON PAYMENT TERMS GRANTED TO SUPPLIERS AND CUSTOMERS OF THE PARENT COMPANY DANONE SA

As of December 31, 2024						
Invoices received, unpaid and overdue as of the reporting date						
(in € millions unless stated otherwise)	Due in 0 day	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due 91 or more days	Total (1 or more days)
<b>A. OVERDUE PAYMENT CATEGORIES</b>						
Number of invoices concerned	124					<b>933</b>
Total amount of invoices concerned (including taxes)	5.4	4.5	1.8	0.2	6.0	<b>12.5</b>
Percentage of total purchases for the year (excluding taxes)	0.6%	0.5%	0.2%	0.0%	0.7%	<b>1.5%</b>
Percentage of sales for the year (excluding taxes)						
<b>B. INVOICES EXCLUDED FROM (A) RELATING TO PAYABLES AND RECEIVABLES IN DISPUTE OR NOT RECOGNIZED</b>						
Number of excluded invoices						7,598
Total amount of excluded invoices						7.2
<b>C. BENCHMARK CONTRACTUAL PAYMENT TERMS USED</b>						
Payment terms used to calculate overdue payments	Contractual terms: 60 days of invoice date, in the absence of statutory terms					

As of December 31, 2023						
Invoices issued, unpaid and overdue as of the reporting date						
(in € millions unless stated otherwise)	Due in 0 day	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due 91 or more days	Total (1 or more days)
<b>A. OVERDUE PAYMENT CATEGORIES</b>						
Number of invoices concerned	114					<b>1,619</b>
Total amount of invoices concerned (including taxes)	3.1	0.3	2.5	1.4	43.4	<b>47.6</b>
Percentage of total purchases for the year (excluding taxes)						
Percentage of sales for the year (excluding taxes)	0.3%	0.3%	0.2%	0.1%	4.2%	<b>4.6%</b>
<b>B. INVOICES EXCLUDED FROM (A) RELATING TO PAYABLES AND RECEIVABLES IN DISPUTE OR NOT RECOGNIZED</b>						
Number of excluded invoices						0
Total amount of excluded invoices						0
<b>C. BENCHMARK CONTRACTUAL PAYMENT TERMS USED</b>						
Payment terms used to calculate overdue payments	Contractual terms: 30 days from end of month of invoice					

### 4.4 INFORMATION ORIGINATING FROM THIRD PARTIES, EXPERT OPINIONS AND DECLARATIONS OF INTEREST

None.

# 5

## SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY



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**5.1 INTRODUCTION**

**5.1.1 A CONSISTENT, DEEPLY ROOTED AND IMPACT-FOCUSED SUSTAINABILITY JOURNEY**

Danone's sustainability journey started long ago. In 1972, Antoine Riboud, then Chairman and Chief Executive Officer of the Group, publicly stated that the responsibility of a business goes beyond its factory doors, positioning Danone as a pioneer and visionary in the field of corporate responsibility. This philosophy set the base for Danone's dual economic and social project. This dual project has been at the heart of Danone's ways of working and decision-making ever since, based on a simple but powerful idea: performance without sustainability has no future, while sustainability without performance has no impact.

Building on this heritage, over 15 years ago, Danone defined its purpose: bringing health through food to as many people as possible. Going further, Danone started a process in 2015 to become a B Corp™ globally and in 2020, it became the first listed company to adopt the Société à Mission status, created by the French "PACTE" law in 2019.

In March 2022, Danone unveiled a new strategic plan, Renew Danone, with the ambition to reconnect Danone with a sustainably profitable growth model, underpinned by greater alignment between purpose

and performance. In this context, in February 2023, the Group reframed its sustainability roadmap – the Danone Impact Journey – articulated around three pillars: Health through Food, Nature and People & Communities. The Danone Impact Journey is built on the following principles:

- recognizing the importance and co-dependence of Health through Food, Nature and People & Communities;
- hard wiring sustainability into the business, from a strategic, operational and financial perspective;
- putting impact at the heart of what the Group does.

The Danone Impact Journey starts with Danone's purpose at its very heart expressed through three pillars – Health through Food, Nature and People & Communities – broken into twelve goals and twenty-nine KPIs with mid to long-term objectives. The Danone Impact Journey is represented as follows, and described in detail in the sections below.



## PROCESS & LEAD HEALTH THROUGH FOOD FOR CONSUMERS & PATIENTS

GOAL	KPIs	2024 result
Offer tastier and healthier food and drinks	≥ 85% vol dairy, plant-based, water and aquadrinks rated ≥ 3.5 stars by Health Star Rating by 2025	87.7%
	> 95% vol Kids dairy and plant-based ≤ 10g total sugars/100g by 2025	78.5%
	> 95% vol toddlers' milk (1-3yo) ≤ 1.25g added sugars /100kcal by 2025	99%
Promote healthier choices	> 95% vol sold of dairy, plant-based and aquadrinks products with on pack/online interpretative nutritional information by 2025	71.5%
Provide positive nutrition & hydration for healthier life	> 85% vol Kids dairy fortified with relevant vitamins & minerals by 2025	89.8%
	5 projects to address iron deficiency in children by 2025	4
	20 M people with access to safe drinking water by 2025	20.8M
Invest in nutrition and hydration science and research	150 scientific publications in peer-reviewed journals and/or presentations at scientific conferences (from baseline of 2021) by 2025	222 full papers (114 in 2024)

## PRESERVE & REGENERATE NATURE

GOAL	KPIs	2024 result
Curb GHG emissions in line with 1.5°C, leading the way on methane reduction	CO <sub>2</sub> e reduction by 2030 in line with 1.5°C SBTi	(16.1) % vs 2020
	Net Zero by 2050	(16.1) % vs 2020
	30% reduction in methane emissions from fresh milk by 2030	(25)% vs 2020
	New KPI: 36% reduction on scope 1 & 2 by 2025	(34.5)% vs 2020
Pioneer and scale regenerative agriculture, leading the way for regenerative dairy farming models	30% key ingredients Danone sources directly will come from farms that have begun to transition to RegAg by 2025	39 %
	Deforestation & conversion free on key commodities by 2025	93 %
Preserve and restore watersheds where we operate and drive water footprint reduction across the value chain	4R approach will be deployed in all Danone's production sites by 2030	99.3 %
	Watershed preservation/restoration plans in operational site located in highly water-stressed areas by 2030	62 %
Drive the transition to a circular and low-carbon packaging system & recover as much as we use	100% reusable, recyclable or compostable by 2030	85 %
	Halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials	(8)% vs 2020
	Lead the development of effective collection systems to recover as much plastic as Danone uses by 2040	60 %
Cut waste across the value chain	Halve all food waste not fit for human, animal consumption or biomaterial processing by 2030 vs 2020 (LFL)	(18.1)% vs 2020

## THRIVING PEOPLE & COMMUNITIES

GOAL	KPIs	2024 result
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 <sup>(1)</sup>	83 %
	All employees covered by DanCare by 2030	98 %
	Achieve gender balance in management globally by 2030	44 %
	Drive equity and close gender pay gap by 2025	1.1 pt
	Maintain inclusion index above peers <sup>(2)</sup>	+2pts above peers
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 Danone employees by 2025	In progress
	Extend future skilling programs to key partners by 2030	In progress
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 <sup>(3)</sup>	In progress
	Danone Sustainable Sourcing Policy deployed to all suppliers by 2030	In progress

(1) Over 95% of employees covered by certification, excluding M&A.

(2) Measured through DPS.

(3) Enabling due diligence deployed in Danone operations.

### 5.1.2 HEALTH THROUGH FOOD PILLAR - PROGRESS & LEAD HEALTH THROUGH FOOD

The roots of Danone's purpose to "bring health through food to as many people as possible" date back over 100 years ago. Building on decades of research and scientific expertise in health and nutrition, Danone is uniquely placed to help consumers and patients maintain and support their health through nutritious food and sustainable healthier eating and drinking choices throughout their life.

"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 purpose (*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 2024, Danone was recognized by the Access to Nutrition Initiative (ATNI) Global Index with the first place of its ranking. The ATNI Global Index is an independent index which assesses the top 30 largest Food & Beverage manufacturers that best address malnutrition in all its various forms. Danone moved up from #4 in 2021 to #1 this year. This result recognizes Danone's commitment to bringing health through food to as many people as possible. In 2024, Danone has made further progress on its 2025 goals:

#### ■ Offer tastier and healthier food and drinks

Danone products are consumed regularly by millions of people across the world. Today, the Group is focused on three categories: Essential Dairy & Plant-Based Products, Waters and Specialized Nutrition. By focusing on healthy categories, the Group can and wants to have a positive impact on nutrition and health. The Group develops delicious and enjoyable products that meet the preferences and evolving nutritional needs of consumers and patients throughout their lifespan and contribute to a balanced diet. Danone's everyday products strive to bring key nutrients such as calcium, protein, vitamins, and fiber, while limiting sugars, saturated fats and calories intake. As part of the Danone Impact Journey, the Group has set three targets to improve product portfolio healthiness and further reduce sugars in its products for children:

- in 2024, 87.7% <sup>(1)</sup> (compared to 89.2% in 2023) of product volumes sold scored  $\geq 3.5$  stars under the Health Star Rating (HSR) system;
- in 2024, 78.5% (compared to 62.2% in 2023) of volumes sold of EDP kids portfolio contain maximum 10g of total sugar per 100g;
- in 2024, 99.0% (compared to 99.3% in 2023) of the volumes sold of toddler milks intended for 1-3 year-olds with  $\leq 1.25$ g added sugars/100kcal.

#### ■ Promote healthier choices

The ability to make informed choices about daily food intake is an essential part of long-term healthy living. Danone therefore encourages consumers to make healthier choices by providing transparent and easy-to-understand nutritional information. As part of the Danone Impact Journey targets, the Group is committed to display interpretative information to consumers wherever possible on-pack or online. In line with this ambition, Danone monitors the following KPI: in 2024, 71.5% (compared to 40.5% in 2023) of volumes sold of Dairy, Plant-Based and Aquadrinks <sup>(2)</sup> products with nutritional interpretative information on-pack or online.

In parallel, by implementing responsible marketing practices, the Group contributes to the promotion of better choices and better nutrition. In 2024, Danone released its updated Policy on Marketing to Children, enhancing its responsible marketing practices to children in three key areas: implementing the HSR as the Nutrient Profile Model used to identify what products can be advertised to children; including restrictions applying to children under the age of 16; and tightening the audience threshold used to restrict marketing to children to 25% below the age of 16, rather than 30% below the age of 13.

#### ■ Provide positive nutrition and hydration for a 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. Everyday products should provide a positive contribution to a balanced diet beyond just energy, from hydration to digestive health. Danone provides enhanced nutritious food to support, restore or optimize one's health and aims to increase the number of products with a meaningful amount of positive nutrients. Danone aims to ensure that its core products are accepted as valid vehicles for fortification, to help combat nutrient deficiencies, improve nutritional status, and ultimately improve the health status of consumers. As part of the Danone Impact Journey, the Group has defined three targets to expand its contribution to relevant areas;

- in 2024, 89.8% (compared to 83.2% in 2023) of volumes sold of Group's Dairy portfolio aimed at children fortified with relevant vitamins and minerals;
- in 2024, four projects (compared to two in 2023) were addressing iron deficiency in children;
- in 2024, the social businesses that Danone Communities and the Water Access Acceleration Fund (W2AF) support provided access to safe drinking water to 20.8 million people around the world (compared to 12.7 million people in 2023).

<sup>(1)</sup> The percentage drop in the KPI for 2024 vs 2023 is primarily due to a combination of market adjustments, strategic business decisions, external socio-political factors, and HSR algorithm coding verifications.

<sup>(2)</sup> Aquadrinks: Water-based beverages with or without sugars.

### ■ Investing 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 will continue to invest in research and contribute to the scientific field to demonstrate how nutrition can impact health from early life to aging, with a key focus on gut health. As part of the Danone Impact Journey, the Group has committed to strengthening its efforts to develop high-quality research. In 2024, the Group issued 114 scientific publications in peer-reviewed journals (compared to 108 in 2023). 45% of these publications were in scientific journals with an impact factor of 4.5 or more (the impact factor of a journal is defined as the number of

citations of articles published in that journal in the previous years: the higher the impact value, the more acknowledged the journal). The Group also had 111 congress abstracts and/or presentations at scientific conferences.

The Group's 2025 Health Through Food agenda comprises Danone Impact Journey Health pillar, but also additional KPIs specific to the *Société à Mission* agenda:

- >95% volumes of formula milks intended for 4-5 year-olds with ≤2g added sugars/100kcal by 2025: 94.9% (compared to 94.5% in 2023) of the volumes sold were at this target in 2024;
- by 2025, Danone aims to develop three projects to support women's choice to breastfeed. In 2024, three projects (compared to one in 2023) met the criteria of impact projects with all key criteria covered.

## 5.1.3 NATURE PILLAR - PRESERVE & REGENERATE NATURE

To deliver on its mission, Danone depends on nature. Danone's ambition is to transform its value chain by developing solutions that preserve and regenerate nature as well as adaptation and mitigation measures that also ensure resilience and compliance. This requires ambitious action from Danone and working with Danone's ecosystem, which has been defined under five priorities, each with KPI reflecting mid to long term objectives:

### ■ Curb GHG emissions in line with Danone's 1.5°C targets validated by the Science Based Targets initiative (SBTi), leading the way on methane reduction

Danone has structured a roadmap to become Net-Zero by 2050 built around eight programs detailed in Danone's Climate Transition Plan (published in December 2023) and in section 5.3.1 *Climate change (ESRS E1)*. The Danone Impact Journey encompasses four KPIs on this priority to curb GHG emissions in line with 1.5°C and Danone achieved in 2024:

- 16.1% reduction in CO<sub>2</sub>e vs 2020 baseline excluding EDP Russia, from which 9.3% CO<sub>2</sub>e reduction achieved vs 2023;
- 25% reduction in methane emissions from fresh milk vs 2020;
- in 2024, Danone has achieved deep decarbonization of its operations (scope 1 and 2) and already increased renewable electricity use in its factories from 70.1% to 85.7%. There are some inherent challenges transitioning to renewable technology, and in addition, the energy efficiency ratio KPI is impacted by current product mix and future in-sourcing of new processes and technologies. It is therefore recognized that the target of 30% reduction by 2025 for this ratio is challenging while Danone will achieve key decarbonization and renewable

transition targets. Therefore, Danone will prioritize the scope 1 and 2 decarbonization and renewables energy KPIs in line with SBTi commitments that form part of the Danone Impact Journey whilst setting an intermediate KPI of 36% reduction of scope 1 and 2 GHG emissions by 2025 vs the 2020 baseline.

### ■ Pioneer and scale regenerative agriculture

Danone aims to ensure a more resilient and sustainable agriculture by adopting and promoting regenerative agricultural models. This goal includes two KPIs:

- in 2024, Danone has continued to lead the way on regenerative agriculture. As such, 39% of the ingredients that Danone sourced in 2024 came from farms that have begun the transition to regenerative agriculture;
- furthermore, Danone achieved 93% of verified Deforestation & Conversion-Free (vDCF) direct sourcing for commodities <sup>(1)</sup> in the scope of Danone's Forest Policy.

### ■ Preserve and restore watersheds

Danone's commitments to water resources are critical to deliver on water stewardship across its operations and value chain recognizing its importance for the planet and its communities. Two KPIs will help measure the achievement of this goal:

- in 2024, Danone has further deployed the 4R approach, now covering 99.3% of its production sites;
- in 2024, on the 57 factories located in watersheds at risk, 62% of the total water intake was located in water-stressed areas covered by effective watershed preservation measures;

<sup>(1)</sup> Danone's journey to achieve and maintain deforestation and conversion-free on these key commodities means at least a 97% verified deforestation- and conversion-free rate, due to the verification process and supply chain constraints. More information on these processes is available in the section 5.3.5 Resource use and circular economy (ESRS E5).

# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.1 Introduction

- in its 2024 Water Policy, Danone developed a holistic approach to safeguard water resources, focusing on three strategic pillars: driving water efficiency in and around production sites, preserving water resources and biodiversity of natural ecosystems around Danone's operations, and supporting communities surrounding sites and providing water access to vulnerable populations.

### ■ Drive the transition to a circular and low-carbon packaging system

Packaging is essential for Danone's activities as it protects food and beverages, increases shelf life and reduces food waste. The Group strives to offer nutritious, high-quality food and beverages in packaging that is food safety compliant, but also circular and low carbon. Therefore, Danone's ambition is that all its packaging is designed to be safely reused, recycled or composted in order to keep the materials used by Danone in the economy and not become waste or pollution. In order to step up the transition to a circular and low-carbon economy, Danone works with many value chain stakeholders to explore different solutions and business models with a view to reducing its packaging use, improving the circulation of packaging that cannot be eliminated, recovering what

is not kept in circulation, tackling leakage and improving livelihoods of communities. Three KPIs are included in the Danone Impact Journey on transition to a circular and low-carbon packaging. Indeed, in 2024, 85% of Danone's packaging was reusable, recyclable, or compostable (versus 84% in 2023), Danone achieved 8% reduction in the use of virgin fossil-based plastic (since 2020 excl. EDP Russia) and 60% of plastic put on the market was recovered (versus 58% in 2023).

### ■ Cut waste across the value chain

Danone is also committed to reducing food waste in its end-to-end supply chain. For that purpose, in 2022, the Group launched an extensive global program, Battle Against Waste. The program is designed to deliver both sustainability and productivity targets. This project engages end-to-end supply chain stakeholders, external partners with suppliers and customers, and leverages internal expertise with a mid term objective through one KPI. Indeed, in 2024, Danone reduced the total quantity of food waste per metric ton of product sold, excluding waste intended for animal feed and the processing of biomaterials (Sustainable Development Goal (SDG) 12.3), by 18.1% since 2020 (on a like-for-like basis).

## 5.1.4 PEOPLE & COMMUNITIES

Danone has a strong legacy of positive social impact, from Antoine Riboud's groundbreaking speech in 1972 and the launch of Danone's dual project, the commitment to freedom of association and collective bargaining illustrated by the nine global framework agreements signed from 1989 with the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations), to the extension of quality healthcare coverage through Dan'Cares, and the integration of social objectives into the Company's by-laws as a Société à Mission. Danone's social heritage has forged a unique culture within Danone, where purpose is deeply integrated into how Danone does business. This strong commitment to social issues is represented in the Danone Impact Journey through three priorities, each with KPIs reflecting mid to long term objectives:

### ■ Make Danone a force for good

Danone continues to foster a unique, diverse and inclusive culture, and empower its employees to have a positive impact:

- in 2024, 83% of Danone employees and 92.8% of its global sales (68% and 82.5% respectively in 2023) are covered by B Corp™ certification, marking significant progress toward Danone's ambition to become the largest fully certified multinational by 2025 (considering the full eligible scope according to the B Lab rules);

- access to health and risk coverage as well as education regarding health challenges for all employees is a key priority for Danone. The Group continues to support its employees with the Dan'Cares program in all countries in which it operates. In 2024, 98% of Danone employees received health coverage fully meeting the criteria defined by Dan'Cares;
- inclusion for all is at the heart of the Danone Culture. For Danone employees, it means being able to be themselves at work so they can unleash their full potential. In 2024, 44% of Danone's senior leader positions were held by women. Moreover, Danone's gender pay gap stands at 1.1 point in 2024. Total Inclusion Index at Danone in DPS 2024 is at 79% (+2 points vs FMCG peers). Inclusion Index for Women is at 79%, in line with overall Danone.

### ■ Champion a renewed social contract

Finally, Danone aims to champion a renewed social contract by fostering a prosperous and inclusive ecosystem, upholding human rights and pursuing social progress. In this regard, Danone is progressing in training its employees on human rights in line with its target of 100% by 2025. Furthermore, in 2024, Danone launched its Sustainable Sourcing Policy (SSP). The SSP applies to Danone's Tier 1 suppliers that have a contractual relationship with Danone to provide goods or services, but excluding specific suppliers such as farmers, public institutions with no industrial and commercial

activities, and academics. The relations with those suppliers and business partners are governed by Danone Sustainability Principles and Implementation Note for Business Partners. The SSP sets the standards for Danone and its suppliers, and outlines the Group's commitments to establish fair, sustainable, and ethical relationships. Danone has engaged with diverse stakeholders to develop it, including union representatives, NGOs, and international experts. The Sustainable Sourcing Policy is structured around three sets of Fundamental Principles on social, environmental and ethical issues.

## 5.1.5 GOVERNANCE IN SUPPORT OF DANONE'S HEALTH THROUGH FOOD, NATURE AND PEOPLE & COMMUNITIES FRAME OF ACTION

Sustainability is embedded into Danone's entire organization. All functions therefore embrace the sustainability ambition and journey through their specific fields of expertise and action. Danone has put in place a sustainability governance structure to ensure global consistency and efficient decision-making in its key sustainability pillars (Health through Food, Nature and People & Communities), as described in section 5.2.2 *Governance*.

In addition, a Mission Committee presented in the next section monitors Danone's progress toward its sustainability objectives as set out in its by-laws as a Société à Mission.

## 5.1.6 DANONE AS A SOCIÉTÉ À MISSION AND ROLE OF THE MISSION COMMITTEE

In 2020, Danone adopted the Société à Mission <sup>(1)</sup> legal status, created by French law in 2019. Danone integrated its purpose (*raison d'être*) of "bringing health through food to as many people as possible" as well as the following four objectives into its by-laws:

- impact people's health locally, thanks to a portfolio of healthier products, with brands encouraging better nutritional choices, and by promoting better dietary habits;
- preserve and renew the planet's resources, by supporting regenerative agriculture, protecting the water cycle and strengthening the circular economy of packaging, across its entire ecosystem, in order to contribute to the fight against climate change;
- entrust Danone's people to create new futures: building on a unique social innovation heritage, give each employee the opportunity to impact the decisions of the Group, both locally and globally;
- foster inclusive growth, by ensuring equal opportunities within the Group, supporting the most vulnerable partners in its ecosystem and developing everyday products accessible to as many people as possible.

Each objective is broken down into detailed operational objectives, and into mid- and long-term trajectories with annual milestones. They are directly connected with the mid- to long-term objectives defined in the Danone Impact Journey, thus allowing a consistent monitoring of Danone's progress.

The progress toward these objectives is reviewed and monitored by Danone's Mission Committee, which includes highly respected independent global experts. As of the date of this document, Danone's Mission Committee members is composed of:

- Pascal Lamy (Chair) – Coordinator of the Jacques Delors Institute, former European Commissioner for Trade and former Director-General of the World Trade Organization;
- Arancha González – Dean of the Paris School of the International Affairs at SciencesPo, former Spanish Minister of Foreign Affairs, European Union and Cooperation;
- Lise Kingo – Danone independent board member – Chair of Danone's CSR Committee, and former CEO of the United Nations Global Compact;
- Emna Lahmer – Danone employee;
- Hiromichi Mizuno – Principles for Responsible Investment (PRI) network board member, advisor to the Japanese government;

<sup>(1)</sup> The French Société à Mission status is defined by Article L.210-10 of the French Commercial Code (Code de commerce), introduced by the May 22, 2019 law, commonly known as the "PACTE" law. It requires companies adopting this status to: define a purpose (*raison d'être*) and write it into the company's by-laws, include in its by-laws social and environmental objectives aligned with that purpose, create a mission committee responsible for monitoring progress toward these objectives, appoint an independent third party to verify, at least every two years, that the mission is carried out: consistent trajectories, adequate means implemented and goals achieved.

# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.1 Introduction

- David Nabarro – former advisor to the UN on the 2030 SDGs;
- Ron Oswald – former General Secretary of the International Union of Food Workers; and
- Gabriela Ilian Ramos – Assistant Director General, Social and Human Sciences at UNESCO.

The Mission Committee draws up a report every year, which is made public on Danone's website and presented to shareholders during each Annual Shareholders' Meeting. The report is also verified by an independent third party at least every two years.

## 5.1.7 B CORP AMBITION

Since 2015, Danone has partnered with B Lab to help define a meaningful and manageable path to certification for multinationals and publicly traded companies, as well as to accelerate the growth of the B Corp™ movement in becoming mainstream. This partnership is an expression of Danone's long-time commitment to sustainable business as well as to its dual project, combining both economic and social progress.

In 2024, Danone is reporting on two performance indicators: the percentage of global sales certified and the percentage of employees covered by the B Corp™ certification. While sales continue to be a key indicator, Danone tracks the employee coverage considering that B Corp™ represents an essential means for employees to drive change and positive impact. A specific target was therefore added as a KPI in the People & Communities pillar of the Danone Impact Journey.

In 2024, 83% of employees and 92.8% of global sales were covered by B Corp™ certification, marking significant progress. These achievements reflect Danone's ambition and efforts to be fully certified at global level by 2025, leading a movement of committed and responsible companies.

## 5.1.8 SOCIAL INNOVATION FUNDS

To diversify and increase its social impact, Danone innovated by creating and financing dedicated funds and association. They enable the Group to (i) widen its scope of actions beyond its business model, and operations, and (ii) create a momentum leading NGOs and other companies to collaborate and/or co-finance them, enabling to expand, upscale and multiply their initiatives.

Danone Social innovation funds have their own organization and act independently from Danone, within their respective missions and fields of actions: (i) social projects around safer and healthier nutrition and hydration for vulnerable people and communities for Danone Communities and Water Access Acceleration Fund, (ii) restoration of natural ecosystems also protecting vulnerable people for Livelihoods Carbon Fund, (iii) develop sustainable farming practices of vulnerable smallholder farmers for Livelihoods Fund for Family Farming, and (iv) serve the general interest within the whole Danone ecosystem for Danone Ecosystem (fund and association).

### 5.1.8.1 Danone Communities

Created in 2007, Danone Communities is a venture capital fund that empowers pioneering social entrepreneurs. It invests in businesses that have a significant social impact in line with Danone's purpose of "bringing health through food to as many people as possible". Danone Communities invests equity and quasi-equity in social businesses in two main fields: (i) access to safe drinking water, and (ii) access to healthy local nutrition. In addition to its long-term financial support, Danone Communities provides expertise, networks and business support relevant to their local needs towards their journey to success.

In 2007, Danone created the Danone Communities SICAV (*Société d'Investissement à Capital Variable*) and the Danone Communities FPS (*Fonds Professionnel Spécialisé*) funds. The SICAV invests (i) at least 90% of its assets in money market instruments, bonds and other vehicles, and (ii) up to 10% in the FPS.

As of December 31, 2024, the Danone Communities SICAV fund had a total of €78.4 million in assets under management (€75.3 million in assets under management in 2023). Of this total, 20% was held by Danone and 47% was held by its employees through the FCPE Danone Communities Solidaire, an employee investment fund (*Fonds Commun de Placement d'Entreprise*) (as in 2023). As of December 31, 2024, Danone also held 72% of the FPS directly (as in 2023).

Danone Communities FPS backs 16 social companies in 22 different countries (20 and 25 respectively in 2023). Danone is also currently a shareholder in two of these social businesses: Grameen Danone Foods Limited in Bangladesh and Nutrigo in China.

As of December 31, 2024, the total investments in these businesses came to €17.9 million for the Danone Communities FPS fund (compared to €17.4 million as of December 31, 2023).

### Providing access to safe drinking water for vulnerable people and communities

Through the Danone Impact Journey, the Group is committed to having a positive impact on the health of vulnerable populations and communities, supporting social businesses that provide safe drinking water at an affordable price. Danone and the international impact manager Incofin have launched the pioneering Water Access Acceleration Fund (W2AF) in 2023, with public and private partners, building on 15 years of expertise on water access through Danone Communities.



Overall, the social businesses that Danone Communities and the W2AF are supporting or have supported in their early stages provided daily access to safe drinking water to 20.8 million people around the world in 2024, representing 8.2 billion liters of water (respectively 12.7 million people and 4.6 billion liters in 2023), also participating to the completion of the Danone Impact Journey KPI presented above.

### 5.1.8.2 Danone Ecosystem

Danone created the Danone Ecosystem Fund (*Fonds Danone pour L'Ecosystème*) in 2009, with initial funding of €100 million. It is a French endowment fund headed by a board of directors and tasked with strengthening and expanding to general interest activities within the Danone ecosystem.

In 2022, Danone Group established Danone Ecosystem, a French "loi 1901" non-profit association. This new status includes a governance structure with external members to enhance Danone Ecosystem's approach and amplify its impact. With an initial funding of €20 million, it continues to serve the public interest within the ecosystem where Danone operates. In 2024, Danone Group further accelerated the association's efforts by contributing an additional €50 million.

Since their inception, the Danone Ecosystem Fund and Non-Profit association (together, "Danone Ecosystem") have developed 102 projects together with 92 Non-Profit Organizations as partners, all with the objective of strengthening inclusion and environmental sustainability.

Danone Ecosystem's support provides organizational knowledge, technical expertise and financing support responding to local challenges linked to the transition to sustainable and regenerative agriculture practices, watershed protection, waste collection and recycling management, and promotion of healthy drinking and eating habits at key moments in life. Projects deliver public interest benefits, and aim at ensuring systemic change for more sustainable and inclusive models, within Danone's ecosystem.

At the end of 2024, Danone Ecosystem was supporting 34 active projects across Europe, Asia, Africa and Latin America.

### 5.1.8.3 Livelihoods Carbon Fund

Created in 2011, the Livelihoods Carbon Fund (LCF) is an impact investment fund, SICAV-SIF (*Société d'Investissement à Capital Variable-Fonds d'Investissement Spécialisé*: Investment Company with Variable Capital – Specialized Investment Fund), dedicated to restoring natural ecosystems and delivering carbon credits with a strong social, environmental and economic impact to its investors. It seeks to invest in three types of projects in Africa, Asia and Latin America: (i) restoration and preservation of natural ecosystems; (ii) agroforestry

and soil restoration through regenerative agricultural practices; and (iii) access to rural energy to reduce deforestation and toxic smoke for rural households. The carbon credits generated by the Fund are certified, then allocated to its investors in proportion to their investments. As such, the Livelihoods Carbon Fund fights against climate change while improving living conditions for local communities.

Building on the results achieved by the Livelihoods Carbon Fund created in 2011 by ten private investors, in 2017, eight of these investors created a second compartment to accelerate their efforts in the fight against climate change and protect vulnerable people.

As of December 31, 2024, investors have pledged to invest:

- a total of €45.9 million (with Danone accounting for €13.8 million of that amount) in compartment 1, which currently supports nine projects;
- a total of €65 million (with Danone accounting for €25 million of that amount) in compartment 2, which had been approved to support nine projects as of December 31, 2024 (nine projects as on December, 31, 2023).

Capitalizing on the ten-year experience of LCF, a new investment fund, the Livelihoods Carbon Fund 3 – Livelihoods Carbon Fund SICAV-RAIF (SICAV-RAIF: Reserved Alternative Investment Fund) ("LCF3"), was created in 2021 with 15 corporate and financial investors and with a first closing of €143 million (with Danone accounting for €30 million of that total amount). This new fund finances large-scale projects supporting rural communities in their effort to preserve or restore their natural ecosystems and improve their livelihood through sustainable farming practices.

### 5.1.8.4 Livelihoods Fund for Family Farming

The Livelihoods Fund for Family Farming (L3F) was launched by Danone and Mars Inc. in 2015 and joined by Veolia and Firmenich in 2016. It enables companies to secure their supply, both in terms of quality and quantity by granting small farmers access to more sustainable practices, including regenerative agriculture, and higher revenues, due to good connections with markets. These projects also help to preserve ecosystems through farming practices that combine productivity and respect for the environment.

As of December 31, 2024, investors have pledged to invest a combined total of €36 million in the Livelihoods Fund for Family Farming, with Danone accounting for €15 million of that amount. To date, the fund's investment committee has approved nine projects focusing on coconut (representing two projects), vanilla, shea, watershed protection (representing two projects, one in Mexico and the second in Brazil), palm, cocoa, and dairy feed.

## 5.2 SUSTAINABILITY STATEMENT - GENERAL DISCLOSURES (ESRS 2)

### 5.2.1 BASIS FOR PREPARATION

#### 5.2.1.1 General basis for preparation of the sustainability statement

Sections 5.2 *Sustainability statement - General Disclosures (ESRS 2)* to 5.6 *Auditor CSRD report* have been prepared based on the European Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS).

The consolidation scope used in the application of the CSRD includes all Danone subsidiaries that are fully consolidated for the preparation of the consolidated financial statements, i.e., those subsidiaries over which Danone holds, directly or indirectly, exclusive control.

The sustainability statement covers Danone's upstream and downstream value chain. Upstream, Danone's value chain mainly relies on agriculture and the sourcing of raw materials. Downstream, Danone relies on a diversified distribution model adapted to the needs of different markets.

In this Universal Registration Document, Danone has not used the option to omit specific pieces of information corresponding to intellectual property, expertise or the results of innovation, or of upcoming developments or matters under negotiation.

#### 5.2.1.2 Reporting scope and disclosures related to specific circumstances

##### Specific circumstances

During this reporting period, Danone has completed the disposal of its premium Horizon Organic and Wallaby organic dairy business in the United States on April 1, 2024. This move has impacted Danone reporting scope for Sustainability purposes, and contributed to the overall reduction of its GHG inventory compared to 2023.

##### Value chain estimations

Sustainability reporting requires management to make estimates to prepare certain metrics related to the value chain. The main estimates are related to scope 3 emissions and packaging. The details for these estimations are set out under the section on each related ESRS.

##### Outcome uncertainty

The above-mentioned estimates are based on the information available and the conditions in force at the end of the period concerned. Actual amounts may differ from those estimates.

#### Disclosures stemming from local legislation or generally accepted sustainability reporting pronouncements

##### ■ Climate change:

Danone's climate change disclosures align with the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD). The main sections of this Universal Registration Document with disclosures related to these recommendations are: 5.2.2.1 *Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters* and 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*, 5.3.1.1 *Material impacts, risks and opportunities related to climate change* and 5.3.1.2 *Material impact, risk and opportunity management* in section 5.3.1 *Climate change (ESRS E1)*, in section 5.3.2 *Pollution (ESRS E2)*, section 6.1 *Governance bodies* and section 2.6 *Risk factors*.

Danone follows the GHG Protocol for the reporting of its GHG emissions.

#### 5.2.1.3 Specific context related to the first year of application of CSRD requirements

This report on the Danone Group's sustainability information, which is an integral part of the Group's management report as required by Article L.233-28-4 of the French Commercial Code (hereinafter the "Sustainability Statement"), has been prepared and drawn up in accordance with the applicable requirements set out in the European Sustainability Reporting Standards (ESRS) and in Article 8 of Regulation (EU) 2020/852 for Taxonomy information.

This report was drawn up based on the information and knowledge available at the time of writing, and in the context of the first year of application of the Corporate Sustainability Reporting Directive (CSRD) requirements.

In broad terms, implementing the CSRD within a large international group with different activities in a large number of countries, and an extensive value chain, was a complex exercise. It involved a large number of teams and required the overhaul of impact assessment processes, the introduction of new data collection and analysis tools, as well as modifications with regard to corporate governance. Implementing the CSRD was also complicated by uncertainties relating to certain terms and definitions used in the ESRS.

For Danone in particular, this first Sustainability Statement should be read in the light of the following specific contextual information related to the first-time application of the CSRD requirements:

- the use of scope limitations or estimates for certain data on a case-by-case basis, as specified in relation to the values reported in the sections concerned (case no. 1);
- ongoing uncertainties regarding the applicability of certain data points and calculation methodologies as provided for in ESRS for reporting on the Group's control of systems covering impacts, risks and opportunities (case no. 2);

- unavailability of certain information required by ESRS at December 31, 2024 due to the lack of common or shared guidelines within the sector, or the lack of maturity of reporting tools when it comes to isolating and processing information (case no. 3).

The main sources of uncertainty and areas of interpretation, Danone management judgments and limitations by data point are presented below:

<b>Nature</b>	<b>Data point</b>	<b>Reference (URD section)</b>
Case no. 1	ESRS S1 §95 Reporting the gender pay gap in percentage terms, in line with the CSRD scope including all employees in the methodology	5.4.1.4 <i>Material impact, risk and opportunity management</i>
Case no. 2	ESRS S1 §97b Reporting the calculation of the Chief Executive Officer pay ratio	5.4.1.4 <i>Material impact, risk and opportunity management</i>
Case no. 3	ESRS E1 §16c Financial resources allocated to climate change matters ESRS S1 §88b Number of fatalities as a result of work-related injuries and work-related ill health	5.3.1.2 <i>Material impact, risk and opportunity management</i> 5.4.1.4 <i>Material impact, risk and opportunity management</i>

Given the context of evolving market practices and recommendations and based on a better understanding of these new regulations and standards, the Group may review certain reporting and communication practices in the Sustainability Statements it issues in respect of future periods.

Similarly, certain estimates may be refined in future reporting periods as more relevant information becomes available. Certain estimation methods may also be modified or adapted in line with changes in market practices.

In addition, the data collection process is set to become increasingly robust every year as data collection and analysis tools become more powerful.

The Group's internal control systems for the preparation of sustainability information, in particular, newly reported information, will be progressively improved based on the experience gained during the first reporting periods.

The Group also plans to periodically review and refine its process for assessing the materiality of the impacts, risks and opportunities associated with its activities.

In line with its longstanding commitment to stakeholder transparency, the Group is committed to continuously improving its reporting and communications, to take account of new standards, EFRAG guidelines and emerging market best practices.

## 5.2.2 GOVERNANCE

### 5.2.2.1 Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters

Sustainability is embedded in Danone's entire organization. All functions therefore support the sustainability ambition and journey through their specific fields of expertise and action. Danone has put in place a sustainability governance structure to ensure overall consistency and efficient decision-making for its key sustainability topics (including all material impacts, risks and opportunities), as described below.

Corporate governance bodies	Key sustainability responsibilities
Board of Directors	Oversight of sustainability matters, including strategy, commitments, main targets, policies, action plans and progress, as well as focuses on specific topics and policies, are regularly on the Board of Directors' agenda. Reports are systematically drawn up on the outcomes of each Board's Committees (including the CSR Committee) and discussed at Board of Directors sessions.
Board of Directors' CSR Committee	Sustainability strategy, commitments, main targets, policies, action plans and progress, results of annual sustainability reporting, monitoring of main sustainability ratings, review of stakeholders' expectations, as well as focuses on specific topics and policies, are on the agenda of the CSR Committee sessions.
Board of Directors' Audit Committee	The monitoring of the sustainability reporting process, including the double materiality assessment process, and the assignments of the Sustainability Auditors are the responsibility of the Audit Committee.
Board of Directors' Governance, Nomination & Compensation Committee	The preparation of proposals to the Board of Directors as regards the compensation for corporate officers, including the financial and sustainability performance criteria for the variable compensation, is the responsibility of the Governance, Nomination & Compensation Committee.

For more information on the Board of Directors and its Committees, see 6.1 *Governance bodies* in section 6 *Corporate Governance*.

Internal governance bodies	Key sustainability responsibilities
Executive Committee	Sustainability goals, roadmaps, action plans and progress, as well as focus on specific topics and policies, are on the agenda of the Executive Committee sessions, presented under the leadership of the Chief Sustainability and Strategic Business Development Officer. Moreover, Nature topics are overseen directly by the Chief Operating Officer, while Health and People & Communities topics are overseen by the Chief Human Resources, Research & Innovation, Quality and Food Safety Officer. Resource allocation on sustainability topics is overseen by the Deputy CEO, Finance, Technology and Data. Finally, compliance, advocacy, and engagement are overseen by the General Secretary.
Sustainability Leaders	The Sustainability Leaders driving the sustainability agenda for Danone are the Chief Sustainability Officer and the VP Investor Relations and Sustainable Finance.
Danone Impact Journey Pillars Leaders	<p>The operational oversight on the Health, Nature, and People &amp; Communities pillars of the Danone Impact Journey is assigned by the Executive Committee to the Danone Impact Journey Pillars Leaders:</p> <ul style="list-style-type: none"> <li>■ the Chief Human Resources, Research &amp; Innovation, Quality and Food Safety Officer appointed the SVP R&amp;I Medical and Nutritional Science for the Health through Food agenda;</li> <li>■ the Chief Operating Officer appointed the SVP Cycles &amp; Procurement for the Nature agenda;</li> <li>■ the Chief Human Resources, Research &amp; Innovation, Quality and Food Safety Officer appointed the VP Social Dialogue and Social Fundamentals for the People &amp; Communities agenda.</li> </ul>
Global Impact Steering Committee	<p>The Global Impact Steering Committee is responsible for tracking and steering the implementation of the Danone Impact Journey. It comprises top management representatives from the functions involved in the journey, including sponsors from the Executive Committee. The objective is to:</p> <ul style="list-style-type: none"> <li>■ track the progress made in the Danone Impact Journey priorities compared with the stated ambition;</li> <li>■ steer transformation programs (per pillar and topic, such as regenerative agriculture, packaging, water reduction, etc.) by providing an overview of each category and a geographical focus;</li> <li>■ activate the right enablers, such as resources, tools, and methodologies.</li> </ul> <p>The Committee meets every two months. It is co-chaired by the Chief Sustainability and Strategic Business Development Officer, the Chief Operations Officer, the Chief Human Resources, Research &amp; Innovation, Quality and Food Safety Officer and the Group Deputy Chief Executive Officer in charge of Finance, Technology &amp; Data. It also includes the following permanent members: the Chief Sustainability Officer, the SVP R&amp;I Medical and Nutritional Science, the VP Social Dialogue and Social Fundamentals, and the SVP Cycles &amp; Procurement. The agenda is driven by the Chief Sustainability Officer.</p>
Global Engagement Committee	<p>The Global Engagement Committee's role is to oversee and guide Danone's sustainability reporting and reputation, by:</p> <ul style="list-style-type: none"> <li>■ monitoring sustainability KPIs for reporting;</li> <li>■ steering key non-financial ratings and rankings (CDP, ATNI, MSCI, etc.);</li> <li>■ following-up on key partners and NGOs engagement;</li> <li>■ overseeing key report preparation;</li> <li>■ supervising the actions of the Working Group on the duty of care;</li> <li>■ driving external and internal engagements, communication and governance;</li> <li>■ anticipating, securing, and aligning compliance issues.</li> </ul> <p>The Committee meets every two months. It is co-chaired by the Chief Sustainability and Strategic Business Development Officer, the General Secretary, and the Group Deputy Chief Executive Officer in charge of Finance, Technology &amp; Data. The agenda is driven by the SVP Sustainability Strategy and Partnerships. In addition, the Committee is made up of the following permanent members: the Chief Sustainability Officer, the VP Global Public Affairs, the VP Investor Relations and Sustainable Finance, the SVP Communication and the SVP General Counsel.</p>
Risk Committee	<p>The Risk Committee works with the Strategic Planning Teams to build an integrated strategic risk mapping process at Group level, which covers (i) a strategic, operational and structural risks assessment (including sustainability risks), and (ii) mitigation plans. Its members are senior executives from key functions within Danone. The Committee ensures emerging risks are detected and reported, enables the integration of external input into the process, and oversees deep-dives on selected risks, as needed. The Risk Committee is made up of the following members: the SVP Company Strategy, the Chief Procurement Officer, the SVP Operations, the Chief Sustainability Officer, the SVP Quality &amp; Food Safety, the VP Global Public Affairs, the SVP Corporate Finance, the Chief Information Officer, the VP R&amp;I, the SVP Human Resources and the SVP General Counsel.</p>
	For more information on Danone's strategic risks policy, see 2.6 <i>Risk factors</i> .
Corporate Policies & Positions Committee	Since 2024, the Corporate Policies & Positions Committee has overseen all global policies and positions.

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**Global and local sustainability teams**


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Global Sustainability Team + expert teams (including corporate and Category sustainability experts)

A Global Sustainability Team was set up in early 2022, led by the Chief Sustainability and Strategic Business Development Officer at the Executive Committee level. He is supported in this role by the Chief Sustainability Officer, the SVP Sustainability Strategy and Partnerships, and a global team of experts covering all the key sustainability topics (Health through Food, Nature and People & Communities).

A dedicated team of experts was formed to:

- frame and drive Danone's sustainability ambition;
- inform strategic decisions;
- build and nurture a high level network of experts;
- support Danone's positions and policies;
- lead specific topics supporting and bringing expertise to the different zones.

In addition, dedicated experts work within the Global Sustainability Team, as well as within all global functions and categories in the three pillars of the Danone Impact Journey.

A global sustainability network shares best practices and co-builds and scales local initiatives to maximize Danone's impact on Health through Food, Nature, and People & Communities.

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Sustainable Finance Team

As part of the Finance Function, the Sustainable Finance Team reports directly to Danone's Group Deputy Chief Executive Officer in charge of Finance, Technology & Data, and works closely with all the internal sustainability teams and departments as well as with external stakeholders to advance, monitor, and report on Danone's sustainability performance. It covers all key topics, such as Health through Food, Nature, and People & Communities.

Its role is to:

- ensure sustainability data is accurate and available for all internal and external stakeholders;
- embed sustainability data in the Group's overall decision-making process;
- develop and maintain a robust methodology for impact assessment to foster exchanges for value creation;
- bring in innovative funding options to finance sustainability transformational projects;
- implement regulations related to sustainable finance metrics and standards within Danone.

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Local Sustainability Teams

Sustainability teams, operating in different geographies, are responsible for:

- coordinating the implementation of Danone's sustainability priorities at regional and local levels;
  - driving the local rollout of all Global Sustainability programs (e.g., B Corp<sup>TM</sup> certification and support for the global sustainability audit process, circular economy projects at local level, etc.).
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For more information on the Board of Directors, see 6.1 *Governance bodies* and 6.2 *Positions and Responsibilities of the Directors* in section 6 *Corporate Governance* and for more information relating to the integration of sustainability-related performance in incentive schemes see 6.3 *Compensation and benefits of governance bodies* and 6.4 *Detailed information on long-term compensation plans* in section 6 *Corporate Governance*.

### 5.2.2.2 Risk management and internal controls over sustainability reporting

#### Data collection

To ensure that the indicators across the reporting scope are consistent, shared data reporting guidelines for social, safety, environmental, and health and nutrition data, as well as qualitative information collected through the Danone Way program <sup>(1)</sup> are communicated and updated annually following data consolidation and feedback from contributors. These guidelines specify the methodologies for reporting the indicators, including definitions, methodology principles, calculation formulas, and standard factors.

#### Risk management and internal controls over sustainability reporting

More information on risk management and internal control for the full Group, including for sustainability reporting, is available in 2.6 *Risk factors* and 2.7 *Control Environment* respectively, in section 2 *Overview of activities, risk factors*.

## 5.2.3 DANONE'S ACTIVITIES

Danone operates in growing, healthy and on-trend categories of the food and beverage sector, across the Essential Dairy and Plant-Based (EDP), Waters and Specialized Nutrition categories. These categories are presented in 2.1 *Presentation of Danone*.

Danone operates in five geographical zones: Europe, North America, Latin America, China, North Asia and Oceania, and the Rest of the World. These markets are presented in 2.1 *Presentation of Danone* in section 2 *Overview of activities, risk factors*. Danone has 89,528 employees, and the breakdown by geographical area is presented in section 5.4.1 *Own workforce (ESRS S1)*.

To operate, Danone relies mainly on science, and on agricultural inputs presented in more details in the section 5.3.5 *Resource use and circular economy (ESRS E5)*. Danone serves different types of consumers: on the one hand, consumers and end users within the Essential Dairy and Plant-Based Products and Waters businesses, and on the other hand, consumers and patients of Specialized Nutrition products which can be subdivided into products for babies and young children, and food for special medical purposes for children and adults, as outlined in the section 5.4.4 *Consumers and patients (ESRS S4)*.

The components relating to Danone's approach that relate to or affect sustainability, including due diligence, are presented in each ESRS section.

The material impacts, risks and opportunities related to Danone, and how these relate to Danone's activities, are presented in the sections on each ESRS.

## 5.2.4 INTEREST AND VIEWS OF STAKEHOLDERS

For over 50 years, Danone has been committed to creating a positive impact through its Dual Project, which integrates economic and social goals. By collaborating with a diverse ecosystem of stakeholders, the Group aims to build a more sustainable and resilient future. Collaboration not only strengthens relationships but also ensures that Danone creates value for its stakeholders, driving both profitability and social, societal and environmental responsibility.

Stakeholder governance ensures a structure that fosters value creation for all stakeholders over the long term through dialogue, enhanced accountability and transparency. This governance embodies Danone's core principles of stakeholder engagement, emphasizing the need for balanced decision-making processes that consider stakeholder interests and maintain regular dialogue. This is integral to ensuring Danone's business is sustainable in the long-term.

Danone engages with stakeholders globally, regionally, and locally to understand their expectations and how Danone's decisions and operations are impacting the communities and environment in which the Group operates. Danone's stakeholders include alphabetically: academics and scientists, affected communities (including indigenous populations, under-represented populations), civil society organizations, communities, consumers and customers, employees and unions, governments and policymakers, healthcare professionals, industry and trade associations, investors, NGOs, patients, shareholders, suppliers including farmers, and workers in the value chain.

In 2024, Danone drew up a Stakeholder Engagement Policy, applicable to all employees in decision-making positions, subsidiaries, and markets. This policy outlines Danone's key stakeholder groups and the process by which the Group gathers and considers feedback, and how their voices are taken into account in Danone's decision-making.

<sup>(1)</sup> Danone Way is a Sustainability management program underpinned by an annual self-assessment campaign, used to identify, measure and in turn enhance the sustainability commitments and progress of local Country Business Units, in line with global sustainability commitments and priorities. This program is also used to measure Country Business Unit implementation of topics deemed as material to Danone, and essential to its operational integrity and maintaining Danone's license to operate.

# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.2 Sustainability statement - General Disclosures (ESRS 2)

Danone actively seeks stakeholder feedback when developing policies, positions and commitments on key issues such as climate change or human rights. This feedback informs Danone's positions and action plans, which are regularly reviewed by Danone's executive leadership. Danone's commitment to creating shared value and fostering collective action with stakeholders underpins the Group's efforts to become a B Corp™.

Additionally, Danone ensures stakeholder interests and considerations are represented through Board oversight, particularly via the CSR Committee, which annually reviews Danone's advocacy approach. Danone's double materiality assessment incorporates perspectives from a diverse range of stakeholders. The outcome has also been presented to the Audit Committee, with a plan to regularly review the results, considering both internal and external stakeholders' perceptions.

### 5.2.5 IMPACT, RISK AND OPPORTUNITY MANAGEMENT

#### 5.2.5.1 Double materiality assessment

In February 2024, Danone's materiality assessment was updated in order to meet new regulatory requirements based on the European Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) published in the Official Journal of the EU in December 2023, which require sustainability reporting to be based on the double materiality concept.

The aim of the double materiality assessment is to identify sustainability matters reflecting:

- the impact materiality, i.e., the material, potential or actual, positive and negative, impacts on people and the environment associated with the activities of the Group and its value chain (inside-out perspective);
- the financial materiality, i.e., the material positive (opportunities) and negative (risks) financial effects related to sustainability issues that affect (actual) or could affect (potential) the Group's financial performance (outside-in perspective).

#### 5.2.5.2 Overall approach

The double materiality assessment was conducted from May 2023 to February 2024, and was subsequently reinforced through external stakeholder consultations from March to July 2024. The materiality assessment was concluded with an approval meeting with Danone's Global Engagement Committee in December 2024.

#### Identification of Danone's sustainability topics and associated impacts, risks and opportunities

##### Identification of sustainability topics

The first step of the materiality assessment consisted of identifying relevant sustainability topics for assessment. This step serves as the foundation for Danone's double materiality assessment and subsequent reporting. The identification process consists of four main steps:

- (a) Consolidation of existing sustainability topics** based on the existing CSR topics from the previous materiality matrix to ensure consistency with prior work.
- (b) Review of all ESRS topics, sub-topics, and sub-sub-topics** listed in ESRS 1 AR16.
- (c) Alignment with peer practices and recognized industry standards** through comprehensive benchmarking and review of subjects that were deemed material by industry peers. A review of certain standards, such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI), was also conducted.

- (d) Critical review and shortlist:** As a result, sustainability topics were restructured and reorganized to cover all topics, sub-topics and sub-sub-topics required by the ESRS while remaining specific to Danone and considering the development of standards and changes in the industry since the last materiality assessment.

##### Identification of associated impacts, risks and opportunities

Following the identification and validation of the sustainability topics, each topic was translated into gross impacts, risks, and opportunities.

Gross impacts, risks and opportunities were identified at gross level, taking into account the activities, value chain and products and services sold by Danone.

The identification process was largely based on Danone's existing risk mappings (e.g., the Group's annual strategic risk mapping, Vigilance Plan in 5.7 *Vigilance plan*), Danone's answers to CDP's climate, water and forest questionnaires, and external studies.

The final list of gross impacts, risks and opportunities for each sustainability topic was consolidated and shared with relevant internal stakeholders (hereafter referred to as "Topic Owners") who were then able to modify and review them.

#### Double materiality analysis

Each Topic Owner assessed the topics' impact and financial materiality using multiple variables (see below). The results were then collected, consolidated, and validated at several stages (see section 5.2.5.3 *Consolidation and approval* below) before the final assessment.

##### Impact materiality assessment

Sustainability-related impacts are defined as the effects Danone has or could have on the environment and people, including effects on their rights, as a result of the undertaking's activities or business relationships. Impacts indicate Danone's contribution, negative or positive, to sustainable development. The materiality of these impacts has been assessed on a gross basis, meaning before any actions or management measures implemented by Danone (and thus differ from the risk resulting from the analysis conducted for section 2 *Overview of activities, risk factors* in this Universal Registration Document).

Before proceeding with the assessment, the classification of the impacts as actual or potential and as positive or negative was confirmed. Then, the materiality of the impacts was assessed using four variables required by ESRS standards, ESRS 1 and ESRS 2: severity (scale, scope, irreversibility) and probability. Regarding potential negative impacts on human rights, the severity criteria takes precedence over the probability criteria.



Each severity and probability criteria was evaluated on a scale from 1 to 4. Several time horizons were also considered: a short/medium-term horizon corresponding to the period between the short-term (1 year) horizon and five years, and a long-term horizon corresponding to periods longer than five years. The consideration of long-term impacts was integrated through a coefficient to weight the evaluation if the impact increased in the long term (either in terms of aggravation of a negative impact or strengthening of a positive impact). The combination of these scores and coefficients gave a final score ranging from 1 to 4, which was used to prioritize the impacts.

For the sustainability topic(s) assigned to them, the Topic Owners were therefore asked to assess impacts according to these variables and confirm the classification of the impacts as actual or potential and as positive or negative.

### Financial materiality assessment

Sustainability-related financial risks and opportunities are defined as uncertain environmental, social or governance events or conditions that, if they occur, could cause a potential material negative or positive financial effect on Danone's business model, strategy and sustainability strategy and its capability to achieve its goals and targets and to create value, and therefore may influence its decisions and those of its business relationships with regards to sustainability matters. These risks and opportunities are gross, meaning before any actions taken by Danone.

Financial materiality was assessed using three parameters: current financial effect, long-term financial effect and likelihood.

Two types of experts were called upon to assess financial materiality.

- Topic Owners were asked, for the sustainability topic(s) assigned to them, to assess risks and opportunities using these parameters and Danone's internal rating framework to map financial risks.
- The teams that oversee financial topics within the Group, such as the Sustainable Finance, Strategy, Consolidation & Reporting teams, were asked to review the Topic Owners' financial materiality assessments.

### Final assessment

Once the impact materiality and financial materiality were assessed, the results were consolidated in order to obtain a global view and materiality thresholds were applied.

These thresholds were determined using a qualitative approach based on the following criteria:

- the importance of the information to stakeholders;
- continuity and alignment with the Group's strategy;
- continuity and alignment with previous materiality assessments.

### Consolidation and approval

#### Consolidated results

Danone's double materiality assessment showed that all the sustainability topics tested for assessment as presented in the table below, revealed one or several material impacts. This is strongly linked to Danone's global scale and the industries in which it operates. Danone's materiality assessment also showed that 10 of the relevant sustainability topics tested for assessment revealed material risks and opportunities for the Group.

#### Validation process

The materiality assessment was validated after it progressed through the following internal validation process:

- (a) Between October and November 2023, the materiality assessments carried out by Topic Owners were reviewed by the Sustainable Finance team. In addition, the financial assessment was also reviewed by the Strategy and Consolidation & Reporting teams.
- (b) Preliminary results were reviewed by Danone Impact Journey leaders in January 2024 during four thematic workshops (environment, social, consumer, governance). During these workshops, the relevant Danone Impact Journey leader reviewed the results associated with the topics that related to his/her expertise. In particular, they made changes to the phrasing and scores for the topics and impacts, risks and opportunities. Once the Danone Impact Journey leaders had approved the scores and impacts, risks and opportunities related to their expertise, they met with the Sustainable Finance team to obtain and approve the overall results. These approval meetings also took place in January 2024.
- (c) The results were then approved by the Global Engagement Committee in February 2024, shared with the Audit Committee in April 2024, and with the Board of Directors in October 2024, before being published in the present report, Danone's Universal Registration Document. The process for nature-related risks took place until February 2025.

# 5

## SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

### 5.2 Sustainability statement - General Disclosures (ESRS 2)

The potential and gross (meaning before any actions taken by Danone) impacts, risk and opportunities identified during Danone's double materiality assessment are the following:

Topic	Sub-topic or sub-sub topic if applicable	Type of IRO	Upstream value chain	Own operations	Downstream value chain	Coverage in this report
<b>E1 Climate change</b>	Climate change adaptation	NI, PI, R	x	x	x	5.3.1 Climate change (ESRS E1), 5.3.5 Resource use and circular economy (ESRS E5)
	Climate change mitigation	NI	x	x	x	5.3.1 Climate change (ESRS E1), 5.3.4 Biodiversity and ecosystems (ESRS E4)
	Energy	NI		x		5.3.1 Climate change (ESRS E1)
<b>E2 Pollution</b>	Pollution of air	NI	x		x	5.3.2 Pollution (ESRS E2), 5.3.4 Biodiversity and ecosystems (ESRS E4), 5.3.5 Resource use and circular economy (ESRS E5), 5.4.3 Affected communities (ESRS S3)
	Pollution of water	NI	x	x	x	5.3.2 Pollution (ESRS E2), 5.3.4 Biodiversity and ecosystems (ESRS E4), 5.3.5 Resource use and circular economy (ESRS E5), 5.4.3 Affected communities (ESRS S3)
	Pollution of soil	NI	x	x	x	5.3.2 Pollution (ESRS E2), 5.3.4 Biodiversity and ecosystems (ESRS E4), 5.3.5 Resource use and circular economy (ESRS E5), 5.4.3 Affected communities (ESRS S3)
<b>E3 Water resources</b>	Water consumption	NI, PI	x	x		5.3.3 Water resources (ESRS E3)
	Water withdrawals	NI, PI	x	x		5.3.3 Water resources (ESRS E3), 5.3.4 Biodiversity and ecosystems (ESRS E4), 5.4.3 Affected communities (ESRS S3)
	Water discharges	NI, PI	x	x		5.3.2 Pollution (ESRS E2)

# SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.2 Sustainability statement - General Disclosures (ESRS 2)

Topic	Sub-topic or sub-sub topic if applicable	Type of IRO	Upstream value chain	Own operations	Downstream value chain	Coverage in this report
<b>E4 Biodiversity</b>	Direct driver of biodiversity loss: Climate change	NI	x			5.3.1 <i>Climate change (ESRS E1)</i> , 5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i>
	Direct driver of biodiversity loss: Land-use change, fresh water-use change and sea-use change	NI	x			5.3.3 <i>Water resources (ESRS E3)</i> , 5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i> , 5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
	Direct driver of biodiversity loss: Pollution	NI	x			5.3.2 <i>Pollution (ESRS E2)</i> , 5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i>
	Impact on the state of species	NI	x			5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i>
	Impacts on the extent and condition of ecosystems	NI, PI	x			5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i> , 5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
	Impacts and dependencies on ecosystem services	NI, PI	x			5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i> , 5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
<b>E5 Resource use and circular economy</b>	Resource inflows, including resource use	NI, PI, R	x			5.3.1 <i>Climate change (ESRS E1)</i> , 5.3.4 <i>Biodiversity and ecosystems (ESRS E4)</i> , 5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
	Resource outflow related to products and services	NI, PI		x	x	5.3.2 <i>Pollution (ESRS E2)</i> , 5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
	Waste	NI, PI		x	x	5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
<b>S1 Own workforce</b>	Working conditions: Secure employment	NI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Working time	NI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Adequate wages	NI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Social dialogue	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Collective bargaining, including rate of workers covered by collective agreements	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Work-life balance	NI				5.4.1 <i>Own workforce (ESRS S1)</i>
	Working conditions: Health and safety	NI, PI, R		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Equal treatment and opportunities for all: Training and skills development	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Equal treatment and opportunities for all: Employment and inclusion of persons with disabilities	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>

Topic	Sub-topic or sub-sub topic if applicable	Type of IRO	Upstream value chain	Own operations	Downstream value chain	Coverage in this report
	Equal treatment and opportunities for all: Measures against violence and harassment in the workplace	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Equal treatment and opportunities for all: Diversity	PI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Other work-related rights: Child labour	NI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Other work-related rights: Forced labour	NI		x		5.4.1 <i>Own workforce (ESRS S1)</i>
	Other work-related rights: Privacy	PI		x		5.5.1 <i>Business conduct (ESRS G1)</i>
<b>S2 Workers in the value chain</b>	Working conditions: Working time	NI, R	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Working conditions: Adequate wages	NI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Working conditions: Social dialogue	NI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Working conditions: Freedom of association, the existence of works councils and the information, consultation and participation rights of workers	NI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Working conditions: Collective bargaining, including rate of workers covered by collective agreements	NI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Working conditions: Work-life balance	NI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Working conditions: Health and safety	NI, R	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Equal treatment and opportunities for all: Gender equality and equal pay for work of equal value	PI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Equal treatment and opportunities for all: Employment and inclusion of persons with disabilities	PI	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Equal treatment and opportunities for all: Measures against violence and harassment in the workplace	NI, R	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Other work-related rights: Child labour	NI; R	x			5.4.2 <i>Workers in the value chain (ESRS S2)</i>
	Other work-related rights: Forced labour	NI, R	x		x	5.4.2 <i>Workers in the value chain (ESRS S2)</i>

## SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

### 5.2 Sustainability statement - General Disclosures (ESRS 2)

Topic	Sub-topic or sub-sub topic if applicable	Type of IRO	Upstream value chain	Own operations	Downstream value chain	Coverage in this report
<b>S3 Affected communities</b>	Communities' economic, social and cultural rights: Adequate housing	NI	x		x	5.4.3 <i>Affected communities (ESRS S3)</i>
	Communities' economic, social and cultural rights: Water and sanitation	NI	x			5.4.3 <i>Affected communities (ESRS S3)</i>
	Communities' economic, social and cultural rights: Land-related impacts	NI	x		x	5.4.3 <i>Affected communities (ESRS S3)</i>
	Communities' civil and political rights: Impacts on human rights defenders	NI	x		x	5.4.3 <i>Affected communities (ESRS S3)</i>
	Rights of indigenous people: Free, prior and informed consent	NI	x		x	5.4.3 <i>Affected communities (ESRS S3)</i>
	Rights of indigenous people: Self-determination	NI	x		x	5.4.3 <i>Affected communities (ESRS S3)</i>
	Rights of indigenous people: Cultural rights	NI	x		x	5.4.3 <i>Affected communities (ESRS S3)</i>
<b>S4 Consumers and end users</b>	Information-related impacts for consumers and/or end-users: Access to (quality) information	PI			x	5.4.4 <i>Consumers and patients (ESRS S4)</i>
	Personal safety of consumers and/or end-users: Health and safety	NI, R			x	5.4.4 <i>Consumers and patients (ESRS S4)</i>
	Social inclusion of consumers and/or end-users: Access to products and services	PI			x	5.4.4 <i>Consumers and patients (ESRS S4)</i>
	Social inclusion of consumers and/or end-users: Responsible marketing practices	PI			x	5.4.4 <i>Consumers and patients (ESRS S4)</i>
	Health and nutrition (entity specific)	PI, O			x	5.4.4 <i>Consumers and patients (ESRS S4)</i>
<b>G1 Business conduct</b>	Corporate culture	NI		x		5.5.1 <i>Business conduct (ESRS G1)</i>
	Protection of whistleblowers	PI	x	x	x	5.5.1 <i>Business conduct (ESRS G1)</i>
	Animal welfare	NI	x			5.5.1 <i>Business conduct (ESRS G1)</i>
	Governance (entity specific)	PI	x	x	x	5.5.1 <i>Business conduct (ESRS G1)</i>
	Responsible lobbying and advocacy practices (entity specific)	PI	x	x	x	5.5.1 <i>Business conduct (ESRS G1)</i>
	Public sector and stakeholder engagement (entity specific)	PI	x	x	x	5.5.1 <i>Business conduct (ESRS G1)</i>

Legend:

- PI = Positive impact
- NI = Negative impact
- R = Risk
- O = Opportunity

The information to be disclosed was determined by mapping the different disclosure requirements per ESRS in accordance with the identified material impacts, risks and opportunities.

Disclosure requirement		Sections
<b>ESRS 2 – GENERAL DISCLOSURES</b>		
BP-1	General basis for preparation of sustainability statements	5.2.1.1 <i>General basis for preparation of the sustainability statement</i>
BP-2	Disclosures in relation to specific circumstances	5.2.1.2 <i>Reporting scope and disclosures related to specific circumstances</i>
GOV-1	The role of the administrative, management and supervisory bodies	5.2.2.1 <i>Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters</i>
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	5.2.2.1 <i>Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters</i>
GOV-3	Integration of sustainability-related performance in incentive schemes	5.2.2.1 <i>Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters</i>
GOV-4	Statement on due diligence	5.2.3 <i>Danone's activities</i> and 5.7 <i>Vigilance plan</i>
GOV-5	Risk management and internal controls over sustainability reporting	5.2.2.2 <i>Risk management and internal controls over sustainability reporting</i>
SBM-1	Strategy, business model and value chain	5.2.3 <i>Danone's activities</i>
SBM-2	Interests and views of stakeholders	5.2.4 <i>Interest and views of stakeholders</i>
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	5.2.5 <i>Impact, risk and opportunity management</i>
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	5.2.5 <i>Impact, risk and opportunity management</i>
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	5.2.5 <i>Impact, risk and opportunity management</i>
<b>ESRS E1 – CLIMATE CHANGE</b>		
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	5.2.2.1 <i>Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters</i>
E1-1	Transition plan for climate change mitigation	5.3.1.2 <i>Material impact, risk and opportunity management</i>
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	5.3.1.1 <i>Material impacts, risks and opportunities related to climate change</i>
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	5.3.1.1 <i>Material impacts, risks and opportunities related to climate change</i>
E1-2	Policies related to climate change mitigation and adaptation	5.3.1.2 <i>Material impact, risk and opportunity management</i>
E1-3	Actions and resources in relation to climate change policies	5.3.1.2 <i>Material impact, risk and opportunity management</i>
E1-4	Targets related to climate change mitigation and adaptation	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-5	Energy consumption and mix	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-8	Internal carbon pricing	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not reported (phased in)

<b>Disclosure requirement</b>	<b>Sections</b>
<b>ESRS E2 – POLLUTION</b>	
ESRS 2 IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	5.3.2.1 <i>Material impacts, risks and opportunities related to pollution</i>
E2-1 Policies related to pollution	5.3.2.2 <i>Material impacts management</i>
E2-2 Actions and resources related to pollution	5.3.2.2 <i>Material impacts management</i>
E2-3 Targets related to pollution	5.3.2.2 <i>Material impacts management</i>
E2-4 Pollution of air, water and soil	5.3.2.2 <i>Material impacts management</i>
E2-5 Substances of concern and substances of very high concern	Not reported (not material)
E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	Not reported (phased in)
<b>ESRS E3 – WATER AND MARINE RESOURCES</b>	
ESRS 2 IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	5.3.3.1 <i>Material impacts, risks and opportunities related to water</i>
E3-1 Policies related to water and marine resources	5.3.3.2 <i>Material impact, risk and opportunity management</i>
E3-2 Actions and resources related to water and marine resources	5.3.3.2 <i>Material impact, risk and opportunity management</i>
E3-3 Targets related to water and marine resources	5.3.3.3 <i>Metrics and targets</i>
E3-4 Water consumption	5.3.3.3 <i>Metrics and targets</i>
E3-5 Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not reported (phased in)
<b>ESRS E4 – BIODIVERSITY AND ECOSYSTEMS</b>	
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	5.3.4.1 <i>Material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems</i>
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	5.3.4.1 <i>Material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems</i>
ESRS 2 IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	5.3.4.1 <i>Material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems</i>
E4-2 Policies related to biodiversity and ecosystems	5.3.4.2 <i>Material impact and risk management</i>
E4-3 Actions and resources related to biodiversity and ecosystems	5.3.4.2 <i>Material impact and risk management</i>
E4-4 Targets related to biodiversity and ecosystems	5.3.4.3 <i>Metrics and targets related to biodiversity and ecosystems</i>
E4-5 Impact metrics related to biodiversity and ecosystems change	5.3.4.3 <i>Metrics and targets related to biodiversity and ecosystems</i>
E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Not reported (phased in)

Disclosure requirement	Sections
<b>ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY</b>	
ESRS 2 IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	5.3.5.1 <i>Material impacts, risks and opportunities related to resource use and circular economy</i>
E5-1 Policies related to resource use and circular economy	5.3.5.2 <i>Sourcing raw material to 5.3.5.4 Food loss and waste</i>
E5-2 Actions and resources related to resource use and circular economy	5.3.5.2 <i>Sourcing raw material to 5.3.5.4 Food loss and waste</i>
E5-3 Targets related to resource use and circular economy	5.3.5.2 <i>Sourcing raw material to 5.3.5.4 Food loss and waste</i>
E5-4 Resource inflows	5.3.5.5 <i>Metrics related to resource use and circular economy</i>
E5-5 Resource outflows	5.3.5.5 <i>Metrics related to resource use and circular economy</i>
E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities	Not reported (phased in)
<b>ESRS S1 – OWN WORKFORCE</b>	
ESRS 2 SBM -2 Interests and views of stakeholders	5.4.1.2 <i>Stakeholder engagement</i>
ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	5.4.1.3 <i>Material impacts, risks and opportunities related to Danone's own workforce</i>
S1-1 Policies related to own workforce	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	5.4.1.5 <i>Processes to remediate negative impacts and channels for own workers to raise concerns</i>
S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-6 Characteristics of the undertaking's employees	5.4.1.1 <i>Presentation of Danone's own workforce</i>
S1-7 Characteristics of non-employees in the undertaking's own workforce	5.4.1.1 <i>Presentation of Danone's own workforce</i>
S1-8 Collective bargaining coverage and social dialogue	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-9 Diversity metrics	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-10 Adequate wages	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-11 Social protection	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-12 Persons with disabilities	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-13 Training and skills development metrics	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-14 Health and safety metrics	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-15 Work-life balance metrics	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-16 Compensation metrics (pay gap and total remuneration)	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-17 Incidents, complaints and severe human rights impacts	5.4.1.4 <i>Material impact, risk and opportunity management</i>



<b>Disclosure requirement</b>		<b>Sections</b>
<b>ESRS S2 – WORKERS IN THE VALUE CHAIN</b>		
ESRS 2 SBM-2	Interests and views of stakeholders	5.4.2.2 <i>Stakeholder engagement</i>
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	5.4.2.3 <i>Material impacts, risks and opportunities related to workers in the value chain</i>
S2-1	Policies related to value chain workers	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-2	Processes for engaging with value chain workers about impacts	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.4.2.4 <i>Material impact, risk and opportunity management</i>
<b>ESRS S3 – AFFECTED COMMUNITIES</b>		
ESRS 2 SBM-2	Interests and views of stakeholders	5.4.3.2 <i>Stakeholder engagement</i>
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	5.4.3.3 <i>Material impacts on affected communities</i>
S3-1	Policies related to affected communities	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
S3-2	Processes for engaging with affected communities about impacts	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
<b>ESRS S4 – CONSUMERS AND END-USERS</b>		
ESRS 2 SBM-2	Interests and views of stakeholders	5.4.4.2 <i>Stakeholder engagement</i>
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	5.4.4.3 <i>Material impacts, risks and opportunities related to consumers and patients</i>
S4-1	Policies related to consumers and end-users	5.4.4.4 <i>Quality and food safety</i> and 5.4.4.5 <i>Health &amp; Nutrition</i>
S4-2	Processes for engaging with consumers and end-users about impacts	5.4.4.3 <i>Material impacts, risks and opportunities related to consumers and patients</i> and 5.4.4.4 <i>Quality and food safety</i>
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	5.4.4.4 <i>Quality and food safety</i>
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	5.4.4.4 <i>Quality and food safety</i> and 5.4.4.5 <i>Health &amp; Nutrition</i>
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	5.4.4.4 <i>Quality and food safety</i> and 5.4.4.5 <i>Health &amp; Nutrition</i>

# 5

## SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

### 5.2 Sustainability statement - General Disclosures (ESRS 2)

Disclosure requirement		Sections
<b>ESRS G1 – BUSINESS CONDUCT</b>		
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	5.2.2 <i>Governance</i>
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	5.5.1.1 <i>Material impacts, risks and opportunities related to business conduct</i>
G1-1	Business conduct policies and corporate culture	5.5.1.2 <i>Management of the material impacts</i>
G1-2	Management of relationships with suppliers	Not reported (not material)
G1-3	Prevention and detection of corruption and bribery	5.5.1.2 <i>Management of the material impacts</i>
G1-4	Incidents of corruption or bribery	5.5.1.2 <i>Management of the material impacts</i>
G1-5	Political influence and lobbying activities	5.5.1.2 <i>Management of the material impacts</i>
G1-6	Payment practices	Not reported (not material)

Data points		Other EU Legislation		Materiality	Sections
<b>ESRS 2 - GENERAL DISCLOSURES</b>					
GOV-1 §21 (d)	Board's gender diversity	SFDR	Indicator number 13 of Table #1 of Annex 1	Material	5.2.2.1 <i>Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters and 6.1 Governance bodies</i>
		Benchmark Regulation	Commission Delegated Regulation (EU) 2020/1816, Annex II		
GOV-1 §21 (e)	Percentage of board members who are independent	Benchmark Regulation	Delegated Regulation (EU) 2020/1816, Annex II	Material	5.2.2.1 <i>Composition of Danone's governance bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters and 6.1 Governance bodies</i>
GOV-4 §30	Statement on due diligence	SFDR	Indicator number 10 Table #3 of Annex 1	Material	5.2.3 <i>Danone's activities and 5.7 Vigilance plan</i>
SBM-1 §40 (d) i.	Involvement in activities related to fossil fuel activities	SFDR	Indicators number 4 Table#1 of Annex 1	Non-material	-
		Pillar 3	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk		
SBM-1 §40 (d) ii.	Involvement in activities related to chemical production	SFDR	Indicator number 9 Table #2 of Annex 1	Non-material	-
		Benchmark Regulation	Delegated Regulation (EU) 2020/1816, Annex II		
SBM-1 §40 (d) iii.	Involvement in activities related to controversial weapons	SFDR	Indicator number 14 Table #1 of Annex 1	Non-material	-
		Benchmark Regulation	Delegated Regulation (EU) 2020/181829, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		
SBM-1 §40 (d) iv.	Involvement in activities related to cultivation and production of tobacco	Benchmark Regulation	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	Non-material	-

Data points		Other EU Legislation	Materiality	Sections	
<b>ESRS E1 – CLIMATE CHANGE</b>					
E1-1 §14	Transition plan to reach climate neutrality by 2050	EU Climate Law	Regulation (EU) 2021/1119, Article 2(1)	Material	5.3.1.2 <i>Material impact, risk and opportunity management</i>
E1-1 §16 (g)	Undertakings excluded from Paris-aligned Benchmarks	Pillar 3	Article 449a Regulation (EU) No575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Material	5.3.1.2 <i>Material impact, risk and opportunity management</i>
		Benchmark Regulation	Delegated Regulation (EU) 2020/1818 Article12.1 (d) to (g), and Article 12.2		
		SFDR	Indicator number 4 Table #2 of Annex 1		
E1-4 §34	GHG emission reduction targets	Pillar 3	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
		Benchmark Regulation	Delegated Regulation (EU) 2020/1818, Article 6		
E1-5 §38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-5 §37	Energy consumption and mix	SFDR	Indicator number 5 Table #1 of Annex 1	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-5 §40 to 43	Energy intensity associated with activities in high climate impact sectors	SFDR	Indicator number 6 Table #1 of Annex 1	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
		SFDR	Indicators number 1 and 2 Table #1 of Annex 1		
E1-6 §44	Gross Scope 1, 2, 3 and Total GHG emissions	Pillar 3	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1:Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
		Benchmark Regulation	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		

Data points		Other EU Legislation	Materiality	Sections	
E1-6 §53 to 55	GHG emissions intensity	SFDR	Indicator #3 in table I of Annex I	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
		Pillar 3	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics		
		Benchmark Regulation	Commission Delegated Regulation (EU) 2020/1818, Article 8 (1)		
E1-7 §56	GHG removals and carbon credits	EU Climate Law	Regulation (EU) 2021/1119 of the European Parliament and of the Council Article 2 (1)	Material	5.3.1.3 <i>Metrics and targets related to climate change</i>
E1-9 §66	Anticipated financial effects from material physical risks related to climate	Benchmark Regulation	Annex II Commission Delegated Regulation (UE) 2020/1818 Annex II Commission Delegated Regulation (UE) 2020/1816	Not applicable (phased in)	-
E1-9 §66 (a)	Monetary amounts of these assets disaggregated by acute and chronic physical risk	Pillar 3	Article 449a Regulation (UE) n°575/2013 Commission Implementing Regulation (UE) 2022/2453, paragraphs 46 & 47, Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk	Not applicable (phased in)	-
E1-9 §66 (c)	The location of significant assets at material physical risk	Pillar 3	Article 449 bis Regulation (UE) n°575/2013 Commission Implementing Regulation (UE) 2022/2453, paragraphs 46 & 47, Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk	Not applicable (phased in)	-
E1-9 §67 (c)	Breakdown of the carrying value of the undertaking's real estate assets by energy-efficiency classes	Pillar 3	Article 449a Regulation (UE) n°575/2013 Commission Implementing Regulation (UE) 2022/2453, paragraph 34, Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	Not applicable (phased in)	-
E1-9 §69	Potential to benefit from material climate-related opportunities	Benchmark Regulation	Annex II of Commission Delegated Regulation (EU) 2020/1818	Not applicable (phased in)	-
<b>ESRS E2 – POLLUTION</b>					
E2-4 §28	Amounts of each pollutant listed in Annex II of Regulation (EC) No 166/2006 of the European Parliament and of the Council <sup>64</sup> (European Pollutant Release and Transfer Register “E-PRTR Regulation”) emitted to air, water and soil	SFDR	Indicator #8 in table I of Annex I Indicator #1 #2 & #3 in table II of Annex I	Material	5.3.2.2 <i>Material impacts management</i>

Data points	Other EU Legislation	Materiality	Sections		
<b>ESRS E3 – WATER AND MARINE RESOURCES</b>					
E3-1 §9	Policies to manage impacts risks and opportunities related to water and marine resources	SFDR	Indicator #7 in table II of Annex I	Material	5.3.3.2 <i>Material impact, risk and opportunity management</i>
E3-1 §13	Related policies to sites located in area of high-water stress	SFDR	Indicator #8 in table II of Annex I	Material	5.3.3.2 <i>Material impact, risk and opportunity management</i>
E3-1 §14	Practices related to sustainable oceans and seas	SFDR	Indicator #12 in table II of Annex I	Not material	-
E3-4 §28 (c)	Total water recycled and reused in m <sup>3</sup>	SFDR	Indicator #6.2 of table II of Annex I	Material	5.3.3.3 <i>Metrics and targets</i>
E3-4 §29	Total water consumption in its own operations in m <sup>3</sup> per million EUR net revenue	SFDR	Indicator #6.1 in table II of Annex I	Material	5.3.3.3 <i>Metrics and targets</i>
<b>ESRS E4 -BIODIVERSITY AND ECOSYSTEMS</b>					
ESRS 2 SBM-3 §16 (a) i.	Activities negatively affecting biodiversity sensitive areas	SFDR	Indicator #7 in table I of Annex I	Material	5.3.4.1 <i>Material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems</i>
ESRS 2 SBM-3 §16 (b)	Material negative impacts related to land degradation, desertification or soil sealing	SFDR	Indicator #10 in table II of Annex I	Material	5.3.4.1 <i>Material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems</i>
ESRS 2 SBM-3 §16 (c)	Operations that affect threatened species	SFDR	Indicateur #14 in table II of Annex I	Not enough methodology to assess this impact for now	
E4-2 §24 (b)	Sustainable land/agriculture practices or policies	SFDR	Indicator #11 in table II of Annex I	Material	5.3.4.2 <i>Material impact and risk management</i>
E4-2 §24 (c)	Sustainable oceans/seas practices or policies	SFDR	Indicator #12 in table II of Annex I	Non material	-
E4-2 §24 (d)	Policies to address deforestation	SFDR	Indicator #15 in table II of Annex I	Material	5.3.4.2 <i>Material impact and risk management</i>
<b>ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY</b>					
E5-5 §37 (d)	Non-recycled waste	SFDR	Indicator #13 in Table II of Annex I	Material	5.3.5.5 <i>Metrics related to resource use and circular economy</i>
E5-5 §39	Hazardous waste and radioactive waste	SFDR	Indicator #9 in Table I of Annex I	Non material	-

Data points		Other EU Legislation		Materiality	Sections
<b>ESRS S1 – OWN WORKFORCE</b>					
ESRS 2 SBM-3 §14 f)	Significant risk of incidents of forced labor or compulsory labor	SFDR	Indicator #13 in Table III of Annex I	Material	5.4.1.3 <i>Material impacts, risks and opportunities related to Danone's own workforce</i>
ESRS 2 SBM-3 §14 g)	Significant risk of incidents of child labor	SFDR	Indicator #12 in Table III of Annex I	Material	5.4.1.3 <i>Material impacts, risks and opportunities related to Danone's own workforce</i>
S1-1 §20	Human rights policy commitments	SFDR	Indicator #9 in Table III of Annex I & indicator #11 in table I of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-1 §21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8	Benchmark Regulation	Annex II Regulation (EU) 2020/1816	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-1 §22	Policies in relation to its own workforce explicitly address trafficking in human beings	SFDR	Indicator #11 in Table III of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-1 §23	Workplace accident prevention policy or management system	SFDR	Indicator #1 in Table III of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-3 §32 (c)	Grievance/complaints handling mechanism related to employee matters	SFDR	Indicator #5 in Table III of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-14 §88 (b) et (c)	The number of fatalities, the number and rate of recordable work-related accidents	SFDR Benchmark Regulation	Indicator #2 in Table III of Annex I Annex II Regulation (EU) 2020/1816	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-14 §88 (e)	The number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	SFDR	Indicator #3 in Table III of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-16 §97 (a)	The gender pay gap, defined as the difference of average pay levels between female and male employees,	SFDR Benchmark Regulation	Indicator #12 in Table I of Annex I Annex II Regulation (EU) 2020/1816	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-16 §97 (b)	The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employee	SFDR	Indicator #8 in Table I of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-17 §103 (a)	The total number of incidents of discrimination,	SFDR	Indicator #7 in Table III of Annex I	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>
S1-17 §104 (a)	Non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	SFDR Benchmark Regulation	Indicator #10 in Table I of Annex I indicator #14 in Table III of Annex I Annex II of Regulation (EU) 2020/1816, Article 12, paragraph 1 Commission Delegated Regulation (UE) 2020/1818	Material	5.4.1.4 <i>Material impact, risk and opportunity management</i>

Data points	Other EU Legislation	Materiality	Sections		
<b>ESRS S2 – WORKERS IN THE VALUE CHAIN</b>					
ESRS 2 SBM-3 §11 (b)	Significant risk of child labor, or of forced labor or compulsory labor, among workers in the undertaking's value chain	SFDR	Indicator #12 & #13 in Table III of Annex I	Material	5.4.2.3 <i>Material impacts, risks and opportunities related to workers in the value chain</i>
S2-1 §17	Human rights policy commitments	SFDR	Indicator #9 in Table III of Annex I, indicator #11 in Table I of Annex I	Material	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-1 §18	Policies in relation to value chain workers	SFDR	Indicator #11 & #14 in Table III of Annex I	Material	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-1 §19	Non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	SFDR Benchmark Regulation	Indicator #10 in Table I of Annex I Annex II of Regulation (EU) 2020/1816, Article 12, paragraph 1 Commission Delegated Regulation (UE) 2020/1818	Material	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-1 §19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8	Benchmark Regulation	Section 1 and 2 of Annex II Regulation (EU) 2020/1816	Material	5.4.2.4 <i>Material impact, risk and opportunity management</i>
S2-4 §36	Severe human rights issues and incidents connected to its upstream and downstream value chain	SFDR	Indicator #14 in Table III of Annex I	Material	5.4.2.4 <i>Material impact, risk and opportunity management</i>
<b>ESRS S3 – AFFECTED COMMUNITIES</b>					
S3-1 §16	Human rights policy commitments	SFDR	Indicator #9 in Table III of Annex I, indicator #11 in Table I of Annex I	Material	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
S3-1 §17	Non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	SFDR Benchmark Regulation	Indicator #10 in Table I of Annex I Annex II of Regulation (EU) 2020/1816, Article 12, paragraph 1 Commission Delegated Regulation (UE) 2020/1818	Material	5.4.3.4 <i>Material impacts, risks and opportunities management</i>
S3-4 §36	Severe human rights issues and incidents connected	SFDR	Indicator #14 in Table III of Annex I	Material	5.4.3.4 <i>Material impacts, risks and opportunities management</i>



Data points	Other EU Legislation	Materiality	Sections		
<b>ESRS S4 – CONSUMERS AND END-USERS</b>					
S4-1 §16	Policy commitments that are relevant to consumers and/or end-users	SFDR	Indicator #9 in Table III of Annex I, indicator #11 in Table I of Annex I	Material	5.4.4.4 <i>Quality and food safety</i> and 5.4.4.5 <i>Health &amp; Nutrition</i>
S4-1 §17	Non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	SFDR Benchmark Regulation	Indicator #10 in Table I of Annex I Annex II of Regulation (EU) 2020/1816, Article 12, paragraph 1 Commission Delegated Regulation (UE) 2020/1818	Non-material	-
S4-4 §35	Severe human rights issues and incidents	SFDR	Indicator #14 in Table III of Annex I	Non-material	-
<b>ESRS G1 – BUSINESS CONDUCT</b>					
G1-1 §10 (b)	United Nations Convention against Corruption	SFDR	Indicator #15 in Table III of Annex I	Material	5.5.1.2 <i>Management of the material impacts</i>
G1-1 §10 (d)	Protection of whistle-blowers	SFDR	Indicator #6 in Table III of Annex I	Material	5.5.1.2 <i>Management of the material impacts</i>
G1-4 §24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR Benchmark Regulation	Indicator #17 of Table III of Annex I Section 1 and 2 of Annex II Regulation (EU) 2020/1816	Material	5.5.1.2 <i>Management of the material impacts</i>
G1-4 §24 (b)	Standards of anti-corruption and anti-bribery	SFDR	Indicator #16 of Table III of Annex I	Material	5.5.1.2 <i>Management of the material impacts</i>

## 5.3 ENVIRONMENTAL INFORMATION

### 5.3.1 CLIMATE CHANGE (ESRS E1)

Climate change is an unprecedented challenge, with impacts on the Group's business and supply chains, and the ecosystems where it operates. In addition to providing access to healthy and affordable food and supporting farmers living, the food industry can play a positive role in helping tackle climate change. The food industry's operations contribute to climate change but also has the power to mitigate the trend. The Group is determined to contribute to an industry-wide transition to a low-carbon economy.

The following section presents the Group's material gross impacts and risks related to climate change, as well as Danone's associated policies and action plan, metrics and targets.

#### 5.3.1.1 Material impacts, risks and opportunities related to climate change

##### Process to identify the material impacts, risks and opportunities

###### Process to identify impacts

Using the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), Danone measures and reports on its scope 1, 2 and 3 GHG emissions each year. This reporting is verified by the statutory auditor in accordance with the ISAE 3000 standard.

###### Process to identify risks and opportunities

As a Group operating in the Food and Beverages industry, Danone pays special attention to potential climate risks and opportunities and focuses on strengthening its supply chain resilience as part of its business strategy. In 2020, aligned with the Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations, Danone mapped the potential and existing impacts of climate change and climate-related risks and opportunities. Danone publishes annual updates of its climate-related risks and opportunities through the CDP climate change questionnaire ([www.cdp.net](http://www.cdp.net)).

Between September 2024 and February 2025, Danone carried out a more granular study in order to refine the identification and assessment of physical risks on its value chain, as well as the transition risks and opportunities that are the most likely to impact its business in the future. This study was aligned with the requirements of regulations and frameworks including the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy and the TCFD.

##### Climate-related physical risks

Climate-related physical risks are the potential negative impacts caused by the physical effects of climate change. These range from acute (e.g., flooding, hurricanes, heat waves, droughts) to chronic (e.g., changing temperatures, water stress) in nature. Danone has identified climate-related physical risks in its own operations and along its value chain, covering the following scope:

- **Agricultural commodities:** The assessment focused on priority ingredients (including fresh milk, dairy ingredients and other priority raw materials), prioritised based on their materiality in terms of volumes purchased, as well as their criticality for Danone's business. The main countries of origin of each of these agricultural inputs were considered for the analysis. In the case of fresh milk, GPS coordinates of the farms were considered in the top sourcing countries.
- **Sites:** The analysis included several types of sites including factories, co-manufacturing factories, warehouses, sales offices, headquarters, Research & Innovation Centers, and data centers. The GPS coordinates of the sites were used to model the effects of climate change at each location.

Climate-related physical risks were assessed with a focus on three pillars (as defined in the Intergovernmental Panel on Climate Change (IPCC) AR6 report):

- **Hazard:** potentially destructive physical phenomena (droughts, heat waves, flooding, water stress, etc.), based on climatic data. 18 hazards were considered for risks on sites and 13 for risks on agricultural commodities;
- **Exposure:** the location, physical attributes and value of assets or people likely to be affected by a hazard, based on geographical coordinates;
- **Vulnerability:** the probability of an asset being adversely affected by a certain hazard, based on the technical vulnerabilities specific to a type of site or agricultural raw material.

Two climate scenarios were considered for the risk assessment, both of which were among the upper range of the GHG emission projection trajectories defined in the IPCC AR6 report, in which the impacts of climate change will materialize the most:

- Scenario SSP2-4.5, an intermediate GHG emissions scenario that is approximately aligned with the targets set by each country that committed to reducing national emissions as part of the Paris Agreement;
- Scenario SSP5-8.5, a high GHG emissions scenario based on strong fossil-fueled economic and social development, and resource and energy intensive lifestyles around the world.

Three time horizons were considered, in line with the expected lifespan of Danone's assets, as well as IPCC time horizons:

- Historical reference – the average between 1985 and 2014, to understand current exposure;
- 2030 – medium-term: the average between 2015 and 2044 values, a commonly used period to define climate adaptation planning and corresponding to the target year of Danone's validated near-term science-based targets;
- 2050 – long-term: the average between 2035 and 2064 values, a period generally used for strategic decisions such as adapting the business model or geographical presence and long-term investments such as building new sites, and corresponding to the target year of Danone's validated Net-Zero SBTi targets.

The input data relating to Danone's agricultural and industrial assets were provided and validated by the relevant internal experts within Danone entities. Key hypotheses for the modelling have also been reviewed and validated by the relevant internal experts.

**Climate-related transition risks and opportunities**

Climate-related transition risks and opportunities are the potential impacts on Danone's business that would occur in the case of a successful climate transition. They arise from a range of so-called transition events: regulations, market evolutions, technological developments, etc. Transition events could have negative business impacts (risks) or positive business impacts (opportunities).

**Identification and qualitative assessment of risks and opportunities**

The historical climate risks and opportunities mapping and Water Risk Assessments (WRA) carried out by Danone provided a first scoping of material transition events. To carry out the assessment, Danone used the World Business Council for Sustainable Development (WBCSD) framework and internal and external expertise.

In line with the TCFD and TNFD frameworks, the transition events identified in Danone's own operations and along the upstream and downstream value chain were determined across the following categories:

- policy, liability, technology, market, and reputation for transition risks,
- resource efficiency, energy source, products and services, market, resilience, reputational capital, and capital flow and financing for transition opportunities.

Following the identification phase, Danone carried out a qualitative assessment of transition events in order to identify those that were the most material by determining the extent to which its assets and business activities may be exposed and are sensitive to each event. The financial materiality was qualitatively assessed based on two criteria:

- Likelihood: Probability of the risk/opportunity materializing in the economy;
- Magnitude: Severity of the negative/positive financial impacts caused by the risk/opportunity on Danone's business.

Likelihood and magnitude were evaluated on a qualitative scale ranging from 1 to 5 (from minor to high) based on observations to date and independently from specific scenarios, for a mid-term horizon (2030). The most material transition events were identified based on the highest scores. This materiality was ultimately assessed through the financial quantification (see following section).

### Financial quantification of risks and opportunities

Calculation pathways were designed to depict the transmission channels between the occurrence of the most material transition events in the economy and the implicated financial effects materializing as a risk (financial loss) or an opportunity (financial gain) for Danone's business.

Identified risks and opportunities were quantified under three WBCSD climate scenarios considered among the lower range of the GHG emission projection trajectories, in which the effects of climate transition will materialize the most:

- 1.5°C Societal Transformation Scenario, which represents strong, coordinated and prompt global policy action, as well as market responses, that result in widespread carbon pricing and land protection to enable decarbonization and limited physical impacts of climate change;
- <2°C Forecast Policy Scenario (IPR), according to which climate action starts abruptly and late, around 2030, resulting in limited transition risk in early years. After 2030, transition risks ramp up significantly due to the sudden implementation of GHG prices, area protection regulation, and a scale-up of bioenergy with carbon capture and storage (BECCS) capacity;
- >3°C Historic Trends Scenario, in which climate action remains stable at current levels, creating limited transition risks, but the world fails to limit global warming to manageable levels, resulting in substantial future physical risks.

These scenarios were selected as they were developed by the WBCSD specifically for the Agriculture, Forestry and Other Land Uses (AFOLU) sector and are intended for transition risk and opportunity assessments. Various context- and sector-specific factors were taken into account during their development, including input assumptions related to policy (e.g., GHG prices), technology (e.g., agricultural input efficiency), and market (e.g., diet shifts).

To be noted that the financial effects of increasing cost of energy and carbon pricing were quantified relying on energy-specific scenarios from the Network for Greening the Financial System (NGFS), respecting the carbon budget and global narrative of WBCSD scenarios for consistency.

Taking 2023 as the starting point, the financial impacts were quantified over three time horizons:

- 2027: short-term, based on Danone's strategic planning horizon;
- 2030: medium-term (as commonly used), corresponding to the target year of Danone's validated near-term SBTi targets;
- 2050: long-term (as commonly used), corresponding to the target year of Danone's validated Net-Zero targets.

Danone used these results when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (meaning before actions taken by Danone) which are related to climate change and presented in the next section. More information on the double materiality assessment is available in 5.2.5 Impact, risk and opportunity management in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

### Presentation of material impacts, risks and opportunities

As part of its double materiality assessment performed Danone has identified the following potential material impacts related to climate change:

- Danone's activities could contribute to global warming due to GHG emissions from its facilities and value chain, particularly given its business model's reliance on agriculture;
- extreme weather events could cause shortage of Danone products which could directly impact consumers;
- with regards to climate change adaptation, Danone could improve suppliers' preparedness and resilience concerning climate change and regenerative agriculture.

As part of the climate risk study concluded in February 2025, Danone identified the relevant potential gross climate-related risks and opportunities along its value chain (including upstream/downstream and direct operations) presented in the table below.

Note: These impacts and risks are gross, meaning before actions taken by Danone. Danone's net risks are presented in 2.6 *Risk factors* in section 2 *Overview of activities, risk factors*.

Risk / Opportunity category	Risk / opportunity description	Probability of occurrence in the medium-term (2030) <sup>(1)</sup>	Significance of the potential financial impact in 2030 Least impactful scenario <sup>(2)</sup>	Significance of the potential financial impact in 2030 Most impactful scenario <sup>(3)</sup>	Examples of programs to mitigate the risk
Physical risk	<b>Climate risks on the milk in the supply chain (primarily water stress and heat stress)</b> Most impacting climate risk for milk supply chain would be water stress affecting crop yields for feed in some regions. In addition, heat stress could decrease cow milk yields, especially in summer.	High	+++	+++	Regenerative Agriculture Program for milk, in section 5.3.1 <i>Climate change (ESRS E1)</i> Water resources program, in section 5.3.3 <i>Water resources (ESRS E3)</i>
Physical risk	<b>Climate risks on other priority agricultural ingredients</b> Climate change and increased water scarcity, including the effects of drought, could have a negative impact on crop or tree yields.	High	+++	+++	Ingredients, in section 5.3.1 <i>Climate change (ESRS E1)</i> Water resources program, in section 5.3.3 <i>Water resources (ESRS E3)</i>
Physical risk	<b>Acute &amp; chronic hazards affecting sites (factories, warehouses, offices, co-manufacturing)</b> Temperature-, wind-, water- and solid-mass-related (soil erosion, landslide, earthquake) climate hazards could cause damage to the sites and lead to days of business interruption.	Acute: Low Chronic: High	+	+	Site adaptation actions (flood risk mitigation, wind resistance...) in section 5.3.1 <i>Climate change (ESRS E1)</i> Water resources program, in section 5.3.3 <i>Water resources (ESRS E3)</i>
Transition risk	<b>Regulatory measures and retailers' restrictions related to packaging</b> The regulatory measures and retailers' restrictions related to packaging represent a risk in the sense that they could impact the Group's license to operate; for example increased costs to ensure regulatory compliance, legal sanctions, bans and fine, and/or lower sales.	Medium	+++	+++	Packaging & circular economy program, in section 5.3.5 <i>Resource use and circular economy (ESRS E5)</i>
Transition risk	<b>Increased carbon pricing (direct &amp; indirect)</b> Increased carbon pricing could apply to the Group's value chain, as various carbon tax mechanisms and Emissions Trading Systems (ETS) are already in global operation and could continue increasing.	Medium	+	+++	Danone Climate Transition Plan and its eight decarbonization programs, in section 5.3.1 <i>Climate change (ESRS E1)</i>
Transition risk	<b>Shift to plant-based alternatives</b> Climate transition will generate a decline of animal protein consumption (especially meat), and imply a rebalancing at the benefit of plant-based products. The pressure on overall consumption of livestock products will create opportunities for the most nutritious and lowest footprint segments (e.g. yoghurt vs cheese).	High	++	++	Danone plant-based offering and production of dairy products at lower footprint

(1) As stated in the methodology description, the probability of occurring has been assessed based on past observations and known trends of drivers.

(2) Least impactful scenario: For physical risks: IPCC Scenario SSP2-4.5. For transition risks WBCSD >3°C Historic Trends Scenario.

(3) Most impactful scenario: For physical risks: IPCC Scenario SSP5-8.5. For transition risks WBCSD 1.5°C Societal Transformation Scenario.

### 5.3.1.2 Material impact, risk and opportunity management

Danone has been engaged in climate action with the aim of both mitigating Danone's impacts on climate change and also strengthening its resilience by adapting to the consequences of climate change on its value chains and its partners' ecosystems.

#### Governance

Danone's climate journey is sponsored by the Chief Executive Officer, who assigned to the responsibility for Danone's climate journey to the Chief Operating Officer and the Chief Sustainability and Strategic Business Development Officer. This initiative is integrated across functions and portfolio categories as well as into Danone's governance structure at all levels (Global, Regional, and Country), and led by:

- the Group Deputy CEO in charge of Finance, Technology & Data, who plays a pivotal role in measuring, controlling, and reporting climate-related issues, focusing on assessing and managing climate risks and opportunities. He is responsible for ensuring that Danone's economic value creation aligns with its mid- and long-term sustainability goals, including reducing GHG emissions in line with the 1.5°C target;
- the Chief Sustainability Officer (CSO), in charge of overseeing the Group's overall approach to climate change management;
- the SVP Cycles & Procurement, as part of Operations, who is in charge of executing carbon reduction programs and a roadmap for each KPI of the Danone Impact Journey's Nature pillar, which includes Danone's climate-related targets and adaptation plans. Given that procurement-related categories account for nearly 95% of Danone's total emissions, his role is key.

Danone also has program leads on each of the eight programs rolled out as part of the Climate Transition Plan. On Regenerative Agriculture specifically, Danone has a dedicated governance within the Cycles & Procurement Team, under the leadership of Danone's SVP Cycles & Procurement.

#### Climate change policies

Danone's key policies related to climate change mitigation and adaptation include in particular its Climate Transition Plan, Regenerative Agriculture Program, Sustainable Sourcing Policy, Forest Policy, Packaging Policy and other policies related to water, soil health and biodiversity as mentioned in section 5.3 *Environmental information*.

#### Climate Transition Plan

In December 2023, Danone released its Climate Transition Plan, presenting the Group's approach to achieving its 2030 science-based GHG emission reduction targets in line with a 1.5°C trajectory, and to achieving Net-Zero and neutralizing residual emissions by 2050.

The Climate Transition Plan is embedded into the Group's governance at all levels (Global, Regions, Countries), as well as in the functions and portfolio categories (Purchasing, Operations, Research and Innovation, Marketing, etc.). The responsibility for the management, implementation and monitoring of compliance with the Climate Transition Plan is assigned by Danone's Chief Executive Officer to the Chief Sustainability and Strategic Business Development Officer and the Chief Operating Officer, who are the most senior people responsible for implementing the Plan. The Climate Transition Plan covers all Group regions and controlled subsidiaries, which implement carbon reduction plans and apply operational action plans, and its activities in direct operations, upstream and downstream of the value chain.

The Group considers the interests of its key stakeholders. Danone collects feedback from stakeholders on climate change at various occasions. The Group participates in a number of civil society and industry platforms, and actively engages with non-governmental organizations (NGOs). The Group answers to the questions from its shareholders during the Annual Shareholders' Meeting, through answers to written questions submitted in advance, or to questions asked directly to Group Management and Directors during the Q&A session. The Group also responds to questions at the request of investors, during meetings or through emails.

The Climate Transition Plan is publicly available on Danone's corporate website.

#### Regenerative Agriculture Program

Agriculture is central to Danone's business and the Danone Impact Journey, and one of the most significant ways Danone can create positive economic, societal and environmental impact is through the sourcing and farming models it chooses. Danone is firmly committed to regenerative agriculture and promoting practices that protect soil, water, biodiversity and animal welfare, whilst also supporting farmers in a fair transition toward more resilient agricultural models that protect farmer livelihoods and decent conditions for workers.

Danone defines Regenerative Agriculture as an outcome-based, holistic approach with three dimensions – people, planet and animals – which, when adopted under the right conditions, can maximize agriculture's benefits: protecting and improving soil health, biodiversity, water resources and climate, strengthen animal welfare and supporting farming resilience and long-term profitability.

Danone works with approximately 64,000 dairy farmers worldwide. The Group's global, regional and local teams work hand in hand with farmers, suppliers and technical partners to support farmers and develop action plans and roadmaps for continuous improvement toward more resilient, sustainable and economically viable farms.

Since 2017, Danone has been designing and implementing a Regenerative Agriculture Program, which is built on the following three pillars:

- protecting soils, water, and biodiversity (also reinforced by Danone's Water and Forest Policies);
- empowering generations of farmers in the transition to regenerative agriculture;
- bolstering animal health and welfare.

Danone's Regenerative Agriculture Program is based on the following:

- in 2021, Danone published the For a Regenerative Future document, a guidance document which outlines Danone's approach to regenerative agriculture;
- Danone has also produced the Regenerative Agriculture Environment Handbook, that provides guidance on the "Protecting Soils" pillar. This handbook provides a comprehensive set of practices to support the implementation of regenerative agriculture, leading to environmental impacts;
- moreover, Danone actively contributed to developing the Sustainable Agriculture Initiative (SAI) Platform's globally aligned framework, "Regenerating Together", for the transition toward regenerative agriculture practices, which was released in September 2023. The Group contributed by sharing the Danone Regenerative Agriculture Scorecard and associated learnings, testing the SAI draft framework in its supply chain before its release (in the United States and France – for both dairy and plant-based), providing feedback for further improvement, and representing peers as part of the SAI Platform's Steering Committee. The Group is adopting SAI Platform's Regenerating Together Framework, and began implementing this transition in a number of Country Business Units in 2024. The transition to this new globally aligned framework will continue in 2025 and onwards.

Danone's Regenerative Agriculture Program applies to the farmers which Danone works with directly, mainly dairy farmers, as it is Danone's largest ingredient sourced. However, the Regenerative

Agriculture Program also applies to a number of other key ingredients, such as oats, almonds, soy, certain fruits and vegetables.

On climate change specifically, Danone's Regenerative Agriculture Program is a key framework for achieving the objectives related to:

- nature preservation and regeneration within the Danone Impact Journey;
- the 1.5°C SBTi roadmap aiming to reduce its GHG footprint;
- reducing methane emissions from its fresh milk supply by 30%.

More information on protecting soils, water, and biodiversity is available in sections 5.3.2 *Pollution (ESRS E2)*, 5.3.3 *Water resources (ESRS E3)*, 5.3.4 *Biodiversity and ecosystems (ESRS E4)* and 5.3.5 *Resource use and circular economy (ESRS E5)*. More information on the second and third pillars of Danone's Regenerative Agriculture Framework, bolstering animal welfare and empowering generations of farmers are available in sections 5.5.1 *Business conduct (ESRS G1)* and 5.4.2 *Workers in the value chain (ESRS S2)*.

**Other policies**

Danone has developed other policies which are also relevant for the management of impacts, risks and opportunities related to climate change, such as the Sustainable Sourcing Policy (SSP), the Forest Policy, and the Packaging Policy presented in the section 5.3.5 *Resource use and circular economy (ESRS E5)*.

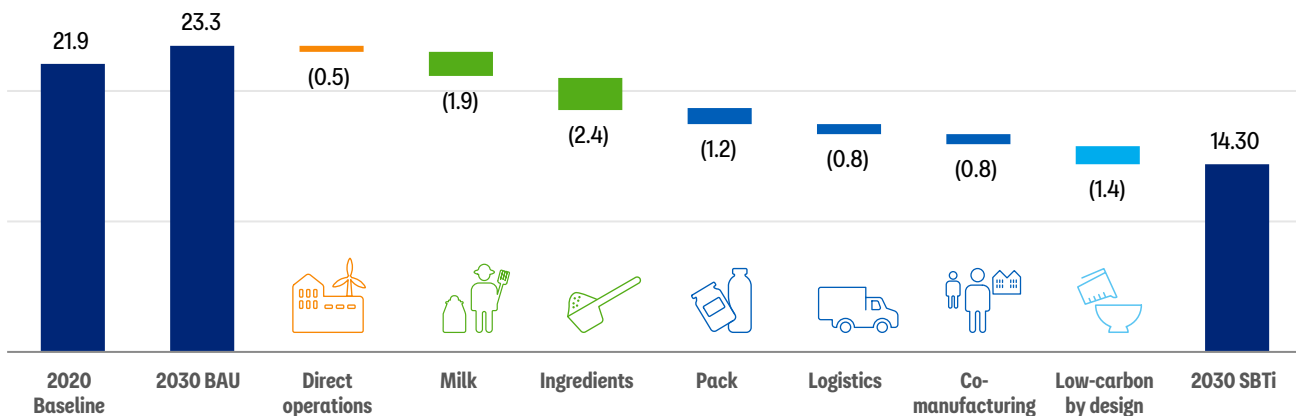
**Climate Transition Plan: more information**

**Targets and levers**

Danone is committed to near-term targets with a 2030 horizon, and a long-term Net-Zero target for 2050, all of which have been validated by the Science-Based Targets initiative (SBTi) and are in line with the 1.5°C pathway.

More information is available in 5.3.1.3 *Metrics and targets related to climate change* of this section.

**Danone's journey towards 2030 (Mt CO<sub>2</sub>e)**



BAU: Business As Usual

The GHG emissions reduction trajectory, as well as the ambition for the Group's eight programs provided above, including supplier engagement that is transversal, are built on previous work and growth assumptions between end 2022 and end 2030 that were available during the strategic planning exercise conducted in 2023 to establish the Climate Transition Plan. The total ambition of the eight programs between end 2022 and end 2030 was a reduction by 9 Mt CO<sub>2</sub>e of the forecasted business as usual emissions in 2030. Based on the latest available figures, the total expected GHG reduction between end 2024 and end 2030 is estimated at 7 Mt CO<sub>2</sub>e. The building blocks in the above figure have not materially changed since the publication of the Climate Transition Plan, despite different programs having different timings of implementation.

More information is available in 5.3.1.2.4 *Actions for climate change mitigation* of this section.

Beyond 2030, the Group's strategy for achieving Net-Zero by 2050 includes:

- continuing to reduce CO<sub>2</sub>e emissions in line with the Net-Zero targets, by:
  - extending decarbonization plans and supplier engagement efforts,
  - accelerating the development of low-carbon products and expanding the Group's sustainable portfolio,
  - supporting and investing in innovation and technological advancements that facilitate emissions reduction;
- addressing residual emissions through permanent removals.

The Group currently estimates annual residual emissions linked to its activities to 4.7 Mt CO<sub>2</sub>e in 2050, to be addressed through carbon removal projects. These include ecosystem restoration, and landscape projects, alongside the purchase of high-quality carbon credits.

### The Climate Transition Plan within Danone's overall strategy and financial planning

The implementation of the Climate Transition Plan includes a series of business initiatives across various categories and geographies. These initiatives are part of an integrated long-term business planning process, shaping the Danone Value Creation Model. The ambition of this model is to structurally deliver on both, financial and non-financial (carbon reduction), benefits through an integrated investment approach.

As a result, Danone does not intentionally separate investments for carbon reduction from those for growth, efficiency, or risk mitigation. Danone aims to achieve financial and non-financial benefits within each investment case, aligning with its ambition to make the Danone Impact Journey a competitive advantage.

Danone's annual operating plan and strategic planning exercises systematically incorporate the Group's climate transition goals, ensuring that all decarbonization investments are fully integrated within OpEx and CapEx. Climate Transition Plan investments are seamlessly integrated into Danone's performance cycles and embedded in performance analysis and decision-making processes.

In accordance with the Group's approval process, all CapEx exceeding €5 million are subject to an environmental impact assessment and have their climate cost evaluated based on the shadow carbon price defined by Danone. These investments are approved by the Vice President of Operational Finance and the Vice President of Industrial Excellence, following consultation with relevant expert functions such as Sustainable Engineering and Positive Impact Operations.

More information on how sustainability-related performance is integrated into long-term and short-term incentive schemes is available in section 6.3 *Compensation and benefits of governance bodies*



**Locked-in emissions**

Danone has assessed that its locked-in emissions will not jeopardize its Climate Transition Plan. By nature, Danone's activities do not rely on especially long-lived, carbon-intensive assets and as such the Group does not consider locked-in emissions prejudicial to achieving the goals of its Climate Transition Plan.

**Progress in implementing the transition plan**

In 2024, the first calendar year since publishing its Climate Transition Plan, Danone made steady progress on its eight strategic programs, which are currently on track to achieve their near-term objectives. The reduction of nearly 1.9 MtCO<sub>2</sub>e between 2023 and 2024 was primarily achieved through Danone's Regenerative Agriculture action plans, Danone's supplier engagement with Dairy Ingredients and Packaging partners and through a significant acceleration on renewable electricity. The Regenerative Agriculture Program also contributed significantly to the reduction of methane emissions.

Performance (in ktCO <sub>2</sub> e <sub>q</sub> )	Baseline	2023	2024	2024 vs 2023	2024 vs baseline	2030 target vs baseline	2030 Targets	2050 Targets
Scope 1 & 2 energy and industry	1,044	829	684	(17.5)%	(34.5)%	(46.3)%	560	806
Scope 3 industry and energy	7,011	6,351	6,137	(3.4)%	(12.5)%	(42.0)%	4,066	
Scope 1 & 3 FLAG	13,868	13,103	11,580	(11.6)%	(16.5)%	(30.3)%	9,665	3,883
<b>TOTAL ON SBT SCOPE</b>	<b>21,923</b>	<b>20,283</b>	<b>18,400</b>	<b>(9.3)%</b>	<b>(16.1)%</b>		<b>14,293</b>	<b>4,689</b>
Methane (included in FLAG target)	4,091	3,548	3,054	(13.90)%	(25.30)%	(30.0)%		

**Paris-aligned benchmark**

Danone is not excluded from the EU Paris-aligned Benchmarks as its activities do not meet the exclusion criteria stated in Articles 12.1 (d) to (g) and 12.2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Transition Benchmarks Regulation). Moreover, the Group has not been found or estimated to significantly harm one or more of the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council.

**Transition plan approval by administrative, management and supervisory bodies**

Danone's Climate Transition Plan presents the Group's approach to climate change. Published in December 2023, the plan opens with a letter reaffirming the Group's sustainability commitments from Danone's CEO, whose responsibilities include developing the Climate Transition Plan. The Chief Sustainability and Strategic Business Development Officer and Chief Operations Officer are responsible for the plan's implementation.

The Global Impact Steering Committee and the Global Engagement Committee guide the strategy for implementing Danone's climate-related actions.

**Actions for climate change mitigation**

The eight strategic programs of Danone's Climate Transition Plan are as follows:

**Direct operations (Scopes 1 & 2)**

Energy in Danone's direct operations accounts for around 4.4% of the Group's total carbon footprint. This is the area where Danone has direct control and has made significant strides in its energy-related efforts. As part of Danone's 1.5°C approved scopes 1 and 2 energy and industrial science-based target, Danone has committed to go even further, with a goal of reaching a 46.3% reduction on scopes 1 and 2 between 2020 and 2030. Danone has launched the Re-Fuel program, an ambitious energy excellence and decarbonization initiative to increase energy efficiency as well as the use of renewable thermal energy and renewable electricity at its production sites.

**Key achievements:**

Danone has already achieved a significant reduction of 360 ktCO<sub>2</sub>e emissions since 2020, through increased renewable electricity sourcing, biomass projects in New Zealand, Indonesia and Morocco, and a continued focus on energy efficiency measures.

In 2024, more than 11.7% of Danone's thermal energy was sourced from renewables, and more than 85.7% of Danone's electricity was generated from renewable sources. These achievements have been pivotal in driving a 34.5% reduction in GHG emissions between 2020 and 2024.

**Actions planned:**

- **Renewable thermal energy:** The thermal energy transition is one of the key challenges in reducing scope 1 emissions. Danone aims to increase the share of renewable thermal energy from 7% in 2022 to 35% by 2030, mainly through biomass, electrification, biogas and biomethane solutions. Danone's primary focus is to adopt onsite solutions such as electrical heat pumps to replace natural gas boilers, continue to develop biomass solutions where local ecosystems can support the sustainable supply chain of renewable fuel, and further develop solutions to generate biogas onsite. Danone is also developing market-based solutions such as biomethane sourcing with partners.
- **Renewable electricity:** Danone has set targets for renewable electricity, with a goal of sourcing 100% of its electricity from renewable sources by 2030. This will be achieved by installing more onsite solar photovoltaic systems, increasing sourcing through renewable electricity power purchase agreements (PPAs), and purchasing renewable energy certificates.

**Actions taken in 2024:**

- in Spain, the installation of a heat pump at the Tres Cantos dairy factory gave place to a 21% reduction in gas consumption;
- in the Netherlands, the installation of a heat recovery system at the Haps Specialized Nutrition site has reduced its energy consumption by 5%;
- in Morocco, the Meknes factory is powered by 86% of renewable energy thanks to a biomass boiler local olive pomace oil by-product waste alongside a 100% renewable electricity powered biodigester using sludge from the factory's wastewater plant;
- In 2024, Danone increased its share of renewable electricity; to 85.7%, now reaching 100% renewable electricity in China, France, Morocco and Turkey.

**GHG emission reductions:**

- GHG reduction between 2024 and 2023: 145 ktCO<sub>2</sub>e
- GHG reduction between 2024 and 2020 (baseline): 361 ktCO<sub>2</sub>e

**Agriculture: milk**

Milk-related emissions account for just over half, 51.4%, of Danone's agricultural carbon footprint. The remaining 34.3% is composed of indirect dairy ingredients and 14.3% non-dairy ingredients. Decarbonizing Danone's milk supply is a priority but it must be delivered while taking into account farm's efficiency and resilience, improve farmers' livelihoods and increase the attractiveness of the dairy sector for new generations. More information on Danone's Regenerative Agriculture Program is available in section *Climate change policies*.

Danone recognizes that there are different farming models, and that they will have different paths to decarbonization and regenerative agriculture. Therefore, roadmaps are tailored based on where farms stand in their regenerative agriculture and decarbonization journeys, and according to each farm's challenges, in order to prioritize improvement practices while keeping in mind trade-offs and co-benefits. Regular monitoring is put in place to establish a clear

understanding of where the farms in the supply chain are currently placed regarding their regenerative agriculture transition journey, and what steps Danone needs to take to support them to go further. This also enables increased supply chain transparency and continuous improvement. Danone assesses farmers' practices and/or impact on the three pillars of regenerative agriculture, based on a number of tools. These include:

- the Cool Farm Tool (in 18 countries) and CAP2ER (in France) to monitor the greenhouse gas footprint of the purchased milk;
- Danone's environmental regenerative agriculture scorecard; and
- Danone's animal welfare assessment.

**Key achievements:**

Since 2017, Danone has been conducting country-by-country assessments using the Cool Farm Tool in over 18 countries and the CAP2ER tool in France, which together cover 92% of Danone's direct milk collection volumes from farms. To achieve its 1.5°C ambition, Danone is prioritizing actions to reduce methane from its fresh milk supply to complement its overall regenerative agriculture strategy and includes herd management, manure management, feed management and breakthrough innovations which are scalable at farm level.

In 2024, Danone measured a decrease of over 1 MtCO<sub>2</sub>e of its milk emissions, notably in AMEA region, as a result of its action plans on milk, divesture of Horizon Organic and favorable weather conditions impacting favorably yields of feedstocks and overall farm productivity.

**Actions planned (key levers for decarbonization and developing farm resilience)**

- **Herd management:** Strategic herd management practices encompass the well-being and productivity of the animals within the herd. This includes their basic needs, such as water, feed, shelter and comfort, as well as regular health assessments and disease prevention, and meticulous planning of breeding, calving, and culling schedules. Optimizing their diet to improve yield and feed efficiency will reduce enteric methane emissions per liter of milk.
- **Animal feed:** Buying or growing sustainable animal feed and achieving greater protein autonomy through optimal crop rotation with locally adapted feed crops on farmland are key. This includes transitioning to less CO<sub>2</sub>e and water-intensive feed for cows including grass and sorghum, for example. Wherever possible, this lever also includes the use of soy that is certified deforestation- and conversion-free, aligned with responsible sourcing principles.
- **Methane innovations:** Some promising solutions include the development and implementation of methane reduction innovations. These include breakthrough innovations that can reduce enteric fermentation embracing both scalability and accessibility at farm level and animal welfare.
- **Manure management:** Animal manure contains important nutrients to support crop growth and reduce reliance on chemical fertilizers. Emissions can be minimised through proper manure storage, or by converting methane from manure into biogas using anaerobic biodigesters. This biogas can then be used as an energy source, for use on farm, or injection into main energy grid.

- Soil health for feed and crops: Optimizing soil health for both livestock feed and other crops cultivated on dairy farms entails a number of sustainable and regenerative soil practices, including crop rotation, limited soil disturbance (minimal or low till), healthy soil nitrogen balance with increased reliance on organic manure and optimal nitrogen efficiency, smart management of water quantity and quality, careful management of pesticides and weeds, preservation of natural habitats and planting of hedges, and the incorporation of local protein sources and forage. In addition to reducing GHG emissions through decreased fuel consumption and use of chemical fertilizers, this lever yields promising potential for progressively removing CO<sub>2</sub> from the atmosphere to be stored in the soil, improving the farm's natural capital along the way (soil health, preservation of water resources, biodiversity). Given recent methodological developments, Danone expects the GHG Protocol to be amended to include this potential.
- Other energy efficiency levers on farms: Danone is implementing energy efficiency measures on farms, through energy saving technologies and energy consumption optimization. These can help further reduce farm emissions as well as energy costs. Reductions can also be achieved through renewable energy production, for example through the installation of solar panels, biogas plants or even windmills.

### Actions taken in 2024:

- Knowledge management and exchange:
  - In October 2024, Danone hosted a week-long event focusing on upskilling local milk teams from LATAM and AMEA on agricultural best practices (herd management, animal health and welfare, crop resilience, etc.) and milk collection improvement (improving infrastructure).
- Project implementation and rollout:
  - The Group continued with the implementation of a number of multi-year agricultural projects across NORAM, LATAM, Europe and Africa, including the NORAM Regenerative Agriculture Program, Les Deux Pieds Sur Terre in France, Margarita in Mexico, the Flora project in Brazil, and the Regenerative Agriculture Program in Poland.
- Data-driven decisions:
  - Assessment campaigns: The Group continued implementing its three core assessment campaigns: the Regenerative Agriculture Scorecard assessment, Animal Welfare assessment and Cool Farm Tool assessment.
  - The Group is starting pilot projects in selected Country Business Units and farms to start reporting on carbon sequestration. This involves assessing the soil potential and developing a removals baseline.
- Partnerships:
  - The Group is rolling out impactful sustainable farming and carbon reduction practices, while improving agricultural resilience by leveraging the expertise of businesses in the food, agriculture, and nutrition sectors, such as Ajinomoto, Corteva, FrieslandCampina, MSD, and Zoetis.

- Danone believes in the power of collaboration and actively engages with non-governmental organizations (NGOs) to advance its climate transition. For example, Danone is the first corporate funder of the Global Methane Hub Enteric Fermentation R&D Accelerator, the largest globally coordinated research effort on enteric methane, coordinated by GMH and supported by an alliance of philanthropic organizations and governments. Additionally, Danone worked with Environmental Defense Fund to launch the Dairy Methane Action Alliance to help dairy companies catalyze accountability, transparency, and ambitious climate action.

### GHG emission reductions:

- GHG reduction between 2024 and 2023: 1,081 ktCO<sub>2</sub>e
- GHG reduction between 2024 and 2020 (baseline): 1,979 ktCO<sub>2</sub>e

### Agriculture: other ingredients

Ingredients (dairy and raw materials) play a crucial role in achieving Danone's 1.5°C target for scope 3 emissions. Ingredients currently represent 30.6% of Danone's total GHG inventory of SBT scope. Danone sources dairy, commodities, plant-based and specialty ingredients from trusted suppliers. In 2024, Danone leveraged its Partner for Growth program along with other supplier engagement projects to decarbonize Danone's supply chain, promote regenerative agriculture practices, implement positive water management practices, and remove deforestation and conversion from Danone's supply chains. Partner for Growth is a program led by the Ingredients team to identify and develop partnerships which seize consumer trends to unlock growth opportunities for both Danone and its partners.

### Key achievements

GHG, and specifically methane, are a key performance indicator for Danone's dairy ingredients sourcing. In 2024, Danone measured a decrease of more than 400 ktCO<sub>2</sub>e of its ingredients emissions primarily due to the results of the supplier engagement for Dairy ingredients suppliers.

Between 2015 and 2024, Danone's collaboration with its supplier Royal FrieslandCampina led to a 24% reduction in on-farm emissions embedded in their ingredients. Building on this success, Danone has been actively engaging with its suppliers to highlight the importance of emissions reductions and set GHG targets and reduction plans. By the end of 2024, 82% of Danone's suppliers (in volumes) were Sustainable Dairy Partnership (SDP) members, of which nearly half have externally verified their sustainability programs. The SDP is designed to provide a consistent global approach to dairy sustainability in commercial relationships between dairy buyers and processors. By the end of 2024, 30% of Danone's total dairy ingredient volumes were covered by contractualized GHG emissions reduction targets, and the Group is working to extend this initiative to its entire supply base.

Key decarbonization levers for non-dairy ingredients include expanding Danone's reformulation projects for low carbon design, removing deforestation and conversion from Danone's supply chains, and driving the regenerative agriculture transition. Danone recognizes that driving sustainable innovation is key to delivering on these commitments. In 2024, Danone announced its partnership with the 100+ Accelerator program. This consortium of private sector and start-up groups is dedicated to driving sustainable innovation across global supply chains by pioneering and scaling solutions to business challenges in reaching eight different sustainability goals, including water stewardship, circular economy, sustainable agriculture, and climate action.

In 2024, 97% of the palm oil Danone sourced was certified as segregated by Roundtable on Sustainable Palm Oil Segregated (RSPO). Danone recognizes that targeted action is sometimes required in addition to industry-wide collaboration. Danone has been a supporter of the Siak Pelalawan Landscape Program (SPLP) since it was launched in 2019 in Indonesia. Among the 2024 results, 11 new villages were part of participatory mapping, bringing the total to 52 villages since the start of the program, with 8,444 people trained on sustainable land use (good agricultural practices, peatland management and participatory land use planning). Some 572 individuals received assistance that helped them gain access to incentives. This support was provided by enhancing their understanding of business permits (specifically STD-B permits) and land titles. Since 2021, Danone has worked with the Livelihoods Fund for Family Farming (L3F), Mars Inc, L'Oréal, Musim Mas, SNV and ICRAF to design and launch a landscape project in North Sumatra in Indonesia providing on-site training and technical assistance for local farmers and communities. The project aims to prevent deforestation and conversion, and implement regenerative agriculture practices.

Danone was aiming for 30% of key ingredients (including cereals, sugar beet, fruit and vegetables) to be sourced from farms that have started their regenerative agriculture journey by 2025. This objective is already achieved in 2024. Danone has developed numerous flagship initiatives on regenerative agriculture to support its sourcing target –including beyond its own operations with the Madre Tierra project initiated by Danone Ecosystem, which works with over 100 strawberry farmers in Mexico. In June 2023, this project was highlighted as one of the most impactful in the food industry in Mexico.

### Actions planned:

**Implementation of decarbonization plans through Danone's dairy ingredients supplier engagement program:** Danone's dairy ingredients supplier engagement is structured around three key actions:

**(1) Incorporating decarbonization targets into dairy supplier contracts:** In 2021, Danone initiated the Supplier Engagement Program, which seeks to embed decarbonization goals of at least 30% between 2020 and 2030 into all Danone's supplier contracts. Danone expects all its suppliers to set scope 3 emissions targets in line with Danone's SBTi 1.5°C targets. This approach defines a specific objective for suppliers to achieve but also provides comprehensive support to assist them on this journey. Danone will continue to work closely with key suppliers by sharing best practices on GHG monitoring, the implementation of best practices and roadmap design.

**(2) Co-developing a decarbonization plan with the dairy sector:**

Danone actively encourages its suppliers to join the Sustainable Dairy Partnership (SDP), an integrated and pre-competitive sustainability engagement framework for dairy ingredients suppliers, of which Danone is a founding member. This five-stage framework provides a unified sustainability roadmap, building on the Dairy Sustainability Framework requirements (including climate requirements, human rights, deforestation and animal care), and additional assurance requirements. Danone continues to encourage its dairy ingredients suppliers to progressively set concrete goals and implementation plans and reach stage three of the SDP module in a set timeframe.

**(3) Investing in on-the-ground projects:**

Danone is actively engaging with its dairy ingredient suppliers to foster opportunities for collaboration which accelerate the decarbonization of its dairy ingredients. Going forward, the Group plans to increase the volumes sourced from suppliers with accelerated decarbonization projects.

### Other actions related to other ingredients:

**(1) Decarbonization through engagement with non-dairy commodities suppliers:** Danone encourages suppliers to set SBTi targets aligned with the 1.5°C pathway for their sector.

**(2) Removing deforestation and conversion from Danone's supply chain:**

Danone recognizes the value of third-party certification schemes with chain of custody for specific supply chains and materials, which is why Danone uses these for its own physical supply chains where possible. Driving the removal of deforestation and conversion activities requires investment in landscapes and ecosystems as well as in Danone's supply chain. In 2025, Danone will continue to explore and identify further landscape initiatives driving this ambition across ecosystems.

**(3) Transition to regenerative agriculture practices:**

Danone is aiming for 30% of key ingredients to be sourced from farms that have started their regenerative agriculture journey by 2025. Danone's non-dairy ingredients team have various regenerative agriculture projects across all regions, including Europe, LATAM and Africa. In 2025, the Group will look into how these projects could be expanded.

### Actions taken in 2024:

**Implementation of decarbonization plans through Danone's dairy ingredients supplier engagement program:** Actions taken and achievements in 2024:

**(1) Incorporating decarbonization targets into dairy supplier contracts:**

By the end of 2024, 30% of Danone's total dairy ingredients volumes were already covered by contractualized targets versus 20% at the end of 2023, and Danone is working to extend this initiative to the Group's entire supply base.

**(2) Co-developing a decarbonization plan with the dairy sector:**

By the end of 2024, 82% of Danone's suppliers (in volumes) were SDP members, of which nearly half have externally verified their sustainability programs.

**(3) Investing in on-the-ground projects:** Danone renewed its decarbonization collaborative partnership with Royal Friesland Campina in 2024, continuing its decarbonization projects and exploring decarbonization innovations for the shared supply chain. Danone has actively engaged with additional dairy ingredient suppliers, running workshops to find opportunities to drive collaboration to co-invest in on-farm levers to accelerate the decarbonization of its dairy ingredients. Collaborative projects with suppliers typically lead to between 40% and 50% reduction of the on-farm emissions between 2020 and 2030 (measured per kg of Fat and Protein Corrected Milk (FPCM)), supported by co-funding and/or public grant applications.

#### **Other actions related to ingredients taken and achievements in 2024:**

- (1) Decarbonization plans with non-dairy ingredients suppliers:** In 2024, Danone launched a supplier engagement sprint via its Partner for Growth program to identify decarbonization projects with its top 60 partners. Over a 12-week period, it co-developed various projects with Danone's key partners that were aimed at decarbonizing shared scope 3 emissions in line with Danone's SBTi 1.5°C target.
- (2) Clean supply chains:** In 2024, Danone expanded its traceability campaigns to commodities with suppliers which are not covered by Danone's Forest Policy in order to enhance Danone's sustainable sourcing strategy. In 2024, Danone launched, with the help of external partners, the implementation of satellite monitoring within Danone's supply chains. Satellite monitoring is a complementary monitoring method that is based on improved traceability in Danone's supply chains. It helps the Group assess and monitor any risk of deforestation or conversion associated to its sourcing areas and its suppliers. The objective is to determine the vDCF (verified deforestation- and conversion-free) status of the remaining volumes that could not be verified through another pathway (such as segregated certification that provides full vDCF assurance or origin from low-risk country with full traceability). Danone aims to monitor production units to ensure that those volumes are not linked to deforestation. If any risk arises, Danone defines mitigation action plans by engaging with the suppliers or enhancing the level of granularity in terms of traceability. Danone is working towards expanding the deployment for all commodities and areas when and where feasible.
- (3) Regenerative agriculture for fruit ingredients:** Danone works directly with farmers in Mexico to establish a sustainable connection with its value chain through regenerative agriculture, including beyond its own operations, with the Madre Tierra project initiated by Danone Ecosystem which achieved a 54% water use reduction in 2024 compared to baseline in 2019.

#### **Overarching Ingredient team projects:**

- **Supplier engagement:** Danone senior leadership visited Danone's supply chains to highlight the importance of Danone's commitments on Deforestation & Conversion Free sourcing and its SBTi 1.5°C commitments. This included facilitating on-the-ground meetings with suppliers and producers of key commodities,

including dairy ingredients, cocoa, palm, and sugar cane. The impact was improved understanding and collaboration on sustainability issues, leading to more effective policy implementation. Danone teams also implemented a partnership with two providers to verify Danone's suppliers' claims on verified DCF via satellite monitoring tools, and expanded Danone's traceability campaigns into new commodities.

- **Upskilling:** In 2024, Danone partnered with 3Keel (an external commodities consultancy) to upskill its Ingredient team buyers on Net Zero, Deforestation and Land Use Change, Biodiversity & Water, and Regenerative Agriculture issues. A total of 13 different sessions were held with over 60 buyers.
- **Governance:** Danone procurement teams established a Forest Steering Committee with senior leadership to oversee and drive deforestation and conversion risk mitigation actions. This includes holding quarterly meetings to review progress, set targets, and implement corrective measures.
- **Partner for Growth:** In 2024, one year on from the launch of the Partner for Growth program, Danone signed 19 new strategic agreements and eight joint business development plans, surpassing its initial targets. Many of the partnerships focus on accelerating decarbonization and sustainability projects with Danone and its suppliers.

#### **GHG emission reductions:**

- GHG reduction between 2024 and 2023: 442 ktCO<sub>2</sub>e
- GHG reduction between 2024 and 2020 (baseline): 310 ktCO<sub>2</sub>e

#### **Packaging**

Packaging represents currently 12.8% of Danone's total GHG inventory on SBT scope and plays a key role in achieving its 1.5°C target for scope 3 emissions.

In 2024, Danone measured a decrease of 35 ktCO<sub>2</sub>e of its packaging emissions thanks to the supplier engagements carried out in 2024. Danone has long been committed to driving the transition to a circular and low carbon packaging system, to mitigate risks related to climate change. Danone's transformation journey is supported by a dedicated team focusing on packaging circularity in cooperation with the Research & Innovation (R&I), Procurement and Operations functions, and the General Secretary team. This ambition involves redesigning packaging to be fully recyclable, reusable, or compostable, and fostering that all packaging is collected and recycled. By reducing waste and promoting the use of recycled materials in its products, Danone aims to reduce its carbon footprint and address climate change. Additionally, by collaborating with various stakeholders, including governments, NGOs, and industry partners, Danone is working to create a sustainable future and reducing its environmental impact.

For details on the Group's approach to packaging and key achievements, see the disclosure in the section on 5.3.5 *Resource use and circular economy (ESRS E5)*.

**Actions planned:**

- Shift to lower-carbon materials: this involves promoting the use of recycled content in plastic bottles, dairy cups and paper-based materials, as well as the incorporation of bio-based materials where applicable. For example, in Europe, using 100% recycled PET bottles could reduce the carbon footprint by up to 70% compared to virgin PET on a cradle-to-gate scope <sup>(2)</sup>.
- Packaging optimization: this can include eliminating unnecessary elements and/or reducing packaging intensity through lightweighting programs.
- End-of-life treatment improvements:
  - (1) This includes improving recyclability of packaging in order to be efficiently collected, sorted and recycled. Danone aims to reach 100% recyclable, reusable or compostable packaging by 2030 and to recover as much plastic as Danone uses by 2040.
  - (2) Danone also advocates for well-designed Extended Producer Responsibility (EPR) systems and Deposit Return Schemes (DRS) for water bottles and co-finances collection and recycling infrastructures, and also invests in private initiatives to scale infrastructure in countries where formal waste management systems do not yet exist. For instance, Danone committed \$30 million to the Circulate Capital Ocean Fund (CCOF) between 2018 and 2023 to develop recycling infrastructure in South and South-East Asia, in Latin America and the Caribbean, and inclusive collection projects.
- Value chain engagement: this means engaging Danone's suppliers in SBTi and renewable energy practices through Danone's supplier engagement program. In 2024, Danone launched the Supplier Engagement Program in packaging, which seeks to embed decarbonization goals of at least 30% reduction between 2020 and 2030 into Danone's supplier contracts. This approach defines a specific objective for suppliers to achieve but also provides comprehensive support to assist them on this journey. Danone collaborates closely with key suppliers by sharing best practices on GHG monitoring, implementing practices and roadmap design.

**Actions taken in 2024:**

- increasing recycled content in plastic packaging to 16.8% and in its Waters category to 26.2%;
- reducing its plastic footprint by 2% compared to 2020 baseline excluding EDP Russia thanks to a lightweighting program in several categories;
- achieving 85% recyclable, reusable or compostable packaging, and recovery of 60% of the plastic put on the market from collection systems (vs 58% in 2023);
- decarbonizing through the packaging supplier engagement program: in 2024, Danone engaged over 45 suppliers across regions, collected specific emission factors for packaging products representing more than 43% of the overall packaging CO<sub>2</sub> footprint, and provided training and support in CO<sub>2</sub> calculation and access to renewable electricity for less mature suppliers.

**GHG emission reductions:**

- GHG reduction between 2024 and 2023: 35 ktCO<sub>2</sub>e
- GHG reduction between 2024 and 2020 (baseline): 45 ktCO<sub>2</sub>e.

**Logistics**

Logistics currently accounts for 9.8% of Danone's total GHG emissions on SBT Scope. These emissions are essentially from transportation and warehousing. To reduce emissions related to logistics, Danone is activating several levers such as increasing the filling rates of Danone's trucks, maximizing direct plant deliveries to its customers' distribution centers, and optimizing Danone's logistics network. Danone is also improving energy efficiency and is transitioning to renewable energy in its warehouses and means of transportation, as well as transitioning to in multimodal transportation.

**Key achievements:**

Danone is working closely with its Business Units to develop country-specific roadmaps adapted to the features of local markets. Danone also joined the Smart Freight Center, an international non-profit organization dedicated to minimizing the emissions impact of global freight transportation. The objective is to engage with other industries, NGOs and organizations, set industry standards, and foster collaborative solutions. Danone is also a member of the World Business Council for Sustainable Development and supports initiatives that allow regional dialogue between governments and leading international companies, with the objective of bridging gaps in the global roadmap toward zero-emission vehicles and charging infrastructure. Overall, Danone has measured an increase of its logistics emissions in 2024 by around 100ktCO<sub>2</sub>e.

**Actions planned:**

- Optimization and efficiency: this encompasses various initiatives, including the introduction of logistics control towers to reach the maximum filling rate of all trucks, wagons and containers, the optimization of pallet density, collaborative co-logistics efforts, and the adoption of double-deck trailers and containers. Furthermore, Danone is actively exploring opportunities to enhance local sourcing, encourage eco-driving practices among its transportation teams, maximize asset utilization, and enable direct plant deliveries, among other strategies - including optimizing the logistics network in order to have the most efficient warehousing and transportation methods to better serve Danone's customers.
- Modal shift: Danone is continuing to explore alternative means of transportation. Efforts to reduce emissions within this work stream include policies to minimize air freight as much as possible and promote rail and sea freight. Multimodal transportation solutions are also being explored to optimize logistics while minimizing emissions.
- Low-carbon warehouse initiatives: these initiatives include an energy reduction program, the transition to electric forklifts, and the adoption of LED lighting. Danone is also exploring real-time energy monitoring in chilled warehouses to improve temperature control and energy efficiency. Danone's ultimate ambition is to power third party warehouses with as much renewable energy as possible, and implement low-carbon technologies.

<sup>(2)</sup> Source: rPET Emission Factor is "SRP, 2017, R-PET (post-consumer PET)"; for vPET Emission Factor "PlasticsEurope, 2017, bottle grade for PET virgin resin"

- Innovative technologies: Danone is exploring innovative engine technologies, such as electric vehicles (EVs) or green hydrogen, and collaborating with third-party logistics providers (3PLs) to facilitate the transition to lower emissions trucks, particularly EVs. Building longer-term relationships with 3PLs and conducting scenario planning to determine the most sustainable fleet mix are key components of this work stream.

**Actions taken in 2024:**

- Established a dedicated global logistics decarbonization program and governance structures;
- strengthened performance culture within logistics operations to track optimization and efficiency improvements, translating into CO<sub>2</sub> emission reductions.
- implemented the Dan Performance KPI platform;
- joined the Smart Freight Centre;
- developed country-specific 2030 roadmaps;
- enhanced transportation CO<sub>2</sub> emission calculation methodology to improve accuracy, in line with the GLEC framework;
- implemented the Logistics Control Tower in Europe and Brazil, with ongoing implementation in the USA and Canada;
- rolled out Eco-Transit in the EU, software for the automatic calculation of transportation CO<sub>2</sub> emissions, compliant with GLEC, the GHG Protocol, European norms, and ISO 14083.

**GHG emission reductions:**

- GHG increase between 2024 and 2023: 106 ktCO<sub>2</sub>e
- GHG reduction between 2024 and 2020 (baseline): 45 ktCO<sub>2</sub>e

**Co-manufacturing**

In Danone’s operations, co-manufacturing refers to a strategic partnership model where external manufacturers collaborate with Danone to produce and package some of Danone’s products. These partners play a crucial role in Danone’s supply chain, contributing to the production of a wide range of products, and ensuring flexibility and scalability in Danone’s operations. Through Danone’s steadfast commitment to reducing emissions across its entire value chain, Danone is actively engaged in initiatives to minimize the carbon footprint within its co-manufacturing network.

**Key achievements:**

In North America, Danone has been working on localized sourcing of purchased finished products to further reduce the carbon impact. In Europe, the co-manufacturing efforts toward carbon footprint reduction are mainly focusing on energy reduction programs and the change to sustainable packaging.

**Actions planned:**

- Align Danone’s direct operations decarbonization actions with Danone’s co-manufacturing partners. Danone ensures that carbon reduction levers identified and implemented for the Group are also applicable to its co-manufacturers’ operations.
- Encourage Danone’s co-manufacturing partners to commit to SBTi targets. Some of the partners are already committed to SBTi and the Group is making efforts to engage other of the big Co-manufacturer to SBTi. As part of Danone’s evolving criteria for new partnerships, any future co-manufacturers onboarded into Danone’s network will be expected to uphold sustainability targets and contribute to Danone’s ongoing emissions reduction initiatives.

**Actions taken in 2024:**

- established dedicated co-manufacturer engagement programs on carbon reductions;
- developed zone-specific 2030 roadmaps for North America and Europe, which are the largest regions for Danone’s co-manufacturing operations;
- launched dedicated solar power projects in South-East Asia with main co-manufacturers;
- optimized the sourcing network to produce co-manufactured products closer to Danone’s markets;
- introduced programs to produce co-manufactured products to Danone’s own factories, to better control GHG emissions on certain product categories;
- optimized logistics network operations in specific countries in Europe.

**GHG emission reductions:**

- GHG reduction between 2024 and 2023: 273 ktCO<sub>2</sub>e
- GHG reduction between 2024 and 2020 (baseline): 549 ktCO<sub>2</sub>e

**Supplier engagement**

Engaging Danone’s value chain is key to the Group’s decarbonization journey. Danone recognizes that its suppliers play a pivotal role in Danone’s Climate Transition Plan, with more than 50% of Danone’s 1.5°C emissions reductions contingent upon their capacity to reduce their GHG emissions. Danone is dedicated to fostering sustainable, inclusive growth with its suppliers through collaborative partnerships that benefit both parties. Transparency, collaboration and a continuous improvement mindset are the cornerstones of Danone’s supplier engagement strategy.

**Key achievements:**

Danone is actively partnering with its farmers and suppliers on the decarbonization journey. For instance, between 2015 and 2024, Danone achieved a 24% reduction on the on- farm emissions factors for ingredients sourced from the Group’s key partner Royal Friesland Campina. Danone also worked closely with Synlait on a project to measure the impact of Danone’s regenerative agriculture practices on soil health. By the end of 2024, 82% of Danone’s suppliers (in terms of volume) were members of the Sustainable Dairy Partnership, with 36% already completed stage 3, meaning that they have externally verified their sustainability programs (see the section on Ingredients for more details). Lastly, in 2023, Danone launched the Partner for Growth program, with sustainability at its core and its role as a key enabler of engagement with Danone’s ecosystem. In 2024, 150 partners from around the world joined Danone at its Partner for Growth digital event, which included key discussions led by Danone’s Executive Committee on sustainability partnerships and innovation.

**Actions planned:**

Collaboration sits at the heart of how Danone operates. Danone has decades of partnership experience and recognizes that to solve complex challenges and deliver change at scale and pace, Danone needs to work with others. For the Group’s most important suppliers with high CO<sub>2</sub> emissions and high criticality, Danone has designed a tailored approach that includes the following key elements:

- Support and engagement: Danone has started a dialogue with its suppliers about sustainability goals. Danone will continue to work closely with its suppliers to enhance their ability to reduce emissions through training and support, helping them to understand the importance of acting now.

# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.3 Environmental information

- **Transparency:** Danone will implement supply chain transparency by sharing information on GHG emissions and sustainability practices with the Group's suppliers. This can help identify areas for improvement and opportunities for co-development of solutions toward more sustainable supply chains. It will also allow Danone to continuously monitor and report on progress towards sustainability goals, and regularly communicate with the Group's suppliers to discuss results, challenges, and opportunities for accelerating the transition.
- **Contracts:** Danone will incorporate climate actions into its supplier contracts to ensure a shared commitment to emissions reduction. Danone requires these suppliers to set reduction targets that are in line with their maturity and Danone's 1.5°C targets, with incentives tied to their performance.
- **Partnerships:** Danone will establish further collaborative partnerships with its suppliers to develop customized decarbonization goals and roadmaps, fostering frequent interactions on progress and transparent reporting of emissions. These partnerships include co-investments and joint projects. Danone's Partner for Growth program aims to expand and strengthen Danone's relationships with partners from across the world, from start-ups and scale-ups to large corporations and academic institutions.

### Actions taken in 2024:

- Danone created a supplier engagement program on key ingredients to build projects with the long-term ambition to reduce GHG emissions. See the section on Ingredients for more information on the Group's specific programs related to dairy and non-dairy ingredient supplier engagement.
- Danone has selected HowGood, a shared platform, to engage with its suppliers and start collecting primary emission factors for specific ingredients. Danone will use the platform to set up carbon improvement programs, set reduction targets, and draft glide paths.
- Danone signed 19 new strategic partnerships in 2024 as part of the Partner for Growth program. Through its partnerships, Danone is making significant progress on its sustainability roadmap, the Danone Impact Journey. In collaboration with multinational utility company ENGIE, Danone is accelerating carbon reduction across its production sites (scope 1 and scope 2). The Group is also exploring new energy and water-saving technologies with partners such as global industrial equipment manufacturer SPX FLOW. Additionally, Danone is rolling out impactful sustainable farming and carbon reduction practices, while improving agricultural resilience by leveraging the expertise of businesses in the food, agriculture, and nutrition sectors, such as Ajinomoto, Corteva, FrieslandCampina, MSD, and Zoetis.

### Low carbon by design

Danone is committed to reducing the carbon intensity of its products through a range of programs, notably targeting packaging, energy usage and sourcing of raw materials, as described in the previous sections. However, to reach its 1.5°C ambition, and also to prepare for further reductions beyond 2030, Danone is looking at solutions over

and above the traditional decarbonization levers and is exploring not only low-carbon ingredients – both dairy and plant-based – and low-carbon processes, but also different developments in Danone's business models to generate value from lower-carbon products. Designing and selling low-carbon products requires collaboration between Business Categories and Procurement and Research and Innovation (R&I) teams, but also with the full ecosystem of academics, suppliers, and start-ups.

### Key achievements:

Danone's portfolio plays a fundamental role in promoting more sustainable eating habits – healthy nutritious foods preferred by consumers with a lower environmental impact – and in achieving Danone's climate ambitions. In recent years, Danone has already made progress in developing lower-carbon products for all its categories.

### Actions planned:

- **Integrating carbon footprint into innovation and renovation processes:** product carbon footprints are integral to Danone's innovation and renovation cycles, aiming to deliver superior product benefits and experiences while adopting lower-carbon solutions. Danone's Danprint tool measures a product's carbon footprint across its life cycle, and compares different design scenarios. It is triple certified by the Carbon Trust against the three most stringent frameworks used by retailers. Danone is scaling up product assessments to fuel its low-carbon product ambitions.
- **Leveraging lower-carbon ingredients in product design:** Danone continues to develop formulas with appealing nutritional and taste profiles, but with a lower carbon footprint, as seen in innovations such as the *Fortimel* plant-based range.
- **Fostering innovation and breakthrough technologies:** Danone is investing in and partnering with start-ups and suppliers to explore lower-carbon innovations, such as alternative proteins and processing solutions.

### Actions taken in 2024:

- In 2024, Danone began rolling out HowGood's product footprinting solution. This solution automates and streamlines carbon footprint calculations for Danone's products. Leveraging a comprehensive database of over 90,000 emission factors, the platform provides dynamic life cycle assessments (LCAs) that are continuously updated with the latest scientific research.
- Danone's *Nutrison* core tube feeding range <sup>(3)</sup> was reformulated in 2024 with both patient needs and CO<sub>2</sub> footprint reduction <sup>(4)</sup> at core. By increasing the percentage of plant-based proteins in the product, the core range achieved a 17% reduction in CO<sub>2</sub> footprint on average versus the previous range, as certified by Carbon Trust, and without compromising the quality of its proteins. *Nutrison* is the top-selling medical nutrition brand of Danone, and with this new range replacing the present one by end 2025 in multiple markets, Danone demonstrates its dedication to keep innovating for the patients and to lower the CO<sub>2</sub>e footprint of its products.

<sup>(3)</sup> Core Range refers to *Nutrison Energy Multi Fibre*, *Nutrison Energy*, *Nutrison Multi Fibre*, *Nutrison*. *Nutrison* and *Nutrison Multi Fibre* are Food for special medical purposes for the dietary management of disease related malnutrition. *Nutrison Energy* and *Nutrison Energy Multi Fibre* are Food for special medical purposes for the dietary management of disease related malnutrition in patients with higher energy needs. Must be used under medical supervision.

<sup>(4)</sup> The carbon footprint of all current and new *Nutrison*- core products has been measured in accordance with the internationally recognized standard ISO 14067:2018, verified and certified by the Carbon Trust in 2024. The carbon footprint of *Nutrison* variants 1kcal/ml, *Multi Fibre*, *Energy* and *Energy MF* has been measured and certified for different Optri bottle formats, with a reduction compared to the previous range varying between -14% and -22%.



- Danone, Michelin, the American start-up DMC Biotechnologies, and Crédit Agricole Centre France have partnered to create the Biotech Open Platform, aimed at accelerating the development of advanced fermentation processes, including precision fermentation, on a larger scale. Precision fermentation is a biotechnological process used to produce bio-based materials and ingredients, with a lower carbon footprint. The industrial and technological platform will be located in Clermont-Ferrand within the Parc Cataroux Center for Sustainable Materials, an innovation accelerator supported by Michelin. The Biotech Open Platform is also backed by various public and private institutions, including the University of Clermont Auvergne, Greentech, the Auvergne-Rhône-Alpes Region (under the European Regional Development Fund – ERDF), and Clermont Auvergne Métropole.

### Actions for climate risk mitigation and adaptation

Following the identification, assessment and prioritization of climate-related physical and transition risks, Danone identified the most relevant actions to increase the resilience of its activities. These actions include:

- adaptation actions to adapt to the potential impacts of physical risks;
- risk mitigation actions to mitigate the potential impacts of transition risks.

The actions were identified based on actions already identified and implemented by Danone, including those embedded in the Danone Impact Journey programs, that are determined in the Group's strategy as part of the effort to adapt and strengthen its resilience to climate change. Danone plans to use the climate risk assessment results to update existing plans in 2025.

Climate risk governance is embedded in existing Group climate governance (see *Governance* in section 5.3.1 *Climate change (ESRS E1)*) and Group risk governance (see 5.2.2 *Governance* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*) to monitor risks and opportunities and ensure proper deployment of adaptation measures throughout the organization.

#### Concrete illustrations:

- Local Climate Risk Studies: Since 2023, Danone has been deploying a climate risk study focusing on key milk sourcing countries and assessing the local impacts of climate change on Danone's supply chain to identify the most suited mitigation levers and define Danone's future sourcing strategies.
- Implementing Regenerative Agriculture and Sustainable Agriculture Programs across Danone's geographies, categories and ingredients, such as:
  - The Regenerative Almond Program in Spain: since 2023, Alpro has been working with key partners (suppliers, almond cooperatives and local agronomists) to implement water reduction initiatives such as using cover crops and swales. The program will reduce Danone's water footprint and ensure the security of almond supply. By the end of 2025, at least 300 hectares will be transitioning to regenerative agriculture following the SAI Regenerating Together Program;
  - The Pachamama Program in France: Launched in 2020 by Danone France, this project supports French fruit, vegetable and cereal farmers in applying and sharing regenerative agriculture practices that respect soil health and biodiversity. Among the key achievements to date are the 9,000 hectares currently transitioning to regenerative agriculture;
  - The HLib Bladi project in Morocco: Initiated in 2016 by Danone Ecosystem to enable smallholder dairy farmers to strengthen their resilience and profitability and increase local milk production. The project helps farmers to optimize feed production and improve local feed autonomy, improve herd, manure and water management and agroforestry practices, strengthening farmers economic and climate resilience. HLib Bladi has supported 4,000 farmers and will scale up to 10,000 farmers by 2026, boosting milk production and quality, whilst improving social and environmental impact.

### Actions to adapt to the potential impacts of physical risks

With regard to physical risks, adaptation actions cover two main action areas that are continuously being strengthened in Danone's operations globally:

- (1) Adaptation actions for raw materials, to ensure supply chain resilience:
  - Securing supply chains in the long term, taking into consideration climate risk in sourcing decisions (diversifying areas of sourcing, or supporting key suppliers' monitoring of climate risks and actions).
  - Supporting suppliers and farmer partners to improve resilience to climate change and reduce exposure to market risks, including adopting regenerative and sustainable agriculture practices, efficient use of natural resources and exploring new technologies and innovation.
  - For Danone's partners, in particular farmer partners, Danone supports knowledge exchange and upskilling of internal farm management teams, and farmer partners, to scale best practice adoption on farms, through innovative contract models (long-term & Cost Production Model (CPM)) to bring farmer partners greater stability, and through monitoring farm performance and implementing continuous improvement plans.
  - Engaging with external stakeholders and peers (suppliers, clients, competitors, public sector & NGOs) to advocate for policies that support implementing sustainable farming practices, building food sovereignty and supply chain resilience at scale.

### (2) Adaptation actions for Danone's sites and operations

- Together with external partners, Danone Insurance teams monitor the exposure of Danone sites to natural catastrophes (flooding, earthquakes, storms) to prioritize action plans and site visits.
- Regular site visits are conducted with Danone's insurance partner engineers every year, covering natural catastrophe vulnerabilities and providing recommendations on adaptation measures to be implemented on site. The recommendations are then shared with the Insurance team and sent to Danone operations teams to take decisions on potential associated investments.
- Several types of investments have been made following those recommendations:
  - Flood risk mitigation: deployment of barriers and floodgates during heavy rains to protect critical areas (e.g., electrical/technical rooms on certain sites), elevation of critical equipment and ingredients, and terrain elevation.
  - Wind resistance: strengthening roof structures and doors to withstand strong winds.

As part of the Danone Impact Journey, Danone pursues water preservation actions with (i) achieving operational excellence in all direct production sites through a deployment of its 4R strategy to Reduce, Reuse, Recycle and Reclaim by 2030 and (ii) collaborative preservation or restoration action plans with local communities/smallholders for 100% watersheds located in highly water stressed areas where Danone is operating, by 2030. These plans include various activities to minimize environmental degradation while reinforcing the resilience of the ecosystems within its watersheds. Activities include upstream agroforestry to reduce erosion and enhance farmer revenue, development of water access and sanitation initiatives in rural villages, and implementation of water governance actions. See more in section 5.3.3 *Water resources (ESRS E3)*.

### Actions to mitigate the potential impacts of transition risks

Danone has already launched various initiatives to monitor, anticipate and mitigate its transition risks. These initiatives can be grouped into the following categories:

- 8 strategic programs of the Climate Transition Plan to reduce its carbon emissions;
- Investments to adapt the supply chain to both regulatory requirements, where applicable, and Danone's long-standing commitments as part of the Danone Impact Journey, e.g., sourcing recyclable packaging for Verified Deforestation and Conversion Free (vDCF) commodities;
- Ingredient sourcing strategy to support value chain end-to-end resilience e.g., by supporting suppliers to implement regenerative agriculture and sustainable farming practices, exploring new technology and innovations and ensuring efficient use of natural resources;
- Scope 1 & 2 energy strategies (Re-Fuel Danone) championing energy efficiency, resilience and agility, whilst mitigating the impact of increasing energy and carbon prices, e.g., by improving energy efficiency, sourcing renewable energy (including through PPA contracts) and developing on-site renewable energy sources;
- Danone plant-based offering and production of dairy products at lower carbon footprint;

- Ambitious actions to establish Danone as a sustainability leader in its industry and strengthen its reputation, e.g., the clear sustainability framework (DIJ), demonstrating concrete progress towards its commitments (i.e., Regenerative Agriculture sourcing KPI, B-Corp certification on its global scope) and ambitious agriculture roadmaps to improve its GHG emissions and environmental impacts.

Danone plans to further strengthen these initiatives together with close monitoring of the evolving transition context to adjust its risk mitigation roadmap accordingly. This forms part of Danone's climate change strategy.

### 5.3.1.3 Metrics and targets related to climate change

#### Targets related to climate change

As part of its Danone Impact Journey strategy, Danone has committed to the following near-term targets for 2030 (from a 2020 baseline):

- Energy and industry: Danone commits to reducing absolute scope 1 and 2 energy and industrial GHG emissions by 46.3%. The target boundary includes land-related emissions and removals from bioenergy feedstocks. The scope 2 GHG emissions included in the target are market-based;
- Energy and industry: Danone also commits to reducing absolute scope 3 GHG emissions from purchased goods and services, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution and end-of-life treatment of sold products by 42%;
- FLAG: Danone commits to reducing absolute scope 1 and 3 FLAG GHG emissions by 30.3%. The target includes FLAG emissions and removals.

These targets are validated by the Science-Based Target initiative (SBTi) and are in line with the 1.5°C commitment. Together, these represent a 34.8% absolute GHG emissions reduction at constant mix.

Moreover, Danone has also committed to reduce methane emissions from fresh milk by 30% by 2030 (compared to the 2020 baseline year).

In addition, Danone has committed to the following absolute long-term targets for 2050 (from a 2020 baseline):

- Energy and industry: Danone commits to reducing absolute scope 1, 2 and 3 GHG emissions from purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution, and end-of-life treatment of sold products by 90% by 2050. The target includes land-related emissions and removals from bioenergy feedstocks.
- FLAG: Danone commits to reducing absolute scope 1 and 3 FLAG GHG emissions by 72% by 2050. The target includes FLAG emissions and removals.

These targets have been validated by the SBTi, in line with the 1.5°C commitment.

## Metrics related to climate change

Energy consumption & mix<sup>(a)</sup>

(a) Production Site and owned Distribution Centers scope, see methodology note for environmental KPIs of this section.

Energy consumption and mix <sup>(a)</sup>		2023	2024
1	Fuel consumption from coal and coal products (MWh)	0	0
2	Fuel consumption from crude oil and petroleum products (MWh)	171,819	132,631
3	Fuel consumption from natural gas (MWh)	2,301,377	2,273,011
4	Fuel consumption from other fossil sources (MWh)	33	36
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	383,011	285,437
6	Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	2,856,240	2,691,114
<b>Share of fossil sources in total energy consumption (%)</b>		<b>60.7%</b>	<b>57.6%</b>
7	Consumption from nuclear sources (MWh)	100,898	13,074
<b>Share of consumption from nuclear sources in total energy consumption (%)</b>		<b>2.1%</b>	<b>0.3%</b>
8	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	216,747	243,887
9	Consumption of purchased or acquired electricity with attributes (PPA, RECs...), heat, steam, and cooling from renewable sources (MWh)	1,381,323	1,654,584
10	Consumption of self-generated non-fuel renewable energy (MWh)	19,273	23,412
11	Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	1,617,343	1,921,884
<b>Share of renewable sources in total energy consumption (%)</b>		<b>34.4%</b>	<b>41.1%</b>
12	Consumption of purchased grid electricity from renewable sources without attributes (PPA, RECs...) - share from the grid consumption	132,465	47,365
<b>Total energy consumption (MWh) (calculated as the sum of lines 6, 7, 11 and 12)</b>		<b>4,706,945</b>	<b>4,673,437</b>

Thanks to the switch to renewable electricity sources in China, France,, Morocco, and Turkey, 23 countries (factories and owned Distribution Centers where Danone operates) reached 100% electricity from renewable sources (wind, hydro, etc.) in 2024 (compared to 16 in 2023); contributing to a total of 85.7% of Danone's renewable electricity (compared to 70.1% in 2023). Furthermore, its total energy use from renewable sources (electricity and thermal) represented 41.1% of its total energy use in 2024 (compared to 34.4% in 2023). On top of the renewable electricity projects mentioned, this increase was also led by biomass projects installed in the Balclutha production site in New Zealand and in FBS-Fkih Ben Saleh in Morocco.

In 2024, 84.5% of the electricity consumed by Danone<sup>(a)</sup> were covered by renewable attributes purchased. Based on 2023 purchases and reality of the market in some countries such as Mexico, Danone estimates that 80-90% of this purchase comes from Energy Attribute Certificate (EAC), and 10-20% from PPA.

### Energy intensity

Energy consumption intensity increased by 0.7% in 2024 compared to 2023 and decreased by 0.7% in 2024 compared to 2022 on a like for like basis (at constant scope and methodology).

	2023	2024	% 2024/2023
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh/Million €) <sup>(a)</sup>	170.4	170.7	0.17%
Energy consumption intensity (in kWh per metric ton of product) <sup>(b)</sup>	140.2	141.3	0.7%

(a) Scope 1 & 2 energy consumption – including manufacturing sites and owned distribution centers.

(b) Only for manufacturing sites.

Regarding energy intensity, the total energy consumption is divided by total net revenue. All revenue-generating activities of Danone are related to the food processing sector, which is considered as a high climate impact sector (according to the NACE A to H and L, as defined by Regulation 2022/1288 of the European Commission). Therefore, there is no difference in scope compared to total energy consumption and total net revenue.

### Gross & total GHG emissions

	Base year (2020)	2023	2024	% 2024/ 2023
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)	769,787	788,093	684,663	(13)%
Percentage of scope 1 GHG emissions from regulated emissions trading schemes (%)	NA	5%	5%	NA
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)	NA	712,285	694,742	(2)%
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	443,189	255,584	122,408	(52)%
<b>TOTAL GROSS INDIRECT (SCOPE 3) GHG EMISSIONS (TCO<sub>2</sub>E)</b>	<b>22,093,205</b>	<b>20,613,573</b>	<b>18,984,106</b>	<b>(8)%</b>
1 - Purchased goods and services	17,687,258	16,588,660	14,849,498	(10)%
3 - Fuel energy-related activities (not included in scope 1 or 2)	263,284	206,399	183,821	(11)%
4 - Upstream transportation and distribution	295,512	303,120	275,696	(9)%
5 - Waste generated in operations	148,812	51,204	49,059	(4)%
9 - Downstream transportation	2,211,468	2,058,899	2,195,240	7%
11 - Use of sold products	728,300	713,568	727,266	2%
12 - End-of-life treatment of sold products	758,571	691,723	703,526	2%
<b>TOTAL GHG EMISSIONS (LOCATION-BASED) (TCO<sub>2</sub>E)</b>	<b>NA</b>	<b>22,113,951</b>	<b>20,363,560</b>	<b>(8)%</b>
<b>TOTAL GHG EMISSIONS (MARKET-BASED) (TCO<sub>2</sub>E)</b>	<b>23,306,181</b>	<b>21,657,250</b>	<b>19,791,227</b>	<b>(9)%</b>

GHG intensity per net revenue	2023	2024	% 2024/2023
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> e/million €)	800.7	743.8	(7.10)%
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> e/million €)	784.1	722.9	(7.81)%

- 2024 total intensity figure (location-based): 743.8
  - Metric numerator (gross global combined scope 1, location-based scope 2 and scope 3 GHG emissions, metric tons CO<sub>2</sub>e): 20,363,560
  - Metric denominator (net revenue, million €): 27,376
- 2024 total intensity figure (market-based): 722.9
  - Metric numerator (gross global combined scope 1, market-based scope 2 and scope 3 GHG emissions, metric tons CO<sub>2</sub>e): 19,791,227
  - Metric denominator (net revenue, million €): 27,376

**Carbon credits**

The table below summarizes the amount of carbon credits that were cancelled to cover the offsetting needs in 2023 and those that are planned to be cancelled to cover the offsetting needs of 2024.

<b>Carbon credits canceled for the reporting year</b>	<b>2023</b>	<b>2024*</b>
<b>Total (tCO<sub>2</sub>e)</b>	<b>373,647</b>	<b>7,705</b>
Share from removal projects (%)	235,184	NA
Share from reduction projects (%)	138,463	NA
Recognized quality standard/carbon crediting program		
ACR	47,965	NA
VCS	97,542	NA
REDD+	447	NA
Gold standard	83,774	NA
Clean Development Mechanism	143,919	NA
Share of the projects within the EU	0	NA

\*Planned to be purchased

**Addressing residual emissions to achieve SBTi Net-Zero**

Danone is committed to achieving Net-Zero emissions by 2050. This commitment includes reducing absolute GHG emissions across scopes 1, 2, and 3, covering emissions from purchased goods and services, fuel and energy activities, upstream and downstream transportation, waste generated in operations, and end-of-life treatment of sold products. Specifically, Danone targets a 90% reduction in these emissions by 2050, using 2020 as the baseline year. Additionally, Danone aims to achieve a 72% reduction in absolute scopes 1 and 3 FLAG (Forest, Land, and Agriculture) GHG emissions within the same timeframe. Starting with 21.9 Mt CO<sub>2</sub>e in the 2020 baseline, residual emissions by 2050 are projected to approximately 4.7 Mt CO<sub>2</sub>e per year.

While Danone's primary focus is on reducing GHG emissions as much as possible, some residual emissions will inevitably remain. To achieve net zero emissions by 2050, Danone plans to permanently remove an equivalent volume of carbon from the atmosphere and securely store it through carbon dioxide removal (CDR) strategies aligned with the Science Based Targets initiative (SBTi) Net-Zero Standard.

Carbon dioxide "removal" projects differ from "avoidance" projects and include initiatives like ecosystem restoration, landscape projects, and carbon capture technologies. Danone will use permanent removal solutions, leveraging its experience with the Livelihoods Funds, a partnership it has supported since 2011. This approach will involve Danone's own removal projects and the purchase of high-quality carbon removal credits to effectively and transparently address residual emissions.

**Mitigating emissions beyond the value chain as part of the transition towards Net Zero**

Scientific experts, public authorities, and specialist agencies acknowledge that financial flows, particularly from high-income to lower-income countries, are needed to reduce emissions and preserve and strengthen carbon sinks. In this context, in addition to Danone action within its value chain, Danone is also contributing to projects allying decarbonization with other social and environmental benefits.

Livelihoods Funds

Since 2011, Danone has been a funding partner in the Livelihoods Funds, having launched the first Livelihoods Carbon Fund (LCF). This initiative aims to restore ecosystems, improve local economies, and address climate change beyond Danone's value chain through direct project engagement rather than solely purchasing carbon credits.

Danone remains actively engaged in the governance and strategic direction of the Livelihoods Funds at the executive level.

In 2024, some Danone factories, continued to purchase carbon credits as part of their carbon neutral certification. Decarbonization beyond the value chain in the form of carbon credits does not account as a reduction towards the Group's reduction targets.

**Carbon pricing**

To drive decarbonization investments and assess the resilience of new projects, Danone uses a shadow carbon price for CapEx.

In 2024, the shadow carbon price at Danone was €90/tCO<sub>2</sub>e, reflecting general expectations that carbon prices will continue to rise, as shown by the International Emissions Trading Association's forecasted average price of between €85.40/tCO<sub>2</sub>e (2022-2025) and €100.00/tCO<sub>2</sub>e (2026-2030).

Danone applies the EU ETS market price, as two of its sites are directly connected to this scheme. To provide more accurate visibility of the business case relating to carbon emissions reduction projects, internal carbon prices are updated based on changes in the EU ETS market.

All CapEx plans must include a carbon impact assessment covering the related GHG emissions, regardless of the amount, to factor carbon prices into the return on investment and value the associated business.

As per the Group's approval process, all investments exceeding €5 million must be subject to an environmental impact assessment and have their climate cost assessed based on the shadow carbon price defined by Danone. Investments are approved by the Vice President Operational Finance and the Vice President Industrial Excellence following consultation with the relevant expert functions (e.g., Sustainable Engineering and Positive Impact Operations).

### Integration of sustainability-related performance in incentive schemes

More information on the integration of sustainability-related performance in incentive schemes is available in 6.3 *Compensation and benefits of governance bodies* and 6.4 *Detailed information on long-term compensation plans* in section 6 *Corporate Governance*.

### Methodology note for environmental KPIs

As disclosed in 5.2.1.1 *General basis for preparation of the sustainability statement* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*, the consolidation scope used in the application of the CSRD covers all Danone subsidiaries that are fully consolidated for the preparation of the consolidated financial statements, in other words, the subsidiaries in which Danone holds, directly or indirectly, exclusive control. For environmental KPIs related to production sites, Danone monitors the environmental performance of its production sites using an operational control approach. In 2024, 151 Danone production sites (153 in 2023), representing more than 99% of the total production of the consolidated entities, reported environmental indicators. The environmental impact of tertiary buildings (offices, research centers, etc.) is not included in the scope of consolidation (except for certain indicators, when these buildings are adjacent to production sites). Given that their GHG emissions represent less than 5% of Danone's total scope 1 and 2 emissions, the environmental impact is considered as non-significant.

The Sustainable Finance team is responsible for the environmental and GHG indicators of production sites. Production Site Environment indicators are reported by each production site's Environment manager using the PURE Platform tool, which was introduced in 2018 alongside UL EHS Sustainability. This is the sixth year that scope 3 greenhouse gas emissions data, including packaging data, were reported using this same tool.

### Energy consumption

Energy consumption covers production sites as in previous reporting years and for the first time in 2024, the energy consumption of owned distribution centers that was included in previous years only in scope 1 and 2 reporting. When Research and Development centers or warehouses are located adjacent to production sites, estimates may be made for a given production site to take into account only its own energy consumption (estimate and deduction of the amount of energy consumed by the non-industrial sites adjacent to the production site). In some cases, the energy consumption of buildings located adjacent to an industrial site is taken into account if the site is unable to subtract its consumption. The rules for conversion between the different units used to track energy consumption (cubic meters, liters, Btus, etc.) and the standard reporting unit (MWh) are specified in the technical environmental guide prepared by Danone and provided to its subsidiaries. In certain cases, the subsidiaries use conversion factors provided by their suppliers.

In the energy consumption and mix table, the the electricity consumption of the manufacturing sites and owned distribution centers purchased from the grid were split into the following categories, based on the latest breakdown at country level provided by the International Energy Agency (IEA) on its website, in practice for 2022 or 2023:

- electricity purchased from fossil sources (line 5);
- electricity purchased from nuclear sources (line 7);
- electricity purchased from renewable sources without attribute (line 12).

### Energy related estimations

Energy consumption by types of contractual instruments combines countries for which all purchases were done at the time of closing of the reporting, with countries for which all information related to the purchases are available after the closing of the reporting. For those latter countries, an estimate of the types of contractual instruments used was made.

For the two manufacturing sites subject to EU-ETS in 2024, the scope 1 reporting made has not yet been validated by EU-ETS auditors, due to a different external verification calendar.

### GHG emissions

In terms of reporting entities, the SBT scope for the reporting year is identical to the GHG emissions scope.

In terms of emission categories, the SBT scope excludes:

- indirect emissions linked to the use of sold products at home by consumers, which are included in the GHG emissions scope;
- emissions linked to storage in retailers' distribution centers and retailers' stores, that are included in the GHG emissions scope and were reported in the use of sold products category until 2021, and are reported in the downstream transportation and distribution emission category from 2022 to increase compliance with the GHG Protocol.

In 2020, the baseline year for the Group's 1.5°C reduction commitments, Danone emitted 21.9 million metric tons of CO<sub>2</sub> equivalent on its SBT scope.

To calculate GHG emissions, the Group combines activity data from each reporting entity and applies emissions factors from recognized sources, including:

- for scopes 1 and 2: the International Energy Agency, the French Agency for Ecological Transition (ADEME), the Department for Business, Energy & Industrial Strategy (BEIS);
- for scope 3: life cycle analysis databases (Ecoinvent), and professional federations (Plastics Europe, the European Federation of Corrugated Board Manufacturers (FEFCO), the European Container Glass Federation (FEVE), the Food and Agriculture Organization of the United Nations (FAO)).

Danone complements these data sources by measuring the emission factors of the Group's milk farmers, using the Cool Farm Tool alongside specific emission factors calculated by the Group's dairy ingredient suppliers and packaging suppliers.

The information below provides further details on the calculation of scope 1, 2 and 3 GHG emissions:

- Scope 1 emissions are calculated in accordance with the methodology set out in the GHG Protocol Corporate Standard (January 2015 revised edition) and the operational control approach to include all sources of emissions from its industrial sites, warehouses, distribution centers and corporate vehicle fleet, by applying emissions factors and global warming potentials to the activity data:
  - the emissions factors used to calculate emissions related to energy combustion correspond to data in the 2006 IPCC Guidelines (2006 IPCC Guidelines for National Greenhouse Gas Inventories);
  - the emission factors used for CH<sub>4</sub> and N<sub>2</sub>O biogenic emissions linked to the combustion of biomass and biofuel are from the Department for Environment, Food & Rural Affairs of the United Kingdom (DEFRA) 2022 publication.
- Scope 2 emissions are calculated in accordance with the methodology set out in the GHG Protocol Corporate Standard (January 2015 revised edition) and the operational control approach to include all sources of emissions from its industrial sites, warehouses and distribution centers.

In January 2015, the GHG Protocol published a guidance document on the method used to account for scope 2 greenhouse gas emissions, which introduces dual reporting:

- location-based reporting, which reflects emissions due to electricity consumption from a conventional power grid. It therefore primarily uses an average emissions factor of the country's energy mix;
- market-based reporting, which reflects emissions from energy consumption taking into account the specific features of the energy contracts chosen and also considers the impact of the use of energy from renewable sources.

Danone has set its reduction targets according to the market-based method.

Scope 2 emissions are calculated by applying emissions factors to the activity data:

- Electricity emissions factors follow the hierarchy defined in the new scope 2 guidance document of the GHG Protocol for market-based reporting. Suppliers' specific factors must be certified by instruments that prove the origin of electricity (guarantee of origin certificates). If some of the electricity used is not of certified origin, the emissions factors used are the national residual mixes published by official bodies such as the Association of Issuing Bodies (AIB) in Europe, and Green-e in North America. For countries that do not have green-electricity attribute instruments, the emissions factors used are those used for location-based reporting provided by the International Energy Agency (2023 and 2024 publications of energy mixes in 2021 and 2022).
- The factors used for heating and steam are from DEFRA's 2018 publication, and the factors used for cooling are from ADEME's carbon database (ADEME, 2017).
- No removals, or transferred carbon credits or GHG allowances are included in the calculation of scope 2 GHG emissions.

- Scope 3 emissions are calculated in accordance with the methodology set out in the GHG Protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard. This approach considers emissions all along the Group's value chain.

Scope 3 emissions include:

- upstream emissions (physical flows entering the plants) covering a scope representing approximately 99% of Danone's production volumes in 2024;
- downstream emissions (physical flows exiting the plants) covering a scope representing approximately 99% of Danone's sales volumes in 2024.

In 2022, in order to increase the compliance with the GHG Protocol at GHG category level:

- Danone recategorized as scope 1 FLAG the emissions linked to the milk production in the three farms owned by Danone in Egypt, Morocco and Russia that were previously reported as scope 3 emissions of milk purchases. For 2024, the same recategorization applies to Danone farms in Egypt and Morocco (Russian farm was deconsolidated with EDP Russia);
- Danone recategorized as downstream transportation and distribution emissions the emissions linked to the storage in retailers' distribution centers and retailers' stores, that were reported in the use of sold products category until 2021.

In order to ensure comparability between 2020 (baseline), 2023 and 2024 for each GHG emission category, the 2020 emissions presented in this report were also recategorized.

### Changes in reporting

Danone's emissions accounting methodology has not materially changed during the reporting year. In the event of a material change in the consolidation scope, or material changes in carbon accounting methods, the recalculation rules defined by Danone in compliance with the GHG Protocol and the Science Based Targets initiative standards will be applied.

During this reporting period, Danone has completed the disposal of its premium Horizon Organic and Wallaby Organic dairy business in the United States on April 1, 2024.

In 2023, Danone used the latest version of the CFT 2.0 to measure milk emissions factors. This version allowed for the disaggregation of emissions and removals and Danone is reporting gross emissions for 2023 and 2024. The CFT 2.0 uses IPCC AR6 GWP100 values and there were no methodological changes in CFT between 2023 and 2024.

In its 2020 baseline, Danone measured net emission factors, but without removals from carbon sequestration in soil.

### Greenhouse gas removals

The GHG Protocol (Land Sector and Removals Guidance) is still in its draft stage and expected to be finalized in 2025. Danone aims to start reporting on removals in the future once the final version of GHG Protocol Land Sector and Removals Guidance is released.

## 5.3.2 POLLUTION (ESRS E2)

Danone's activities, encompassing its own operations, agricultural practices, logistics and end-of-life packaging disposal could have an impact, if not properly managed, on the quality of air, water and soil.

The following section presents the Group's material gross impacts related to pollution, as well as Danone's associated policies and action plan, metrics and targets.

### 5.3.2.1 Material impacts, risks and opportunities related to pollution

#### Process to identify material impacts, risks and opportunities

Danone engages in continuous stakeholder dialogue with experts and external organizations and uses tools to identify and respond to material impacts, risks and opportunities related to potential pollution across its value chain.

#### Material pollution impacts from Danone's own operations

Danone has drawn up a set of standard limits, known as the Clean Water Standards, for all its direct discharges into the environment, which go beyond local regulatory requirements. Through monthly monitoring of this standard, Danone is tracking its impact on the environment and working on reducing it.

In 2023, the Water Sustainability team conducted a Water Risk Assessment (WRA) and Water Footprint Assessment (WFA) of Danone's operations, taking into account any physical, regulatory and reputational risks. This process provided a detailed and structured overview of all watershed and production site risks, which the team used to set priorities and develop action plans. Through its WRA process, Danone identifies, assesses and addresses actual and potential water-related impacts, risks and opportunities, including water pollution, in its own operations.

The Group also performs watershed risk assessments using the Water Risk Filter (WRF) tool developed by the World Wildlife Fund (WWF). This tool identifies watersheds located in areas with physical water risks, including water stress, flooding, low water quality, and negative impacts on ecosystem services. On this basis, Danone then conducts an operational water risk assessment, requiring all production sites to fill out a WRF questionnaire to identify their local physical, regulatory and reputational water-related risks.

Danone performs these two assessments for all the watersheds where it operates, and for all Danone factories. Since 2023, these assessments are performed annually.

Danone implements its Global Risk Evaluation for Environment (GREEN) program worldwide. The Group commissions external and internal audits to identify and monitor the main environmental risks at its production sites and the implementation of the environmental management system including water-related risk evaluation criteria. The objective is to monitor and control atmospheric emissions (greenhouse and refrigerant gases), discharges into water (wastewater) and soil (treatment plant sludge and waste generated by livestock at some subsidiaries) resulting from the Group's activities and measure noise pollution generated by its production sites. In 2024, 52% of Danone's production sites are ISO 14001 certified, meaning that they meet the international standard for environmental management systems.

#### Material pollution impacts linked to agricultural activities

Danone's Regenerative Agriculture Program described in section 5.3.1 *Climate change (ESRS E1)* includes criteria on soil practices, fertilization and manure management to help identify and mitigate pollution impacts linked to agriculture.

#### Material pollution impacts linked to logistics

Danone monitors its emissions from logistics, including emissions related to the transportation of Danone products both upstream, from suppliers' gates to Danone's factories, and downstream, from Danone's factories to customers. For this purpose, the Group uses a standard calculation methodology aligned with the Global Logistics Emissions Council (GLEC) framework, collecting primary data from logistics operations such as tons, kilometers and local emission factors, and using a central platform to track and analyze emissions data across the supply chain. Key performance indicators are established for emissions reduction and progress is regularly monitored.

#### Material pollution impacts linked to plastic packaging

As a prominent Group in natural mineral and spring water, as well as dairy and plant-based products, Danone, like other peers, uses plastic packaging due to its properties such as being lighter yet still strong and protective, more functional and convenient for both consumers and distributors, less energy-intensive than glass, and considered safe from a hygiene perspective. However, the widespread use of plastic packaging combined with inadequate end-of-life management has caused significant environmental challenges. Pollution from plastic packaging has become a material issue on a global level. Danone has been working for many years to reduce the use of plastic packaging, improve the circularity of plastics that cannot be eliminated, and recover what is not kept in circulation. Danone also collaborates with industry alliances, civil society and governments to develop effective systems to collect, reuse and recycle packaging.

Danone relies on internal assessments and external tools and disclosures to identify and respond to material impacts, risks and opportunities across its value chain, as well as to implement collective actions relating to the circularity of plastic packaging. At Danone, a team focuses on packaging circularity, working in cooperation with the Research and Innovation, Operations and Procurement functions and the General Secretary. These key functions are involved in ongoing external dialogue and partnerships with key stakeholders including expert groups, suppliers, governments and NGOs.

Danone used these results when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (meaning before actions taken by Danone) which are related to pollution and presented in the next section. More information on the materiality assessment, is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.



## Presentation of the material impacts

Danone understands that its activities could have an impact, if not properly managed, on the quality of air, water and soil. The main potential impacts identified in Danone's double materiality assessment are as follows:

- Upstream, Danone relies on agricultural activities and farming practices, which could have an impact on air, water and soil pollution from manure management and excessive use of fertilizers and pesticides. More specifically, for activities related to fresh milk, pollution from manure could affect air, water and soil quality. For activities related to crops, over-application of fertilizer inputs and pesticides could contribute to pollution and affect water and soil quality.
- Danone could have an impact on ecosystems, especially organic content and salinity from effluents in the natural environment. If not properly taken care of, this could impact the environment and the health of employees and local populations. This impact is related to potential water pollution from Danone's factories.
- Danone also uses transportation for its logistics across its value chain, which generates emissions that could contribute to air pollution. This concerns the transportation of Danone's products both upstream, from suppliers' gates to Danone's factories, and downstream, from Danone's factories to customers.
- Downstream, Danone has identified an environmental impact linked with plastic usage and plastic pollution generated by the mismanagement of the end-of-life of plastic packaging which could lead to soil and water pollution, biodiversity deterioration and higher GHG emissions.

Water pollution is the only material impact within Danone's own operations. The other material impacts related to Danone's agricultural practices, logistics and packaging concern its value chain.

Note: These impacts are gross, meaning before actions taken by Danone.

### 5.3.2.2 Material impacts management

#### Pollution impacts from Danone's own operations

Danone is a food and beverage Group. Compared to other industrial sectors, food wastewater is free from toxic substances and is readily degradable. The main pollutants are carbohydrates, fats and proteins from food losses and cleaning chemicals. As a result, the main potential water pollutants from Danone's operations are organic pollutants and nutrients measured by COD (Chemical Oxygen Demand) and BOD (Biochemical Oxygen Demand), which refers to the amount of oxygen that bacteria in water will consume in breaking down waste. These pollutants may be transferred to the final water ecosystem due to an increased amount of processed food waste or losses and inadequate treatment of wastewater discharged from the factories. In water ecosystems, this may generate eutrophication phenomena, i.e., nutrients leading to algal blooms and depletion of oxygen. Additionally, this can lead to decreasing access to safe drinking water for the local population as it will increase treatment costs. In some countries lacking adequate treatment infrastructure, tap water may become unsafe for consumption. The magnitude and scale of these impacts vary from one country to another and could become very high when available treatment infrastructure is insufficient and if such risks occur where water-related ecosystems are vulnerable and highly polluted by agriculture.

#### Governance

The topics related to water pollution in Danone's own operations are sponsored by the Chief Operations Officer and the Chief Sustainability and Strategy Business Officer and overseen by the Chief Sustainability Officer and the SVP Global Operations Excellence. The responsibility for the management, implementation and monitoring compliance with all the below policies is delegated to them by Danone's Chief Executive Officer.

#### Policy

Danone has stringent Clean Water Standards (CWS) in place to prevent and limit water pollution resulting from its activities. The CWS set compliance KPIs and limits in treated wastewater discharged into the environment, based on nine indicators: chemical oxygen demand (COD), biochemical oxygen demand (BOD), total suspended solids (TSS), total nitrogen (total N), total phosphorus (total P), oil & grease, conductivity, pH and temperature. The CWS either align with or go beyond local regulations, including the US Clean Water Act and the European Urban Wastewater Treatment Directive, and set out specific requirements on the frequency of analyses, methods, sampling, measurements and reporting. Danone assesses the effectiveness of on-site wastewater treatment based on specific assumptions.

The CWS apply to all sites that discharge directly into the environment (with or without a wastewater treatment plant [WWTP]). They do not apply to effluent, whether pretreated or not, that is discharged to an off-site wastewater treatment plant (combined on- and off-site treatment and fully off-site treatment). Such arrangements must be supported by discharge contracts, invoices and operational reports. Sites connected to municipal wastewater treatment plants or to third-party facilities (fully off-site treatment and combined on- and off-site treatment) should draw on these standardization procedures to reduce the amount of polluted wastewater and thereby reduce treatment costs as part of their agreement (if any) with the partner in question. Danone must visit the facilities and ensure that the third parties are properly equipped to treat the incoming effluent from Danone's activities.

The Group reports on these indicators every month so that prompt measures can be taken to correct any failures to comply, i.e., when a site fails to meet the requisite standard for a given indicator. In order to be considered compliant, sites must satisfy all the CWS metrics.

#### Actions and resources

Danone manages pollution-related impacts from its own operations through the GREEN program and the CWS management.

Through its Global Risk Evaluation for ENvironment (GREEN) program, Danone conducts external and internal audits to identify and monitor the main environmental risks at its production sites and implement environmental management systems. Thanks to these audits, the Group is better equipped to monitor and control atmospheric emissions (greenhouse and refrigerant gases), discharges into water (wastewater) and soil (treatment plant sludge and waste generated by livestock at certain subsidiaries) resulting from its activities. It also measures noise pollution generated by its production sites and implements action plans to remedy any areas of non-compliance.

Danone also refers to the approaches set out in the CWS presented above to manage pollution-related impacts from its own operations.

All Danone factories discharging treated effluents into the environment are monitored closely, with a dedicated team of experts reviewing the Danone Group's status on a monthly basis.

Key projects are driven to decrease further potential discharges into the natural environment. Programs in place at several sites include the management of Total Phosphorous (TP), which comprises the following key actions:

- identification of the source of TP – usually cleaning products;
- replacement of the product with no TP;
- if not possible, trials with less cleaning agents or mixes of cleaning agents;
- last, if no other option – dedicated treatment of TP pollution at plant level.

In terms of investment toward better prevention of pollution, a notable example was the inauguration in June 2024 of a new wastewater treatment plant in Akbou, Algeria to upgrade the quality of the plant's wastewater, the culmination of a three-year project.

### Metrics and targets

In all its production sites, Danone applies strict concentration limits to all wastewater discharges into the environment. These limits are based on CWS and are measured using applicable methods. Monthly reporting of the CWS KPIs allows for corrective measures to be implemented promptly in the event of any failures to comply. Success is measured by ensuring 100% compliance with the CWS metrics. Failure to comply is defined as a single site failing to meet the standard for any given indicator. Progress is tracked yearly with an objective to reach 100% compliance with the CWS. This is a voluntary target that Danone has set in part to address pollution to water from its own operations.

### Key results:

- 82.3% of facilities compliant with the Clean Water Standards (CWS) (compared to 77.8% in 2023). Production sites implemented improvement plans to achieve these standards;
- 78 production sites were ISO14001 certified (compared to 79 in 2023).

Year ended December 31	2023	2024
<b>ISO 14001 CERTIFICATION <sup>(a)</sup></b>		
Number of certified sites	79	78
Percentage of certified sites	51%	52%
Percentage of volumes covered	69%	69%

(a) Production Site Environment scope, see methodological note

- 91 production sites were compliant with GREEN Audits:

Year ended December 31	2023	2024
<b>SITES HAVING UNDERGONE A GREEN AUDIT</b>		
Number of sites	108	114
Percentage of sites	71%	75%
Percentage of production covered by a GREEN audit	86%	90%
<b>Compliance with GREEN Standards</b>		
Number of compliant sites	93	91
Percentage of compliant sites	86%	80%
Percentage of compliant production	91%	89%

- Net chemical oxygen demand (COD), i.e. the amount of oxygen required to oxidize organic and mineral compounds in water, is used to measure the quality of wastewater discharges from production sites after any on- or off-site treatment. The net COD ratio for Danone Group decreased by 15% compared to 2023, related to a global increase in wastewater treatments on all its sites such as the above-mentioned example of Akbou production site in Algeria. Danone's assessment of off-site treatment effectiveness is based on certain assumptions, see the section *Methodology note for waste water-related KPIs*.

Year ended December 31	2023	2024
Final discharge of chemical oxygen demand (COD) <sup>(a)</sup> (in thousands of metric tons)	4.3	3.6
Net COD ratio <sup>(a)</sup> (in kg/ton of product)	0.13	0.11

(a) Production Site Environment scope, see methodological note.

In accordance with European Pollutant Release and Transfer Register (EPRT Regulation) in 2024 Danone conducted an analysis of pollutant levels in wastewater across its 151 factories. The analysis did show that all European factories are fully compliant with the regulation and that only the COD parameter was above the European threshold in three production sites (representing a total of 1 kton) located outside Europe and not subject to EPRT Regulation.

## Pollution impacts linked to agricultural activities

### Regenerative Agriculture Program

As a pioneer of regenerative agriculture, Danone has set-up a dedicated Regenerative Agriculture Program, which is detailed in section 5.3.1 *Climate change (ESRS E1)*.

On pollution specifically, the Regenerative Agriculture Program provides more details on fertilizers, manure management, pesticides and weeds, as well as soil health and water quality management.

As an example, Danone's Regenerative Agriculture Program provides guidance on the management of:

- animal manure, to avoid impacts such as overflow and environmental pollution, through regular inspections, maintenance of storage and handling systems, only spreading manure under suitable conditions, and covering manure to reduce harmful gas emissions;
- pesticides and herbicides, through promotion of integrated pest management practices including the use of organic pesticides and biocontrol agents as a healthy alternative to synthetic chemicals.

### Actions and resources

The actions related to pollution impacts in agriculture relate to Danone's regenerative agriculture approach detailed in section 5.3.1 *Climate change (ESRS E1)* on actions related to milk, and the Regenerative Agriculture Program.

### Metrics and targets

As part of the Danone Impact Journey, Danone has set a target that by 2025, 30% of key ingredients (including milk, soy, almonds, oats, cereals and selected fruits and vegetables) directly sourced by Danone will come from farms that have begun to transition to regenerative agriculture. "Farmers that have begun transition to regenerative agriculture" means they have reached Level 1 or higher on the Regenerative Agriculture Scorecard Assessment. To reach Level 1 on the Scorecard Assessment, farmers should have implemented practices limiting agriculture-related pollution impacts, such as manure management, and over-application of fertilizers and pesticides. This is assessed during the annual Regenerative Agriculture Scorecard Assessment Campaign. This target is absolute and applies to Danone's upstream part of the value chain, and more specifically the farms from which Danone sources key ingredients. It is a voluntary target that Danone has set in part to address pollution to air, water and soil, and strengthen the resilience of its supply chain.

In 2024, Danone sourced 39% of its key ingredients (milk, soy, almonds, oats, cereals and selected fruits and vegetables) directly from producers who have begun their transition to regenerative agriculture.

## Pollution impacts linked to logistics

### Climate Transition Plan

Logistics is one of Danone's eight Climate Transition Plan programs aimed at reducing its greenhouse gas emissions. Through its decarbonization initiatives, Danone acts to reduce air pollution from transportation. By prioritizing energy efficiency, optimizing logistics network operations, exploring multimodal and collaborative logistics and adopting biofuels and electric vehicles, Danone is working to establish a sustainable logistics system. More information on Danone's Climate Transition Plan is available in the section 5.3.1 *Climate change (ESRS E1)*.

### Actions and resources

To reduce its GHG emissions related to logistics, Danone is focusing its efforts on the following areas:

- Optimize operations and efficiency by:
  - maximizing truck filling rates;
  - increasing pallet density;
  - putting in place direct deliveries from plants to Danone customers;
  - optimizing routes and networks;
  - maximizing fuel efficiency.
- Transition to low-carbon transportation through the shift to less carbon-intensive means of transportation such as rail, multimodal and short & deep-sea freight.
- Low-carbon distribution centers by promoting the utilization of green electricity and improve energy efficiency of logistics partners' distribution centers.
- Adopt new technologies, including electric vehicles and new alternative fuels.

Danone's global logistics teams are striving to decarbonize both upstream and downstream processes across all product categories. In the short and medium term, Danone is focusing on optimizing operations and transitioning to low-carbon transportation and distribution centers. For the long term, Danone is planning to implement new technologies, which require the development of necessary infrastructure. Nevertheless, Danone is investing in piloting new technologies in developed markets such as Europe and North America to test and strengthen Danone's business cases for the future. As member of the Smart Freight Centre and World Business Council for Sustainable Development (WBCSD), Danone aims to understand market evolution and develop partnerships and alliances to accelerate industry-wide decarbonization.

### Metrics and targets

As part of its 2030 SBTi climate objectives, Danone aims to reduce CO<sub>2</sub> equivalent emissions from logistics by 0.8 million metric tons of CO<sub>2</sub> equivalent compared to the 2020 baseline, taking into account changes in its business within this same timeframe. This is a voluntary target that Danone has set, which also addresses air pollution and GHG emissions.

## Pollution from packaging

### Packaging policy

Danone has been working for many years to reduce the use of plastic packaging, improve the circularity of plastics that cannot be eliminated to date, and recover what is not kept in circulation, as well as collaborating with industry alliances, civil society and governments to develop effective systems to collect, reuse and recycle packaging. Danone's Packaging Policy is a global policy, with a scope covering Danone's packaging value chain covering primary, secondary and tertiary packaging (excluding pallets) purchased for Danone's operations. It also covers packaging end-of-life management.

The Group's approach is outlined in Danone's sustainability strategy, the Danone Impact Journey, which sets out three main commitments:

- 100% reusable, recyclable or compostable packaging by 2030;
- halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030 compared with 2020 base year, by accelerating reuse and recycled materials;
- lead the development of effective collection systems to recover as much plastic as Danone uses by 2040.

This policy aims to mitigate Danone's potential impacts related to the pollution of water and soil, through both prevention and control. More information is available in section 5.3.5 *Resource use and circular economy (ESRS E5)*.

### Actions and resources

Danone implements its commitments in each country where it operates through action plans consistent with the circular economy objectives underpinned in Ellen MacArthur Foundation's New Plastics Economy, focusing on three principles:

- (1) reduce plastic usage;
- (2) improve the circularity of plastics that cannot be eliminated;
- (3) recover what is not kept in circulation, tackling leakage and improving the working and living conditions of workers in the collection and recycling sectors.

All actions under these principles aim to address the environmental risks linked to plastic pollution. More information on actions and resources relevant to the pollution-related impacts of Danone's plastic packaging is available in section 5.3.5 *Resource use and circular economy (ESRS E5)* and the *Focus on risks relating to plastic use and Danone's preventive actions* in section 5.7 *Vigilance plan*.

### Metrics and targets

As part of the Danone Impact Journey, Danone has set the following commitments, in line with its objectives to reduce plastic usage, improve circularity of plastics that cannot be eliminated and recover what is not kept in circulation:

- have 100% of its packaging to be reusable, recyclable, or compostable by 2030; by design, in practice and at scale (applying Ellen MacArthur Foundation definition and methodology);
- halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030 compared to the 2020 baseline (684.9 ktons), by accelerating reuse and the use of recycled materials;
- lead the development of effective collection systems to recover as much plastic as the Group puts on the market by 2040, while improving the working and living conditions of workers in the collection and recycling sectors.

Together, these targets relate to increased circular product design (including design for recyclability and reuse) and increased recycled content use, as well as minimal use of virgin primary raw materials, and improved end-of-life management of packaging for products put on the market.

These are voluntary targets that Danone has set in part to address pollution to air, water and soil related to packaging.

### Key results in 2024:

- KPI 1 DJ: 85% of Danone's packaging was reusable, recyclable, or compostable, slightly above 2023 level. This indicator is of 76% for plastic packaging;
- KPI 2 DJ: Danone achieved a 8% reduction in the use of virgin fossil-based plastic packaging versus baseline 2020;
- KPI 3 DJ: 60% of plastic put on the market by Danone was recovered.

More information is available in section 5.3.5 *Resource use and circular economy (ESRS E5)*.

### Methodology note

#### Wastewater

The net COD data presented correspond to wastewater after internal and/or external treatment. In case of external treatment reported by the site, a purification rate of 90% is assumed. The Group defined impact-oriented projects as:

- ambitious, innovative, and socially oriented;
- aiming to develop a sustainable model for lasting impact;
- contributing to systemic change;
- creating measurable positive health outcomes at scale on a country level. These projects are typically co-created and implemented with independent expert organizations.

### 5.3.3 WATER RESOURCES (ESRS E3)

Water stewardship is a strategic focus for Danone's operations and value chains. The Group has a holistic and systemic approach to protecting water resources. Danone measures its footprint, anticipates risks, and implements actions for mitigation and adaptation, working hand-in-hand with local communities across four pillars: driving water efficiency in and around production sites, preserving water resources and biodiversity of natural ecosystems around Danone's operations, notably by supporting farmers to implement regenerative agriculture practices, supporting communities surrounding Danone's operations and providing water access to vulnerable populations.

The following section presents the Group's material gross impacts and gross risks related to water resources, as well as Danone's associated policies and action plan, metrics and targets.

#### 5.3.3.1 Material impacts, risks and opportunities related to water

##### Process to identify material impacts, risks and opportunities

Danone's water experts use tools to identify and respond to material impacts and risks across its value chains. Danone also engages its external stakeholders through a variety of partnerships, to better assess, promote and implement collective action initiatives around watershed preservation. Some of the key partners include the Ramsar Convention on Wetlands, the Mediterranean Institute for Water (IME) and the French Water Partnership (PFE). The Group is also working with research institutions and NGOs to understand the impact of water scarcity on the value chain, with the goal of sharing this knowledge with peers and stakeholders for more effective collective actions.

Danone uses the tools and assessments presented below to identify its impacts, risks and opportunities and prioritize its interventions.

##### The Water Footprint Assessment

The Water Footprint Assessment (WFA) monitors the surface freshwater, groundwater, and rainwater of Danone's global operations and supply chain. It helps the Group understand the water footprint associated with the production process, packaging, and agricultural commodities used for Danone products. The WFA is carried out using Water Footprint Network (WFN) water intensity values and is integrated as one variable in the Water Risk Assessment for agricultural commodities.

##### The Water Risk Assessment

The Water Risk Assessment (WRA) follows a double materiality approach, meaning that it assesses both Danone's impact on water resources and the impact that water resources, or a lack thereof, have on Danone's business. Danone carries out three types of WRA for each scope (factories, watersheds and agricultural supply chain):

- for its own operations, the Group determines the physical, regulatory, and reputational risks associated with water resources for each site;
- at watershed level, Danone performs an assessment based on the WWF Water Risk Filter to identify watersheds located in areas with a physical water risk, including water scarcity, flooding, water quality and ecosystem services status. The results of this analysis allow Danone to understand where and how to best intervene across the watersheds in which it operates;
- for its agricultural supply chain, Danone conducts a WRA every year on the agricultural value chains of its products, covering both animal- and plant-based ingredients. Similarly to the WRA for operations, this assessment is based on a double materiality approach to identify risks and dependencies related to water through Danone's supply chain.

##### The Sustainable Protection and Resource Managing (SPRING) tool

The Sustainable Protection and Resource Managing (SPRING) tool, co-developed 14 years ago with the Ramsar Convention on Wetlands and the International Union for Conservation of Nature (IUCN), allows Danone to identify watersheds located in areas with a physical water risk, including water scarcity, flooding, water quality and ecosystem services status, and design factory-specific water action roadmaps to meet 2030 targets. While the first version concerned only Danone's water business plants, the latest version, released in late 2023, is cross-business and has 360° scope spanning site operations, wastewater reclaim and watershed protection with local stakeholders. The rollout began in late 2023 for completion in 2025.

##### Consultation with affected communities

Danone promotes a stakeholder-inclusive approach that recognizes the environmental, social, and economic values of water. In collaboration with relevant local stakeholders, such as local authorities, governments, regulators, companies, local communities, suppliers, and universities, Danone prioritizes transparent governance models. These not only improve equitable water use but also allow all parties to harness the diverse benefits of water sustainability. Danone believes that such an approach is crucial for optimizing multilateral actions, effectively mitigating water stress, and addressing risks, including destructive floods, unsustainable land use, and biodiversity loss. The preservation and restoration of water resources in complex natural ecosystems requires action plans based on cutting-edge science and local knowledge, supported by robust data collection and analysis. Since the 1990s, Danone has developed an expert network of professionals, hydrogeologists and agronomists dedicated to water resource management, including water processing, wastewater treatment, and water stewardship. Danone also works with universities, research institutions, and technical solutions providers to cultivate its water expertise, especially as it relates to operations, water stewardship, and regenerative agriculture. It strives to equip its teams, water users, and community of stakeholders with best practices and knowledge, by engaging stakeholders, sharing expertise, and contributing to various open-source platforms. The Group believes this is crucial to fostering greater collaboration in and beyond all the areas where it operates.

More information on the process for engaging with affected communities can be found in 5.4.3.2 *Stakeholder engagement* in section *Processes for engaging with affected communities* in section 5.4.3 *Affected communities (ESRS S3)*.

Danone used these results when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (*i.e.* before actions taken by Danone) which are related to water resources and presented in the next section. More information on the materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

### Presentation of material impacts, risks and opportunities

Following its double materiality assessment conducted in 2023-2024, Danone has identified the following potential material impacts and risks related to water.

Danone's activities could have an impact on water resources at different levels in its value chain if not properly managed:

- upstream, Danone's activities could have an impact on the quality and quantity of water in the supply chain by implementing regenerative agriculture practices;
- with regards to water specifically, following regenerative agriculture practices is a way for farmers to have a positive impact on use of natural sources, the integration of buffer zones, and irrigation management;
- Danone's activities involve withdrawals which could impact local water availability from local aquifers or surface water bodies;
- downstream, Danone's factory discharges could affect the quality of surface water, impacting local environment. This impact is covered in section 5.3.2 *Pollution (ESRS E2)*.

Danone has also identified the following material water resources related risks, as presented in the nature risk assessment described in section 5.3.1 *Climate change (ESRS E1)*:

- Climate risks on the milk in the supply chain (primarily water stress and heat stress): Most impacting climate risk for milk supply chain would be water stress affecting crop yields for feed in some regions. In addition, heat stress could decrease cow milk yields, especially in summer.
- Climate risks on other priority agricultural ingredients: Climate change and increased water scarcity, including the effects of drought, could have a negative impact on crop or tree yields

Note: These impacts and risks are gross, meaning before actions taken by Danone.

### 5.3.3.2 Material impact, risk and opportunity management

#### Governance

The water-related topics are sponsored by the Chief Operations Officer and the Chief Sustainability and Strategy Business Officer and overseen by the SVP Global Operations Excellence, who reports directly to Danone's Chief Operations Officer for own operations, and by the Chief Sustainability Officer for the value chain. The responsibility for the management, implementation and monitoring compliance with all the below policies is assigned to them by Danone's Chief Executive Officer.

### Policies in place related to water

#### The Danone Water Policy

The Danone Water Policy sets out Danone's standards and commitments around an integrated, multi-stakeholder approach to sustainable water management. It provides a foundation for the Group to preserve and restore watersheds where it operates and drive water footprint reduction across its value chain, while enhancing access to safe drinking water. The Danone Water Policy is built on a holistic approach including three strategic pillars:

- Drive water efficiency in and around production sites;
- Preserve water resources and biodiversity of natural ecosystems around Danone's operations;
- Support communities surrounding Danone's production sites and provide water access to vulnerable populations.

All Danone production sites (151 factories) are included in the environmental scope and covered by the principles and rules outlines in the Danone Water Policy. The supply chain is also in the scope of the Water Policy through the Water Footprint Assessment processes. Danone's water ambitions are overseen by the Global Impact Steering Committee and the Global Engagement Committee.

Danone's progress on its water ambitions is also subject to regular review by key Group governance bodies, including an annual review by Danone's Board of Directors and its CSR Committee.

#### Complementary policies

Danone's Clean Water Standards (CWS), described in the section 5.3.2 *Pollution (ESRS E2)*, the Regenerative Agriculture Program, described in the section 5.3.5 *Resource use and circular economy (ESRS E5)* and the Sustainable Sourcing Policy, described in the section 5.3.5 *Resource use and circular economy (ESRS E5)*, also relate to Danone's water management practices.

These policies all contribute to Danone's water management, including the sourcing of water and the use of freshwater resources (surface water and groundwater) for water as a product, as an ingredient after processing, and for utilities in its own operations, water treatment as a step towards more sustainable use of water, and the prevention and abatement of water pollution resulting from its activities. Moreover, through the Danone Water Policy, Danone is also committed to reducing in its sourcing material water consumption in areas under water stress or subject to water scarcity. Danone has programs in place to assess and reduce its water footprint at ingredients level.

### Actions and resources allocated to water management

#### Driving water efficiency in and around production sites

Danone aims to achieve operational excellence at all its production sites. This entails limiting the environmental impacts of Danone's operations while leveraging the interconnection between water, energy, and waste management systems so as to unite performance and sustainability throughout Danone's production processes and final products.

Through the Danone Impact Journey, Danone highlights the importance of Danone's 4R strategy to Reduce, Reuse, Recycle, and Reclaim the water at 100% of Danone's production sites by 2030. The 4R strategy requires all production sites to manage water as efficiently as possible through a site-specific roadmap aligned with surrounding watershed stress, local contexts and regulations, and technological feasibility. The 4R strategy entails:

- Reducing: reduce the total volume of water needed to operate a given system, machine, etc.;
- Reusing: directly reuse "rejected" water streams for other applications without cleaning them with water treatment equipment;
- Recycling: reuse "rejected" water by cleaning it through water treatment equipment to meet specific quality standards (water grades);
- Reclaiming: treat wastewater at a treatment plant to achieve water quality for additional internal/external use.

To reduce overall freshwater withdrawals, Danone's production sites work to maximize wastewater reclaim wherever appropriate. Internally, Danone's sites install water reclaim units where the liquid discharges or effluents are treated and then used for internal cleaning processes. Many sites also participate in external reclaim programs, where treated effluent is sent for agricultural use by farmers, municipalities, or other third-party users for their own production processes. At sites where Danone treats its own wastewater, Danone also monitors the quality of wastewater discharged according to the Danone Clean Water Standard, an internal standard on maximum wastewater discharge limits. More details on the CWS are provided in the section 5.3.2 *Pollution (ESRS E2)*.

In 2024, 99.3% of Danone's production sites had an active 4R action plan to Reduce, Reuse, Recycle and Reclaim water internally or externally to reduce Danone's overall water footprint. Some highlights include:

- **Positive impact operations in Belgium through the 4R strategy:** Both Danone sites in Belgium, located in Rotselaar and Wevelgem, are equipped with reclaim units. Wastewater is treated using a two-step filtration technology and directly reclaimed as clean water, then re-used in production site processes. This helps close the production site's water loop. As a result, overall water consumption has been halved in Danone Belgium since 2018. In 2024, Danone's Rotselaar site reclaimed 261 thousands of m<sup>3</sup> (277 in 2023) while Wevelgem reclaimed 745 thousands of m<sup>3</sup> (540 in 2023) of treated wastewater, resulting in approximately 1,000 thousands of m<sup>3</sup> of wastewater reclaimed (same as in 2023) for both sites.
- **Continuous 4R strategy in India:** Considering the risk of water scarcity in Lalru, India, Danone's Specialized Nutrition production site in the region is continuously optimizing its 4R strategy. Over the last years, the site reduced water usage related to production site operations by over half. In addition to reducing and reusing water, the site also harvests rainwater, with the objective of returning twice the amount of water used by the production site to nature through groundwater areas. Most recently, the site installed an innovative water recycling solution for fresh milk condensate, which resulted in the recycling of 17 thousands of m<sup>3</sup>/year (13 thousands of m<sup>3</sup>/year in 2023).

- **Second life of wastewater in Mexico:** In Mexico, Danone's *Bonafont* brand has been a pioneer in providing a second life to wastewater across its various production sites. In 2024, Danone provided more than 283 thousands of m<sup>3</sup> of water (265 thousands of m<sup>3</sup> in 2023) to nearby business operations, with similar volumes expected in 2025.

- **Reclaim systems:** Across Danone, 11 wastewater reclaim systems were installed in 2024, reclaiming a total 2,367 thousands of m<sup>3</sup>/year of wastewater. Two additional reclaim systems are in the design phase in Volvic and Ferrières in France, designed to reuse around 200 thousands of m<sup>3</sup>/year of treated wastewater from utilities and process water. Several sites are exploring reclaim options, with some potentially operational within five years.

### Preserving water resources and the biodiversity of natural ecosystems around Danone's operations

Preserving and optimally managing freshwater-related ecosystems, including groundwater and wetlands, benefits all water users and is vital to sustaining water resources. Since 89% of Danone's water usage is tied to the agriculture from which Danone sources its production inputs, the Group prioritizes the sustainability of its agricultural supply chain as well as the watersheds in which it operates. Danone's Water Stewardship programs emphasize nature-based solutions – such as agroforestry, wetlands preservation, and resilient agriculture practices – and are built around inclusive participation of local stakeholders. To sustainably manage and restore ecosystems for the benefit of both nature and communities, Danone's interventions leverage a landscape approach, which addresses not just water use but a variety of environmental, social, and economic objectives within a given territory or watershed. Landscape approaches result in benefits that go beyond the improved sustainability of water resources, including enhanced biodiversity, soil health and carbon sequestration, as well as social benefits such as improved livelihoods of local communities.

### The protection and restoration of watersheds

In 2024, 57 of the watersheds in which Danone has production sites are located in highly water-stressed areas, for which preservation and restoration plans are either implemented, in progress or in the planning stage. To improve water resource stewardship and encourage biodiversity, soil health and carbon sequestration, Danone focuses on a landscape approach and the IUCN's Nature-based Solutions, such as agroforestry, wetland preservation and agriculture optimization. Danone contributed to the guidance on Benefit Accounting of Nature-based Solutions for water stewardship and to the development of the NbS Benefits Explorer, a web-based tool which serves as a key starting point for organizations looking to invest in Nature-based Solutions.

Between 2020 and 2024 Danone implemented more than 20 watershed preservation action plans with the stakeholders involved. In 2024, 62% of the total water intake of production sites located in water-stressed areas were covered by effective watershed preservation measures (9% more compared to 2023). In 2024, following the cross-mapping exercise with its peers in central Mexico to build collective actions, the Group joined the Charco Bendito alliance in Guadalajara. Focusing on forest maintenance, social entrepreneurship for women and village water access, the long-term project looks ahead to 2030 and beyond. Furthermore, in mid-2024, the Group commissioned a project co-designed by the Tláloc Foundation in Toluca and the community of Santiago de Tlacotepec on the flank of the Sierra de Nevado de Toluca volcano. Led by Agua Segura, the project is focused on forest maintenance with 10 km of fire barriers and wood gabion dams to reduce soil erosion and promote water infiltration in the recharge area of the large aquifer in Toluca Valley. In Indonesia, the Group launched the second phase of the Bali Dwipa project in the Ayung watershed. The project covers upstream agroforestry, and ecotourism development in the forest. The project also made it possible to implement the Aquamina fish pond, based on the aquaponics principle. It is carried out in collaboration with the Watershed Forum and implemented by NGO Kopernik.

### Rollout of regenerative agriculture practices in the agricultural value chains of Danone's products

To identify the initiatives that will have the greatest positive impact on water resources, Danone conducts a yearly Water Risk Assessment (WRA) on the agricultural value chains of its products, covering both animal- and plant-based ingredients. Based on the results of these assessments, Danone is working towards establishing a water metrics baseline for all value chains in water-risk areas. Danone will focus on its direct milk supply chain, specifically with regards to feed management, which significantly contributes to Danone's water footprint.

In 2023, Danone updated its supply chain risk analysis to (i) identify the most material ingredients in terms of water risk and (ii) assess the water-related risks for all 69 ingredients in its supply chain. By cross-referencing the water impact, sourcing location, and water risk-related exposure of each ingredient with its relevance to the business, the Group determined a list of the top 20 most material ingredients to prioritize for supply chain security in terms of water. It found that 54% of the volume of these material ingredients are sourced from areas at water risk. Danone also prioritized the top 13 ingredients in terms of sourcing volumes to be addressed and tracked by 2030, as their sourcing regions face some of the biggest water risks. These ingredients include fresh milk, fruit, nuts, sugar, starches, and oil. For example, beyond Danone's own operations, Danone Ecosystem has launched the Hlib Bladi project to expand and anchor sustainable milk production in Morocco by improving the revenues of small farmers and milk collection centers, while enhancing the volume and quality of their milk production. Specific actions related to feed resilience in light of increasing drought and water scarcity will be tested and implemented by the farmers.

Danone is also developing projects on high-risk ingredients such as strawberries, sugar beet and almonds. For instance, the Group is developing projects on strawberries in Mexico. In this regard, Danone promotes regenerative agriculture practices with farmers in southwestern Mexico, an area exposed to high water stress and crucial for strawberry production. Farmers receive training, technical support and incentives to improve water management at the farm level, reduce water usage and secure better-quality yield through decreased pesticide use. These practices boost farmers' competitiveness, improve their working conditions and strengthen their relationship with their ecosystems, resulting in more sustainable farming activity.

### 5.3.3.3 Metrics and targets

#### Targets related to water management

Danone has set the following targets within the Group sustainability strategy, in line with the objectives set in the Danone Water Policy:

- deploy the 4R strategy in all the Group's production sites by 2030;
- implement watershed preservation/restoration plans in highly water-stressed areas of production sites by 2030;
- source 30% of key ingredients directly from farms that have begun the transition to regenerative agriculture by 2025.

The target to deploy the 4R strategy in all the Group's production sites by 2030 relates to Danone's operations, in line with Danone's objective to drive water efficiency in and around production sites. This target is absolute, and is measured in number of sites. It applies to all of Danone's sites. The baseline year was 2020, when 49% of Danone sites had a 4R action plan in place. This target can be locally aligned with local authority requirements of rolling out water savings projects to decrease water losses at industrial level. Progress is assessed on an annual basis through a review of projects implemented at production sites during the year.

The watershed preservation target relates to Danone's objective to preserve water resources and the biodiversity of natural ecosystems around Danone's operations. This target is relative, as it relates to the number of sites with a preservation and/or restoration plan, out of all sites in highly water stressed areas. The KPI is calculated considering the total water intake volume per watershed under high stress where Danone operates. Once there is an effective watershed preservation plan in place – Nature-based Solutions, involvement of local communities, water governance topic included in the project – 100% of the total water intake of operational sites within this watershed is considered. These volumes are then added together and a ratio from the sum of the total water intake of direct operations located in the 57 watersheds in highly water-stressed areas can be calculated. The target is to implement watershed preservation/restoration plans in 100% of highly water-stressed areas by 2030. According to priorities considering both volume and materiality, Danone has set itself key values to reach every year up to 2030. The targets are monitored every year through meetings with Country Business Units, to validate the watershed preservation/restoration plan.

The objective to source 30% of key ingredients directly from farms that have begun the transition to regenerative agriculture by 2025 is presented in the section 5.3.2 *Pollution (ESRS E2)*. With regards to water specifically, following regenerative agriculture practices enables farmers to have a positive impact on use of natural sources, integration of buffer zones, and irrigation management.



These targets relate to the management of material impacts, risks and opportunities related to areas at water risk, including improvement of water quality, and the reduction of water consumption, with an explanation of how those targets relate to areas at water risk, including

areas of high water-stress. These targets are voluntary targets that Danone has set in part to address its impacts, risks and opportunities related to water issues.

**Metrics related to water management**

More information on water consumption related to manufacturing sites is available in the Methodological note.

In 2024, Danone’s total water drawn reached 59,889 thousands of m<sup>3</sup> (60,985 thousands of m<sup>3</sup> in 2023). Of this, 33,255 thousands of m<sup>3</sup> comes from areas at water risk, including areas of high-water stress.

(in thousands of m <sup>3</sup> )	2023	2024
<b>WATER DRAWN FROM THE SURROUNDING AREA</b>		
River water	2,486	2,612
Municipal water	18,408	18,577
Well water	40,090	38,700
<b>TOTAL WATER DRAWN VOLUME</b>	<b>60,985</b>	<b>59,889</b>

In 2024, the total volume of water drawn decreased by 1.8% compared to 2023. The uses associated with this total volume of water drawn in 2024 are as follows:

- 46% went into finished products, mainly at bottling sites, or was used for by-products;
- 54% was used in industrial processes, with details given in the table below.

	2023	2024
<b>WATER RELATED TO THE PRODUCTION PROCESS</b>		
Water consumption (in thousands of m <sup>3</sup> )	32,945	32,336
Intensity of water consumption (in m <sup>3</sup> per metric ton of product)	1.01	1.00
Intensity of water consumption (in m <sup>3</sup> per revenue)	1,193	1,181

Other metrics related to water resources followed by Danone:

- in 2024, total water recycled and reused represented 1,291 thousands of m<sup>3</sup>;
- deploy the 4R strategy: in 2024, 99.3% of Danone’s production sites had an active 4R action plan to Reduce, Reuse, Recycle and Reclaim water internally or externally to reduce Danone’s overall water footprint (compared to 95% in 2023);
- implement watershed preservation/restoration plans in highly water stressed areas by 2030: in 2024, 75 manufacturing sites (compared to 77 in 2023) were considered to be in highly water stressed areas, of which 47% had a preservation/restoration plan;
- water ratio for sites at physical risks: related to the Water Ratio Reduction in sites at physical water risk, Danone achieved 55.9% of its target by 50% in 2024 versus 60.6% in 2023;
- in 2024, 39% of key ingredients were sourced directly from farms that have begun the transition to regenerative agriculture

**Methodology note for water-related KPIs**

Water consumption in operations mainly covers production sites.

The definitions and the method of accounting for various uses of water (including run-off, water pumped from and discharged into streams, water used in the composition of finished products, recycled/reused water, water given to a third party, etc.) are outlined in the technical environmental guide prepared by Danone and distributed to its subsidiaries. The amount of water withdrawn corresponds mainly to water used for industrial processes and in the creation of finished products.

Water used in once-through cooling systems (in which the water withdrawn is returned to its original environment after it has passed through the system once without recirculating) is not taken into account in the total amount of water withdrawn. Rainwater is also excluded from the total amount of water withdrawn. It is included in volumes of recycled/reused water only if it is used by the site. For the Waters Category sites, volumes of water withdrawn but not consumed by the site are not taken into account due to losses or to overflow upstream from the plant (losses or overflow at the well or spring level). When logistics centers are located adjacent to industrial sites, their water consumption is taken into account if the site is unable to subtract this consumption. The proportion of factories with water stress history having halved their process water intensity since 2015 or that are at best-in class level is calculated every year until 2030. The perimeter is based on all production sites being part of Danone’s Production sites reporting scope for the reporting year and listed as having water stress history through the Water Risk assessment done the same year. For all sites already in scope in 2020 (when the KPI was set) the target is 50% reduction in water intensity. For sites joining the scope after 2020, the target is proportional and calculated depending on the year of entry vs target in 2030 (e.g., a site entering in 2024 will have to reduce its water ratio by 30%). The Group considers best-in-class, sites of the Waters Category reaching a process water intensity below 0.25 m<sup>3</sup>/tons.

### 5.3.4 BIODIVERSITY AND ECOSYSTEMS (ESRS E4)

Healthy ecosystems are the foundation of food supplies and the planet's future, which is why Danone is working closely with farmers, suppliers, NGOs, and local communities to promote regenerative agriculture, protect natural habitats, and encourage responsible sourcing. By actively reducing its environmental footprint, protecting nature and fostering biodiversity, the Group aims to ensure the resilience of both its business and the planet.

The following section presents the Group's material gross impacts related to biodiversity, as well as Danone's associated policies and action plan, metrics and targets.

#### 5.3.4.1 Material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems

##### Process to identify material impacts, risks, dependencies and opportunities

Danone engages in consultations with stakeholders, experts and external organizations, and deploys tools to identify material impacts, risks, dependencies, and opportunities related to biodiversity and ecosystems in its value chain.

In 2024, Danone conducted a biodiversity double materiality assessment of its own site locations and upstream activities involving the following three aspects, each based on specific components:

- **The impact materiality assessment** involved a science-based evaluation, aligned with SBTN methodology, of the severity and locations of Danone's impacts on biodiversity within its own operations and upstream value chain. This impact assessment relied on pressure analysis, State of Nature analysis, prioritization, and impact materiality mapping, as well as an analysis of High-Impact Commodities (HIC) using a volume-based approach. These inputs were then used to identify material country-commodity pairs, subsequently grouped according to Danone's five operating regions. This impact assessment identified the upstream value chain as having the most material impacts on biodiversity and ecosystems. The Group therefore focused its analysis and actions on its upstream activities.
- **The dependency assessment** covered Danone's upstream value chain and its own operating sites using the WWF Biodiversity Risk Filter and TNFD Guidance to identify ecosystem services on which the Group is dependent. Commodities required for dairy products were identified as the ones with the highest reliance on ecosystems, with a high dependency associated with water scarcity, as well as soil condition and water quality.
- **The financial materiality assessment** involved an evaluation of the financial effects of biodiversity impacts on Danone's business model within the scope of its upstream value chain, calculated using State of Nature Indicators and WWF Biodiversity Risk

Indicators. Physical and transitional risks were analyzed in line with the TNFD LEAP methodology, and opportunities were selected in line with Danone's sectorial approach, through desktop research.

Danone consults with its network of stakeholders and expert groups on biodiversity. The Group is working closely with farmers, suppliers, NGOs, and local communities to promote regenerative agriculture, protect natural habitats, and encourage responsible sourcing. Through its Regenerative Agriculture Program, which is beneficial to biodiversity, the Group is engaging especially with farmers as a core pillar of the Group's Regenerative Agriculture Program; their involvement and empowerment through landscape- and ecosystem-based approaches is one of the ways in which Danone develops lasting relationships with them, often over multiple generations. More information on the process for engaging with affected communities can be found in the section *Processes for engaging with affected communities* in the section 5.4.3 *Affected communities (ESRS S3)*.

Systemic risks have been considered in the nature risk analysis conducted and presented in the section *Presentation of material impacts, risks and opportunities* in the section 5.3.1 *Climate change (ESRS E1)*. Due to the absence of external consensus and guidelines on certain methodologies related to biodiversity, the tools to identify and assess the gross material risks and opportunities are still under development.

Danone used these results when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (*i.e.* before actions taken by Danone) which are related to biodiversity and presented in the next section. More information on the materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

##### Presentation of material impacts, risks and opportunities

Following its double materiality assessment, Danone has identified the potential gross material impacts and risks related to biodiversity and ecosystems. Due to the significant overlap with other sustainability matters, most of the items listed below are covered in other sections of this Universal Registration Document, which are incorporated by reference where appropriate.

The results of the double materiality assessment showed that upstream activities are the most material on biodiversity and ecosystems and highlighted the following potential gross impacts and risks as material at the different levels of Danone's value chain, *i.e.* before any action or measure implemented by Danone:

- farming practices can in some cases be linked to intensive agriculture practices which might occur in Danone's upstream value chain. In such farms, those practices could contribute to species extinction.

Furthermore, the following potential impacts, identified respectively in 5.3.1 *Climate change (ESRS E1)*, 5.3.2 *Pollution (ESRS E2)*, 5.3.3 *Water resources (ESRS E3)* and, 5.3.5 *Resource use and circular economy (ESRS E5)* could also lead to affecting biodiversity if not properly managed:

- Danone's activities could contribute to global warming due to GHG emissions from its facilities and value chain, particularly given the business model's reliance on agriculture. GHG emissions in turn can lead to changes in ecosystems and therefore impact biodiversity;
- for activities related to crops, over-application of fertilizer inputs and pesticides could contribute to pollution and affect water and soil quality. For activities related to fresh milk, pollution from manure could affect air, water and soil quality;
- Danone's activities involve withdrawals which could impact local water availability from local aquifers or surface water bodies;
- through its sourcing activities, by which the Group is dependent on agriculture and farming activities, Danone could have an impact on deforestation and land use change due to farming expansion.

In Danone's value chain, the activities that may materially affect biodiversity negatively are activities located in the upstream part of the value chain, in relation to the agricultural activities used to produce Danone's ingredients (milk, forest commodities, etc.). The results of the identification and assessment of actual and potential impacts on biodiversity and ecosystems do not point to the Group's own operations as having a material impact on biodiversity and ecosystems.

In its assessment of sites in direct operations using the Biodiversity Risk Filter, Danone identified some sites registering scores associated with industry impacts and high-risk locations. The actions related to pollution and water described respectively in the sections 5.3.2 *Pollution (ESRS E2)* and 5.3.3 *Water resources (ESRS E3)* aim at tackling the effects Danone's own operations could have on the sites' surrounding environment: in all its own sites, the Group complies with the highest environmental standards.

Note: These impacts are gross, meaning before actions taken by Danone.

### Resilience analysis related to biodiversity and ecosystems

In 2024, Danone conducted an analysis to determine the resilience of its strategy and value chain to nature-related challenges with support from a specialist external consultancy firm. The scope of the analysis covered Danone's own operations (all material food and beverage production sites worldwide as of end-2023) and its upstream value chain, focusing on all high-impact commodities sourced as of end-2022. In order to identify the high-impact commodities to focus on, Danone followed Science Based Target Network guidance, as recommended by the TNFD framework to corporations. The assessment was performed within a single timeline ranging from present day to medium-term (i.e. five years), working from the Group's most recently available reporting data and State of Nature datasets.

This analysis, which complements the climate resilience assessment described in section 5.3.1 *Climate change (ESRS E1)*, concluded that where biodiversity and ecosystem-related matters are concerned, Danone has the greatest opportunity to build a resilient value chain by driving positive impact in soil health and water management.

### 5.3.4.2 Material impact and risk management

#### Governance

The topics linked to biodiversity and ecosystems are sponsored by the Chief Sustainability and Strategy Business Development Officer and the Chief Operations Officer who are members of Danone's Executive Committee. The responsibility for the management, implementation and monitoring of compliance with policies related to biodiversity and ecosystems is in the scope of Danone's Chief Operations Officer.

#### Policies in place related to biodiversity and ecosystems

Due to the significant overlap with other sustainability matters, this section focuses on the contents of Danone's environmental policies as they specifically apply to biodiversity and ecosystems. The complete descriptions of these policies can be found in the relevant sections of this Universal Registration Document, as indicated by the references below.

#### Danone's policy related to forest ecosystems

##### The Renewed Forest Policy

Danone's Renewed Forest Policy addresses the Group's impacts on deforestation and land-use change due to farming expansion by helping to preserve forests and land-based ecosystems. The policy includes the following objectives:

- aiming at delivering traceable and verified deforestation and conversion-free supply chains across priority direct commodities by 2025 at the latest, with a cut-off date of December 31, 2020, at the latest;
- support landscape projects that protect natural ecosystems and restore, or regenerate, converted or degraded land by 2030.

The policy focuses on Danone's five key direct commodities linked to deforestation and land conversion: palm oil, paper and board, soy, cocoa, and animal feed. The Group has developed specific roadmaps, targets, and timelines for each commodity, and identified collaborative initiatives to help drive progress beyond its own value chain, including campaigns and consultations to enhance traceability.

Danone draws on the Accountability Framework Initiative (AFI) guidance to ensure purchased raw materials do not originate from landscapes and communities that involve:

- planting on high carbon stock (HCS) forests or forests with high conservation value (HCV);
- planting on peatland, grassland, or wetland;
- land clearing by burning or cutting.

The policy is approved by the Chief Operations Officer, Chief Sustainability & Strategic Business Development Officer, and the Chief Cycles & Procurement Officer. The Chief Cycles & Procurement Officer, who reports to the Chief Operations Officer is accountable for the implementation of the policy. By contributing to developing a more lasting and sustainable agricultural model, the Forest Policy addresses Danone's dependencies on biodiversity and ecosystems.

The monitoring process of this policy is described in the section on *Actions related to forest ecosystems*.

## Danone's policy related to regenerative agriculture

### Regenerative Agriculture Program

Since 2017, Danone has been designing and deploying a Regenerative Agriculture Program, which is described in section 5.3.1 *Climate change (ESRS E1)* and includes guidance on practices that facilitate the preservation of biodiversity and specific indicators linked to the presence of native species. They notably address:

- Soil: intensity of tillage, proportion of soil covered, land with crop rotation and number of species, monitoring and content of organic matter;
- Biodiversity: strategies for weed and pest control to limit chemical inputs, proportion of natural habitats on agricultural lands, proportion of locally grown animal feed.

The description of the Regenerative Agriculture Program and of Danone's adoption of the SAI Platform's Regenerating Together Framework are described in section 5.3.1 *Climate change (ESRS E1)*.

Dairy-related activities are among Danone's largest contributors to impact drivers on biodiversity and ecosystem degradation and loss. This is why Danone's Regenerative Agriculture Program includes a Regenerative Agriculture Scorecard, which presents detailed practices regarding pesticides and weed management, natural habitats, and feed self-sufficiency. The Regenerative Agriculture Program also comprises a lever of optimizing soil health for livestock feed and crops, through low/no till, cover crops, careful application of pesticides and weeds management. In addition, the program is also advocating for the preservation of natural habitats, hedge planting, and advocating for use of local protein sources and forage. By contributing to developing a more lasting and sustainable agricultural model, the Regenerative Agriculture Program addresses Danone's dependencies on biodiversity and ecosystems.

The full description of the Regenerative Agriculture Program is available in section 5.3.1 *Climate change (ESRS E1)*.

## Danone's policy related to water

### Danone Water Policy

Preserving water resources and biodiversity of natural ecosystems around Danone's operations constitutes one of the three strategic pillars of the Danone Water Policy (updated in 2024). This commitment complements the Group's Regenerative Agriculture Program, as 89% of Danone's water usage is tied to agriculture from which it sources production inputs. The Group follows a landscape approach to sustainably manage and restore ecosystems, addressing water use as well as means to enhance biodiversity and soil health.

Moreover, Danone's yearly Water Risk Assessment (WRA) conducted on its own activities and on the agricultural value chains of its products ensures traceability of milk production at the farmer level to further monitor biodiversity impacts.

At the watershed level, the WRA involves an assessment based on the WWF Water Risk Filter to determine which production sites are in high water stress areas.

The full description of the Danone Water Policy and the Water Risk Assessment is available in section 5.3.3 *Water resources (ESRS E3)*.

## Danone's policy related to climate change

### Danone's Climate Transition Plan

Danone's Climate Transition Plan includes dedicated processes to address climate-related impacts and risks, notably those related to water stress, thermal stress, and extreme weather events. The plan's objectives regarding regenerative agriculture, ingredient sourcing, and milk are integral to Danone's goals of, wherever possible, avoiding and mitigating the impacts of climate change that could affect crop suitability and productivity, and the resulting risks. A full description of the Climate Transition Plan is available in section 5.3.1 *Climate change (ESRS E1)*.

### Actions related to biodiversity and ecosystems

Due to the significant overlap with other sustainability matters, this section includes references to action plans and resources described in full in other sections of this Universal Registration Document.

### Actions related to forest ecosystems

To deliver on the commitments enshrined in Danone's Renewed Forest Policy, the Group leads actions within its value chain and beyond, including through industry partnerships.

Danone is notably a member of the Consumer Goods Forum Forest Positive Coalition (CGF FPC) steering committee and of the CGF FPC working groups on palm oil, soy, and paper. In this capacity, the Group advocates for change across three complementary areas:

- achieving verified deforestation- and conversion-free (vDCF) value chains;
- supporting the Group's suppliers in reaching this target;
- extending these commitments beyond Danone's value chains, particularly by supporting landscape projects, to transition towards a forest-positive model.

Between 2022 and 2024, Danone updated its process to assess supplier performance in delivering traceable and vDCF commodities, and to obtain traceability information to determine the closest or actual location, where possible, of commodity production. As of 2024, this assessment has become a bi-annual process.

### Actions taken in 2024

In 2024, Danone partnered with 3Keel (an external commodities consultancy firm) to upskill its Ingredient team buyers on Net-Zero, Deforestation and Land Use Change, Nature, and Regenerative Agriculture. A total of 13 different sessions were held with over 60 buyers.

While the Group is requiring suppliers to provide deforestation- and conversion-free raw materials for selected key direct commodities, the verification and monitoring process is a continuous effort. Danone relies on several strategies adapted to each commodity based on third-party verification such as chain of custody certifications or satellite imagery:

- In 2024, with the help of 3Keel, Danone reinforced its traceability process by moving from an annual to a semi-annual data collection. This helped to monitor even more efficiently the progress towards forest policy targets and enable effective engagement with suppliers across the year.
- Satellite monitoring is a complementary monitoring method that is based on improved traceability in Danone's supply chains. It helps the Group assess and monitor any risk of deforestation or conversion associated to its sourcing areas and its suppliers. The objective is to determine the vDCF status of the remaining volumes that could not be verified through another pathway (such as segregated certification that provides full vDCF assurance or origin from low-risk country with full traceability). Danone aims to monitor production units to ensure that those volumes are not linked to deforestation. If any risk arises, Danone defines mitigation action plans by engaging with the suppliers or enhancing the level of granularity in terms of traceability. Danone is working towards expanding the deployment for all commodities and areas when and where feasible.
- This is made possible by the expertise of two different partners providing real-time monitoring combined with satellite data with supply chain linkage data (since cut-off date).
- Danone also expanded its traceability campaigns to commodities with suppliers which are not covered by Danone's Forest Policy to enhance Danone's sustainable sourcing strategy.

Danone recognizes targeted action is sometimes required in addition to industry-wide collaboration. A more detailed list of the actions Danone has taken in relation to deforestation and land-use change due to farming expansion, including on certification processes, is available in section 5.3.5 *Resource use and circular economy (ESRS E5)*.

A full account of Danone's actions related to traceability, certification, and those specific to each key commodity is available in the Forest Annual Update on Danone's website.

### Actions related to regenerative agriculture

Ingredients (dairy and other raw materials) play a crucial role in achieving Danone's targets across a wide spectrum of sustainability matters.

In 2024, Danone leveraged its Partner for Growth program, along with other supplier engagement projects, to decarbonize its supply chain, promote regenerative agriculture practices, implement sustainable water management practices, and remove deforestation and conversion from its supply chains. The Group signed 19 new strategic agreements and eight joint business development plans, surpassing its initial targets. Many of the partnerships focus on accelerating decarbonization and sustainability projects with Danone and its suppliers.

Moreover, Danone actively contributed to developing the Sustainable Agriculture Initiative (SAI) Platform's globally aligned framework, "Regenerating Together", for the transition toward regenerative agriculture practices, respectful to biodiversity. For more information on the SAI Platform, see section 5.3.1 *Climate change (ESRS E1)*.

The detailed list of key achievements and actions taken in 2024 regarding agricultural commodities is available in section 5.3.1 *Climate change (ESRS E1)*.

### Actions related to water

Between 2020 and 2024, Danone deployed more than 20 watershed preservation action plans with the stakeholders involved.

Examples of watershed preservation projects include actions Danone has conducted in partnership with the Association for the Protection of the Évian Mineral Water Impluvium (APIEME) in France. Created in 1992, the APIEME is a public-private partnership between the *evian* brand and the 13 municipalities located around the Évian Impluvium. It aims to ensure that the economic development of the region supports the preservation of the water resource. Danone conducts regular wetland preservation actions with local stakeholders alongside the APIEME to preserve the Évian Impluvium and the hundreds of wetland areas it contains, which play a key role in biodiversity and water cycle preservation. The Évian Impluvium in France has been designated as a site of international importance by the Ramsar Convention on Wetlands.

The detailed list of key achievements and actions taken in 2024 regarding watersheds preservation and restoration is available in section 5.3.3 *Water resources (ESRS E3)*.

### Actions related to climate change

The actions implemented by Danone to combat climate change are presented in the section 5.3.1 *Climate change (ESRS E1)*. A detailed presentation of the actions comprised in each of the eight programs designed to curb the Group's GHG emissions is available in that section.

### Engagement with local and indigenous groups

Throughout its commitments, policies and actions, Danone places special emphasis on collaborating with local and indigenous groups to incorporate their knowledge and practices. Farmers are a core pillar of the Group's Regenerative Agriculture Program, and their involvement and empowerment through landscape- and ecosystem-based approaches is one of the ways Danone develops lasting relationships with them, often over multiple generations. Danone's Water Stewardship and Regenerative Agriculture Programs emphasize nature-based solutions, such as agroforestry, wetlands preservation, and resilient agriculture practices, and are built around inclusive participation of local stakeholders. Danone develops collaborative actions with a diversity of local stakeholders, such as communities, authorities, academics, NGOs, in the framework of its watershed preservation program. These actions concern implementation of solutions in the landscape (reforestation, agroforestry, wetland restoration, etc.), local governance, as well as water access program in some locations, empowering local communities in the management of the service.

### 5.3.4.3 Metrics and targets related to biodiversity and ecosystems

Danone's biodiversity- and ecosystems-related targets are linked to the key performance indicators specified in the Preserve & Regenerate Nature pillar of the Danone Impact Journey.

When setting the following targets, the Group has not applied ecological thresholds, nor used biodiversity offsets.

#### Metrics and targets related to forest ecosystems

The Group has committed to various targets to reduce its material impacts on deforestation and land-use change caused by farming expansion.

The Danone Impact Journey and the Group's Renewed Forest Policy have also set a clear target to achieve a traceable, verified deforestation- and conversion-free value chain on key commodities by 2025. Danone's journey to achieve and maintain deforestation and conversion free on these key commodities means at least a 97% verified deforestation- and conversion-free rate, due to the verification process and supply chain constraints. While Danone is requiring suppliers to provide deforestation- and conversion-free raw materials for the selected key commodities, it has set up a robust verification process to ensure it is meeting its commitments. This target relates to the layer of avoidance in the mitigation hierarchy.

The forest target has been informed by key legislation and frameworks, such as the European Union Deforestation Regulation (EUDR) and the Kunming-Montreal Global Biodiversity Framework, and relates to the layer of avoidance, restoration and rehabilitation in the mitigation hierarchy.

Progress on this target is tracked and assessed through a bi-annual traceability campaign, with a scope covering palm oil, soybeans, paper, and cocoa. More information on the forest target is available in the section 5.3.5 *Resource use and circular economy (ESRS E5)*.

Using 2024 sourcing data, Danone has achieved 93% of verified DCF direct sourcing for commodities in scope, compared to 84% last year. This result shows progress on the Group's efforts to fight conversion over time of land cover, in the form of deforestation, among others, and on the changes over time induced by the Group in the management of the ecosystem, through the preservation of key ecosystems, such as forests, and the restoration/conversion of landscapes.

#### Metrics and targets related to regenerative agriculture

As part of the Danone Impact Journey, Danone has set a target that by 2025, **30% of key ingredients** (including milk, soy, almonds, oats, cereals and selected fruits and vegetables) **directly sourced by Danone will come from farms that have begun the transition to regenerative agriculture**. This target relates to the layer of minimization, restoration and rehabilitation in the mitigation hierarchy.

Farmers that have begun transition to regenerative agriculture have reached Level 1 or higher on the Regenerative Agriculture Scorecard Assessment. Reaching Level 1 means the farmers have implemented practices such as minimization of synthetic pesticides and herbicides, in favor of integrated pest management practices, less detrimental to the development of biodiversity and the life of species.

More detailed information about this target is available in section 5.3.2 *Pollution (ESRS E2)*.

In 2024, Danone sourced 39% of its key ingredients (milk, soy, almonds, oats, cereals and selected fruits and vegetables) directly from producers who have begun their transition to regenerative agriculture. Danone's 2030 ambition will be updated in 2025. This result shows progress on the changes over time induced by the Group in the management of the ecosystem, through the development of regenerative agriculture practices.

#### Metrics and targets related to water

Danone has set the following targets in line with the objectives set in Danone's Water Policy:

- **deploying the Group's 4R strategy in all its production sites by 2030;**
- **implementing watershed preservation/restoration plans in highly water-stressed areas by 2030.**

These target relates to the layer of minimization and restoration and rehabilitation in the mitigation hierarchy. More information on the water targets is available in section 5.3.3 *Water resources (ESRS E3)*.

In 2024, the progress was 99.3%. The baseline year was 2020, when 49% of Danone sites had a 4R action plan in place.

Implementation of watershed preservation/restoration plans in highly water-stressed areas by 2030: in 2024, 49.7% (compared to 50.3% in 2023) of Danone's manufacturing sites were considered to be in highly water-stressed areas, out of which 47% have a preservation/restoration plan.

These results show progress on the changes over time induced by the Group in the management of the ecosystem, through the development of better water management practices.

#### Metrics and targets related to climate change

Since climate conditions have an impact on biodiversity, the Group's targets on reducing GHG emissions and methane emissions are also to be taken into account in Danone's biodiversity strategy. More information on the Climate Transition Plan and the Group's targets on these topics is available in section 5.3.1 *Climate change (ESRS E1)*. This target relates to the layer of avoidance and minimization in the mitigation hierarchy.

## 5.3.5 RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

Resource use and circular economy is an important topic for Danone. The Group has different resource inflows for its products, packaging and factories; its resource outflows consist primarily of the products and their related packaging and the industrial waste that leave the factories. With regard to all these, Danone is aiming to limit its virgin resource use to transition to a circular economy.

The following section presents the Group's material gross impacts and gross risks related to circular economy and resource use, as well as Danone's associated policies, action plans, metrics and targets.

### 5.3.5.1 Material impacts, risks and opportunities related to resource use and circular economy

#### Process to identify material impacts, risks and opportunities

Danone has conducted its assessment of impacts, risks and opportunities across its entire value chain. Upstream, resource use mainly occurs at the sourcing stage, with the production of agricultural and forest commodities and sourcing of water. Danone also uses resources, including energy and water, to make its products and their related packaging. In addition, Danone generates industrial waste as part of its operations. Downstream, resource outflows include waste linked to food loss and to the end-of-life of packaging.

All disclosure requirements including presentation of impacts, risks and opportunities, policies, actions, metrics and targets related to energy use and water consumption are presented in sections 5.3.1 *Climate change (ESRS E1)* and 5.3.3 *Water resources (ESRS E3)*, respectively. Some disclosure requirements are also presented in section 5.3.2 *Pollution (ESRS E2)*; these are either linked to agricultural commodities in a general approach (process to identify the IROs, description of policies and targets) or specifically linked to pollution related to agricultural commodities. Information on agricultural commodities in terms of resource use are presented in this section, along with sourcing of forest raw materials, packaging end-of-life and food loss and waste.

#### Sourcing of raw materials

Danone uses essentially milk, agricultural commodities (such as soy, oats, almonds, strawberries, apples, peaches, sugar beet, etc.) and forest commodities.

The process for identifying material environmental impacts related to agricultural commodities is outlined in section 5.3.2 *Pollution (ESRS E2)*, while the processes for including environmental risks and opportunities regarding agricultural commodities are related to the climate and water risk assessments described in sections 5.3.1 *Climate change (ESRS E1)* and 5.3.3 *Water resources (ESRS E3)*, respectively.

Danone's approach to forest commodities is centered on five commodities it considers key, due to their known risks and their importance to Danone's products: soy, palm oil, paper and board, cocoa, and animal feed. To select these key commodities, Danone consulted with its stakeholder network and expert groups, taking into

account the latest data. The findings indicated that these materials are the primary contributors to land conversion and land use change, particularly deforestation, as highlighted in the WWF Risky Business Report and the EU proposal for deforestation-free products, which came into force in June 2023.

#### Packaging

Packaging plays a crucial role in Danone's operations as it safeguards food and beverages, extends their shelf life, and minimizes food waste. Plastic packaging, which accounts for about 50% of Danone's total packaging volume, has notably become the standard for food and beverages. This is due to its properties such as being lighter yet still strong and protective, more functional and convenient for both consumers and distributors, less energy-intensive than glass, and considered safe from a hygiene perspective. As a prominent Group in natural mineral and spring water, as well as dairy and plant-based products, Danone, like other peers, uses plastic packaging. However, the widespread use of plastic packaging combined with inadequate end-of-life management have caused significant environmental challenges. Danone has been working for many years to reduce the use of plastic packaging, improve the circularity of plastics that cannot be eliminated, and recover what is not kept in circulation. Danone also collaborates with industry alliances, civil society and governments to develop effective systems to collect, reuse and recycle packaging.

To identify the impacts, risks, and opportunities associated with packaging, Danone takes a comprehensive approach that integrates both environmental and financial perspectives. Through internal assessments and specific studies, Danone evaluates how packaging impacts the environment and people (such as end-of-life treatment, GHG emissions) and how these environmental factors, in turn, affect Danone's financial performance (for example, regulatory compliance costs, shifts in consumer preferences). Stakeholder engagement is essential, involving suppliers, expert groups, governments and NGOs to validate and refine these assessments. This transparent and systematic process ensures that Danone's packaging strategy aligns with sustainability goals and regulatory requirements, while also identifying opportunities for innovation and cost optimization.

#### ■ Main internal assessments:

- (1) Regulatory monitoring by the General Secretary teams at both national and regional level along with an annual global assessment of policy trends and upcoming developments;
- (2) Annual internal assessment of Danone's packaging footprint by analyzing the volumes purchased for each country and packaging type and calculating environmental Key Performance Indicators (KPIs). These environmental KPIs include metrics on packaging recyclability rates, actual recycling rates, use of recycled content, and greenhouse gas emissions;
- (3) Annual internal estimation of the presence of plastic in its operations to identify its usage at virtually every stage of the value chain: from some of its Suppliers and Subcontractors upstream, in its production sites, to downstream in its logistics operations for product delivery to customers and consumers.

Thanks to these internal assessments, Danone has identified:

- Most plastics in Danone's value chain, i.e., more than 94%, are used for packaging (assessment described in 5.7 *Vigilance plan*);
- Of Danone's total packaging footprint, plastic packaging represents around 50% of volumes of packaging purchased.

### ■ Stakeholder engagement:

While Danone consults a broad number of stakeholders (some of them mentioned in 5.4.1.2 *Stakeholder engagement* in the section 5.7 *Vigilance plan*), the key partners include:

- (1) Ellen MacArthur Foundation (EMF), through initiatives such as the New Plastics Economy and the Global Commitment on Plastics, spearheaded by EMF in collaboration with the United Nations Environment Program. Thanks to the Global Commitment annual disclosure, Danone is able to identify areas for improvement through benchmarking among signatories;
- (2) The Consumer Goods Forum Plastic Waste Coalition of Action (CGF PWCoA), of which Danone is a member, which works to set standards, align industry practices and encourage collaboration between members to improve plastic collection, reuse and recycling;
- (3) The Business Coalition for a Global Plastics Treaty, led by EMF and the WorldWide Fund for Nature (WWF), joined by Danone in 2022, which brings together businesses and financial institutions committed to supporting the development of an ambitious, effective, and legally binding UN treaty to end plastic pollution.

The assessments and disclosures described above have equipped Danone to identify its impacts, risks and opportunities related to packaging, and are a means for the Group to report on its progress, ensuring transparency and accountability in its efforts relating to the transition to a circular and low-carbon packaging system.

### Food loss and waste

Danone closely monitors and reports on food waste generated throughout its end-to-end supply chain. Danone has been able to identify food loss -and waste-related impacts, risks and opportunities based on data from internal reporting, external peer benchmarking, industry working groups, partnerships and external commitments.

### Consultations with affected communities

Danone is committed to including its stakeholders' perspectives to its processes for managing actual or potential impacts in its activities and value chain. The process for engaging with affected communities is described in *Processes for engaging with affected communities* in section 5.4.3 *Affected communities* (ESRS S3).

Danone used the results from these studies when carrying out its double materiality assessment to identify the material impacts, risks and opportunities, which are presented in the next section. More information on the double materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures* (ESRS 2).

## Presentation of material impacts, risks and opportunities

### Sourcing raw materials

As part of the double materiality assessment, Danone has identified the following potential material impacts related to resource use and circular economy and more specifically, for agricultural and forest-related commodities:

- With regards to climate change adaptation, Danone could improve suppliers' preparedness and resilience on climate change and regenerative agriculture. This impact is covered in section 5.3.1 *Climate change* (ESRS E1);
- Through its actions, Danone could have a positive impact on ecosystem preservation and/or restoration through regenerative agriculture, on the restoration of forest landscapes and on better waste management throughout its supply chain;
- Through its sourcing activities, Danone could have an impact on deforestation and land use change due to farming expansion.

### Packaging

As part of the double materiality assessment, Danone has identified the following material impacts related to resource use and circular economy and more specifically to packaging:

- Danone's use of virgin raw material in packaging could contribute to resource depletion, deforestation and increased GHG emissions;
- As an industrial user of packaging, Danone could have a positive impact by encouraging the development of an after-use economy, where collection, sorting, and recycling are carried out to limit the impact of packaging on the environment;
- Downstream, Danone has identified environmental impact linked with plastic usage and plastic pollution generated by the mismanagement of the end-of-life of plastic packaging which could lead to soil and water pollution, biodiversity deterioration and higher GHG emissions. This impact is covered in section 5.3.2 *Pollution* (ESRS E2);
- Through value chain engagement programs, Danone could have a positive impact and improve suppliers' resilience and awareness on circular economy principles, for those suppliers working on packaging materials.

Danone has also identified the following material packaging related risk, as presented in the nature risk assessment described in section 5.3.1 *Climate change* (ESRS E1): The regulatory measures and retailers' restrictions related to packaging represent a risk in the sense that they could impact the Group's license to operate; for example increased costs to ensure regulatory compliance, legal sanctions, bans and fine, and/or lower sales.



### Food loss and waste

As part of the double materiality assessment, Danone has identified the following material impacts related to resource use and circular economy, and more specifically to food loss and waste:

- Food loss and waste could lead to wasted resources when making the products, and to methane emissions being generated when sent to landfill;
- Danone could have a positive impact through the reduction of food costs for consumers by promoting increased consumption of purchased food materials and reduction of waste.

Note: These impacts and risks are gross, meaning before actions taken by Danone.

#### 5.3.5.2 Sourcing raw material

### Material impact, risk and opportunity management related to sourcing raw materials

#### Governance related to sourcing raw materials

For the sourcing of raw materials, Danone relies on its Sustainable Sourcing, Ingredients and Regenerative Agriculture Team, part of the Cycles and Procurement wider team. These topics are sponsored by the Chief Operations Officer and the Chief Sustainability and Strategy Business Officer and overseen by the Chief Procurement Officer and the Chief Sustainability Officer. The responsibility for the management, implementation and monitoring compliance with all the related policies is assigned to them by Danone's Chief Executive Officer.

#### Policies related to sourcing raw materials

The Regenerative Agriculture Program, the Renewed Forest Policy (2022) and the Sustainable Sourcing Policy (2024) relate to the sourcing impacts and risks described above. These policies focus on sustainable sourcing and the use of renewable resources.

#### ■ The Regenerative Agriculture Program

Danone's Regenerative Agriculture Program supporting documents, including Danone's document "For a Regenerative Future" (2021), Danone's Regenerative Agriculture Environment Handbook, and Danone's adoption of the SAI Platform's Regenerating Together Framework are presented in section 5.3.1 *Climate change (ESRS E1)*.

#### ■ The Renewed Forest Policy

Through its Renewed Forest Policy, Danone is committed to delivering traceable and verified deforestation- and conversion-free supply chains for direct commodities by 2025 and promoting a sustainable future for forests. The policy focuses on its five key commodities: direct soy, palm oil, paper and board, cocoa, and animal feed (traceability and risk mapping).

For each key commodity, Danone has developed specific roadmaps, targets, and timelines, and identified collaborative initiatives to help drive progress beyond its own value chain. The Renewed Forest Policy addresses all forms of deforestation and land conversion, as defined in the Accountability Framework initiative (AFI), which have been identified in the section on potential impacts, risks and opportunities.

The policy is approved by the Chief Operations Officer, Chief Sustainability & Strategic Business Development Officer, and the SVP Cycles & Procurement. The SVP Cycles & Procurement is accountable for the implementation of the policy.

#### ■ The Sustainable Sourcing Policy

In 2024, Danone launched the Sustainable Sourcing Policy (SSP), which will gradually be rolled out in the coming years to Tier 1 suppliers, except for dairy farmers who remain within the scope of the Danone Sustainability Principles (DSP). The SSP is enhancing the DSP and the Implementation Note for Business Partners. The SSP sets the standards for Danone and its suppliers, outlining Danone's commitment to establishing fair, sustainable and ethical relationships. The SSP applies to all non-farmer Tier 1 suppliers that have a contractual relationship with Danone to provide goods or services, regardless of their size and number of employees. These suppliers are required to pass on mandatory requirements equivalent to the SSP within their own upstream value chains (Tier 2 suppliers and onward) and to any subcontractors performing work under contract with Danone. The SSP covers all commodities sourced by Danone, including the materials used for packaging (paper and cardboard, resins, etc.)

Danone has engaged with a range of stakeholders to develop this policy, including union representatives, NGOs and international experts. The SSP is built on three sets of Fundamental Principles on social, environmental, and business ethics issues. The Fundamental Environmental Principles seek to focus on the issues that have been identified as most relevant, aligning Danone's targets with the expectations from Danone's suppliers. The policy has been approved by the Global Engagement Committee. The Chief Cycles & Procurement Officer is accountable for the implementation of the policy.

#### ■ Policy related to price fluctuations

A Market Risk Management (MRM) purchasing policy defines the rules for securing the physical supply and setting prices with suppliers and/or on financial markets when they exist. The Global procurement team monitors exposures and implements the purchasing policy for each raw materials category, with support from the Finance MRM team for the price-setting strategy.

### Actions related to sourcing raw materials

#### ■ Actions related to regenerative agriculture

The actions related to Danone's regenerative agriculture practices are detailed in section 5.3.1 *Climate change (ESRS E1)*.

Throughout the year, Danone continued to support collaborative projects and coalitions aimed at protecting and restoring vital ecosystems to support local communities, farmers and business, in line with its 2030 commitment.

For example, in 2015, the Livelihoods Fund for Family Farming (L3F) was launched by Danone and Mars Inc. and joined by Veolia and Firmenich in 2016. L3F enables companies to secure their supply, both in terms of quality and quantity by granting small farmers access to more sustainable practices, including regenerative agriculture, and higher revenues, due to good connections with markets. These projects also help to preserve ecosystems through farming practices that combine productivity and respect for the environment. The fund invests in projects that support smallholders and promote agroecological farming practices.

In addition, since 2019, Danone has supported the Siak Pelalawan Landscape Programme (SPLP) in Indonesia, alongside Cargill, PepsiCo, Musim Mas, Unilever, Nestle, L'Oréal and Sinar Mas. The program supports the Green Siak District Roadmap and the District Action Plan for Sustainable Palm Oil in Pelalawan, which has been endorsed by the local governments of both districts. Danone also subscribes to a "Beyond Certification" approach, recognizing its dependence on smallholders (including non-palm oil producers) who are not always able to achieve certification or sustain healthy livelihoods.

#### ■ Actions related to deforestation

As one of the 21 member companies of the Consumer Goods Forum Forest Positive Coalition (CGF FPC), Danone advocates for change across three complementary areas: achieving verified deforestation- and conversion-free (vDCF) value chains, including by helping suppliers and subcontractors reach this target, and extending commitments beyond its value chains, particularly by supporting landscape projects to transition to a forest-positive model. This commitment builds on Danone's Renewed Forest Policy, published in December 2022. Danone is also actively engaged with the CGF FPC steering committee and three working groups on palm oil, soy and paper. For a number of years now, Danone has worked with its suppliers to ensure that the materials in its products are responsibly sourced and produced.

The Renewed Forest Policy also contains specific targets and timelines for five priority commodities: soy, palm oil, paper and board, cocoa, and animal feed. Danone addresses all forms of deforestation and land conversion.

In 2022, an external commodities consultancy (3Keel) helped Danone to reinforce its traceability process for forest-risk commodities. The purpose is to assess supplier performance in delivering traceable and verified DCF commodities, obtain traceability information to determine the closest or actual location (where possible) of commodity production, identify suppliers who are not compliant with Danone's policy and work with them to achieve transparent, vDCF supply chains.

Since 2024, the process is now bi-annual rather than annual. In 2023, with the help of external partners, Danone began to implement satellite monitoring for its supply chains. The objective is to determine the vDCF status of the remaining volumes that could not be verified through another pathway. Danone will be able to monitor the production units to ensure that those volumes are not linked to deforestation.

More details on the actions taken concerning reinforced traceability and more controlled processes and certifications, and on the actions specific to each key commodity can be found in the Forest Annual update. The 2024 version, published in June 2024, is available on Danone's website.

#### ■ Actions related to price fluctuations

Given the potential impact of price fluctuations in its main raw materials on its financial results, Danone has implemented the following measures to manage cost volatility:

Continuous productivity gains: Danone strives, in particular, to optimize its use of raw materials (reduction in production waste, lighter packaging, more effective use of milk subcomponents in its products, reduction of energy consumption and shift toward renewable energies) and take advantage of pooled purchasing, for example through centralized management of ingredient and packaging purchases.

### Metrics and targets related to sourcing raw materials

As part of the Danone Impact Journey, Danone has committed to sourcing 30% of its key ingredients (milk, soy, almonds, oats, cereals and selected fruits and vegetables) directly from farms that have begun to transition to regenerative agriculture by 2025. The presentation of the target related to regenerative agriculture is available in section 5.3.2 *Pollution (ESRS E2)*.

Danone is shifting to deforestation- and conversion-free key commodities. The Group wants to ensure that its sourcing does not contribute to the deforestation or the conversion of natural ecosystems. However, since Danone launched its original Forest Policy, deforestation has continued to accelerate. This is why the Group wants to go further and faster than ever before: Danone has therefore set a clear overarching target in its Danone Impact Journey of deforestation- & conversion-free key commodities by 2025 for direct sourcing of key commodities in the scope of Danone's Forest Policy. Danone's journey to achieve and maintain deforestation and conversion free on these key commodities means at least a 97% verified deforestation- and conversion-free rate, due to the verification process and supply chain constraints. While Danone is requiring suppliers to provide deforestation- and conversion-free raw materials for the selected key commodities, it has set up a robust verification process to ensure it is meeting its commitments. The verification process is a continuous effort and Danone leverages several strategies adapted to each commodity based on third-party verification, including chain of custody certifications or satellite monitoring.

Progress on this target is tracked and assessed through a bi-annual traceability campaign, with the scope comprising the four directly sourced key commodities defined by Danone (palm oil, soybeans, paper and board and cocoa). Using 2024 sourcing data, Danone has achieved 93% of vDCF direct sourcing for commodities within this scope. This target is measured as a percentage of volumes sourced and has been defined internally with the support of an external commodities consultancy (3Keel), which is helping Danone to coordinate its forest traceability data collection. Other key partners have also been consulted, such as Earthworm Foundation, an NGO with which the Group works on traceability (including for palm oil) and satellite verification.

Danone's journey towards deforestation- and conversion-free commodities is rolled out through commitments stated in its Renewed Forest Policy for its five key commodities:

- Clean upstream chains by 2025: Achieve fully traceable and vDCF value chains, as defined by the Accountability Framework initiative (AFI);
- Responsible suppliers by 2025: Apply Danone's vDCF commitments to its suppliers and subcontractors, in line with Danone's cut-off dates in its direct supply chain;
- Regeneration by 2030: Support landscape projects and coalitions for the protection and restoration of vital natural ecosystems.

Danone has defined specific targets corresponding to each key commodity, which are presented in the Renewed Forest policy.

These targets relate to the minimization of primary raw materials, sustainable sourcing and use (in line with the cascading principle). These targets were set by Danone, with the help of an external commodities consultancy (3Keel) as lead advisor. Danone also involved key partners to assist with the implementation of the Renewed Forest Policy, such as the NGO Earthworm Foundation. Danone also took into consideration, when defining the target, the work undertaken by various coalitions, such as the CGF FPC.

### 5.3.5.3 Packaging

#### Material impact, risks and opportunity management related to packaging

##### Governance related to packaging

At Danone, a dedicated team focuses on packaging circularity in cooperation with the Research & Innovation (R&I), Procurement and Operations departments and the General Secretary. National and regional regulatory monitoring is undertaken by the General Secretary, including ongoing dialogue with NGOs and governments. Concerning the policies, the responsibility for their management and implementation as well as for monitoring compliance with them is assigned by Danone's Chief Executive Officer to the Chief Operations Officer, who is a member of the Danone Executive Committee. A global policy assessment is conducted on a yearly basis to identify policy trends and anticipate upcoming developments.

##### Policies related to packaging

The Packaging Policy is a global policy, whose scope covers Danone's packaging value chain covering primary, secondary and tertiary packaging (excluding pallets) purchased for Danone's operations. It covers also packaging end-of-life management.

Packaging plays a crucial role in Danone's operations as it safeguards food and beverages, extends their shelf life, and minimizes food waste. Plastic packaging, which accounts for about 50% of Danone's total packaging volume, has notably become the standard for food and beverages. This is due to its properties such as being lighter yet still strong and protective, more functional and convenient for both consumers and distributors, and less energy-intensive than glass, and considered safe from a hygiene perspective. As a prominent Group in natural mineral and spring water, as well as dairy and plant-based products, Danone, like other peers, uses plastic packaging. However, the widespread use of plastic packaging combined with inadequate end-of-life management, have caused significant environmental challenges. Danone has been working for many years to reduce the use of plastic packaging, improve the circularity of plastics that cannot be eliminated, and recover what is not kept in circulation. Danone also collaborates with industry alliances, civil society and governments to develop effective systems to collect, reuse and recycle packaging.

Danone has long been promoting a circular approach to packaging. This ambition is demonstrated by its participation in the creation of the first Extended Producer Responsibility system (Eco-Emballages, now Citeo) in France in 1992, as well as *evian's* leadership in becoming the first brand to use food-grade recycled PolyEthylene Terphthalate (rPET) for natural mineral water in France in 2008. The Group fully embraced the ambition of packaging circularity when it joined Ellen MacArthur Foundation's (EMF) New Plastics Economy initiative in 2017, and signed the 2018 Global Commitment on Plastics, spearheaded by EMF. That same year, the Group also published its Packaging Policy, outlining its roadmap to transition from a linear to a circular economy.

Since then, Danone has been working toward a circular approach to packaging in addition to advocating for a collective global transition. In 2023, Danone reinforced this ambition in its new sustainability strategy, the Danone Impact Journey, built on a holistic approach based on three strategic pillars to drive the transition to a circular and low-carbon packaging system, namely:

- (1) 100% reusable, recyclable or compostable packaging by 2030;
- (2) Halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030 vs 2020, by accelerating reuse and recycled materials;
- (3) Lead the development of effective collection systems to recover as much plastic as Danone uses, by 2040.

This policy addresses, among others, the transition away from use of virgin resources, including through a relative increase in the use of secondary (recycled) resources, as well as the sustainable sourcing and use of renewable resources.

**Complementary policies****■ Sustainable Sourcing Policy**

The sourcing part of the packaging value chain, for materials such as plastic resins, paper, metal, glass, etc. used to create packaging, is also included in the Sustainable Sourcing Policy, which covers all materials sourced by Danone (more information on the SSP is available in the section above).

**■ Renewed Forest Policy**

Through its Renewed Forest Policy, Danone is committed to delivering traceable and vDCF value chains by 2025, and to promoting a sustainable future for forests. The policy focuses on its five key commodities including paper and board used in packaging (more information on the Renewed Forest Policy is available in the section above).

**Actions related to packaging**

For several years, Danone has advocated for an ambitious and binding UN Treaty on Plastics and plays an active role in the Business Coalition for a Global Plastics Treaty. Together with the other members of the Business Coalition, Danone is calling on the world's governments to create a robust treaty, with legally binding global rules and measures, to drive circularity and curb plastic pollution on a global scale.

In addition to its advocating actions, Danone already implements its own commitments in each country where it operates through action plans consistent with the circular economy objectives underpinned in Ellen MacArthur Foundation's New Plastics Economy, focusing on three principles:

- (1) reduce packaging usage;
- (2) improve the circularity of packaging that cannot be eliminated;
- (3) recover what is not kept in circulation, tackling leakage and improving the working and living conditions of workers in the collection and recycling sectors.

**1. Reduce packaging usage, including virgin plastics**

Danone aims to reduce the use of all types of packaging, including virgin plastics where possible, with actions including:

- eliminating problematic or unnecessary packaging. This includes eliminating packaging materials that are difficult to recycle, such as PVC, as well as eliminating unnecessary secondary packaging, such as sleeves;
- reducing virgin fossil-based plastic packaging by reducing the use of new primary raw materials to decrease the demand for new plastic production. This can be done through multiple levers described in this section, such as increasing reusable materials and recycled content and/or the replacement of plastic packaging with alternative materials;
- optimizing packaging use through packaging design to use less material without compromising product protection, such as lightweighting programs on bottles and cups. As an example, plastic content in the Volvic 8L format weighs 25% less per liter than the 1.5L format;

- replacing plastic packaging with alternative materials such as glass, metal or paper-based solutions. The Group is working to offer consumers plastic-free options that are economically viable and tailored to local needs, and ensures, through a life-cycle analysis, that alternative solutions are environmentally beneficial. Danone's natural mineral water offering is also packaged in glass bottles and metal cans, and the Group plans to offer alternative paper-based solutions in Europe for its plant-based products category.

**Key 2024 results:**

- Total packaging volumes: 1,397,960 metric tons, of which 670,107 metric tons of plastic;
- 11% reduction in absolute terms of plastic packaging use between 2024 and the 2018;
- KPI 2 DJJ: Danone achieved 8% reduction in the use of virgin fossil-based packaging versus the 2020 baseline.

**2. Improve the circularity of packaging that cannot be eliminated**

Danone is committed to improving the circularity of packaging that cannot be eliminated by making it reusable, recyclable and/or compostable. Danone aims to achieve this by implementing a set of actions including:

- Developing reusable packaging models:
  - In its Waters category around 50% of Danone's water volumes are sold in reusable packaging, mainly reusable jugs under the *Bonafont* (Mexico), *AQUA* (Indonesia) and *Sirma* (Turkey) brands. Danone has rolled out iconic returnable glass packaging for the HoReCa (Hotels, Restaurants, Catering) sector and is working towards expanding it in several countries, including France, Spain, and Indonesia;
  - Danone has a sizeable coffee creamers business in the US, delivered in bulk for AFH (Away from Home) consumption;
  - Danone has launched more than 15 reuse pilots (completed or ongoing) in Waters, Essential Dairy & Plant-Based, and Specialized Nutrition categories, working with supply chain partners such as Terracycle Loop, Uzaje and LemonTri, and retailers such as Carrefour and Tesco. These pilots have brought Danone valuable learnings for bulk, filling solutions and returnable models, helping Danone to develop future viable model beneficial in terms of packaging and CO<sub>2</sub> footprints.
- Danone is also actively participating in cross-industry partnerships to scale reusable models:
  - in France, Danone is working closely with CITEO to establish a unified and nationwide operational reuse system for food packaging;
  - the Group initiated cross-sector partnerships for its categories across its primary markets. For example, in 2023, Danone was one of the founding members of the Coalition Défi Vrac with companies such as Bel, Lesieur and Famille Michaud;

- the Group continues to work with platforms such as Ellen MacArthur Foundation's Scaling Returnable Packaging project and the Consumer Goods Forum's Reuse/Refill working group, engaging in pre-competitive discussions and initiatives on the subject;
- Danone supports policies aimed at addressing current challenges concerning the expansion of reuse models, such as the lack of scalable business models, infrastructure and sector collaborations;
- Danone is committed to supporting consumer engagement on reuse, for example through *evian* refill stations installed in public places and at events.

■ Re-designing packaging to ensure recyclability

Danone is working to ensure that the materials put on the market can be sorted and recycled, considering existing local infrastructure. Some examples of efforts deployed in 2024 include:

- adapting packaging design to ensure an efficient sorting, for example using new inks to improve the recyclability of black beverage cartons, such as *Alpro* drinks;
- Danone is also supporting the development of recyclability principles to achieve full circularity, participating in industry alliances (Ceflex, Consumer Goods Forum Golden Design Rules). These guidelines are introduced into the packaging development process;
- for Essential Dairy & Plant-Based cups, whether made from PS or PET, Danone aims to ensure that 100% of the cups put on the market are recyclable. In this regard, Danone is working with value chain partners to create recycling streams, for instance: the PET25 coalition in France with CITEO or the PET Recycling Coalition in the US (since 2022);
- in 2024, Danone Canada initiated the transformation of dairy cups lines from PS to PET.

■ Increasing the use of recycled materials to promote an after-use economy

Increasing the incorporation of recycled materials is essential for extending the lifespan of packaging and reducing the amount of mismanaged materials. "Closing the loop" is Danone's priority for reducing carbon footprint and preserving natural resources.

- In the Waters Category, the Group met its commitment to achieve an average of 25% rPET in 2020 (in the geographies where local standards and regulations allow it). The Group has entered into long-term contracts with its Suppliers and Subcontractors, providing them with sufficient visibility to encourage them to invest in collection and recycling technologies and infrastructures;
- Danone continues to incorporate recycled materials into its cups portfolio, with PET cups containing 30% rPET in France and Belgium. Furthermore, in 2023, the Group signed its first contract in the US for the use of food-grade recycled high density polyethylene (HDPE) to incorporate it into its beverage offering;
- the Group continued the launch of 100% rPET bottles. Since 2021, all Danone's main water brands have had at least one format made from 100% recycled materials (in the countries where this is authorized);
- Danone also actively supports new recycling technologies that enable the recycling of hard-to-recycle packaging and materials to reach its ambition, in collaboration with companies such as Loop Industries and Eastman.

**Key 2024 results:**

- KPI 1 DJI: 85% of Danone's packaging was reusable, recyclable, or compostable (vs 84% in 2023), 76% in the case of plastic packaging;
- in the Waters category, around 50% of volumes were sold in reusable packaging;
- 16.8% recycled materials on average in its plastic packaging (compared with 14.6% in 2023);
- 29.2% recycled PET (rPET) used on average by the Waters category (compared with 23.8% in 2023) and 36.6% in countries where local standards and regulations allow it (compared with 31.3% in 2023). Danone complies with regulations governing the use of recycled materials in all the countries where it operates. Some countries, such as China, do not allow the use of recycled materials.

**3. Recover what is not kept in circulation, fighting against leakage into nature, while improving working and living conditions for workers in the collection and recycling sectors**

As mentioned above, Danone has for several years been a strong advocate for an ambitious global UN Treaty on Plastics to bring forward the adoption of a more circular economy model on plastic topics.

- Danone is committed to co-building and co-financing efficient and inclusive collection systems to recover as much plastic as Danone uses
  - Danone participates in financing the collection of plastics at end-of-life by paying Extended Producer Responsibility (EPR) fees in markets where this obligation is regulated. Danone participates actively in the promotion of Deposit Return Schemes (DRS) for water bottles, and runs pilot initiatives to demonstrate their effectiveness to decision-makers, as it has been done in Poland;
  - in the United States, Danone is a founding member of Circular Action Alliance (CAA), a Producer Responsibility Organization (PRO) approved to implement EPR in Colorado and California, and selected in 2024 by two other states (Maryland and Oregon). Danone also invested \$5 million in Closed Loop Partners' Closed Loop Infrastructure Fund (CLIF) in 2018 to support the development of recycling infrastructure and promote a circular economy;
  - the Group's actions also include engaging with local partners, notably in Europe and North America, to create sustainable recycling streams for Essential Dairy and Plant-Based cups;
  - Danone will continue to support well-designed EPR systems, incorporating eco-modulation to incentivize packaging designed to be recyclable and including recycled content; and DRS for water bottles proven to significantly increase recycling rates.

- In high-leakage markets, in addition to its commitment to support well-designed EPR systems, Danone has invested voluntarily in impact funds and provided grants to mitigate structural barriers during the transition phase
  - In 2018, Danone invested \$15 million in the Circulate Capital Ocean Fund (CCOF) in South and South-East Asia as part of Water brand *AQUA*'s pledge in Indonesia to recover more plastic than it uses by 2025. To date, the CCOF has committed over \$61.2 million. In 2024, CCOF portfolio companies prevented approximately 93,000 additional metric tons of plastic waste from leaking into the environment while improving the livelihoods of more than 5,600 workers across the recycling value chain since the start of the Fund;
  - in 2020, in collaboration with five other companies, Danone co-founded the Indonesia Packaging Recovery Organization (IPRO), a voluntary Producer Responsibility Organisation (PRO) in Indonesia. Since then, more companies have joined the initiative, contributing to its growth and impact. In 2024, the IPRO counts 18 members;
  - in 2023, Danone joined the Circulate Capital initiative for Latin America and the Caribbean and committed an additional \$15 million to addressing plastic pollution and scaling the recycling value chain in the region and in particular in Mexico and Brazil;
  - in 2024, Danone Aqua Indonesia, in collaboration with its partner Prevented Ocean Plastic, opened the first major plastic collection center in Samarinda (Borneo), capable of processing 500 metric tons of recycled plastic per month and creating 96 direct jobs for the region.

### Key 2024 results:

KPI 3 DIJ: 60% of plastic put on the market by Danone was recovered.

### Metrics and targets related to packaging

As part of the Danone Impact Journey, Danone has set three commitments in line with its objectives to reduce packaging usage, improve circularity of packaging that cannot be eliminated and recover what is not kept in circulation. These strong commitments taken by the Group are consistent with the waste hierarchy principles underpinned in Ellen MacArthur Foundation's New Plastics Economy, and are based on the work of the OECD (2022), Global Plastics Outlook: Policy Scenarios to 2060, among other studies.

#### ■ 100% reusable, recyclable, or compostable packaging by 2030

This target concerns all the packaging volumes purchased by Danone to sell its products. It is aligned with Ellen MacArthur Foundation's Global Commitment and KPI on Recyclability in practice and at scale. The scope includes all primary, secondary and tertiary packaging (except pallets). According to this methodology, packaging is considered recyclable if post-consumer collection, sorting, and recycling are proven to work in practice and at scale. This implies achieving a 30% post-consumer recycling rate in multiple regions, collectively representing at least 400 million inhabitants.

#### ■ Halving the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030, accelerating reuse and recycled materials

This KPI is an absolute reduction target of virgin plastic packaging purchased weight in metric tons compared with the 2020 baseline, which is considered the most stretch baseline year in terms of volume consumption due to the significant impact of the Covid-19 pandemic on global consumption. It relates to newly produced plastic packaging directly derived from oil, excluding purchases of recycled plastics and bio-based plastics.

#### ■ Leading the development of effective collection systems to recover as much plastic as Danone uses by 2040

The scope is the plastic packaging put on the market based on Danone's sales, measuring recovered volumes (meaning packaging recycled to be reused or packaging valorized through energy recovery) out of total volumes put on the market by Danone. The packaging collection rates are determined by country for each packaging type based on national studies of collection and/or recycling data by packaging material type.

Together, these three targets relate to the increase in circular product design (including design for recyclability and reusability), the increase in circular material use rate, as well as the minimization of primary raw materials. They also relate to sustainable sourcing and use (in line with the cascading principle) of renewable resources, and waste management, including preparation for proper treatment; and other matters related to resource use or circular economy, such as the development of effective collection systems. These targets were set voluntarily by Danone.

### Key 2024 results:

- (1) In 2024, 85% of Danone's packaging was reusable, recyclable, or compostable, 76% in the case of plastic packaging (vs 74% in 2023),
- (2) In 2024, the Group achieved a 8% reduction in the use of virgin fossil-based packaging versus 2020 baseline,
- (3) In 2024, 60% of the plastic that the Group put on the market was recovered (versus 58% in 2023).

### 5.3.5.4 Food loss and waste

#### Material impact, risk and opportunity management related to food loss and waste

#### Governance related to food loss and waste

The food loss and waste topic is overseen by the SVP Global Operations Excellence, who reports directly to Danone's Chief Operations Officer. The responsibility for the management, implementation and for monitoring compliance of the below programs is assigned by Danone's Chief Executive Officer to the Chief Operations Officer, who is a member of the Danone Executive Committee.

### Policies related to food loss and waste

Danone closely monitors and reports on food waste generated in its end-to-end supply chain and continuously optimizes processes, by driving internal awareness and building loss reduction capabilities, investing in new manufacturing technologies, repurposing and upcycling where possible and redistributing food surpluses. The Group's strong commitment to "halve the ratio of food waste not fit for human or animal consumption or biomaterial processing by 2030" is part of its core Sustainability strategy and the Danone Impact Journey and is in line with Sustainable Development Goal 12.3. To attain its ambition on food waste, Danone refers to the following complementary texts and practices:

#### ■ Danone position on food loss and waste

The Group defined its position on food loss and waste in an internal document developed in 2024 after committing to the WRI's 123Pledge. It is used to provide updates on the progress made and areas where internal stakeholders can shape external engagement, and states the Group's priorities on food loss and waste in order to achieve its objective:

- implementing the holistic "Battle Against Waste" program in Danone, presented in detail just below;
- leading the transition to "best before date" and simultaneously educating consumers: transitioning Danone's dairy and plant-based products from safety date labelling "use by dates" to quality date labelling "best before dates" (where there is no food safety risk and where local regulations by country allow);
- optimizing food donations, joining forces to optimize food redistribution: to ensure food fit for human consumption is recovered and redistributed to those in need, Danone works with the Global FoodBanking Network (GFN), retail and local partners to reduce waste while strengthening food safety, redistributing surplus food to food relief organizations that support vulnerable communities.

#### ■ Battle Against Waste program toolkit

The Battle Against Waste program is aimed at supporting the factories to apply around 20 innovations and proven practices, identify losses and develop factory roadmaps that contribute to the Danone Impact Journey global target and internal financial performance of the production site. The program relies on a central toolkit of golden best practices that is shared with all sites to drive food waste reduction and recovery at scale. These are fundamental practices that should be implemented across all sites and include innovative proven case studies that could be applied to other factories in the global network. The toolkit is co-developed by Operations, Manufacturing, Quality, Digital, Engineering and R&I, and is reviewed by the SVP Global Operations Excellence under the overall program sponsorship of the Chief Operations Officer and Chief Research & Innovation Officer.

#### ■ Food waste reporting guidelines

In order to better monitor its food loss and waste and more efficiently lead the Battle Against Waste, Danone uses an internal platform to collate and report environmental data collected from the local entities. Alongside the reporting campaigns, a guide is provided to the entities. The purpose of this guide is to support data collection during factory environmental reporting campaigns, including clarifying definitions of each indicator, providing information on scope (what should be included or not), and preventing potential errors. These guidelines are built following the application of a new standard, the Food Loss and Waste Protocol (version 1.0 of June 2016) and based on the food waste hierarchy set out in the United Nations (UN) Sustainable Development Goal (SDG) 12.3, which promotes the ambition to reduce waste and for food to reach the highest recovery rate. This guide currently covers each category of KPIs used in environmental reporting and was updated in 2024 to include new guidelines on food waste reporting.

Danone's Food Waste guidelines and practices act on both the negative and positive impacts the Group can have on food loss and waste, by cutting and recovering food waste across the value chain in its own operations, but also by encouraging consumers to change their habits at home and joining forces with partners on optimizing food redistribution. In that sense, the scope of Danone's Food Waste guidelines and practices is broad, taking into account the Group's own operations worldwide, but also its distribution chains and beyond. It was developed based on the Group's collaboration with the WRI Friends of Champions 12.3, the 10x20x30 Initiative, and the Consumer Goods Forum Food Waste Coalition.

#### Actions related to food loss and waste

Danone adopts a collaborative approach to reducing food waste across its entire product portfolio, involving suppliers, distributors, partners, and consumers in the process:

#### ■ In Danone's own operations:

The teams use expert waste assessments to identify key losses. The Battle Against Waste toolkit is then reviewed to identify which practices can be scaled. Each production site works cross-functionally to monitor and reduce food waste and loss within operations. Any unavoidable food waste is, if possible, redirected to recovery streams with a higher recovery rate, in line with the hierarchy of waste set out in UN SDG 12.3. Thanks to this toolkit, every factory can take actionable and concrete steps to reduce food waste and build their mid- to long-term food waste reduction roadmap to halve their food waste ratio by 2030 compared with 2020.

In order to better monitor its food loss and waste and manage food waste reduction and recovery more efficiently, Danone updated its guidelines to the factories on reporting of food loss and waste in 2024. This new version of the guidelines simplifies continuous compliance with the Food Loss and Waste Protocol and ensures current and ongoing robust and regular data reporting.

#### ■ In Danone's value chain:

According to Eurostat 2023, 54% of food waste in EU happens at household level, and according to the European Commission in 2018, 10% of food waste in households is due to date labeling confusion. As result, Danone is taking action to support consumers by transitioning all Essential Dairy and Plant-Based products, where authorized by law, from "Use By" to "Best Before" date labelling, to reduce food waste in households. Through the Danone internal Food Loss and Waste position, the Group is encouraging local entities to unlock regulations to allow this transition and, where possible, accompany this date labelling transition with consumer education campaigns. Since 2020 in the EU, in partnership with Too Good to Go and local retailers, 437 SKUs now hold a "Look-Smell-Taste" label to encourage consumers to use these senses before wasting the products.

Another key focus of Danone's position on food loss and waste is optimizing food donations by redistributing any surplus food to specialist charities in order to support vulnerable communities. Since 2020, Danone has established a collaboration agreement with the Global FoodBanking Network (GFN) to facilitate redistribution and recovery across 11 countries.

In 2024, as part of the memorandum of understanding between Danone and the UN Food & Agriculture Organization (FAO), the two organizations partnered with the Global FoodBanking Network (GFN) to explore innovative redistribution and recovery case studies across the globe. In 2024, at the biodiversity COP (COP16) in Cali, Columbia, Danone, alongside the GFN and the Global Methane Hub, advocated for better food waste management by contributing to a panel on Halving Food Loss and Waste: A Win for Biodiversity and Climate Change. Through these ongoing partnerships and actions, the Group will continue to provide solutions to go forward on the battle against food waste globally.

#### Metrics and targets related to food loss and waste

Put in place from 2020 and reaffirmed in the Danone Impact Journey framework, Danone's commitment is to halve its ratio of food waste not fit for human or animal consumption or biomaterial processing by 2030 (to destinations such as landfill, sewers, refuse/discards, controlled combustion, not harvested, land application and co/anaerobic digestion) throughout its operations and distribution chain between 2020 and 2030, on a like-for-like basis. The results related to this target, calculated as the ratio of total quantity of food waste per metric ton of product sold, excluding waste intended for animal feed and the processing of biomaterials, are tracked through the nature reporting stream in Greentrack, which includes a section on food loss and waste.

The Group's food waste ambition is in line with UN SDG 12.3. Danone is a member of the Friends of Champions 12.3 and 10x20x30 Initiative. In 2024, Danone joined the Consumer Goods Forum Food Waste Coalition.

In 2023, Danone committed to a #123Pledge to outline its strategy for achieving its 2030 waste reduction target:

- driving breakthrough results in Danone's operations to halve food waste by 2030;
- leading the transition to "best before" date labelling wherever possible (when there is no food safety risk, and where local country regulations allow) and simultaneously educating consumers;
- joining forces to optimize food redistribution.

These targets relate to waste management, including preparation for proper treatment, and addresses the following layers of the waste hierarchy: prevention, preparation for reuse, other recovery and disposal. These targets were set voluntarily by Danone. They address both negative and positive impacts linked to food waste, by cutting and recovering food waste across the value chain in its own operations, but also encouraging consumers to change their habits at home and joining forces with partners on optimizing food redistribution.



FOOD WASTE MANAGEMENT <sup>(a)</sup>	2023	2024
Ratio of total quantity of food waste per metric ton of product sold, excluding waste intended for animal feed and the processing of biomaterials (in kg/tons) - SDG 12.3	20.3	21.1
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	20%	18.1%

(a) Food waste generated by production sites and supply chain; excluding Waters category, based on constant consolidation scope and methodology. More information is available in the Methodological note for outflows and waste.

### 5.3.5.5 Metrics related to resource use and circular economy

#### Resource inflows

##### Description of the inflows

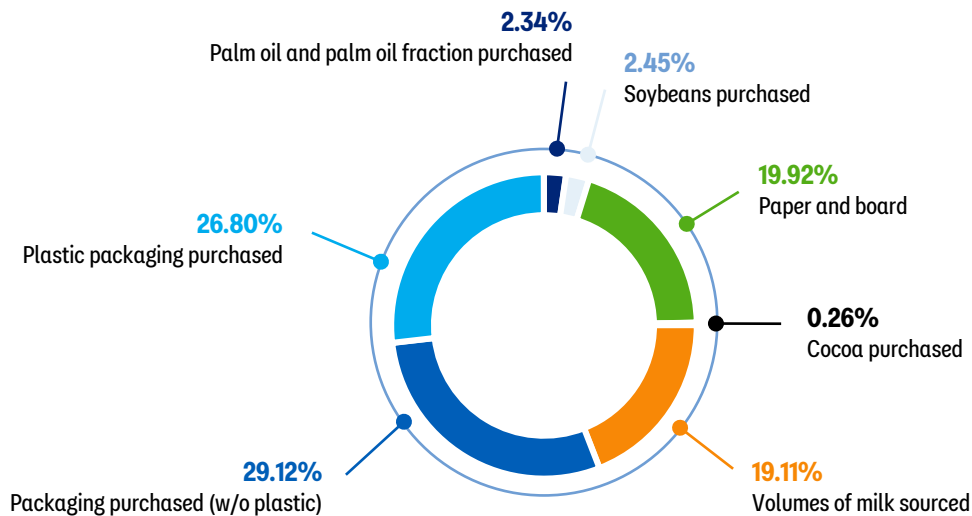
Danone's principal raw material needs consist primarily of:

- materials required to produce food and beverage products, mainly milk, soy, almonds, oats, cereals, certain fruits (including fruit preparations) and vegetables. In terms of value, milk is the main raw material purchased, primarily in the form of liquid milk, for which the operating subsidiaries typically enter into agreements with local producers or cooperatives. Its price is set locally over contractual periods that vary from one country to another;
- product packaging materials, in particular plastics and paper and board. Packaging purchases are managed through regional or global purchasing programs to optimize skills and volume effects. Prices are influenced by supply and demand at global and regional levels, economic cycles, production capacities and oil prices. As Danone's packaging data is collected and calculated based on purchased volumes, Danone's packaging inflows and outflows are considered equals;
- energy supplies, including electricity and gas for factories and diesel for transportation;
- water resources to produce its agricultural commodities, and to manufacture products;
- property, plant and equipment also used to manufacture the products.

More information on the methodology used for collecting and calculating data is available in the *Methodological note for inflows* at the end of this section. When a data point requires a specific explanation, the methodology note can be found below the corresponding table.

#### Overall total weight of products and technical and biological materials used during the reporting period

##### REPARTITION OF THE MATERIAL INFLOW PURCHASES



### Percentage of biological materials that is sustainably sourced, with information on the certification scheme used and on application of the cascading principle

Material certified inflows	2024 data
Percentage of RSPO certified palm oil (a)	99.2%
Percentage of ProTerra segregated soybean (b)	83.5%
Percentage of certified virgin paper (c)	93%
Percentage of certified cocoa (d)	71%
Percentage of Regenerative Agriculture scorecards covered ingredients (e)	39%

#### Methodology:

(a) Certified palm oil: The RSPO certification, developed by the Roundtable on Sustainable Palm Oil, a not-for-profit sustainable palm oil organization, is an external certification process which ensures deforestation and conversion-free palm oil volumes. Twice a year, Earthworm Foundation supports Danone in verifying the certified volumes, using self-declared data provided by Danone's suppliers, who collect information from Tier 2 suppliers and onward.

(b) Certified soybean: 100% of *Alpro* soybeans are ProTerra Segregated certified, covering environmental, social and non-GMO criteria. Created in 2006, the ProTerra Standard has a long-standing history and experience in promoting sustainability in the food and feed supply chain and segregated non-GMO materials.

The ProTerra Standard emphasizes key issues including Deforestation, Biodiversity, High Conservation Values, and special focus on rigorous Non-GMO requirements.

With the support of an external commodities consultancy (3Keel), Danone runs a traceability exercise twice a year for key forest commodities, including soy, to track, monitor and verify the volumes, origin, certification status, and deforestation and conversion risk of these commodities provided to Danone by its suppliers.

(c) Certified or recycled paper: For virgin fibers, Danone focuses on sourcing certified materials that provide a vDCF assurance. Danone's preference is for FSC (Forest Stewardship Council), as this is the most robust certification. The PEFC and SFI (only for NORAM) certifications provide an initial guarantee in terms of Forest Management best practices and verification but Danone requires

additional information from its suppliers regarding their traceability system and disclosures on their sourcing area.

With the support of an external commodities consultancy (3Keel), Danone runs a traceability exercise twice a year for key forest commodities, including paper, to track, monitor and verify the volumes, origin, certification status, and deforestation and conversion risk of these commodities provided to Danone by its suppliers.

(d) Certified cocoa: Rainforest Alliance labelling promotes environmental responsibility, social equity and economic viability for farming communities. This includes guarantees on several aspects, including preventing deforestation and protecting biodiversity.

With the support of an external commodities consultancy (3Keel), Danone runs a traceability exercise twice a year for key forest commodities, including cocoa, to track, monitor and verify the volumes, origin, certification status, and deforestation and conversion risk of these commodities provided to Danone by its suppliers.

(e) Regenerative Agriculture certification: the Regenerative Agriculture certification is a list of criteria developed internally using the Danone Regenerative Agriculture Scorecard Assessment. For farmers to be considered as "engaged in regenerative agriculture practices", they need to fulfill a set of requirements stated in the Regenerative Agriculture scorecards (on topics such as soil, manure, biodiversity, and water). The data presented above is sourced from direct measurements.

**Weight in both absolute value and percentage, of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)**

Recycled contents	2024 data - %	2024 data - absolute
Recycled content in total paper purchased	70%	347,631 ktons
Recycled content in packaging	37.4%	522,464 ktons
o/w recycled content in plastic packaging	16.8%	112,324 ktons

**Methodological note for inflows**

**General**

To ensure the homogeneity of the indicators across the reporting scope, shared data reporting guidelines for social, safety, environmental, and health and nutrition data are communicated and updated each year following data consolidation and contributors' comments. These guidelines specify the methodologies to be used for reporting the indicators, including definitions, methodology principles, calculation formulas and standard factors.

The Sustainable Finance team is responsible for environmental indicators of production sites and GHG indicators. Production Site Environment indicators are reported by each production site's Environment manager using the PURE Platform tool. This is the fifth year that scope 3 greenhouse gas emissions data, including packaging data, were reported using this same tool.

**Specific elements**

■ **Forest key commodities**

As explained above, Danone collaborates with third-party organizations to trace the products sourced by Danone back to their origins. In 2022, an external commodities consultancy (3Keel) helped Danone renew its traceability process for three key forest commodities: soy, paper and board and cocoa. The purpose of this bi-annual traceability process is to track, monitor and verify the volumes, origin, certification status, and deforestation and conversion risk of these commodities provided to Danone by its suppliers. Suppliers were requested to submit datasets via a secure reporting portal, with 3Keel checking the policy dataset provided by suppliers, including validation checks against reported 2023 volumes. Danone procurement teams provided validation checks for volume disclosure and certification claims made by suppliers for 2024 volumes. The Group actively engages its Tier 1 suppliers in the traceability process on an annual basis. Any uncertainties or non-compliance issues are addressed with the respective suppliers.

Since 2014, a traceability system has been in place for palm oil, to map the supply chain at least annually. According to its most recent traceability mill mapping conducted in first-half 2024, 100% of volumes can be traced to mill level and 98% to plantation level. Earthworm Foundation supports Danone in palm oil traceability in the first and third quarters of the year. Danone connects with the suppliers, onboards them in the traceability process and confirms purchased volumes. Earthworm Foundation supports Danone with verifying the certified volumes, using self-declared data provided by Danone's suppliers, who collect information from Tier 2 suppliers and above. Earthworm Foundation compiles the list of mills and plantations from Danone's suppliers and calculates the percentage traceability to mill (TTM) and plantation (TTP). Earthworm Foundation also supports Danone with grievance monitoring, in line with Danone's grievance mechanism. Recognizing that transparency is important to making tangible progress on responsible palm oil, Danone publishes half-yearly results of this mapping exercise.

■ **Water consumption**

The definitions and the method of accounting for various uses of water (including run-off, water pumped from and discharged into streams, water used in the composition of finished products, recycled/reused water, water given to a third party, etc.) are outlined in the technical environmental guide prepared by Danone and distributed to its subsidiaries. The amount of water withdrawn corresponds mainly to water used for industrial processes and in the creation of finished products. Water used in once-through cooling systems (in which the water withdrawn is returned to its original environment after it has passed through the system once without recirculating) is not taken into account in the total amount of water withdrawn. Rainwater is also excluded from the total amount of water withdrawn. It is included in volumes of recycled/reused water only if it is used by the site. For the Waters category sites, volumes of water withdrawn but not consumed by the site are not taken into account due to losses or to overflow upstream from the plant (losses or overflow at the well or spring level). When logistics centers are located adjacent to industrial sites, their water consumption is taken into account if the site is unable to subtract this consumption.

■ **Packaging**

The data on packaging covers primary, secondary and tertiary packaging (excluding pallets) purchased for Danone's operations and are given in metric tons of material. Packaging purchased for subcontractors who manufacture finished products for Danone is excluded.

Calculations related to the recyclability rates of Danone packaging are based on the definition of recyclability by type of packaging recommended by the Ellen MacArthur Foundation (EMF) for the circular economy. According to this methodology, packaging is considered recyclable if post-consumer collection, sorting, and recycling are proven to work in practice and at scale. This implies achieving a 30% post-consumer recycling rate in multiple regions, collectively representing at least 400 million inhabitants.

The calculation of recycled components for total and plastic packaging is based on purchased volumes.

The methodology of calculation implies no double counting.

## Resource outflows

### Products and materials

Product packaging materials, in particular plastics and paperboard: Packaging purchases are managed through regional or global purchasing programs to optimize skills and volume effects. Prices are influenced by supply and demand at the global and regional levels, economic cycles, production capacities and oil prices.

As Danone's packaging data is collected and calculated based on purchased volumes, Danone's packaging inflows and outflows are considered as equal. More information and methodology are available in the section *Resource inflows*, in section 5.3.5.5 *Metrics related to resource use and circular economy*.

### Waste

More information on the methodology used for collecting and calculating data is available in the "Methodological note for outflows and waste" at the end of this section.

#### ■ Total amount of industrial waste generated

The waste streams that are relevant to Danone's sector include industrial waste, packaging industrial waste and food waste. The materials that are present in the waste include food and packaging waste such as plastic, paper-based, glass, metal and wood. The total amount of industrial waste generated by Danone in its operations is 330 ktons (compared to 323 ktons in 2023), all of which being non-hazardous waste.

#### ■ Total amount of industrial waste diverted from disposal

The total amount of waste diverted from disposal is 313 ktons in 2024 (compared to 306 in 2023), which represents 95% of total industrial waste generated (compared to 94% in 2023). The breakdown between the different recovery operation types is the following:

- preparation for reuse: 4 ktons (not taken into account in total industrial waste as it is diverted from waste disposal for donations, which has historically not been considered by Danone as a waste – see below *Methodological note for outflows and waste*);
- recycling: 99 ktons;
- other recovery operations: 214 ktons.

In 2024, Danone recovered 98.9% of its post-industrial packaging waste (compared to 99.0% in 2023), close to its target of reaching 0% post-industrial plastic packaging waste sent to landfill by 2025.

#### ■ Amount of weight directed to disposal by waste treatment type

The total amount of industrial waste directed to disposal is 18.1 ktons (compared to 18.4 ktons in 2023). The breakdown between the different waste treatment types is the following:

- incineration without energy recovery: 0.6 ktons;
- landfill: 3.9 ktons;
- other disposal operations: 13.6 ktons.

#### ■ Total amount and percentage of non-recycled waste, total amount of hazardous waste, and of radioactive waste

The total amount of non-recycled waste is 231 ktons, i.e. 70% of Danone's total waste, the majority of it being valorized.

Danone does not report on hazardous wastes that are not relevant for its sector, and does not produce radioactive waste.

## Methodological note for outflows and waste

### ■ Packaging

The information is available in the section *Methodology note for inflows*, as packaging data is collected and calculated the same way, based on volumes purchased by Danone.

### ■ Food loss and waste

Waste is consolidated at industrial level, meaning all food and packaging waste related to production. Although hazardous and non-hazardous waste not related to production are tracked through the internal reporting process, these values are not consolidated into the industrial waste volumes. Since 2019, Danone has focused on the most substantial categories (food waste and packaging waste) and excluded hazardous waste and other non-hazardous waste, representing 28% of total quantities of waste produced at production sites in 2024, from the consolidation scope. This value is higher than in 2023 (13%), mostly due to construction works in Brazil that generated non-hazardous waste not related to the production process. In the same way, products or by-products that are used for human consumption (such as lactose or cheese from whey, etc.) are not included. Waste recovery data includes both materials recovery (recycling, composting, reuse, animal feed, sludge used in agricultural applications, etc.) and energy recovery (methanation, incineration with energy recovery). Unused waste is waste that is sent to landfill, discharged into sewers or incinerated without energy recovery.

Following the application of a new standard, the Food Loss and Waste Protocol (version 1.0 of June 2016), since 2016 Danone has consolidated the quantities of waste generated according to the following categories: treatment facilities' sludge, waste, whey, food waste collected on site and food waste discharged with wastewater, packaging waste, hazardous waste and, lastly, other non-hazardous waste.

The Food Loss and Waste Protocol is the first international standard for measuring food losses that are not used for human consumption. It was established under a partnership between the Consumer Goods Forum, the Food and Agriculture Organization of the United Nations, the United Nations Environment Program, the World Business Council for Sustainable Development (WBCSD), and the World Resources Institute.

Food waste is consolidated for the Production Site Environment scope except for the Waters category plants. It includes losses from finished products, raw materials and by-products (whey not used for human consumption). This waste may be collected or discharged with wastewater, or form part of the wastewater treatment plant sludge:

- whey and okara collected on site and not used for human consumption are reported as dry matter content;
- waste collected on site is reported in real weight, i.e., weight as shown in on-site waste removal orders;
- waste discharged with wastewater and recovered in the sludge at treatment facilities is reported as a percentage of dry-matter content in sludge;

- waste discharged with wastewater and not recovered in the sludge at treatment facilities is calculated in metric tons of chemical oxygen demand (COD). In 2020, Danone introduced reporting that consolidates food waste from its production sites with food waste generated in the scope 3 downstream sub-scope within the greenhouse gas scope.

There has been no overlap between the categories of waste and thus no double counting.

As in previous Universal Registration Documents, none of the products and by-products that are used for human consumption (production of lactose or cheese from whey, etc.) or donated are included in the reporting of waste generated.

Among wastes diverted from disposal, other recovery operations include composting, reuse, animal feed, sludge used in agricultural applications and energy recovery (methanation, incineration with energy recovery).

### 5.3.6 DANONE 2025 SUSTAINABILITY STATEMENT

#### Presentation of the European Taxonomy

##### Context and consistency

Under EU Regulation 2020/852 (the “Taxonomy” Regulation) supplemented by EU Delegated Regulation 2023/2486 (the Taxonomy Environmental Delegated Act) on the establishment of a framework to facilitate sustainable investment in the European Union (EU), Danone is required to publish 2024 key performance indicators (KPIs) for its entire financial consolidation scope. These KPIs must present the proportion of its eligible sales (“turnover”), capital expenditure (“CapEx”) and operating expenditure (“OpEx”) derived from products and/or services associated with economic activities qualifying as sustainable, within the meaning of this Regulation, for six environmental objectives:

- Climate change mitigation (“CCM”);
- Climate change adaptation (“CCA”);
- Sustainable use and protection of aquatic and marine resources (“WTR”);
- Transition to a circular economy (“CE”);

- Pollution prevention and control (“PPC”);
- Protection and restoration of biodiversity and ecosystems (“BIO”).

An eligible activity will be considered aligned if it meets the technical criterion (criteria) of substantial contribution, does not significantly harm the other environmental objectives (Do No Significant Harm – DNSH criteria), and if the company complies with the minimum safeguards related to human rights, corruption, taxation and competition.

Since 2022, in accordance with the EU Taxonomy Article 8 delegated act adopted on July 6, 2021, the Group has published information on the level of eligibility and alignment of its turnover, capital expenditure and operating expenditure with the first two climate objectives. The food and beverage sector is not covered by the Taxonomy Regulation with respect to the six environmental objectives. As a result, virtually all the Group’s turnover and most of its capital expenditure cannot be included in the figures below. Only secondary Group activities and individually eligible investments are taken into account.

#### Results

##### Summary of eligible and aligned activities

*(in € millions except percentage)*

	2024		2023	
	Turnover KPI	CapEx KPI	Turnover KPI	CapEx KPI
<b>Eligibility</b>				
Numerator	69	191	62	154
Denominator	27376	1173	27,619	1,017
Eligibility rate	0.3%	16.3%	0.2%	15.1%
<b>Alignment</b>				
Numerator	-	5	-	-
Denominator	27376	1173	27,619	1,017
Alignment rate	-%	0,4%	-%	-%

In 2024, the proportion of Taxonomy-eligible turnover from the Group’s hotel activities was once again close to zero.

The eligible portion of Danone’s CapEx increased by 1.2 points, rising from 15.1% in 2023 to 16.3% in 2024, mainly due to the Group’s individually eligible investments in buildings, vehicle fleets and renewable energy facilities. The aligned portion of the Group’s CapEx rose slightly thanks to biomass and heat pump projects that are aligned with the Taxonomy’s regulatory framework.

## Assessment and methodologies

To implement these reporting requirements, the Group has set up a Taxonomy working group, comprising members of the Finance Department, the Sustainable Finance Department and business teams. The team worked to assess the eligibility and alignment of the Group's activities, in particular on the basis of:

- the Climate Delegated Regulation (EU) 2021/2139, amended by the Delegated Regulation (EU) 2023/2485;
- the Environmental Delegated Regulation (EU) 2023/2486;
- the various FAQs issued by the European Commission (the Group has taken note of the draft FAQ dated November 29, 2024).

In 2024, the Taxonomy working group assessed the eligibility and alignment of the Group's activities under the six environmental objectives for the turnover, CapEx and OpEx KPIs.

## Eligibility

The Group's main activities presented below could not be directly linked to a Taxonomy-eligible activity. As a result, they were considered non-eligible:

- Essential Dairy and Plant-Based (EDP) products: none of the activities listed in the Taxonomy's Delegated Regulations provide for the production and distribution of fresh fermented dairy products and other dairy specialties, plant-based products and beverages, or coffee creations.
- The Specialized Nutrition business involves the production and distribution of formulas and complementary feeding for babies and young children, as well as food for medical purposes for children and adults. Danone does not produce active pharmaceutical ingredients and is therefore not eligible for POL 1.1 Manufacture of active pharmaceutical ingredients (API) or active substances.
- Waters: none of the activities listed in the Taxonomy's Delegated Regulations involve the production and/or distribution of plain and sparkling water, flavored water or functional beverages.

The Group carried out a review of all of its activities and investment projects to determine its eligible activities. As a result of this work, it considers the following activities to be eligible under the six objectives:

Code	Taxonomy activity	KPI	Description of Danone's activity
<b>CCM 4.24/ CCA 4.24</b>	Production of heat/cool from bioenergy	CapEx	Danone uses biomass heat supply contracts
<b>CCM 6.5/ CCA 6.5</b>	Transport by motorbikes, passenger cars and light commercial vehicles	CapEx	Light vehicles leased or owned by Danone
<b>CCM 6.6/ CCA 6.6</b>	Freight transport services by road	CapEx	Trucks leased or owned by Danone
<b>CCM 7.3/ CCA 7.3</b>	Installation, maintenance and repair of energy efficiency equipment	CapEx	Energy efficiency improvements at Danone buildings
<b>CCM 7.6/ CCA 7.6</b>	Installation, maintenance and repair of renewable energy technologies	CapEx	Installation of photovoltaic systems and heat pumps
<b>CCM 7.7/ CCA 7.7</b>	Acquisition and ownership of buildings	CapEx	Offices and warehouses owned or leased by Danone
<b>BIO 2.1</b>	Hotels, holiday, camping grounds and similar accommodation	Turnover and CapEx	Operation of Evian Resort, comprising hotels and other infrastructure (such as spa, golf, etc.)

## Alignment

In order to assess the current alignment of activities identified as eligible, the Group reviewed compliance with the technical screening criteria for a selection of material investments spread across Europe and North America. The results were not extrapolated across all of its investments.

With regard to Evian Resort's hotel business (BIO 2.1 Hotels, holiday, camping grounds and similar accommodation), the Group has analyzed all technical screening criteria relating to this activity.

In the case of activities that are already covered by several environmental objectives, such as 4.24 Production of heat/cool from bioenergy, 7.7 Acquisition and ownership of buildings and 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, the Group assessed their alignment with the two climate objectives.

For certain non-material investments for which it was difficult or impossible to obtain convincing evidence to ascertain compliance with the technical screening criteria, Danone has chosen to apply FAQ 13 (C/2023/305) of December 19, 2022 and considered these projects as not Taxonomy-aligned.

### Substantial contribution technical screening criteria

Danone reviewed the substantial contribution criteria, particularly for Evian Resort, under the Biodiversity objective. Evian Resort is not located in protected or labeled conservation areas. The entity that holds the hotels business takes biodiversity into account in its operations. The Royal, Ermitage and La Verniaz hotels are signatories of the French LPO (League for the Protection of Birds) sanctuary charter. This charter commits Evian Resort to preserve biodiversity by taking action and adopting techniques to preserve/renew soil and habitats for certain species. With regard to their sourcing methods, these hotels strive to source local and regional produce and to grow their own fruit and vegetables. Evian Resort is currently in the process of obtaining Green Key (*Clef Verte*) certification.

Concerning the production of heat/cool from bioenergy, the Group verified the origin of the biomass and the reduction of greenhouse gas emissions.

In the case of the acquisition or rental of buildings for which the building permit was filed prior to December 31, 2020, Danone referred to the buildings' energy performance certificates when available, or to energy consumption data, to determine whether the buildings are among the top 15% of energy-efficient buildings (based on the thresholds issued by French independent real estate body, OID (Green Building observatory).

For other investments, the Group verified compliance with the technical screening criteria set out in the Climate Delegated Regulation and specified in the European Commission's FAQ.

### Do no significant harm to the Taxonomy's five other objectives ("DNSH")

The Group carried out the work needed to check compliance with the DNSH criteria and, in particular, reviewed compliance with the DNSH criteria for climate change adaptation by conducting a local analysis of climate-related risks and vulnerability.

### Verification of compliance with minimum safeguards (MS)

The Group satisfies the minimum safeguard requirements as set out in the report issued by the Platform on Sustainable Finance (PSF), clarified by the June 16, 2023 FAQ, in terms of human rights, corruption and bribery, fair competition and taxation.

Danone verified that there have been no convictions in relation to these topics, and that appropriate procedures have been implemented. For example:

- Danone mapped and prioritized risks related to human rights (see section 5.4.2 *Workers in the value chain (ESRS S2)*);
- Danone has an anti-corruption system in accordance with France's Sapin II law (see *Anti-corruption and bribery* in section 5.5.1 *Business conduct (ESRS G1)*);
- Danone considers the payment of tax to be an integral part of its Social, Environmental and Societal Responsibility (see *Fight against tax evasion* in section 5.5.1 *Business conduct (ESRS G1)*);
- Danone informs its employees of the principle of free and fair competition (see section 5.5.1 *Business conduct (ESRS G1)*).

### Determination of KPIs

#### Turnover

The turnover numerator comprises sales generated by Taxonomy-aligned activities.

As presented in Note 7.2 to the Group's consolidated financial statements, the denominator is derived from the Group's consolidated sales, which represents € 27,376 million in 2024.

The hotel business of Evian Resort, including the spa and other related services, is eligible under the "Protection and restoration of biodiversity and ecosystems" objective.

In 2024, eligible turnover amounts to €69 million, compared with €62 million the previous year.

In 2024, the Group's Taxonomy-aligned turnover under the six environmental objectives is zero.

#### Capital expenditure ("CapEx")

The CapEx numerator includes all investments aligned with the six environmental objectives.

[The numerator of the aligned portion of CapEx mainly comprises capital expenditure linked to the installation of heat pumps in Canada and to the ongoing biomass boiler project initiated in 2022.]

The denominator includes all acquisitions of property, plant and equipment (IAS 16), intangible assets (IAS 38), right-of-use assets (IFRS 16) and investment property (IAS 40), as well as acquisitions resulting from business combinations. The denominator represents €1,173 million in capital expenditure in 2024 compared to €1,017 million in 2023, as presented in Notes 7.5 and 11.2 to the Group's consolidated financial statements.

In 2024, eligible capital expenditure totals €191 million, out of a total of €1,173 million in capital expenditure, compared to €154 million and €1,017 million in 2023.

Taxonomy-aligned capital expenditure amounts to €5 million, compared to zero in 2023.

#### Operating expenditure ("OpEx")

The operating expenditure identified by the Group pursuant to the Taxonomy Regulation concerns non-capitalized research and development expenses, lease expenses, upkeep, repair, maintenance and other direct expenses related to the day-to-day upkeep of property, plant and equipment.

In 2024, OpEx within the meaning of the Taxonomy Regulation amounts to €835 million, compared with total OpEx of €23,997 million, or 3% (compared with 3% in 2023). Given that the amount of OpEx as defined by the Taxonomy Regulation is not material, the Group continues to use the exemption from disclosure provided for therein, as in 2023.

## Regulatory tables

TABLE 1 – TURNOVER

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities	Code(s) <sup>(a)</sup>	Year	Substantial contribution criteria							DNSH Criteria ('Does Not Significantly Harm') <sup>(h)</sup>										
			Turnover	Proportion of turnover, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
		Currency	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)</b>																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%			
Of which Enabling			0%								Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
Of which Transitional			0%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		T	
<b>A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES) <sup>(g)</sup></b>																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	69	0.3%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.20%			
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		69	0.3%																	
Total Turnover of Taxonomy eligible activities (A.1 + A.2) (A)		69	0.3%						0.3%								0.20%			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>Turnover of Taxonomy-non-eligible activities (B)</b>		<b>27,307</b>	<b>99.7%</b>																	
<b>TOTAL (A + B)</b>		<b>27,376</b>	<b>100.0%</b>																	

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	0.0%	0.3%



TABLE 2 – CAPEX

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities	Code(s) <sup>(a)</sup>	Year		Substantial contribution criteria						DNSH Criteria ('Does Not Significantly Harm') <sup>(h)</sup>									
		CAPEX	Proportion of CapEx, year N	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1	Category enabling activity	Category transitional activity
				Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)</b>																			
Production of heat/cool from bioenergy	CCM 4.24 CCA 4.24	2	0.1%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y				
Installation, maintenance and repair of renewable energy technologies	CCM 7.6/ CCA 7.6	3	0.3%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y		E		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		5	0,4%	100%						Y	Y	Y	Y	Y	Y				
Of which Enabling		3	0,3%	100%						Y	Y	Y	Y	Y	Y		E		
Of which Transitional																		T	
<b>A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)<sup>(g)</sup></b>																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	CCM 7.7	136	11.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									10.4%	
Freight transport services by road	CCM 6.6	32	2.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									2.5%	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.8%	
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	8	0.7%	N/EL	N/EL	N/EL	N/EL	N/EL	EL									1.4%	
CapEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		186	15.9%	95.7%					4.3%									15.1%	
CapEx of Taxonomy eligible activities (A.1+A.2) (A)		191	16.3%	95.8%					4.2%									15.1%	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
<b>CapEx of Taxonomy-noneligible activities (B)</b>		<b>982</b>	<b>83.7%</b>																
<b>TOTAL (A + B)</b>		<b>1,173</b>	<b>100%</b>																

## Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0,4%	15.6%
CCA	0,4%	15.6%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	0.7%

TABLE 3 – OPEX

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Economic activities	Substantial contribution criteria		Year	Substantial contribution criteria							DNSH Criteria ('Does Not Significantly Harm') <sup>(h)</sup>									
	Code(s) <sup>(a)</sup>	OPEX	Proportion of Opex, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OPEX, 2023	Category enabling activity	Category transitional activity	
	Currency		%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)</b>																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%			
Of which Enabling			0%								Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E		
Of which Transitional			0%							Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		T	
<b>A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)<sup>(g)</sup></b>																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
OpEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%														%			
Total OpEx of Taxonomy eligible activities (A.1 + A.2) (A)		0	0%														%			
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>Turnover of Taxonomy-non-eligible activities (B)</b>																				
<b>TOTAL (A + B)</b>		<b>835</b>	<b>100%</b>																	

**Table of nuclear and fossil gas related activities**

<b>Nuclear energy-related activities</b>		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

## 5.4 SOCIAL INFORMATION

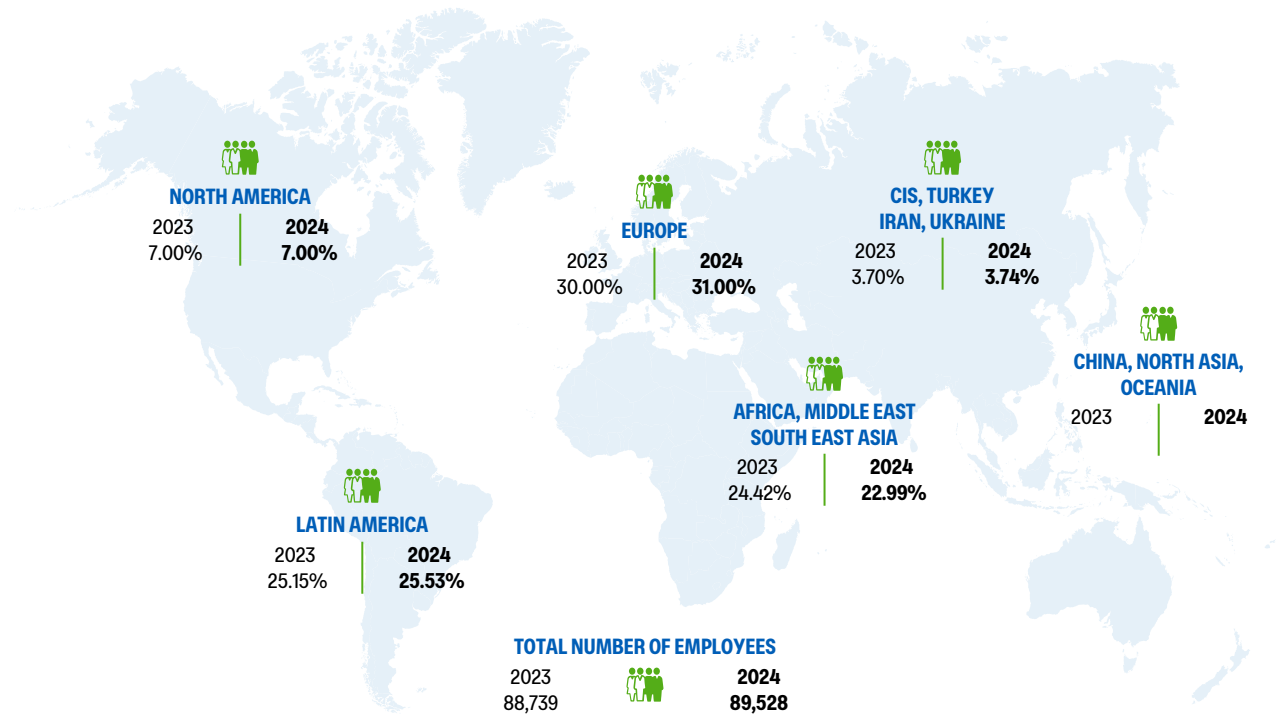
### 5.4.1 OWN WORKFORCE (ESRS S1)

Danone's purpose to bring health through food to as many people as possible would not be possible without the passion and commitment of its workforce. Attracting and retaining talent and creating the conditions in which employees can give the best of themselves are critical objectives for Danone's success.

The following section presents the Group's material gross impacts, risks and opportunities related to its own workforce, as well as Danone's associated policies and action plan, metrics and targets.

#### 5.4.1.1 Presentation of Danone's own workforce

##### Employees by region and country

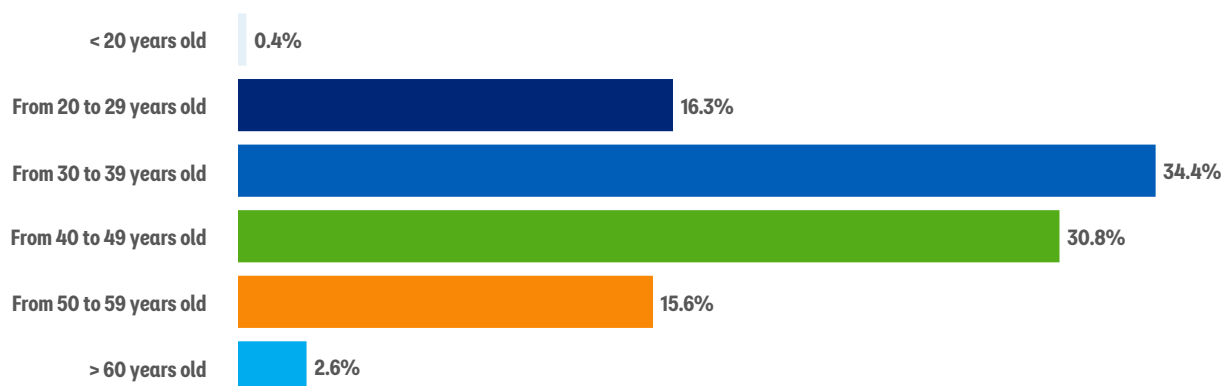


(a) Social Indicators Scope (see section 5.4.1.1.5 Consolidation scope and headcount methodology coverage).

## Countries and headcount representing more than 10% of total number of employees in 2024

Country	Number of employees (head count)
Mexico	15,419
Indonesia	11,136
France	9,101

## Employees by age



## Employee breakdown by gender

## Information on employee headcount by gender in 2024

Gender	Number of employees (headcount)
Men	60,196
Women	29,332
<b>TOTAL EMPLOYEES</b>	<b>89,528</b>

## Information on governance bodies, Executive Committee and other employees by gender

	2023		2024	
	Total	% women	Total	% women
Board of Directors <sup>(a)</sup>	11	44%	11	44%
Executive Committee <sup>(a)(b)</sup>	15	20%	13	23%
Managers, senior managers and executives	22,033	53%	22,494	54%
of which Senior managers: executives (excluding Executive Committee) and senior managers	1,657	43%	1,742	44%
of which Other managers	20,376	53%	20,739	54%
Non-management employees	66,706	25%	67,034	26%
<b>TOTAL EMPLOYEES</b>	<b>100%</b>	<b>32%</b>	<b>100%</b>	<b>33%</b>

(a) For more information, see section 6 Corporate Governance.

(b) The Executive Committee constitutes the "top management" (as defined by ESRS S1-9).

## Conditions and organization of Danone's working time

### Information on employees by contract type, broken down by gender in 2024 (headcount)

	2024			Total
	Women	Men	Not reported	
Number of employees (headcount)	29,332	60,196	0	89,528
Number of permanent employees (headcount)	27,273	57,956	0	85,229
Number of temporary employees (headcount)	1,677	2,622	0	4,299

### Total of hires, dismissals and turnover rate on the full scope of employees

	2023	2024
Hires	13,507	14,459
Dismissals	5,568	6,389
Employee turnover rate	20%	18%

Danone enables employees to adapt their work schedules in accordance with their local environment, for example by allowing them to work part-time or remotely. This has a positive impact on well-being at work. In 2021, the Group launched the "Future of Work" study among its employees to reflect on how to transform its ways of working. Following this consultation, Danone worked with employees to develop new solutions offering them the possibility to work from third-party spaces, adapt their physical and digital work environment and adopt a hybrid working model.

### Consolidation scope and headcount methodology coverage

The consolidation scope includes all Danone subsidiaries that are fully consolidated in the Group's financial statements, i.e., the subsidiaries in which Danone holds, directly or indirectly, exclusive control. Some subsidiaries do not report all social, safety, environmental, and health and nutrition indicators. These entities were consolidated for financial reporting purposes as of December 31, 2024, and action plans are being devised or are already in place to ensure the availability and reliability of the data. The list of subsidiaries that do not report certain indicators may differ depending on the types of indicators.

Due to a number of internationally mobile employees being on assignment at other Danone entities, a marginal portion of the managerial headcount data is not collected during the data reporting period. In addition, some disparities may exist in the headcount calculation methods for expatriate employees (this is the case for expatriate employees who have three-party contracts between the employee, the home subsidiary and the host subsidiary). In China, employees paid by Danone but whose contracts are with a third-party company (equivalent to a temporary work agency) are not included in the headcount. Fixed-term contracts and movements within Danone are also excluded from the arrivals/departures data. When entities are included in the reporting scope for the first time, only total headcount is reported. Data presented on this section is being consolidated in the social indicators scope in the first subsequent fiscal year. This approach may lead to differences between total number of employees and headcount presented on Note 9.1 of the consolidated financial statements. In 2024, there was no specific entities concerned by this situation whereas in 2023, it was the case for Danone Vietnam Company Limited (Vietnam) and Dumex Baby Food Co. Ltd. (China) with a total headcount of 104 people.

### 5.4.1.2 Stakeholder engagement

#### A strong track record working with employee representatives

Based on the dynamics of Danone's dual project linking economic success with social progress, Danone and the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations) engaged in continuous and in-depth dialogue at the international level in the 1980s. Enriched by its transparency, this dialogue became a major asset when facing social challenges.

From the automation of operations and the international expansion of the business to the recent Covid-19 crisis and major changes in the job market, Danone is constantly adapting to economic and social changes, and has continuously engaged with employee representatives. In 1988, nine Global Agreements have been signed with the IUF, demonstrating Danone's commitment to ensuring respect for workers' rights: the 1989 Agreement on Provision of information, and the Agreement on Equality, the 1992 Agreement on Skills Training, the 1994 Agreement on Trade Union Rights, the 2005 Agreement on Social Indicators, the 2007 Agreement on diversity, the 2011 Agreement on Health, Safety, Working Conditions and Stress, the 2016 Agreement on Sustainable Employment and Access to Rights (See section *Social dialogue and collective bargaining coverage* in section 5.4.1.4 *Material impact, risk and opportunity management*).

In addition, in 2005, Danone and the IUF signed a joint declaration on Danone's fundamental social principles, to be respected not only by management teams at its sites, but also by companies in which Danone has a minority shareholding, as well as its main suppliers and subcontractors. Since then, these rights have formed the basis of Danone's human rights commitments and standards formalized through the Danone Sustainability Principles.

Danone and the IUF discuss these topics on a regular basis, in order to reinforce plans towards ensuring these fundamental rights are respected.

### Promoting direct employee engagement through the Danone People Survey

Danone encourages its employees to co-build its strategy through the annual "Danone People Survey" (DPS) and Pulse programs, which enable all employees to express their opinions, share their beliefs. Started more than two decades ago, the DPS is under the responsibility of the Chief Human Resources Officer and its results are presented to the Chief Executive Officer, the Executive Committee and the Board of Directors' CSR Committee. It enables the Group to gain perspectives and insights directly from its employees worldwide – regardless of their zone and function – in order to build the Danone of tomorrow. Where possible and subject to local legislation, voluntary self-identification via the survey makes it possible to identify vulnerable populations as defined by the Corporate Sustainability Reporting Directive. The DPS results are analyzed at country level and data is aggregated to protect confidentiality. Additionally, these results are analyzed to understand how perceptions among these vulnerable populations differ from those of majority groups and whether any actions need to be implemented.

The DPS measures the various dimensions of Danone employees' engagement: personal accomplishment, motivation, and advocacy, as well as indicators that track well-being and inclusion. Three questions are used by Danone and its peers in the consumer goods industry to compare employee engagement versus the market as a whole. In 2024, 94% of all eligible Danone employees worldwide participated in the DPS, compared to 91% in 2023. The survey was conducted using the Qualtrics methodology and technology.

In 2024, the overall Engagement Score stood at 78%. When compared externally, Danone employees have higher levels of engagement than its peers in the consumer goods industry (+7pts vs its peers).

When engaging with stakeholders, Danone pays particular attention to its own workforce individuals or groups who may be particularly vulnerable to negative human rights impacts and/or marginalized.

#### 5.4.1.3 Material impacts, risks and opportunities related to Danone's own workforce

##### Process to identify material impacts, risks and opportunities

Danone's workforce is at the heart of the Group. The Group's activities may have an impact on its own workforce on several social and human rights topics, including social dialogue, inclusion, wages and compensation, health and safety, employee security, well-being, learning and development.

Danone is committed to respecting and promoting human rights across its own operations. In 2022, the Group completed the salient human rights impact assessment initiated in 2021 with the support of Shift (the leading center of expertise on the UN Guiding Principles on Business and Human Rights), systemically considering the vulnerable

populations. The list of the Danone's twelve salient human rights issues is available on the Danone's website. The process involved desk research and working with external and internal stakeholders. Danone leveraged this process to raise awareness and build capacity on human rights internally. It involved more than 110 employees in interviews and workshops aimed at identifying Danone's salient human rights issues. The assessment identified varying levels of Human Rights Due Diligence maturity depending on the population concerned – i.e. Danone employees or external workforce (temporary workers employed through labor agencies or contract workers on Danone's sites). As a result, Danone places a specific focus on external workers when conducting due diligence in its own operations.

Danone used these results when it carried out its double materiality assessment to identify the material impacts, risks and opportunities which are related to its own workforce. More information on the materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

##### Presentation of material impacts, risks and opportunities

###### Inclusion and diversity

The impact of inclusion and diversity is systemic, influencing all aspects of the organization and contributing to a more supportive and dynamic workplace environment. As all workers may face discrimination, harassment and unconscious bias, companies need to proactively ensure fair promotions, equitable pay, and equal leadership opportunities. Additionally, lack of inclusion and breaches in human rights such as discrimination and harassment could lead to the deterioration of working conditions and have an impact on workers' personal well-being and physical integrity. At Danone, promoting inclusion for all consists in cultivating an inclusive work culture by recognizing, respecting, and leveraging differences to empower employees to be their best selves, enhancing both well-being and performance.

###### Learning and Development

Learning and Development actions enable employees to acquire critical skills for their own growth and development, as well as enable them to contribute to companies' performance. The skill set required for employees to thrive in the future is evolving rapidly and companies has a role to play to equip employees with these skills, while creating conditions to develop a continuous learning mindset and empowering them to lead their own development.

###### Adequate wages and compensation

Employees not being paid an adequate wage can be prevented from fulfilling some of their basic needs or those of their families. Inadequate wages can arise due to several factors including late payment, improper deductions, time-based wages or piecework rates, or the level of wages paid. Certain roles can sometimes be more prone to challenges due to the nature of their work.

### Health and safety

Employee health is essential to both individual well-being and organizational performance. Workers across all sites can face physical and psychological health and safety risks, including accidents that may result in serious consequences. Medical conditions arising from these incidents, or from general illnesses, can significantly affect employees' ability to perform daily tasks, leading to absenteeism, reduced productivity, and disruptions in workflow that place additional pressures on teams.

Beyond the workplace, these health challenges can impact employees' quality of life.

### Well-being

Employee well-being is vital to a company's entire workforce and is a cornerstone of its organizational success. By prioritizing employee well-being, a company could significantly benefit all employees by reducing stress and improving quality of life. Additionally, it can strengthen the employer brand, making it easier to attract and retain top talent.

### Employee security

With a presence in more than 120 countries, Danone could face internal and external threats to the Group's personnel or properties. Security breaches, which could have consequences on workers, differ from one country to the other and are assessed through risk assessments performed by the Danone Corporate Security team. This is particularly the case in countries at risk. The list of countries at risk is updated by Danone on a regular basis and in accordance with public recommendations.

### Collective bargaining

Social dialogue with trade unions and workers' representatives plays a crucial role in enhancing the working conditions and overall well-being of all Danone employees. Collective bargaining agreements, which are widespread and systemic, establish a common foundation of social policies, including safe and healthy working conditions, fair wages and benefits, and inclusion initiatives.

### Child and forced labor

Forced labor relates to workers being forced to work through violence or intimidation. The majority of cases stem from unethical hiring practices that force workers to pay high recruitment fees leading them to debt bondage. Child labor relates to work that is mentally, physically, or morally harmful to children and/or interferes with their schooling. Within Danone's operations, it could concern temporary workers, especially migrant workers, who are particularly vulnerable.

### Risk related to industrial accidents leading to facility loss or harm to employees

During its operations and activities, certain Danone sites could face industrial accidents exposing its employees to injuries.

Note: These impacts and risks are gross, meaning before actions taken by Danone.

As part of the preparation for the DanSkills program, which aims to upskill all Danone employees for the jobs of the future and attract new talents, Danone started assessing the impact of the green transition on its workforce. Danone will amplify the initiatives to define the skills, training, and programs that need to be developed to adapt employee skill set.

### 5.4.1.4 Material impact, risk and opportunity management

The social topics related to Danone's own workforce are sponsored by the Chief Human Resources Officer and the Chief Sustainability and Strategy Business Officer, and overseen by the VP Social Dialogue and Social Fundamentals and the Chief Sustainability Officer. The responsibility for the management, implementation and monitoring compliance with all the policies below is assigned to them by Danone's Chief Executive Officer.

#### Human rights

##### Governance

In 2023, Danone established the Human Rights Due Diligence (HRDD) central governance, led by the Chief Human Resources Officer. A global task force is responsible for shaping the overall strategy, equipping the local Country Business Units with tools, methodologies and guidance, and monitoring implementation. The Business and Human Rights Leaders established local governance structures in each Country Business Unit: (i) a cross-functional Human Rights Task Force to implement due diligence (Human Resources, Procurement, Legal, and Business Leaders), and (ii) a dedicated business committee to oversee the implementation and monitor progress at least twice a year.

##### Policies related to human rights

Danone regularly updates and enriches its policies regarding human rights, resulting from recurrent re-assessment. Notably, in 2022, Danone strengthened its human rights approach by finalizing its salient human rights impact assessment, updating the Danone Sustainability Principles (DSP), and formalizing its Danone Human Rights Policy. They apply throughout the value chain, including in its own operations and are available on Danone's website and internal intranet.

##### Danone Sustainability Principles

The foundation for the Danone Sustainability Principles (DSP) stems from the 2005 joint declaration between Danone and the IUF describing the fundamental social rights that Danone commits to upholding in its value chain.

Applicable across the Group's value chain, including in its own operations (i.e. Danone and its partners, including suppliers, distributors and all other third parties upstream and downstream), the DSP were updated in 2022, to take into account (i) Danone's salient human rights impact assessment, produced with the support of Shift, the leading center of expertise on the UN Guiding Principles on Business and Human Rights, (ii) the Group's latest environmental policies and voluntary commitments, in line with reinforced international sustainability standards and requirements, and (iii) ethical principles. This new version has been formally approved by the Sustainability Compliance Board.



These 2022 standards complement the Fundamentals Environmental Principles and the Business Ethics Principles, and outline ten Fundamental Social Principles in accordance with internationally recognized standards such as the UN Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The ten principles include: no child labor, no forced labor, no harassment or abuse, reasonable working hours, fair wages, no discrimination, freedom of association and the right to collective bargaining, health, safety and well-being at work, inclusion for all, and land rights of communities and indigenous people (see the *Human Rights Policy* section hereafter). Building upon the DSP, Danone has developed specific policies on inclusion for all, living wage, health, safety and well-being, and social dialogue which are detailed hereafter.

To monitor implementation of the DSP worldwide, Danone is implementing a Human Rights Due Diligence process aligned with the UNGPs, described in the *Actions related to Human Rights* section hereafter.

### Human Rights Policy

Aligned with international instruments such as the UN Guiding Principles on Business and Human Rights (UNGPs), the UN Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the ten principles of the United Nations Global Compact, the Human Rights Policy provides detailed information on Danone's responsibilities and the expectations it sets for its business partners, outlining the approach for implementing Human Rights Due Diligence across different scopes of the value chain. It also addresses the grievance mechanism, remedial measures, and governance related to human rights.

Danone focuses on three sets of principles identified through the salient human rights impact assessment and detailed in the Danone Sustainability Principles (DSP): (i) ending exploitation: prohibiting child and forced labor, slavery, and human trafficking, prohibiting harassment and abuse, and ensuring reasonable working hours, (ii) decent work: granting a decent wage or at least the legal minimum pay, granting freedom of association and the right to collective bargaining,; committing to safe and healthy working conditions; ensuring no discrimination with a positive culture towards inclusion, (iii) respecting people in communities impacted by Danone's activities: respecting land rights of communities and indigenous people, not negatively impacting their access to water, and respecting the right to a healthy environment and healthy nutrition.

In addition to this overarching policy, Danone has a longstanding specific commitment against forced labor, recognized as one of the most pressing social issues in agricultural supply chains today. Danone published in 2018 a statement on forced labor based on the Consumer Goods Forum's (CGF) priority principles to eradicate forced labor from global supply chains: (i) every worker should have freedom of movement, (ii) no worker should pay for a job, and (iii) no worker should be indebted or coerced to work. Danone also incorporated them into its Sustainability Principles. They apply to Danone's own operations and are embedded in supplier contracts as part of the Danone Sustainability Principles for Business Partners.

In accordance with the UNGPs, Danone advances respect for human rights by understanding its greatest human rights risks, acting upon its findings, integrating prevention and mitigation measures into its policies and internal systems, tracking its actions, and communicating with stakeholders about how the Group addresses impacts.

### Global on-site External Workforce Policy

Danone has identified on-site external workers as a main priority for conducting Human Rights Due Diligence in its own operations. Given the systemic scale of human rights violations on these vulnerable populations worldwide, Danone actively contributes to and leverages collective approaches with peers and civil society to enable learning, best practice sharing and increased impact.

In 2018, the Group issued an internal Global External Workforce Policy focusing specifically on labor agency workers and prohibiting the payment of recruitment fees by workers.

### Actions related to Human Rights

#### Commitment to deploy Human Rights Due Diligence (HRDD)

Danone monitors its subsidiaries' alignment with the DSP, the UNGPs, the OECD Guidelines for Multinational Enterprises, and the ILO Declaration on Fundamental Principles and Rights at Work by implementing a HRDD process across its own operations. Beside forced labor and child labor, this HRDD process covers the other labor rights described above, which Danone already addresses through specific policies and programs: anti-discrimination with an inclusive culture, anti-harassment and abuse, freedom of association and right to collective bargaining, health, safety and well-being at work, working hours and pay.

As a member of the Consumer Goods Forum (CGF) Human Rights Coalition, Danone pledged to develop and deploy HRDD systems focusing on forced labor in its operations, with the aim of reaching 100% coverage by 2025, including external workers hired by temporary work agencies or by subcontractors to carry out regular and continuous work at its entities. In 2021, Danone played a key role in the coalition's collective efforts, supported by the Fair Labor Association (FLA), to develop tools and processes for the due diligence framework.

#### HRDD organization and process design

Danone acknowledges that HRDD is an ongoing approach towards continuous improvement. Danone designed a six-step process to implement HRDD, targeting to implement it company wide by the end of 2025 and, moving forward, integrating it in regular business practices: (i) communicating the Human Rights Policy and establishing a human rights governance, (ii) conducting risk assessments, (iii) adopting mitigation plans, (iv) monitoring implementation, (v) communication, and (vi) remediation of adverse impacts.

## HRDD implementation in 2024

### Step 1: Commitment and Integration: communicating the Human Rights Policy and establishing a human rights governance locally

Danone's Human Rights Policy has been translated into local languages in all Country Business Units and its core principles have been communicated to all internal and external personnel at Danone sites. At a minimum, this communication consisted in sharing the policy and key points via email and internal social media and displaying printed posters in local languages across sites. Additionally, tailored communication included summary booklets, training sessions and town halls led by senior leaders, in which external workers were also invited to participate.

### Step 2: Identify and Assess Adverse Impacts: conducting risk assessments

Danone assesses adverse impacts on the ground through audits or self-assessments. With guidance from external experts including the Fair Labor Association Danone has identified ten priority countries of operation, based on two criteria: human right inherent country risk and size of the external workforce employed at Danone's sites. In these ten priority countries, facilities, including plants, headquarters and warehouses, SMETA audits have been conducted by certified auditors. Danone ensured that trade union representatives were interviewed.

In the other countries, human rights self-assessments have been conducted at priority sites (defined as those with over 150 Danone employees or if the external workforce exceeds 20% of the Danone headcount) using an internal self-assessment tool. The self-assessment tool aligns with the Ethical Trade Initiative (ETI) Basecode and Danone Sustainability Principles. It also incorporates questions from the survey designed by the Fair Labor Association for members of the CGF.

### Step 3: Cease, Prevent, or Mitigate: adopting mitigation plans

100% of audits and 90% of self-assessments scheduled for 2024 have been completed. Audits will continue in 2025. Based on the results, Country Business Units will be developing and implementing management systems to prevent, mitigate, and address identified human rights issues based on criticality.

Mitigation actions are broadly categorized at three levels:

- Site-level measures: actions are taken by local country teams to address risks at individual sites. Most mitigation measures fall into this category.
- Country-level measures: when issues recur across multiple sites within the same country, mitigation measures are coordinated at the country level to ensure consistent resolution.
- Global-level measures: when issues require a broader, long-term approach, they are escalated to the global team by country leads. The objective is to address these issues with strategic, long-term mitigation actions.

For steps 4, 5, and 6, mitigation actions started being implemented in 2024 and will continue into 2025, and are monitored both at country and global levels.

## Stakeholder engagement and upskilling on human rights

In 2024, Danone made efforts in training and upskilling its workforce on human rights, focusing on implementing HRDD in its own operations.

- Business and Human Rights Leaders conducted extensive training and communication events at country level. These sessions were part of the broader rollout of Danone's Human Rights Policy and designed to enhance employees' human rights knowledge and capabilities.
- The Global Human Rights Task Force conducted in-person visits and training sessions in key countries. These training sessions, which targeted local teams across functions such as Human Resources, Operations, Legal, Procurement, and senior business leaders, provided critical tools and guidance to support the local implementation of HRDD. The in-person sessions deepened the understanding of human rights and created valuable opportunities for direct engagement with senior leadership in each country. Countries that benefited from these visits include Morocco, Egypt, Mexico, Thailand, Indonesia, Turkey, China, and India.
- A significant milestone in 2024 was the Global Human Rights Campus held in Paris. This event brought together over 29 Business and Human Rights Leaders, offering them an opportunity to upskill on various aspects of HRDD, Danone's commitments, and action plans. The campus provided a platform to discuss challenges, co-create solutions, and foster stronger connections between local leaders and the global team. It also facilitated valuable interaction with senior business leaders, including presentations from members of the Executive Committee. The participation of external experts and peer best practice sharing further enriched the event.
- A dedicated masterclass on HRDD was organized for the Human Resources Board. The masterclass aimed to engage senior HR management and to incorporate human rights considerations into their decision-making processes. It guided the Human Resources Board through the steps involved in HRDD and highlighted the potential risks and opportunities associated with human rights.
- Similarly, a masterclass was organized for the global Danone sustainability community, which aimed to raise awareness and engage participants in the importance of addressing the human rights agenda within Danone's own operations, including management of its external workforce.

## Inclusion and diversity

### Governance

To create an inclusive and diverse global environment, the Group has rolled out a governance and policies that cover the Group's workforce.

The Global Inclusion and diversity policy, the Anti-harassment and Discrimination Policy and Global Parental Policy, detailed below, are overseen by the Chief Human Resources Officer. To ensure implementation at every level of the Group, Danone has established a Global Inclusion and diversity and Well-Being team. Additionally, the Global Reward team monitors the deployment of the Global Parental Policy and the implementation of programs regarding Social Protection.

### Policies related to Inclusion and diversity

#### Global Inclusion and Diversity Policy

The Global Inclusion and Diversity (ID) Policy published in 2019 underscores Danone's commitment to ensuring inclusiveness for all employees, affiliates, and business partners. Danone is committed to ensuring everyone is treated with dignity and respect, prohibiting intimidation, bullying, harassment, or mistreatment; encouraging reporting of such behaviors with protection from retaliation; and regularly reviewing employment practices to maintain an inclusive workplace. The policy mandates that all decisions related to recruitment, hiring, promotion, compensation, employee development, and other employment terms and conditions will be made without regard to race, ethnicity, gender, age, national origin, religion, disability, sexual orientation, gender identity or expression, and veteran status. It applies to all Danone employees worldwide, as well as any individuals working for Danone, regardless of their contractual status. The Global ID Policy builds upon the DSP (see section *Human rights* above) and aligns with international instruments, including the United Nations Guiding Principles on Business and Human Rights (UNGPs). This policy is available on Danone's website and intranet.

#### Anti-harassment and Discrimination Policy

Building on its Global ID Policy, Danone has defined and implemented, in 2020, its Anti-harassment and Discrimination Policy:

- prohibiting violence, bullying, harassment, and discrimination;
- aiming at creating an inclusive environment where all workers are treated with dignity and respect.

Beyond its employees, Danone requires to apply its policy to any third party as job applicants, external workers/non-employees, business partners and customers. Danone's Anti-harassment and Discrimination Policy (aligns with international instruments, including the UNGPs) is available on Danone's website and intranet.

#### Global Parental Policy

The Global Parental Policy (2017) aims to support employees through all stages of parenthood by providing adapted working conditions, flexible schedules, and health and nutrition advice. This policy applies

to all permanent employees worldwide. It is based on three key components: (i) pre-natal support, including modified working conditions and nutrition counseling during pregnancy, (ii) extended parental leave for both men and women, and (iii) post-natal support, including job protection measures and return-to-work support, flexible working conditions and breastfeeding support by providing lactation rooms for mothers at all sites that employ more than 50 women.

The policy ensures job protection, paid and unpaid leave, and support for breastfeeding. The policy aligns with local legislation and WHO guidelines, aiming to create a parent-friendly culture and support employees' well-being and successful transition back to work. Danone's Global Parental Policy aligns with international instruments, including the UNGPs, and is available on Danone's website and intranet.

### Actions related to Inclusion and diversity

Danone's commitment to inclusion and diversity enhances employee well-being and performance while addressing discrimination and unconscious bias through comprehensive policies and ongoing engagement.

Danone provides training to employees on anti-harassment, anti-discrimination, unconscious bias, inclusion, and cross-cultural working.

#### Disability inclusion

Danone takes various initiatives, both at Group and local level, to foster an inclusive workplace for employees with disabilities.

#### Actions related to gender pay gap

Danone aims to close the gender pay gap. Danone's gender pay gap (difference of average pay levels between women and male employees) is assessed on an annual basis for all employees, workers on sites, managers and above (permanent and temporary; full-time and part-time, excluding interns and trainees) based on Total Target Cash (TTC), per employee category and per position level.

#### Whistleblowing system

To prevent, mitigate and act upon discrimination once identified, Danone uses a whistleblowing system, the Danone Ethics Line (DEL), which encourages all employees (among others) to report concerns about any existing or potential wrongdoing in breach of the Danone Code of Business Conduct (more information on the system is available in section *Danone Ethics Line* in section 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns*).

### Metrics and targets related to Inclusion and diversity

The Group aims to achieve gender balance in management globally by 2030. This includes 40% to 60% women in management positions, 40% to 60% women in senior leadership positions, and 40% to 60% women in the Executive Committee. See metrics related to gender distribution, including top management level, in section 5.4.1.1 *Presentation of Danone's own workforce*.

### Gender pay gap

Danone's ambition is to close the gender pay gap for all its employees by 2025. The Group uses the following methodology to calculate the gender pay gap:  $(\text{Average women CR} / \text{Average Male CR} - 1) \times 100$  where the CR = *Compa Ratio* = *Total Target Cash/Country median*.

In 2024, the Gender Pay Gap stood at 1.1pt on a scope including managers, senior managers, and executive positions.

Danone has put in place a methodology and a roadmap to expand the scope of this analysis to all employees.

### Global Parental Policy implementation

Danone's Global Parental Policy, launched in 2017, which supports employees through all stages of parenthood, has been implemented globally in 58 countries where Danone operates. To date, the Group has established 154 lactation rooms in 45 countries to support flexible working conditions and breastfeeding by providing dedicated spaces for mothers at all sites employing more than 50 women.

### Evaluation of employee engagement

Danone's employee engagement rate is a strong indicator of the effectiveness of its actions around employee well-being and inclusivity. In 2024, the overall Engagement Score stood at 78% points, +7 points above its peers in the consumer goods industry. Danone's high ranking in global benchmarks further illustrates the effectiveness of its initiatives.

Views of stakeholders regarding inclusion and diversity matters are collected through the DPS and social dialogue with unions (see section 5.4.1.2 *Stakeholder engagement*). Danone's approach to stakeholder engagement is detailed in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

## Learning and Development

### Approach and processes related to the Learning and Development of Danone's workers

#### Governance

Training and skills-related matters are managed by Danone's global Talent & Development team, reporting directly to the Chief Human Resources Officer, which is structured into three teams:

- Danone Academy: Global learning managers and directors, acting as business partners for their respective functions. They define the learning and development strategy, set priorities, design the learning plan and deployment strategy, coordinate globally led events as well as manage the learning portfolio, learning solutions being primarily handled by local learning teams;
- Global Talent Team: responsible for shaping and designing Global talent development processes;
- Executive Learning Team: responsible for designing and implementing the learning and development strategy for executives.

#### Approach and processes

Danone has a comprehensive approach to lifelong learning and has developed a Learning & Development framework, complemented by an annual Development Conversation for all employees, enabling them to identify their Learnings & Development needs.

### Actions related to the Learning and Development of Danone's employees

#### A user-centric learning development approach

The Development Conversation, proposed to any Danone employee (on a voluntary basis), is an annual key conversation with its Line Manager, aimed at stepping back from day-to-day activities and discuss its development, learning goals and subsequent plans, either short term (for the year) or connected to long term career aspirations. It results in its Development Plan, decided jointly by the employee and its Line Manager, documented in Danone's employee portal (sHaRe) for regular review across the year, and structured with a clear goal, specific development and learning actions within the three categories hereafter:

- **70% - learning on the job** with line manager support: learning through delivering Danone employees' objectives.
- **20% - learning from others**, such as peers, seniors and leaders, through feedback, networking, shadowing, mentoring and coaching;
- **10% - learning through training** courses, conferences and e-learning courses.

With regard to the 10% training portion, Danone offers managerial, leadership and functional training to enable employees to upskill and reskill themselves according to their needs, notably using digital tools. This is aligned both with the strategic plan of each function and with each Danone employee's individual development plan.

#### Campus X

Danone's digital learning platform Campus X provides learning solutions for all employees worldwide, with a comprehensive set of e-learning modules and online courses on both functional and leadership topics to support their development, specific to Danone's learning programs as well as external best-in-class training solutions (i.e. LinkedIn learning, Coursera, etc.).

The CampusX ecosystem has been recognized as being a leading edge learning system, providing a wide range of content to Danone's employees and fostering a life-long learning culture. It is accessed by approximately 25,000 employees every month.

In addition, specific learning solutions are being developed for frontline employees, including on-the-job coaching support, workshops, videos, bite-size modules to be included in team meetings. As another example of learning solutions to reach all employees, Danone has recently launched an innovative podcast learning solution on digital technology, translated into 15 languages.

#### Launch of DanSkills

Danone has launched DanSkills, an innovative global training program with two primary objectives: upskill all Danone employees for the jobs of the future and attract new talents. Between now and 2030, Danone plans to reallocate one million training hours annually to help employees learn the skills of the future, including digital technology.

Building on DanSkills, Danone launched in October 2024, the Danone Microsoft AI Academy in collaboration with Microsoft and opened in November 2024, a global learning center in its historical Evian site: "La Maison - Danone Leadership center".

## Metrics related to Learning and Development

### Employee training hours

	2023	2024
Number of permanent employees who took at least one training course <sup>(a)</sup>	88,520	93,874
Total number of training hours <sup>(a)</sup>	2,090,720	2,722,211
Percentage of permanent employees trained <sup>(a)</sup>	100%	100%
Average number of hours per employee trained <sup>(a)</sup>	24	32

(a) Social indicators scope, see section Consolidation scope and headcount methodology coverage.

## Living wage, compensation, and social protection

### Governance

A specialized global team, led by the Director of Compensation and Benefits, is responsible for the launch of global policies and programs, monitoring their deployment, and supporting local entities in their implementation.

### Policies related to living wage, compensation, and social protection

Danone offers its employees comprehensive, competitive and fair compensation based on Mercer evaluation system of evaluating and classifying jobs, taking into account regulations, requirements as well as external market developments and the local context of the subsidiaries. Two policies establish the basis of adequate wages, the DSP and the Human Rights Policy. Granting a living wage or at least the applicable legal minimum or standard pay is part of the DSP described in section *Human rights*.

### Actions related to living wage, compensation, and social protection

#### Actions related to living wage and compensation

In 2023, Danone began collaborating with an external provider to assess whether its employees are receiving a living wage in all locations where it operates. This partnership aims to ensure that no Danone employee falls below a living wage, with comprehensive assessments covering various factors influencing wages, such as local cost of living (including food, housing, healthcare, and other essential needs) and economic conditions. This external provider applies its methodology, which includes a detailed analysis of wage levels, wage structures, and local living standards, to identify any gaps and guide corrective actions if necessary.

#### Actions related to social protection: Dan'Cares

In 2009, Danone launched the Dan'Cares program, aiming at protecting all its employees and ultimately guaranteeing quality health coverage. It is designed to cover major risks (i.e. (i) hospitalization and surgery, (ii) ambulatory care, and (iii) maternity care) while taking into account relevant practices in the respective markets, and to be rolled out to all Danone subsidiaries, notably in countries where such coverage is not fully offered by government regulated healthcare systems. Danone ensures that all countries offer to their employees Dan'Cares' minimum standards, through a yearly comprehensive assessment.

In 2023, Danone expanded Dan'Cares to a fourth pillar: Be Well by Dan'Cares, to foster a positive environment in its workplaces that supports and nurtures Danone employees' well-being, focusing on Nutrition and Mental and Physical wellness.

Each year, Danone conducts comprehensive assessments to ensure that all countries adhere to the minimum standards established by Dan'Cares.

In 2024, Danone hired an external provider to audit the alignment of Dan'Cares across all geographies, utilizing metrics related to accessibility, the level of out-of-pocket expenses that employees have to pay, and the quality of inpatient, outpatient, and maternity services compared to OECD averages.

While actions on retirement and loss of income due to sickness or disability are driven on a local basis, taking into account existing government provisions or social security systems, Danone conducts regular assessments and market studies to collect and benchmark its local policies in the market and enhance them if necessary. Danone also facilitates access to supplementary insurance plans for its employees in markets where they are available.

### Metrics and targets related to living wage, compensation and social protection

#### Living wages

In 2024, 100% of Danone's employees are in line with or above the living wage, following the Fair Wage Network methodology.

#### Chief Executive Officer Ratio

Danone presents the ratio of the highest paid individual to the median annual total remuneration for employees who have entered into a permanent or fixed-term employment contract with Danone companies registered in France in section 6.3 *Compensation and benefits of governance bodies* in section 6 *Corporate Governance*. and the Group's performance over the last five years.

Due to the lack of methodology to calculate a ratio for all employees adjusted to the purchasing power differences between countries, and willing to disclose information that is complete, accurate, consistent and comparable with its peers, Danone is waiting a clarification of the methodology to extend the scope of this ratio.

#### Social protection

As part of the Danone Impact Journey, the objective is for all Danone employees (i.e. 100%) to be covered by Dan'Cares by 2030. As of December 31, 2024, 87,664 employees in 52 countries received health coverage fully meeting the criteria defined by Dan'Cares, representing 98% of Danone's employees.

**Health and safety**

**Governance**

Managed by Operations, the WISE<sup>2</sup> program is deployed at each office sites, at production sites, logistics warehouses and sales and distribution locations. Health and Safety managers at the subsidiaries and sites support the program's smooth deployment. The program is overseen at the Group level by the Safety Steering Committee, which is chaired by the Chief Operations Officer and the Chief Human Resources, both members of the Executive Committee. They are supported by the Vice President Industrial Excellence and the Head of Health, Safety and Well-being.

**Policy related to workplace safety**

To foster a supportive and productive workplace for all its employees as well as a culture of safety and well-being across all its locations, Danone defined and issued in 2024 its Health, Safety and Well-being Policy, prioritizing these interconnected elements and extending its health and safety components to external workers (including temporary workers, third-party workers and independent contractors) and visitors. The policy notably emphasizes the importance of preventing accidents and promoting well-being through the WISE<sup>2</sup> program and is available on Danone's website and intranet.

To continuously reduce workplace accidents, Danone developed WISE<sup>2</sup>, a global "workplace health and safety program", aimed at developing a health and safety culture in the workplace, and setting standards to meet for the most critical risk situations - WISE 12 Basics in proximity distribution defined since 2019 - complemented in 2024, by new standards related to road risk, to protect its employees and contractors on the road. Deployment started in all geographies for all vehicle types with a strong focus on logistics and sales teams which are, due to their work, specifically exposed to road risks. As detailed in section 5.4.1.1 *Presentation of Danone's own workforce*, all individuals working at Danone sites - including employees, workers provided by third-party undertakings, other external labor providers, and subcontractors - are also covered by the Group's accident monitoring, analysis, and action plans addressing fatal, lost-time, and non-lost-time accidents.

**Actions related to workplace safety**

The sites are responsible for conducting their own employee health and safety risk assessments. In Europe, companies are required to fill out the Single Occupational Risk Assessment Document, recording how their risks are assessed and the action plans implemented to ensure employee safety. This risk assessment must be revised once a

year to account for new risks and eliminate certain risks through specific action plans. Mitigation plans are then implemented, and the remaining risks are assessed once actions have been carried out. On-site Health and Safety managers are responsible for updating the Single Occupational Risk Assessment Documents and site directors are legally accountable for this update. Area managers at production sites work with safety teams to carry out the assessment.

Since 2018, Danone has also deployed the WISE<sup>2</sup> compliance standards in countries where convenience store distribution is significant, including Egypt, Indonesia, Mexico and Morocco.

In addition, the WISE<sup>2</sup> action plans cover the management of working conditions, including initiatives to assess ergonomic risks and provide training on repetitive motions, posture and workstation configurations. The rate of occupational illness and related absenteeism is monitored at the local level.

In 2023, Danone released its road safety standard to protect Danone employees and contractors exposed to road risks. In 2024, Danone continued to reinforce its safety basics with two specific programs focusing on Machine Safety and Ergonomics. These initiatives will contribute to Danone's continuous improvement trend in the coming years.

**Actions related to well-being**

Be Well by Dan'Cares is Danone's holistic well-being program designed to support employees' physical health, mental wellness, and nutrition. The program offers a variety of resources, activities, and learning opportunities for employees. Danone organizes annual events such as Nutrition Week and Mental Health Awareness Day, along with year-round physical fitness challenges. More information related to well-being actions is available in section *Dan'Cares* in section *Living wage, compensation, and social protection* in this section.

To further enhance well-being efforts, Danone has created and offers to team leaders upskilling resources.

**Metrics related to health, safety and well-being**

**Percentage of employees covered by WISE<sup>2</sup>**

Each year, Danone conducts WISE<sup>2</sup> audits at approximately 50% of its production and logistics sites, covering both safety culture and compliance with standards. WISE<sup>2</sup> audits cover all Danone employees and external workers present at production sites and across sales forces. Danone aims to maintain this level of coverage. WISE<sup>2</sup> audits are also conducted in specific administrative headquarters.

**Number of accidents, days lost and frequency rate (in percentage)**

	2023	2024
Fatal accidents	3	2
Accidents with at least 1 day lost time <sup>(a)</sup>	211	187
Frequency rate 1 (FR1) <sup>(a)</sup>	1.0	0.9
Frequency rate 2 (FR2) <sup>(a)</sup>	0.6	0.4
Days lost	33,364	14,794

(a) See methodology, in section hereafter.

### Other metrics

In 2024, Danone updated the Health and Safety reporting protocol to include ill-health cases across all entities. The Group will continue to promote the reporting of these events and analyze them to consolidate robust figures in the future.

Metrics and targets related to well-being are detailed in section *Living wage, compensation, and social protection*. Views of stakeholders regarding Health, Safety and Well-being matters are collected through the DPS and social dialogue with unions (see section 5.4.1.2 *Stakeholder engagement*). Danone's approach to stakeholder engagement is detailed in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

### Methodology related to Health and Safety

#### Frequency rates of workplace accidents

The frequency rate of workplace accidents with medical leave (FR1) represents the number of workplace accidents with lost time of one day or more that occur over a 12-month period per one million hours worked. The frequency rate of workplace accidents without medical leave (FR2) represents the number of workplace accidents without medical leave for every one million hours worked. The severity rate (SR) represents the number of calendar days of absence resulting from workplace accidents with medical leave for every 1,000 hours worked. The hours worked are based on actual hours worked; by default, theoretical hours worked are taken into account on the basis of local practices and regulations regarding working time. The assumptions used to calculate the theoretical hours worked are left to the discretion of the subsidiaries on the basis of local specificities, which can lead to minor discrepancies. Workplace accident indicators also cover accidents affecting temporary employees, workers employed through staffing agencies or service providers working at the sites as well as interns who have an internship agreement with Danone. Temporary employees and workers employed through staffing agencies or service providers are individuals who do not have a work contract with Danone but are under its management, work on a temporary or non-temporary basis, and for whom Danone is able to collect data on working time (in number of hours). The collection of working hours for temporary employees and workers employed through staffing agencies is under the local responsibility of the subsidiaries. The control of this data by Danone, the wide fluctuation in this population of workers and the disparity of the agencies limit the completeness of data relating to this category.

### Employee security

With a presence in more than 120 countries, Danone and its workforce may be exposed to malicious acts. To mitigate them, Danone develops preventive measures adapted to each situation to secure the workplace and respond effectively when necessary.

### Governance

The Security function is working closely with other departments such as Human Resources, Internal Audit & Internal Control, Cycles & Procurement, Communication, IT & Data, and Insurance to ensure the implementation of long-lasting, cross-functional, and inclusive solutions, leading to more secure workspace. The implementation of the policies is overseen by Danone's General Secretary. People and travel security, through procedures to ensure the security and well-being of workers whether they are on Danone's sites or traveling, is one of the key missions of the Security Team.

### Policies related to employee security

Danone Travel Security policy (2023), available on the Group internal intranet and overseen by the General Secretary, outlines comprehensive guidelines to ensure the safety and well-being of employees during business trips. It emphasizes mandatory pre-trip approvals for high-risk destinations, the use of accredited travel agencies, and adherence to security protocols, including IT and information security measures. The policy also includes provisions for emergency assistance and post-travel feedback to continuously improve travel safety practices.

More information on employee security on Danone's sites is available in the Health, Safety and Well-Being policy and ID related policies in sections *Health and safety* and *Inclusion and diversity*.

These policies provide clear guidelines to protect Danone's whole workforce and are available on Danone's internal library.

### Actions related to employee security

To further protect its workforce, Danone has initiated a mandatory security e-learning course for all employees. This e-learning course was validated in 2024, with the objective to deploy it in 2025. This training will cover topics ranging from workplace violence, site security, supply chain and food protection to information protection. This pedagogic approach will increase awareness on security topics across Danone, while generating additional positive outcomes, including:

- facilitating incident alerts, and hence their treatment and resolution;
- mitigating the risks that Danone workers put themselves in harm's way due to a lack of basic knowledge on security basics;
- empowering each worker to proactively identify suspicious behaviors and act as the business' first line of defense.

### Social dialogue and collective bargaining coverage

Regular dialogue between management and employees is an integral part of Danone's corporate culture and its DNA linking economic success and social progress.

As a backbone of this strong commitment, Danone engaged the relationship with the IUF (International Union of Food workers) in the 1980s. After a common viewpoint published jointly in 1988, Danone has been a pioneer in negotiating and signing Global Framework Agreements with the IUF, which set the commitment to Union rights, Freedom of Association and access to Collective Bargaining. The nine agreements that have been signed since 1989 define the social progress in the Group.

### Governance

The Social Fundamentals team, which oversees all matters related to employee relations, reports directly to the Chief Human Resources Officer, who is a member of the Executive Committee. This ensures that employee relations are given the highest priority and are integrated into the strategic decision-making process.

The responsibilities related to employee relations are embedded in the roles of every Human Resources Director across the organization. This integration ensures that Human Resources policies are applied consistently and upheld throughout Danone's global operations. Furthermore, each country in which Danone operates has dedicated employee relations or social dialogue professionals. These professionals are tasked with ensuring that local labor law and Danone's Human Resources policies are effectively implemented and adhered to at the local level.

In addition, the Board of Directors' CSR Committee regularly reviews the progress of action plans. France's Work Council (CGF) and the European Work Council (CIC) appoint two Directors representing employees to sit on the Board of Directors. A member of Danone SA's Work Council also attends Board meetings in an advisory capacity.

### Policies related to social dialogue and collective bargaining coverage

#### Human Rights Policy

Danone's Human Rights Policy reaffirms the Group's commitment to respecting and strengthening human rights in its value chain, including in its own operations, by implementing a due diligence process (see section *Human rights*). It emphasizes the importance of stakeholder dialogue, with unions playing a key role. The Group is committed to respecting union rights and providing employees the fundamental human rights to form and join unions.

Danone is dedicated to building meaningful relationships with its employees through ongoing engagement and dialogue with their representatives. This proactive approach helps to identify, prevent, and mitigate any potential negative impacts on working conditions.

#### Danone Sustainability Principles

The Danone Sustainability Principles (DSP) emphasize the importance of social dialogue and respect for union rights, and ensure that all workers are treated with respect and dignity. The DSP include a commitment to freedom of association and right to collective bargaining as one of the ten social principles aligned with the criteria set by the International Labour Organization (ILO). Danone is and has been a long-term active supporter of the right to collective bargaining and encourages open communication between management and employees. This commitment is reflected in Danone's efforts to foster a positive work environment where social dialogue is promoted and union rights are respected. Since 2003, Danone has been a member of the UN Global Compact, adhering to the ILO's fundamental conventions. These conventions, which outline seven key labor principles, are integrated into the DSP communicated to Danone's employees and for suppliers replaced by the SSP as of Danone's responsible sourcing programs. More information on the DSP and the SSP is available in section *Human rights* and in section 5.4.2 *Workers in the value chain (ESRS S2)*

### Actions related to social dialogue and collective bargaining

Social dialogue is at the very heart of Danone's culture and a key part of its relationships between management, trade unions, and employee representatives. It is facilitated through direct feedback mechanisms like the annual Danone People Survey and regular global and local conversations with union representatives. By maintaining an open dialogue with union representatives, Danone aims to foster a collaborative environment that benefits both the Group and its employees. This commitment to union rights and social dialogue is integral to Danone's strategy of promoting a culture of respect, inclusion, and continuous improvement across its global operations. It relies on a strong history and company culture of engagement with employee representatives, in particular at the international level: Danone's continuous in-depth dialogue with the IUF which began in the 1980s and has resulted in nine co-signed global agreements aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), ensuring respect for human rights and labor standards (see section 5.4.1.2 *Stakeholder engagement* and IUF website).

In 1996, through an agreement with the IUF, Danone created the Information and Consultation Committee (CIC) that acts as the European Works Council of the Group. The CIC plays a significant role in facilitating social dialogue. Quarterly CIC Steering Committee meetings gather key union leaders and Danone senior management, including the VP, Social Dialogue and Social Fundamentals and the Chief Human Resources Officer, to follow up on CIC agreements. In addition, the annual international meeting, organized by the IUF, has been a platform for 28 years at the European level and 15 years globally. It allows union representatives to share concerns, express expectations, and ask questions to Danone's top management, including the Chief Executive Officer and Chief Human Resources Officer.

It is complemented by IUF Global Engagement Meetings, established 12 years ago and led by the VP, Social Dialogue and Social Fundamentals. They assess the effectiveness of Danone's engagement with workers worldwide. The Chief Executive Officer and Chief Human Resources Officer participate at least once a year. This meeting provides a platform for union leaders from all continents to discuss company strategy, transformation and union relationships, and to raise questions, concerns, and ideas.

To assess the effectiveness of the Danone-IUF agreement implementation worldwide, regular joint visits to countries are organized. These visits, which took place in the US and Indonesia in 2024 and in Turkey and Belgium in 2023, support high-quality social dialogue.

In 2024, in collaboration with IUF union representatives, Danone launched an e-learning module on social dialogue. This module is designed to equip employees with the skills to navigate complex social agendas and to increase knowledge of Danone's social policy and the Danone-IUF agreements. The content includes a definition and framework of social dialogue, its link with Danone's dual project and history, the rights of employees and trade union representatives, and practical advice on building social dialogue locally. As from 2025, it will be rolled out.

More information regarding Danone's stakeholder engagement approach is available in section 5.4.1.2 *Stakeholder engagement*.



### Metrics related to social dialogue and collective bargaining

#### Metrics related to social dialogue

Social dialogue-related metrics are integrated into Danone's programs and reporting systems, such as Danone Way, and DANgo (see *Methodology related to Danone Way* in section 5.5.1 *Business conduct (ESRS G1)*). Within the annual audits, the Group monitors:

- awareness of all Leadership Team members on Danone's Social Dialogue Policy and the topics covered by the IUF conventions;
- employees representation, either through strong unions or democratically elected representatives;
- the attitude of HR teams towards unions and employee representatives;
- application by each entity's Human Resources Team of the Group's guidelines when business changes affect employees. The Global Framework Agreement about "Changes in Business activities affecting employment or working conditions", signed with the IUF in 1997, defines clear guidelines for Social Dialogue.

#### Metrics related to collective bargaining coverage

- Global: In 2024, 69% of employees were covered by collective bargaining agreements (compared to 72% in 2023).
- In France: In 2024, 100% of employees were covered by more than one collective bargaining agreement.

#### 5.4.1.5 Processes to remediate negative impacts and channels for own workers to raise concerns

Danone actively fosters strong relationships with its employees through ongoing engagement and dialogue, and by implementing systems for reporting problems and filing complaints.

### Danone Ethics Line

#### Description of the Danone Ethics Line

Since 2017, the Danone Ethics Line (DEL) has enabled whistleblowers to report concerns about any existing or potential wrongdoing in breach of the Danone Code of Business Conduct, including suspected human rights violations and environmental breaches. The reporting process, developed in consultation with employee representatives, ensures that whistleblowers are protected. Danone Compliance Framework Policy (see section 5.5.1.1 *Material impacts, risks and opportunities related to business conduct* in 5.5.1 *Business conduct (ESRS G1)*) includes a description of the Danone Ethics Line (DEL). The whistleblowing statement is available on Danone's website and on the homepage of Danone's whistleblowing system.

The DEL covers Danone's employees as well as all workers in the value chain (temporary agency workers, workers employed via external service providers, independent contractors), including Danone's own workforce. The DEL is also open to former employees, suppliers and any other third parties. Upgraded in 2022, the DEL is available to all around the world at any time, 24/7, via the internet or phone, in 56 languages: [www.danoneethicsline.com](http://www.danoneethicsline.com). Reports can be made, anonymously, if necessary, about any violation of the Code of Business Conduct or any of Danone's policies (e.g. compliance, Cybersecurity, purchasing), illegal behaviors, inappropriate financial practices or activities posing an environmental or human rights risk.

In 2021, Danone's human rights category on the DEL was broadened to include discrimination, harassment, and employee health, safety, and security, in addition to the initial scope of child labor, forced labor, the right to collective bargaining, working hours, and wages. Since 2022, all these topics have been grouped under the "human rights" umbrella, addressing Danone's commitments on:

- Ending exploitation: Prohibiting child and forced labor, harassment, and ensuring reasonable working hours.
- Decent work: payment of wages in line with legal minimum or standard pay, ensuring safe and healthy working conditions, granting freedom of association/right to collective bargaining, and ending discrimination (treating all workers equally with respect and dignity, fostering a positive culture of inclusion).

#### Grievance mechanism

Any person raising a concern via the DEL receives an acknowledgment of receipt within seven days. Through the "internal reporter" section of the DEL, all individuals, including external individuals are kept informed on the development of the investigation and receive a summary at the end of the investigation, confirming whether their concern was found to be substantiated and whether remediation has been carried out. If its investigation takes more than three months, they are informed about the ongoing status of the investigation.

Each alert, whether internally or externally, is initially reviewed by the Global Compliance Integrity team and/or the Global Human Resources Compliance and Labor Law team, which then appoints an independent internal or external investigator. Serious breaches are given the highest priority and are handled in collaboration with the Chief Human Resources Officer, a member of the Executive Committee.

For concerns raised by or concerning non-Danone team employees, the Human Resources compliance team will typically be assisted by the Human Rights and Sustainability (procurement) teams.

Any serious violations identified through the DEL and any non-conformities identified during the Group's controls and audits are remediated in collaboration with the appropriate internal experts within the Group and is overseen by the Chief Human Resources Officer.

### Workers' awareness of the DEL

Employees are encouraged to raise concerns about any wrongdoing through various channels including the whistleblowing system DEL. Employees' awareness is raised for example through global and local communication campaigns and training sessions.

To monitor the effectiveness of the awareness mechanism, a question on the DEL was included Danone People Survey since 2023. For more details see section 5.4.1.2 *Stakeholder engagement*, which explains the results of the 2023 and 2024 Danone People Surveys on this topic. More than 80% of respondents said they knew how to report concerns via the DEL in 2023. In 2024, 81% answered that they would feel comfortable/rather comfortable using the DEL.

### Incidents, complaints and severe human rights impacts

#### Number of complaints, incidents related to human rights (in number of reports)

In 2024, a total of 516 concerns relating to potential human rights violations were recorded in 36 countries, compared with 388 concerns in 31 countries in 2023. Among those reports processed (following the DEL grievance mechanism mentioned in section 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns*, 156 were substantiated (or partially substantiated) and 160 were still under investigation on as of December 31, 2024.

No cases were identified related to child or forced labor in Danone's own workforce.

As described in section *Danone Ethics Line*, the definition of human rights-related alerts has been broadened to include ending exploitation (prohibiting child and forced labor, harassment, and ensuring reasonable working hours) and promoting decent work (payment of wages in line with legal minimum or standard pay, ensuring safe and healthy working conditions, granting freedom of association/right to collective bargaining, ending discrimination).

#### Number of incidents of harassment and discrimination

In 2024, 156 DEL alerts were substantiated on human rights: these included 6 discrimination cases and 80 harassment cases.

#### Amount of material fines, sanctions, and compensation paid

Danone has set up, through litigation report, a process for collecting material fines, sanctions, and compensations paid from countries. No significant fines have been reported to the Group through this channel in relation to human rights, sanctions and compensation.

## 5.4.2 WORKERS IN THE VALUE CHAIN (ESRS S2)

Danone is committed to respecting and strengthening human rights in its value chain and recognizes that this requires acting with due diligence to avoid infringing on the human rights of others and to address any adverse human rights impacts in which the Group is involved either through its own activities or as a result of its business relationships.

The following section presents the Group's material gross impacts, risks and opportunities related to workers in the value chain, as well as Danone's associated policies and action plan, metrics and targets.

### 5.4.2.1 Presentation of Danone's value chain workers

Danone's value chain includes the following categories of workers:

- farm or plantation upstream of complex supply chains involving several intermediaries, e.g. producing palm oil, sugar cane, cocoa, or fruit. From large farms to smallholder farmers, agricultural workers who may include vulnerable categories such as women, young workers, and migrant and seasonal workers;
- farm or plantation supplying Danone directly or through a cooperative, e.g. producing milk, soy, almonds, oats or fruit. From large farms to smallholder farmers, agricultural workers who may include vulnerable categories such as young workers, and migrant and seasonal workers for dairy farms;
- food processing and packaging: manufacturing workers at intermediary stages or at Danone Tier 1 suppliers, which may include vulnerable categories such as women and migrant workers;
- service providers, including external workers on Danone sites, logistics workers, in particular truck drivers, and which may include vulnerable categories such as migrant workers;
- marketing, sales and distribution workers, which may include external workers and vulnerable categories such as women and seasonal workers;
- end-of-life/recycling supply chain workers, which may include vulnerable workers such as waste pickers.

### 5.4.2.2 Stakeholder engagement

#### Understanding views of stakeholders

Danone's teams are in regular contact with experts on human rights and fundamental freedoms, and health and safety of workers, as well as suppliers, subcontractors, customers, investors, local and international organizations and associations and public authorities, to forge its human rights and sustainability approach across the value chain.

As part of the salient risk analysis performed in 2021, several interviews with stakeholders from expert civil society organizations, including the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), Earthworm Foundation, Fair Labor Association (FLA), and Proforest, were held to gather insights on the strengths of Danone's existing human rights approach and to understand the opportunities for improvement. Furthermore, the assessment's used recognized sources such as the IUF, International Labour Organization (ILO), United Nations Children's Fund (UNICEF), International Trade Union Confederation (ITUC) and Office of the United Nations High Commissioner for Human Rights (OHCHR).

See below specific initiatives on how Danone gains insights on views of workers in the value chain:

- Regarding farms or plantations supplying Danone directly or through a cooperative, including milk, soy, almonds, oats and fruit: the Group has a longstanding and close relationship with its farmers, especially smallholder farmers. Danone's approach is continuously informed by this relationship and the Group aims to integrate their interests and views in its business model. Its key focuses are to (i) support their transition to regenerative agriculture practices to increase farmers' resilience and protect their livelihood, making the sector more attractive for future generations, and (ii) develop innovative and longer-term contracts, to reduce milk price volatility and thereby offer farmers greater visibility and financial stability (see *Working with farmers* in section *Actions related to workers in the value chain*, in section 5.4.2.4 Material impact, risk and opportunity management).
- Regarding service providers, Danone has developed a partnership with the Road Transport Due Diligence Foundation (RTDD) to gain better insights into truck drivers' working conditions in Europe, which could include vulnerable categories such as migrant workers, and to work with suppliers and peers on systemic issues. The RTDD Foundation is an independent organization set up by trade union organizations (Federatie Nederlandse Vakbeweging, International Transport Workers' Federation, IUF) to implement their Road Transport Due Diligence methodology.
- Danone is also contributing to public interest projects to support the development of the most vulnerable communities across Danone's value chain, through projects with coalitions of partners. The project teams consult a range of players (local experts, NGOs, universities, companies, cooperatives representing the interests of workers, communities) to gain insight into the views and interests of workers (including vulnerable categories such as women and seasonal workers) and end-of-life/recycling supply chain workers (including vulnerable workers such as waste pickers).

## Workers in the value chain

Danone uses various tailored methods to engage with workers in the value chain workers from across the different categories. More details about Danone's stakeholder approach are available in the Stakeholder Engagement policy (2024) (section 5.5.1 *Business conduct (ESRS G1)*, policies description).

See below specific stakeholder engagement initiatives with workers in the value chain.

### ■ Process for engaging with representatives of truck drivers traveling across Europe, including vulnerable categories such as migrant workers

The engagement process is structured through Danone's partnership with the RTDD Foundation, which involves sharing data and knowledge through written reports and quarterly meetings, sometimes alongside peers engaged in the joint effort to address the working conditions of truck drivers in Europe. The effectiveness of this process will be measured over time through Danone's work with its logistics suppliers on the topic. Initial measures include implementing mitigation plans to progressively develop more robust processes and systems, in particular, by encouraging employers to commit to improving the quality of drivers' pay slips and to providing workers with clearer information about their rights, in their own language. The most senior persons involved in this process at Danone are the VP Social Dialogue & Social Fundamentals and the Chief Procurement Officer for Europe.

### ■ Process for engaging with value chain workers involved in projects with Danone and Danone Ecosystem, including farmers, agricultural workers, distribution workers and waste pickers

When launching a project, the first step is to seek out the best coalition of players capable of delivering remediation for the relevant impact. Local experts, NGOs, universities, companies, and cooperatives representing the interests of workers and communities are contacted to co-build projects. Once the design phase is completed, all stakeholders (Danone, Danone Ecosystem, NGO partners, and other external partners) align to cooperate and define in a steering committee on how the project will be implemented and the best ways of delivering remediation for the impact. Danone Ecosystem' Director oversees the entire engagement process.

In Mexico, many farmers and communities live in vulnerable situations, with 76% of the population not registered with social security and therefore lacking access to welfare and healthcare services. Through its Madre Tierra project with strawberry farmers in Mexico, Danone Ecosystem has established programs to support workers and local communities, empowering women entrepreneurs and providing childcare solutions to allow women to be able to work.

In addition to the nine Global Framework Agreements signed by Danone with the IUF, the 2005 common statement dedicated to Fundamental Social Principles applies to workers in the value chain. This set of principles addresses: child labor, forced labor, discrimination, freedom of association and the right to collective bargaining, health care and safety at work, working hours, and pay. It has been integrated into the Danone Sustainability Principles and Danone Sustainable Sourcing Policy, both of which being included in supplier contracts.

- Regarding process for engaging with farmers to support their transitioning to regenerative agriculture practices to increase farmers' resilience and livelihood, and process for engaging with smallholder farmers to develop innovative and longer-term contracts, to reduce milk price volatility and thereby offer farmers greater visibility and financial stability, more information is available in *Working with farmers* in section 5.4.2.4 *Material impact, risk and opportunity management*

## 5.4.2.3 Material impacts, risks and opportunities related to workers in the value chain

### Process to identify material impacts, risks and opportunities

Danone conducted a human rights impact assessment in two main waves, in 2017 and in 2021/2022.

In 2017, Danone conducted a global social and environmental impact assessment across its twenty main purchasing categories. The Group analyzed its risks using a checklist based on the ISO 26000, GRI G4, and SA 8000 standards, primarily focusing on the potential impacts of purchased products from labor and human rights perspectives. The assessment also evaluated the impacts on fair trade practices and environmental concerns. It identified two priority categories requiring attention in relation to human rights within the value chain:

- Workers employed through external labor providers (covered in section 5.4.1 *Own workforce (ESRS S1)*).
- Four agricultural raw materials (palm oil, cocoa, sugar cane, and fruit) for which the primary risks exist at farms and plantations at the upstream end of Danone's supply chain.

The risks associated with these raw materials are typical of agricultural value chains, including concerns related to working conditions, health and safety, forced labor, and child labor.

As a result of this 2017 assessment, for the raw material categories that are connected to Danone through complex supply chains, the priority has been to work on traceability to more precisely identify where negative impacts are likely to take place, and to investigate certification options.

In 2021, Danone conducted a salient human rights impact assessment across its value chain – including its own operations, raw material sourcing, and Tier 1 suppliers – with the support of Shift, the leading center of expertise on the UN Guiding Principles on Business and Human Rights. The assessment aimed to identify and prioritize the most severe potential and actual negative impacts affecting workers in its value chain. This assessment represents the first step in Danone's Human Rights Due Diligence process and was followed by the risk mapping initiated for the Vigilance Plan in 2023.

Danone used these results when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (*i.e.* before actions taken by Danone) which are related to workers in the value chain and presented in the next section. More information on the materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*

## Presentation of material impacts, risks and opportunities

Through its salient human rights assessment, Danone has identified the material gross (before any actions taken by Danone) negative impacts related to its value chain workers.

### Material impacts related to ending exploitation

- The qualification of **child labor** depends on the worker's age, the type and hours of work performed, and the conditions under which it is performed. It refers to work that is mentally, physically, or morally harmful to children and/or interferes with their schooling. Agriculture is the most impacted sector. Furthermore negative impacts that may arise from the green transition are particularly related to waste collection systems. In some markets, waste pickers play a crucial role in enhancing overall collection efficiency, which may pose risks of child labor.
- **Forced labor** relates to workers being forced to work through violence or intimidation, or through more subtle means such as withheld identity documents or wages, or threats of being reported to immigration officials. The majority of cases stem from unethical hiring practices requiring workers to pay high recruitment fees leading them to debt bondage. This issue could affect Danone's business partners in the manufacturing, agriculture and forestry, and logistics sectors. There is also a risk that it may occur through service providers at Danone's own operations, which can include vulnerable populations (subcontractor workers in cleaning, catering, security, etc.).
- **Discrimination** and/or **harassment** may affect workers in Danone's value chain. Workers in Danone's value chain may be discriminated against on the grounds of race, ethnic origin, gender, religion, sexual orientation, disability or social origin, or they may be subject to harassment through the use or threat of punishment, mental or physical coercion, bullying, or gender-based violence including sexual harassment. It may affect workers in any part of Danone's value chain (including workers in the collection and recycling sectors).
- Because of its international presence and business relationships, Danone's value chain workers may experience excessive **working hours** or be denied adequate rest periods and annual leave due to low legal protection in some countries or non-compliance with rules. In many parts of the world, there is also a significant link between low wages and excessive working time. The consequences may include physical and mental health issues, increased risk of workplace accidents, and difficulties in respecting their right to private and family life. This issue, which is a global challenge (particularly difficult where local law falls well below the international standards), is structurally significant in the agri-food industry, and can be present in Danone's upstream and downstream value chain. In particular, it is a key feature of agricultural harvests, affecting farmers and farm/plantation workers. Danone may also be associated with it through its manufacturing, distribution, and logistics (truck drivers) business partners and through service providers at Danone's own operations (subcontractor workers in cleaning, catering, security etc.).

### Material impacts related to decent work

- Workers or farmers in Danone's value chain may not receive an **adequate wage**, leading to the inability to meet their fundamental needs or those of their family. This issue may concern Danone's on-site external workers (subcontractor workers), as well as other value chain workers. It may be caused by late payment, improper deductions, time-based or piecework rates, or the level of wages paid. Producer wage issues are often linked to the price at which the producer's raw goods are purchased. In developing countries, this impact is particularly likely in the agricultural sector and the waste management sector. In advanced economies, this impact is particularly likely to concern transport workers (truck drivers) and logistics activities.
- In some countries, workers' rights to **freedom of association and collective bargaining** are not recognized or implemented. Some of Danone's value chain workers may be denied the right to assemble, form and join trade unions or go on strike. Danone's business partners, in particular with short term contracts, may choose to use temporary workers or subcontractors.
- **Health and safety** issues are particularly salient in Danone's agri-food value chain, in particular with regard to the agricultural supply chain. Health and safety involves the prevention of work-related injuries and diseases as well as the protection and promotion of workers' health. Danone also includes workers' access to water, sanitation and hygiene and decent worker accommodation (when provided) under this umbrella. Health and safety issues may also affect Danone's value chain workers upstream in industrial processing, transport and logistics and downstream, waste management workers, including waste pickers, are particularly exposed to materials and substances that are hazardous to their health.

The salient issues described above refer to systemic and business-related impacts, as opposed to individual incidents.

For further information related to these impacts, please refer to section 5.7.2.1 *Risk mapping* in 5.7 *Vigilance Plan*.

### Material risks and opportunities related to workers in the value chain

- Human rights violations within the value chain could impact Danone's reputation. Public alerts from media, NGOs and whistleblowers could lead to negative publicity, leading to negative impact on sales, and profitability.
- Regulatory bodies may increase their scrutiny of Danone's operations and supply chains if human rights violations are detected. This could lead to enforcement actions, litigation risks, and substantial penalties.
- Human rights violations within Danone's value chain could lead to strikes and social protests among workers. These disruptions can halt production and supply chain operations, causing delays and potential financial losses.
- Violations of workers' rights can result in increased absenteeism and loss of working days within Danone's supply chain. This could affect productivity and cause delays in operations, affecting overall efficiency and profitability.

#### 5.4.2.4 Material impact, risk and opportunity management

The social topics related to workers on Danone's value chain are sponsored by the Chief Human Resources Officer and the Chief Sustainability and Strategy Business Officer and overseen by the VP Social Dialogue and Social Fundamentals and the Chief Sustainability Officer. The responsibility for the management, implementation and monitoring compliance with all the policies below is assigned to them by Danone's Chief Executive Officer.

##### Governance

Danone's sustainable sourcing approach is sponsored by the Chief Procurement Officer with specific teams in charge of monitoring and implementing the Group's related agenda. The Agriculture Cycle team is specifically responsible for developing Danone's global agriculture strategy related to farmers, among others, and ensuring that it is implemented into regional and local strategies and roadmaps (see the section on Regenerative Agriculture in 5.3.1 *Climate change (ESRS E1)*, and section *Working with farmers* in this section). In addition, the Sustainable Sourcing team has dedicated resources to lead on human rights and deforestation and oversees supplier sustainability engagement and sustainability performance management, including the Tier 1 (excluding milk) supply chain due diligence program (RESPECT+).

##### Policies related to workers in the value chain

The Danone Sustainability Principles (DSP), the Sustainable Sourcing Policy (SSP), the Human Rights Policy and Danone's Code of Conduct for Business Partners underline the Group's commitments to responsible sourcing and to respecting and strengthening human rights for workers throughout its value chain by aiming to mitigate Danone's impacts and risks related to value chain workers.

Danone's policies are aligned with internationally recognized instruments relevant to value chain workers, including the United Nations (UN) Guiding Principles on Business and Human Rights and their implementation are overseen by the Chief Operations Officer.

##### Danone Sustainability Principles

The Danone Sustainability Principles (DSP) details Danone's approach to ensure responsible and ethical practices across its value chain, outlining Danone's commitment to ensuring responsible and ethical practices throughout its value chain. To extend the DSP to its business partners, Danone has formally specified its expectations in the Danone Sustainability Principles & Implementation Note for Business Partners (a public document available on Danone's website). For direct suppliers, Danone requires that contracts comprise binding terms that enforce the DSP in the Supplier's own operations but also asking to cascade similar principles in its supply chain.

More information is available in *Human rights* in section 5.4.1 *Own workforce (ESRS S1)*.

##### Human Rights Policy

Danone's 2022 Human Rights Policy reaffirms the Group's commitment to respecting and strengthening human rights throughout its value chain, detailing its focus via the DSP. More information is available in *Human rights* in section 5.4.1 *Own workforce (ESRS S1)*. For more details on measures to provide or enable remedy for human rights impacts see 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns* in section 5.4.1 *Own workforce (ESRS S1)*.

##### Sustainable Sourcing Policy

Published in June 2024 after a pilot phase and available on Danone's website, the Sustainable Sourcing Policy (SSP) sets the standards across the social, environmental and business ethics pillars for Danone's suppliers, and evolved from the DSP. This update aims to transform the food value chain by stipulating only working with like-minded partners and suppliers who meet or actively work towards meeting the mandatory requirements.

In 2023, Danone committed to have its Sustainable Sourcing Policy deployed to all suppliers by 2030. The Group's SSP was developed in 2023 via a process involving external stakeholder engagement and peer benchmarking in addition to internal cross-functional engagement. It was approved by the Global Engagement Committee in October 2023 and presented to the Board of Directors CSR Committee in June 2024.

The SSP goes further than the DSP primarily in relation to its environmental principles, with tailored requirements based on materiality, and its reference to recommended management systems appropriate to reach the social, environmental and business ethics standards. With regard to the social pillar, the ten social principles were already identified in 2022, and the SSP provided an opportunity for further engagement with internal and external experts, NGOs, and worker representatives. As a result, some additional provisions have been added for certain core mandatory requirements. For example, with regard to wages, the SSP specifies that they must be paid on time and in full, directly to workers, and that any deductions that are not legally mandated require workers' consent.

The scope of the SSP covers all Tier 1 suppliers excluding those specifically covered by the DSP, such as farmers and other business partners (public administration with no industrial and commercial activities, distributors, retailers, etc.). The SSP will be deployed gradually to reach 100% coverage by 2030.

Danone recognizes the critical role suppliers must play in implementing the SSP across its extended supply chain. Accordingly, suppliers are required to cascade mandatory requirements equivalent to the SSP within their own supply chains.

## Channels for value chain workers to raise concerns and remediation process

### General approach

Danone strongly supports a culture of speaking up for value chain workers, without fear of retaliation against those who report actual or suspected breaches of the DSP or the SSP.

Several channels are accessible to workers:

- Suppliers and their employees and external workers, communities and other stakeholders may report actual or suspected DSP/SSP breaches to Danone by phone or online at any time through the Danone Ethics Line available at [www.danoneethicsline.com](http://www.danoneethicsline.com). (see *Danone Ethics Line and grievance mechanism for value chain workers* in this section);
- In parallel, Danone has set up a dedicated process for addressing grievances or alerts related to raw material agricultural workers conveyed to the Group by other means: public media, NGOs, investors etc. (see *Mitigation of material negative impacts through procurement models* in this section);
- Workers' concerns that are uncovered through supplier SMETA audits are addressed and remediated as part of the RESPECT program (see the RESPECT Program presentation later in this section);
- Finally, Danone also requires suppliers to have effective grievance mechanisms in place for their workers to raise workplace concerns. In 2023/2024, Danone participated in a pilot project to support a group of European logistics suppliers to improve their grievance mechanisms (see *Danone's expectations and support regarding supplier grievance mechanisms* in section in this section).

### Danone's channels for value chain workers to raise their concerns

#### Danone Ethics Line and grievance mechanism for value chain workers

Danone's channel to raise concerns, the DEL is not only open to Danone's own workforce but also to anybody who has a concern to raise, including external workers. External workers and value chain workers may raise their concerns at any time, confidentially if needed, by phone or via the Danone Ethics Line website. Specific processes are in place for external workers and their employers. For more information on DEL and its effectiveness, see 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns* in 5.4.1 *Own workforce (ESRS S1)*.

## Managing grievances and concerns related to raw materials

Since 2019, Danone has implemented a specific grievance mechanism for palm oil, with the support of the Earthworm Foundation (available on Danone's website). This mechanism is also being used for other commodities.

A dedicated team meets regularly to address any incoming NGO and media alerts. When allegations of non-compliance against producers arise, the Group carries out an investigation with support from internal and external experts, and in particular with Tier 1 suppliers involved in the chain when the allegations took place further down the chain (e.g. Tier 3 or 4). If a low-risk non-conformity has been confirmed, Danone asks the producers to develop an action plan to remediate the non-conformity. In the case of a high-risk non-conformity, which has occurred most often for palm oil, the Group works with its Tier 1 suppliers and can choose to suspend the non-compliant producers until they demonstrate concrete progress toward their commitments. Danone informs all its active suppliers about the suspension decisions and the suspended producer is only allowed to re-enter the Group's supply chain after demonstrating progress and, ultimately, with Danone's consent.

In 2024, Danone registered 13 new concerns raised linked to deforestation and human rights violations, eight of which were related to palm oil and five to other commodities.

In total, the Group is monitoring 18 concerns that have been brought to its attention by organizations such as the Earthworm Foundation, Chain Reaction Research, Global Witness and Friends of the Earth. In line with Danone's grievance mechanism, the concerns raised are being investigated and monitored in dialogue with the parties involved and the supporting NGOs and experts.

### Danone's expectations and support regarding supplier grievance mechanisms

Danone expects its suppliers to have effective grievance mechanisms in place for their workers (and their organizations, where they exist) to raise workplace concerns. These grievance mechanisms must involve an appropriate level of management to address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned, and protect against retaliation. The mechanisms must also allow for anonymous complaints to be raised and addressed. The existence and scope of these mechanisms must be clearly communicated to all workers and their representatives, and all workers must have equal access to them.

In 2023 and 2024, Danone participated in a pilot project to support a group of European logistics suppliers to improve their grievance mechanisms. The pilot was developed and coordinated by AIM-Progress and supported by the Oxfam Business Advisory Service. The purpose was for the suppliers' workers (the main target group in this case being truck drivers) to raise issues and concerns with their employer in a safe, trusted, and transparent manner. The Oxfam Business Advisory Service worked with the suppliers to navigate and utilize a grievance mechanism toolkit developed by Oxfam and one of the members of the AIM-Progress grievance mechanism working group. The pilot was positively received by the suppliers, who successfully implemented the toolkit, resulting in a direct positive impact on Danone's supply chain.

**Actions related to workers in the value chain**

Danone takes measures to prevent and mitigate negative impacts and pursues material opportunities for workers in its value chain through regular assessments of Tier 1 suppliers, training programs, ongoing collaboration with farmers, and its whistleblowing system.

**RESPECT program**

**Monitoring Tier 1 suppliers for compliance with the DSP/SSP through the RESPECT program**

Danone implements responsible sourcing due diligence to ensure Tier 1 suppliers, other than raw milk suppliers, comply with the DSP and, progressively, the SSP, through its RESPECT program. It involves working with and assessing suppliers, the performance of audits and an obligation to remedy critical non-compliance brought to light by the audit.

Since 2017, Danone has transitioned the RESPECT program towards a more comprehensive due diligence approach and stepped up its human rights requirements. This approach aligns with the principles outlined in the United Nations Guiding Principles on Business and Human Rights (UNGP).

The RESPECT program is structured around four main pillars: ESG risk screening of Tier 1 suppliers; self-assessments; on-site assessments commissioned by Danone and performed by third party experts; and ongoing dialogue with suppliers and monitoring of corrective actions.

**Tier 1 supplier ESG risk screening and self-assessment**

In 2024, Danone reinforced its RESPECT process by introducing a new ESG risk screening tool which, when fully deployed, will enable a more tailored and proactive due diligence process, focusing on human rights impacts.

Danone requires in-scope Tier 1 suppliers to complete a self-assessment questionnaire evaluating their sustainability performance on the Supplier Ethical Data Exchange (Sedex) or the EcoVadis platform depending on the supplier type. These platforms generate scorecards that evaluate labor standards, health and safety, environmental practices, and business ethics. At the end of 2024, 3,159 supplier entities were registered on the Sedex or EcoVadis platforms representing 70.8% of the spend, compared to 3,511 in 2023 representing 69% of the spend.

**On-site assessment (audits)**

Danone identifies high-risk or high-priority suppliers to undergo on-site assessments (audits). The 2024 audit plan was designed using the in-house approach in place since 2020, combining human rights risks and spend level. Based on this analysis, the RESPECT team collaborated with purchasing teams worldwide to co-develop the 2024 audit plan, selecting 100 high-risk or high-priority sites for audit. Among these, 92 sites completed an on-site or virtual assessment, in accordance with the Sedex Members Ethical Trade Audit (SMETA) protocol or the Sedex Virtual Audit (SVA) protocol. Both protocols assess labor standards, health and safety, environmental practices, and business ethics. The audits are conducted by third-party experts. Through the Sedex platform, Danone can also access audit reports of shared suppliers conducted by peer companies and participates in mutual recognition of audits through the AIM-Progress initiative. As a result, in 2024, Danone had access to 531 SMETA audits performed on its suppliers, either by the Group or by its peers.

**Breakdown of critical non-conformities identified through audits**

The analysis focuses exclusively on critical non-conformities identified through SMETA audits (or audits conducted using a similar methodology) of Danone suppliers in 2023 and 2024.

Non-conformities	2023	2024
Total number of critical non-conformities identified	452	480
<b>Percentage of critical non-conformities related to</b>		
Forced labor	1.3%	2.7%
Child labor	0.7%	0.4%
Health and safety	65.9%	58.3%
Discrimination	1.1%	0.6%
Freedom of association and the right to collective bargaining	—%	—%
Working hours and compensation	21.5%	28.1%
Environmental practices	6.6%	5.8%
Business ethics	—%	—%
Other	2.9%	3.7%

All the critical non-conformities reported above are followed up: they have either been resolved or are in the process of being remedied with the suppliers. More information on the remediation of these cases is provided in the following section.



### Ongoing dialogue with suppliers with monitoring of corrective actions

Following an audit, Danone's goal is to establish regular dialogue with its Tier 1 suppliers about their responsible business practices and to monitor the implementation of corrective actions identified by the audits, including those conducted by peer companies on shared suppliers. To support suppliers and monitor the audit follow up, the RESPECT team has dedicated resources in Asia and Latin America. The objective is to assist suppliers in developing their corrective action plans by providing expert support, resources and regular engagement, with the goal of getting the audit closed by the auditor after verification in accordance with the SMETA methodology.

### Working with farmers

#### Programs for farmers

Danone has a longstanding and close relationship with its farmers, especially smallholder farmers and recognizes their essential role in the global food system and economy.

Danone is committed to supporting farmers and farm workers, whether they are just beginning their transition to regenerative agriculture or are already making significant progress. The Group's global, regional and local teams work closely with farmers, suppliers and technical partners to develop action plans and roadmaps aimed at fostering continuous improvement toward more resilient, sustainable and economically viable farms. These roadmaps are tailored to each farm's current stage and regular monitoring is put in place to determine the steps Danone needs to take to support their progress. Farmers are at the center of project development, ensuring the project has a positive impact on the farmer's livelihood through improved farm resilience and economic viability.

The Group is also committed to improving the livelihoods and conditions of farmers and farm workers, to make the sector more attractive for future generations. For example, in Spain, Danone has implemented a project to help retiring farmers find successors and to support young people in becoming professional farmers by providing them with training, technical and business planning support, and creating a farmers' network for experience sharing. Danone's goal is to assist farmers and suppliers in making these transitions and to support farmers as they pass their expertise down to the next generation.

To support farmers globally, Danone has developed a range of assessment tools and resources, as well as mechanisms for knowledge exchange, including farmer events, coaching sessions, and the Danone Regenerative Agriculture Knowledge Center. Launched in 2021, this website offers resources on regenerative agriculture practices aimed at upskilling farmers both within and beyond Danone's supply chain, as

well as field technicians and partners. In 2022, the website was translated into nine languages, making it more inclusive and accessible for Danone's global farmer network. It complements the e-learning model for Danone employees, also deployed in 2021, which covers the three pillars of its Regenerative Agriculture Program and the actions Danone's brands are taking to implement them.

### Mitigation of material impacts through procurement models

Danone works with producers in the United States and Europe to develop innovative contracts, with an average term of three to five years, to reduce milk price volatility and thereby offer farmers greater visibility and financial stability.

These long-term Cost Performance Model (CPM) contracts factor production costs into milk pricing and are developed in partnership with milk producers or their organizations.

In 2024, 38% of milk collected in Europe (37% in 2023) and 32% of milk collected in the United States (26% in 2023) came from producers with CPM contracts. Altogether, 24% of the milk Danone collects was covered by CPM contracts (23% in 2023).

The CPM model is intended to be extended, to ensure a better resilience of the milk supply chain.

### Working with workers in the collection and recycling sectors (including waste pickers)

Danone and Danone Ecosystem have launched inclusive recycling projects to support waste pickers in eight countries: Argentina, Indonesia, France, Brazil, Mexico, Ghana, Philippines and Spain in different ways (e.g. worker cooperatives that oversee the process of collecting, sorting, and selling plastics directly to recycling plants). As a result, these workers benefit from a safe environment, are paid adequate wages, and are afforded greater social protection.

Danone is also committing to private initiatives that balance both financial and social elements by responsibly scaling infrastructure in countries without formal waste management systems. For example, as part of its collaboration with Circulate Capital, Danone had committed \$30 million to the Circulate Capital Ocean Fund (CCOF) between 2018 and 2023, to develop recycling infrastructure in South and South-East Asia, as well as Latin America and the Caribbean. This initiative aims to improve waste management, create more reliable and safer job opportunities for workers in the collection and recycling sectors, and provide technical support and assistance to ensure the invested companies meet global quality standards. Consequently, this can result in improved working conditions and higher wages for waste workers.

### 5.4.2.5 Metrics and targets

As part of the Danone Impact Journey, Danone committed to deploying the Sustainable Sourcing Policy to 100% of suppliers by 2030. This target is aligned with both policies, the DSP and the SSP.

Danone tracks its RESPECT program using the following three key indicators:

- RESPECT KPI1: measures the percentage of Danone's in-scope expenditure covered by the RESPECT program. In 2024, KPI1 stood at 70.8%, meaning that 70.8% of the Group's expenditure was covered by the sustainable sourcing program, excluding raw milk (programs with farmers described below), real estate, and tax services (excluded from the program scope), compared to 69% in 2023. KPI 1 focuses on spend coverage, measured to date by registration and SAQ completion on Sedex and equivalent on Ecovadis. Danone has enhanced the approach by diversifying the tools to better understand its suppliers and evaluate their levels of risk. With the use of these new tools providing further granular level of measurements and with the update on SAQ methodology from Sedex, this has contributed to the differences observed between 2023 and 2024 in impacted suppliers;
- RESPECT KPI2 measures the annual audit plan completion rate: in 2024, 90.2% of planned SMETA audits were completed (compared to 77% in 2023);
- RESPECT KPI3 measures the audit closure rate: in 2024, 80.9% of audits that identified critical non-conformities (whether commissioned by Danone or by peers on common suppliers) were closed within the timeline defined by the auditor (compared to 84% in 2023). In most cases, critical non-conformities were related to health and safety, working hours, and compensation.

One case was identified related to child labor (under investigation) and one case related to forced labor (not substantiated) in Danone's value chain.

### Metrics related to projects in collection and recycling sectors

- More than 568,200 metric tons of recyclable materials and more than 88,100 tons of PET were collected in eight countries from 2009 to 2024;
- In 2024, more than 10,179 people have become professional empowered thanks to the nine projects implemented since the launch of Danone Ecosystem (10,600 people and nine projects in 2023). This process of empowerment has created a ripple effect, positively impacting more than 2.94 million people (2.86 million in 2023);
- In Indonesia, Danone's projects with Danone Ecosystem Inclusive Waste Management System resulted in:
  - around 300 workers in the collection and recycling sectors benefiting from a micro-credit service, and 2,896 gaining access to social benefits adapted to their needs,
  - worker communities in the collection and recycling sectors receiving training to prevent child labor,
  - more than 372,275 metric tons of recyclable materials being recovered since 2020 by partners with the support of Danone Ecosystem.

### 5.4.3 AFFECTED COMMUNITIES (ESRS S3)

Danone is committed to identifying and addressing its potential impacts on affected communities, groups living or working in areas that may be affected by the Group operations or across its value chain.

The following section presents the Group's material gross impacts, risks and opportunities related to affected communities, as well as Danone's associated policies and action plan, metrics and targets.

#### 5.4.3.1 Presentation of Danone's affected communities

Through its double materiality assessment, Danone identified the following communities that could be impacted by its business decisions, operations and activities in its value chain:

- communities directly living around Danone's operating sites, production sites, facilities or other physical operations;
- remote communities affected by activities of Danone's operating sites, e.g., by downstream water pollution;
- communities along Danone's value chain, e.g., those affected by the operations of suppliers' facilities or by the activities of logistics or distribution providers;
- communities at one or both endpoints of the value chain, e.g., around waste or recycling sites; or on land which has been converted for agricultural use;
- communities of indigenous peoples, e.g., forest or ancestral land use by suppliers for agricultural activities.

#### 5.4.3.2 Stakeholder engagement

Engaging with stakeholders including local communities is crucial for fostering sustainable business development and building trust in Danone's brands and corporate sustainability commitments and supporting a mutually beneficial relationship. It helps Danone's businesses understand the local contexts and the concerns and needs of the communities, enabling its Country Business Units to take on their corporate responsibility and address communities' unique needs and concerns. This leads to more effective and inclusive decision-making, preventing and addressing negative impacts and creating value that is shared by society.

#### Understanding views of stakeholders

Danone regularly consults with stakeholders such as consumers, healthcare professionals and patients, employees and unions, workers in the value chain and suppliers including commodity traders and farmers, shareholders and investors, academia and scientists, government and policy makers and industry and trade associations. Danone also engages with NGOs, civil society organizations, communities (including under-represented populations) and community members to ensure that their views are taken into consideration.

In 2021, as part of its double materiality assessment, the Group led a wide-ranging, global consultation involving more than 380 stakeholders, of which over 230 were external stakeholders, including national authorities, academics, experts, suppliers, customers, investors, civil society and NGO representatives acting as proxies for local communities. As part of this exercise external experts on human rights, labor rights, water and circularity issues were consulted, including organizations with recognized knowledge of the issues, and experience working with communities on the ground such as the SHIFT, the Fair Labour Association, ProForest and the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations). Through this process, stakeholders identified the issues that, in their opinion, the Group should prioritize in the short, medium and long term (up to ten years).

At local level, entities are developing initiative to consult communities. For example, since 2021, Danone Mexico has developed and implemented a stakeholder engagement program with communities living closed and around factories, sites and watersheds. Through Danone Mexico's stakeholder engagement plan, affected communities were consulted and their views, needs and feedback were integrated early on in action plans and projects, and in the way Danone's operates in the community.

Furthermore, Danone's social innovation funds work closely with local communities to understand and address their needs. More information on Danone Communities, Danone Ecosystem and the Livelihoods Fund is available in section 5.1 *Introduction* of this Universal Registration Document.

The views expressed by stakeholders, including affected communities, are reflected in Danone's Group-level policies on human rights, supplier engagement, deforestation and water.

#### Processes for engaging with affected communities

Danone's approach to stakeholder engagement, which includes affected communities, is to date a general approach. Details on Danone's stakeholder engagement at the Group level are presented in sections 5.2 *Sustainability statement - General Disclosures (ESRS 2)* and 5.5.1 *Business conduct (ESRS G1)*.

Regarding affected communities, Danone is still in the early stages of developing a more systematic and comprehensive approach to stakeholder engagement and priority actions with affected communities. Danone's Country Business Units (CBUs) and sites adapt their stakeholder consultation and engagement processes to their specific contexts. In late 2024, Danone conducted a self-assessment survey across its production sites worldwide (151 sites representing more than 99% of total production) to assess the level of maturity of the site's community engagement practices and identify areas for improvement. Through this assessment, the Group identified Country Business Units in Mexico, Indonesia and Poland with robust approaches to community engagement.

For example, since 2021 Danone Mexico has rolled out a comprehensive strategy focused on fostering relationships with communities. This approach was developed to proactively identify and manage risks at operational sites, ensuring a positive impact on both business and communities. A key aspect of this strategy is the calibration process. It involves assessing the exposure level of each site and categorizing them based on their risk profile. This allows Danone to tailor its engagement and mitigation strategies accordingly. Key milestones include the training of over 150 employees, and achieving direct impact on over 30,000 people through the implementation of community projects such as rainwater harvesting, resilient agriculture, drinking water donations, and reforestation programs. These initiatives have been designed in collaboration with the communities, ensuring that their voices are heard, and their needs are met. This approach has improved operational stability and fostered a positive image and strong relationships with the communities Danone serve in Mexico. This successful model is now inspiring Danone's global operations, encouraging similar initiatives and strategies worldwide.

Danone is working on consolidating good practices on site-level stakeholder engagement globally, including channels for feedback and dialogue and putting in place a process at the global level to build a more systematic, proactive, and effective approach to engaging with stakeholders and with affected communities in particular.

### 5.4.3.3 Material impacts on affected communities

#### Process to identify material impacts, risks and opportunities

Through its double materiality assessment and in collaboration with human rights experts, Ksapa, Danone identified affected communities that could be impacted by its business decisions, operations and activities in its value chain. The analysis took encompassed:

- reports on potential impacts on affected communities specific to Danone's key geographies, commodities and business operations;
- research on high-risk commodities (linked, for example, to deforestation and land use change), country- and sector-specific reports including on plastics circularity and waste management;
- Danone's salient human rights impact assessment (2022 Shift analysis), which includes views from external stakeholders and NGOs. More information on the salient human rights impact assessment is available in section 5.4.2 *Workers in the value chain (ESRS S2)*;
- interviews with internal experts on responsible procurement, forests, regenerative agriculture, dairy farming, water, and circularity, as well as project teams working with communities through Danone Ecosystem and Danone Communities actions.

The result was a classification of material impacts as well as a high-level mapping of affected communities covering Danone's operations and value chain.

#### Presentation of the material impacts

The following potential impacts, identified respectively in 5.3.3 *Water resources (ESRS E3)*, 5.3.2 *Pollution (ESRS E2)*, 5.3.4 *Biodiversity and ecosystems (ESRS E4)* and 5.3.5 *Resource use and circular economy (ESRS E5)* could lead to affecting communities if not properly managed:

- Danone's activities involve water withdrawals which could impact local water availability from local aquifers or surface water bodies. This impact has also been identified in section 5.3.3 *Water resources (ESRS E3)*. The impact could affect local communities living near watersheds, especially in water stressed areas.
- Upstream, Danone relies on agricultural activities and farming practices, which could have an impact on air, water and soil pollution from manure management and excessive use of fertilizers and pesticides. More specifically, for activities related to fresh milk, pollution from manure may affect air, water and soil quality. For activities related to crops, over-application of fertilizer inputs and pesticides may contribute to pollution and affect water and soil quality. This impact has also been identified in sections 5.3.2 *Pollution (ESRS E2)* and 5.3.4 *Biodiversity and ecosystems (ESRS E4)*. This could impact ecosystems, and therefore potentially also communities' health and livelihoods.
- Downstream plastic usage and plastic pollution generated by mismanagement of end-of-life of plastic packaging could lead to soil, water and air pollution, and biodiversity deterioration. This impact is covered in sections 5.3.2 *Pollution (ESRS E2)* and 5.3.5 *Resource use and circular economy (ESRS E5)*.

Furthermore, through its double materiality assessment, Danone has identified the following impact:

- Upstream, land rights violations by suppliers could affect local communities' and indigenous peoples' and/or disrupt their livelihoods. Such impacts could include:
  - forced acquisition or disputes over land, leading to the loss of land access, which could potentially result in communities' displacement without adequate compensation as well as the loss of livelihoods and/or limited access to certain cultural spaces;
  - displacement, land loss, or environmental degradation which could result in communities suffering from inadequate resettlement or lost housing, and loss of livelihoods;
  - impacts on first line land-rights defenders who may be unfairly threatened and attacked, due to protests and other activities.

Note: These impacts are gross, meaning before actions taken by Danone.

### 5.4.3.4 Material impacts, risks and opportunities management

#### Policies related to affected communities

##### Danone Human Rights Policy

Danone's 2022 Human Rights Policy reaffirms the Group's commitment to respect and strengthen human rights throughout its operations and value chain, in line with international instruments such as the UNGPs, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the ten principles of the United Nations Global Compact.

Furthermore, the Human Rights Policy recognizes the value of stakeholder engagement and makes explicit reference to the need to integrate the views of vulnerable communities and those most likely to be impacted by the group's business decisions such as smallholder farmers and individuals or groups who may be at greater risk of human rights negative impacts due to their vulnerability or marginalization.

The policy calls special attention to respecting the land rights of communities and Indigenous Peoples.

A detailed description of the Group's Human Rights policy is provided in section 5.4.1 *Own workforce (ESRS S1)*. For more information on the materiality assessment, is available in section 5.2.5 *Impact, risk and opportunity management in section 5.2 Sustainability statement - General Disclosures (ESRS 2)*.

##### Sustainable Sourcing Policy

Danone's Sustainable Sourcing Policy (SSP) published in June 2024 sets the Group standards across the social, environmental and business ethics pillars. Regarding the environmental pillar, the principles covered include: biodiversity, deforestation, circularity, water, climate change, environmental management systems (which covers hazardous materials), and animal welfare. With regards to the social pillar, the SSP builds on the ten social principles identified in the Danone Sustainability Principles in 2022 and was further strengthened with feedback from internal and external experts, NGOs and worker representatives. The SSP also references Danone's alignment with the OECD recommendations on a risk-based due diligence approach which has at its core effective stakeholder engagement to identify, address and account for adverse impacts on people and the environment in a company's own operations, extended value chain and business relationships.

The SSP also acknowledges the land rights of communities and indigenous peoples as one of its fundamental social principles, including the adherence to the principles of Free, Prior and Informed Consent (FPIC) in all negotiations. The SSP recommends that periodic training on FPIC be provided to relevant staff members to better understand land rights issues within Danone's suppliers covered by the policy. The SSP also highlights the Group's zero-tolerance approach against land-grabbing and threats, intimidation, or physical or legal attacks against human rights defenders.

A detailed description of the SSP is available in sections 5.3.5 *Resource use and circular economy (ESRS E5)* and 5.4.2 *Workers in the value chain (ESRS S2)*.

##### Danone Water Policy

The Danone Water Policy (2024) sets out Danone's standards and commitments based on an integrated, multi-stakeholder approach to sustainable water management. With regards to affected communities, this policy highlights the need for Country Business Units and sites to engage with civil society organizations, Indigenous People and community leaders. The policy emphasizes how a collaborative approach ensures that Danone's efforts are well-informed, culturally sensitive, and ultimately successful in addressing water-related challenges. It also acknowledges the importance of continuous open dialogue, building trust, and nurturing authentic partnerships with communities to ensure that initiatives are not only relevant and inclusive, but also lasting in their impact.

The policy also includes specific considerations for communities living in and around watersheds and production sites in its third strategic pillar, "Support communities surrounding Danone's production sites and provide water access to vulnerable populations".

A detailed presentation of the policy is available in section 5.3.3 *Water resources (ESRS E3)*.

##### Packaging Policy

The Packaging Policy (2018) is a global policy covering Danone's packaging value chain, which includes primary, secondary and tertiary packaging (excluding pallets) purchased for Danone's operations. It also covers the management of packaging end-of-life.

A detailed presentation of the Packaging Policy is available in section 5.3.5 *Resource use and circular economy (ESRS E5)* of this Universal Registration Document.

##### Forest Policy

Danone's Forest Policy, renewed in December 2022, aims to combat deforestation, land conversion, and degradation. The policy includes commitments to the following principles:

- No Deforestation, No Peat, No Exploitation (NDPE);
- Free, Prior, Informed Consent (FPIC) and land rights of indigenous peoples and local communities.

A detailed presentation of the Group's Forest Policy is available in sections 5.3.4 *Biodiversity and ecosystems (ESRS E4)* and 5.3.5 *Resource use and circular economy (ESRS E5)* of this Universal Registration Document.

#### Actions related to affected communities

Danone takes measures to prevent and mitigate negative impacts on affected communities in its value chain. Due to significant overlap with action plans related to other sustainability matters, several of the items below are covered in other sections of this Universal Registration Document, as indicated by references where appropriate.

### Actions related to environmental impact management

Actions related to the following environmental topics are presented in the referenced sections of this Universal Registration Document:

- impacts related to water resource management and water protection: section 5.3.3 *Water resources (ESRS E3)*;
- impacts related to pollution from Danone's own operations and agricultural practices: section 5.3.2 *Pollution (ESRS E2)*;
- management of end-of-life materials (e.g., plastics and circularity): sections 5.3.2 *Pollution (ESRS E2)* and 5.3.5 *Resource use and circular economy (ESRS E5)*.

### Actions addressing land rights violations and loss of livelihood

Danone's Forest Policy is supported by action plans that include:

- specific sourcing strategies for key commodities associated with high deforestation risks;
- factoring the impacts on communities into raw material certification processes (Pro-Terra certification for soy, RSPO for palm oil, Rainforest Alliance for cacao, etc.).

The deployment of Danone's Sustainable Sourcing Policy (SSP) includes the following actions targeting its suppliers, with the objective to be deployed to all tier 1 suppliers by 2030.

- due diligence in line with OECD recommendations to effectively identify, prevent, mitigate and disclose risks or impacts to communities related to land issues where land rights are at risk in the value chain;
- training on Free, Prior and Informed Consent (FPIC) to relevant staff, including traders, and Danone buyers to ensure all negotiations adhere to the principles of FPIC.

To enhance the reliability of its value chain and protect communities around its operations, the Group also applies the RESPECT program to assess the social performance of Tier 1 suppliers. A detailed description of the RESPECT program is provided in section 5.4.2 *Workers in the value chain (ESRS S2)* of this Universal Registration Document.

### Complementary initiatives

Danone leads advocacy actions as part of the Forest Positive Coalition for Action (within the Consumer Goods Forum) which is made up of 21 companies along the value chain. The coalition focuses on deforestation and conversion-free value chains <sup>(5)</sup>, helping suppliers and sub-contractors reach this objective, and extending these commitments across value chains and sectors. A more detailed description of Danone's role within the Coalition is provided in section 5.3.4 *Biodiversity and ecosystems (ESRS E4)* of this Universal Registration Document.

Recognizing that addressing complex issues for the long term requires a whole-sector approach, Danone has also worked closely with the Science-Based Targets initiative (SBTi) to develop sector-wide guidelines for companies in the forest, land and agriculture sector.

### Actions deployed by social innovation funds

Danone's social innovation funds work closely with local communities to address their needs by bringing capital, knowledge and capacity building to complex issues and mitigate material impacts on communities.

#### Danone Communities

Created in 2007, Danone Communities is a venture capital fund that empowers pioneering social entrepreneurs. It invests in businesses that have a significant social impact in line with Danone's purpose of "bringing health through food to as many people as possible" These social businesses achieve a significant impact on vulnerable people and communities.

Danone Communities invests equity and quasi-equity in social businesses in two main fields:

- access to safe drinking water
- access to healthy local nutrition

Through the Danone Impact Journey, the Group is committed to having a positive impact on the health of vulnerable populations and communities, supporting social businesses that provide safe drinking water at an affordable price. Danone and the international impact manager Incofin have launched the pioneering Water Access Acceleration Fund (W2AF) in 2023, with public and private partners, building on 15 years of expertise on water access through Danone Communities.

Overall, the social businesses that Danone Communities and the W2AF are supporting or have supported in their early stages provided daily access to safe drinking water to 20.8 million people around the world in 2024, representing 8.2 billion liters of water (respectively 12.7 million people and 4.6 billion liters in 2023).

Further details on Danone Communities are provided in section 5.1 *Introduction* of this Universal Registration Document.

#### Danone Ecosystem

Danone created the Danone Ecosystem regrouping:

- a French endowment fund headed by a board of directors and tasked with strengthening and expanding to general interest activities within the Danone ecosystem, created in 2009, with initial funding of €100 million;
- a French "loi 1901" non-profit association, with a governance structure with external members to enhance Danone Ecosystem's approach and amplify its impacts, created in 2022, its funding totaling €70 million.

Danone Ecosystem develops collaborations with governments, NGOs, and other partners. Since its inception, Danone Ecosystem has developed 102 projects together with 92 partner NGOs.

Further details on Danone Ecosystem are provided in section 5.1 *Introduction* of this Universal Registration Document.

<sup>(5)</sup> Danone's journey to achieve and maintain deforestation and conversion free on these key commodities means at least a 97% verified deforestation- and conversion-free rate, due to the verification process and supply chain constraints. More information on these processes is available in section 5.3.5 *Resource use and circular economy (ESRS E5)*.

### Livelihoods Carbon Fund

Created in 2011, the Livelihoods Carbon Fund (LCF) is an impact investment fund or SICAV-SIF (*société d'investissement à capital variable-fonds d'investissement spécialisé*), dedicated to restoring natural ecosystems and delivering carbon credits with a strong social, environmental and economic impact for its investors. It seeks to invest in three types of projects in Africa, Asia and Latin America:

- restoration and preservation of natural ecosystems;
- agroforestry and soil restoration through regenerative agricultural practices; and
- access to rural energy to reduce deforestation and toxic smoke for rural households.

The carbon credits generated by the Fund are certified, then allocated to its investors in proportion to their investments. As such, the Livelihoods Carbon Fund combats climate change while improving living conditions for local communities. Building on the results achieved by the Livelihoods Carbon Fund created in 2011 by ten private investors, in 2017, eight of these investors created a second compartment to accelerate their efforts to combat climate change and protect vulnerable people. In 2021, 15 companies and financial investors created the Livelihoods Carbon Fund 3 to finance large-scale projects supporting rural communities in their effort to preserve or restore their natural ecosystems and improve their livelihood through sustainable farming practices.

Further details on the Livelihoods Carbon Fund are provided in section 5.1 *Introduction* of this Universal Registration Document.

### Livelihoods Fund for Family Farming

The Livelihoods Fund for Family Farming (L3F) launched by Danone and Mars, in collaboration with Veolia and Firmenich, is an impact investment vehicle that aims to address environmental degradation, climate change, and rural poverty. It enables companies to secure their supply, both in terms of quality and quantity by granting small farmers access to more sustainable practices, including regenerative agriculture, and higher revenues, by facilitating connections with markets. These projects also help to preserve ecosystems through farming practices that combine productivity and respect for the environment.

Further details on the Livelihoods Fund for Family Farming are provided in section 5.1 *Introduction* of this Universal Registration Document.

### Processes to remediate negative impacts and channels for affected communities to raise concerns

Danone has a number of channels for affected communities to raise concerns, this includes Danone's Ethics Line (DEL) which is available on Danone's website in 56 languages as well as Danone's sites around the world, who act as a "first port of call" for inquiries and raising concerns.

#### The Danone Ethics Line (DEL)

The Danone Ethics Line (DEL) is a channel that affected communities can use to raise concerns. The DEL is accessible worldwide 24/7 via the internet ([www.danoneethicsline.com](http://www.danoneethicsline.com)) or phone and is available in 56 languages. The DEL is open to all stakeholders and is not exclusively for affected communities. The DEL enables any individual to anonymously and confidentially raise concerns about Danone.

A detailed description of the DEL is provided in section 5.4.1 *Own workforce (ESRS S1)* of this report.

### Local approach

Danone's Country Business Units act as the first port of call for communities to provide feedback and raise their concerns and needs. Local entities reacting to material issues and concerns and engaging with stakeholders to gain their insights and feedback is part of Danone's DNA. Several Danone's Country Business Units have developed a stakeholder engagement strategy with communities, and those who might be impacted by their business decisions and operations (i.e., affected communities). Examples of advanced community engagement can be found in Mexico and Indonesia, in particular with regards to stakeholder engagement and consultation with affected communities regarding, notably water management and water-related issues.

In Évian, the production site has implemented a grievance mechanism to register community members' complaints for the management team to take steps to address them. In Wexford, Ireland, signage with contact details is posted outside production site gates so that community members can raise any concerns. A community liaison officer is the dedicated point of contact for such issues.

In Indonesia, some production sites have a Stakeholder Engagement Manager who is responsible for collecting feedback from the community and addressing issues raised. Feedback is incorporated into initiatives through the following steps:

- (1) Analysis: Feedback is reviewed to identify key areas for improvement or potential gaps;
- (2) Action Planning: Initiatives are adjusted or redesigned based on the insights gained from the feedback;
- (3) Implementation: Changes are integrated into existing processes or new strategies are implemented to address the feedback;
- (4) Monitoring: The effectiveness of the improvements is monitored to ensure the feedback has been adequately addressed;
- (5) Continuous Improvement: Feedback is treated as an ongoing process, encouraging iterative improvements in initiatives.

This approach ensures that stakeholder concerns and suggestions are effectively addressed, leading to better outcomes. For instance, after receiving feedback about communication gaps and delays in project timelines, the production site in Langkat, Indonesia, implemented weekly progress updates, adjusted its project management processes, and increased its focus on collaboration with key stakeholders throughout the lifecycle of the project. These changes have not only improved transparency but also led to a noticeable increase in stakeholder satisfaction and a reduction in project delays.

The response to human rights incidents regarding affected communities is managed at local level.

## Metrics and targets related to affected communities

Due to significant overlap with metrics related to other sustainability matters, several of the priority issues identified relating to affected communities are covered in other sections of this Universal Registration Document, as indicated by references where appropriate. Metrics and targets related to Danone's environmental impacts is presented in the following sections of this Universal Registration Document:

- Metrics and targets related to the management and stewardship of water sources: section 5.3.3 *Water resources (ESRS E3)*

- Metrics and targets related to soil, air and water pollution from Danone's own operations and agricultural activities: section 5.3.2 *Pollution (ESRS E2)*
- Metrics and targets related to the management of end-of-life materials (e.g., plastics): sections 5.3.2 *Pollution (ESRS E2)* and 5.3.5 *Resource use and circular economy (ESRS E5)*
- Metrics and targets related to deforestation, land rights and livelihoods can be found in section 5.3.5 *Resource use and circular economy (ESRS E5)*
- Data regarding affected communities human rights grievance mechanism are consolidated at a local level.

## 5.4.4 CONSUMERS AND PATIENTS (ESRS S4)

Danone aims to deliver health through food to as many people as possible by offering nutritional, safe and high-quality products and services to its consumers and patients.

The following section presents the Group's material gross impacts, risks and opportunities related to consumers and patients, as well as Danone's associated policies and action plan, metrics and targets.

### 5.4.4.1 Presentation of Danone's consumers and patients

As described in 2.1 *Presentation of Danone* in section 2 *Overview of activities, risk factors*, Danone operates in three categories of the food and beverage sector: Essential Dairy and Plant-Based (EDP), Specialized Nutrition and Waters. Danone's main consumers and patients depend on the type of products considered:

- Consumers of products within the Essential Dairy and Plant-Based Products and Waters. Some of these consumers may need products that cater to their specific nutritional needs.
- Consumers and patients of Specialized Nutrition products can be divided into two categories:
  - Consumers and patients of baby formula and complementary feeding. These products are typically purchased by parents or other caregivers, or hospitals. They do not require a medical prescription.
  - Patients and users of medical nutrition products for babies, children and adults. Medical nutrition for babies and children includes products designed to meet the specific needs for those diagnosed with certain medical conditions (for example, pre-term babies, cow's milk allergy, faltering growth or metabolic conditions). The portfolio of adult medical nutrition solutions includes oral nutritional specialties for patients suffering from malnutrition caused by illnesses such as cancer, or various conditions of aging. Danone's medical nutrition portfolio also includes tube feeding and medical devices for patients of all ages who can no longer eat or drink orally. Danone's medical nutrition portfolio typically consists of products that can be purchased by hospitals, patients or caregivers and used under medical supervision.

### 5.4.4.2 Stakeholder engagement

Danone's entire strategy and business model are informed by the interests, needs and rights of its consumers and patients. Danone's stakeholder engagement approach is overseen by the SVP Quality & Food Safety for quality and food safety topics, and the SVP Research & Innovation, Medical & Nutrition Science Officer for health and nutrition topics, and ultimately by Danone's Chief Research & Innovation, Quality and Food Safety Officer, member of the Executive Committee. These approaches are presented in the sections below.

#### Stakeholder engagement on Quality and Food Safety

Quality and Food Safety experts work closely with scientific and regulatory bodies, academic institutions, governmental and intergovernmental organizations, and industry bodies. They have numerous partnerships across the world (e.g., European Union, United States and China) on Quality and Food Safety topics to:

- advance their understanding of the latest scientific developments in quality and food safety standards for implementation across Danone's network; and
- contribute to the development of scientific knowledge, common standards and methodologies.

Moreover, Danone considers dialogue with its consumers and patients to be an essential factor for continuous improvement and innovation. Direct conversations with consumers are managed at the local level by each Business Unit's local Contact Centers. Consumer feedback includes inquiries, complaints, praise or suggestions. The Business Units ensure that consumers are able to reach the Contact Center via their preferred channel of communication by providing the contact information on the label of all products.

Consumer dialogue may also take place through the Danone Ethics Line, as described in section 5.4.1 *Own workforce (ESRS S1)*.



### Stakeholder engagement on Health and Nutrition

In the area of Health and Nutrition specifically, Danone considers the interests and needs of stakeholders and engages with consumers and patients as follows:

- Definition of the strategic framework: Health through Food pillar of the Danone Impact Journey built on the Health and Nutrition Pledge defined for internal purposes at the end of 2022. To define this framework, Danone conducted a 360° review, engaging with consumers, patients, and other stakeholders, to define the health and nutrition landscape.
- Implementation of the 2025 targets of the strategic framework Health through Food pillar of the Danone Impact Journey. They are implemented locally and updated based on monitoring of and interactions with:
  - Policy and regulation stakeholders: Danone monitors and engages with health authorities to follow recommendations and contribute to policy and regulatory discussions. Danone believes that shaping policy needs to include a wide range of actors in addition to public authorities and institutions. Danone's participation in policy discussions is varied, covering topics including consumer information, nutritional care as part of cancer care, and product quality and safety standards. Danone proactively publishes many of its policies and external positions on its corporate website, as well as its input in consultations with authorities or policymakers.
  - Local nutritional realities: Danone monitors food habits in the countries where it operates to identify consumers' nutritional needs and dietary habits. Over the last two decades, Danone has gathered, monitored and analyzed scientific literature and dietary studies. These data are accessible via the "World Insights on Nutrition Dashboard", an internal digital platform enabling Danone subsidiaries to routinely monitor the nutritional gaps and needs in their local market and to adapt their portfolio and product profile accordingly.

#### 5.4.4.3 Material impacts, risks and opportunities related to consumers and patients

##### Process to identify material impacts, risks and opportunities

Danone used the results from the stakeholder engagement processes described in section 2. *Stakeholder engagement* when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (*i.e.* before actions taken by Danone) which are related to consumers and patients and presented in the next section. More information on the materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*.

### Presentation of material impacts, risks and opportunities

#### Material impacts

##### Food Safety and Quality

If not properly managed, Danone's activities could have the following impacts related to food safety and quality:

- Quality and food safety issues could lead to adverse health impacts, arising from hazards in raw materials, packaging or finished products (chemical and microbiological contaminants, foreign bodies, or allergens). This impact is mainly related to singular incidents (for example, a defect linked to a particular product).
- Plastic packaging and additive materials used through the packaging lifecycle could present risks of harm to human health.

##### Nutritional quality

- Through its specialized nutrition products and activities, Danone can have a positive impact in supporting patients with medical conditions (during treatment, in recovery or for longer-term illnesses) or contributing to close the gap of nutritional deficiencies.
- By developing delicious and enjoyable products that meet the preferences and evolving nutritional needs of consumers throughout their lifespan and contribute to a balanced diet, Danone can have a positive impact by increasing consumers' use of healthy products.

##### Marketing practices

- Danone can have a positive impact by helping consumers make healthier food choices through voluntary interpretative nutritional information to consumers and implementing responsible marketing practices for its products, including baby formula.
- Danone can have a positive impact by promoting healthy and sustainable eating habits, for instance by promoting healthier lifestyles and diets, supporting breastfeeding, encouraging healthy hydration and creating flexitarian choices.

##### Product affordability and accessibility

- Danone can have a positive impact by making its healthy and nutritious products attractive and accessible to all. For instance, by having a business presence and commercializing its healthy portfolio in developing economies as well as and economies in transition as defined by the United Nations.<sup>1</sup>

#### Material risks and opportunities identified

##### Food safety

- In the event of food quality or safety issues, Danone could suffer reputational damage leading to market share and revenue loss.

##### Nutritional quality

- Increased regulatory scrutiny could lead to exposure to significant enforcement, litigation or tax risks.
- Danone could increase its market share thanks to an increase in consumer demand for healthy products.

Note: These impacts, risks and opportunities are gross, meaning before actions taken by Danone.

<sup>(1)</sup> DESA, U. "World economic situation and prospects as of mid-2023." United Nations, New York (2023). *SIDS\_WESP 2023\_Mid-Year\_Final.pdf* (un.org)

#### 5.4.4.4 Quality and food safety

##### Material impact, risk and opportunity management

###### Governance

The topics related to quality and food safety are overseen by the Chief Research, Innovation, Quality and Food Safety Officer, a member of the Executive Committee, and by the SVP Quality and Food Safety (SVP QFS). The responsibility for the management, implementation and monitoring compliance with all the policies below is assigned to them by Danone's Chief Executive Officer.

The SVP QFS is accountable for:

- establishing, maintaining, and managing the Danone Quality Management System (QMS) and the effectiveness of its implementation,
- anticipating QFS risks and defining preventive actions and mitigation options,
- defining and deploying QFS standards and policies,
- delivering scientific and regulatory evaluations to enable informed business decisions,
- strengthening Danone Culture of Quality across the Group.

At a local level (Regions, Countries), the General Managers (GM) and Country Managers (CM) in charge of a Country Business Unit are accountable for the safety and quality of products placed on the market.

In Country Business Units and Manufacturing Sites, the QFS function is responsible for:

- implementing Danone QFS requirements and applicable QFS regulations,
- defining and implementing appropriate corrective and preventive actions,
- monitoring QFS compliance and performance reviews.

An annual Quality and Food Safety management review is performed to check the implementation of and performance against the policies and standards, and to identify action plans to ensure its continuous improvement.

###### Policies related to food quality and safety

Danone upholds high quality and food safety standards and responsible communication, underpinned by a global Quality Management System (QMS).

Danone's quality and food safety approach is governed by:

- Danone's Food Safety Policy (2023), which refers to Danone's Food Safety Management System aligned with ISO 22000 and FSSC 22000 operating standards;
- Danone Quality and Food Safety Commitments to ensure the safety and quality of its products to consumers, healthcare professionals and patients (renewed in 2024), available on Danone's website;
- Danone Quality and Food Safety Manual (2019), which describes the Group's operations regarding quality and food safety.

These policies apply to Danone worldwide and throughout the entire supply chain (i.e. its subsidiaries, suppliers, and subcontractors).

##### Processes to remediate negative impacts and channels for consumers and patients to raise concerns

In case of food quality and safety concerns, Danone ensures that consumers and patients are able to have access to its Consumer Service directly.

Danone has set out global procedures defining how Consumer Services should respond to any negative feedback related to product quality and safety, as well as setting out how to address negative consumer feedback internally. Each Country Business Unit must ensure that it offers consumers the ability to contact Consumer Services via their preferred communication channel, phone, emails, social media, live chats, messaging, etc. and taking into consideration any specific legal requirements. The Country Business Units must also ensure all product labels include a statement and relevant information indicating how to contact Consumer Services.

The minimum requirements in response to consumer claims include:

- All negative feedback must be recorded and handled by trained and qualified employees.
- All consumers who have raised negative feedback must receive a final answer within an acceptable timeframe.
- Each product defect is investigated, traced and an improvement plan is put in place.

##### Actions related to food quality and safety

###### The Quality Management System

Danone has developed a Quality Management System to anticipate, prevent and manage risks related to food quality and safety.

- **A comprehensive 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;
  - A risk assessment performed by qualified experts, using the most advanced science risk assessment methods provides decision-making information.
- **High standards defined and deployed across the Group:** Danone defines its own QFS requirements based on the latest science and highest international standards and in line with evolving consumer/customer needs and expectations.
- **Strengthened management of product non-conformities:** Across all value chain activities (from the design to the market of the products), all product non-conformities must be logged, and the corresponding Root Cause Analysis and Corrective and Preventive Action plans (CAPA) defined and implemented.

### ■ A comprehensive compliance and performance evaluation of the whole system through:

- Food safety internal audits and compliance checks are regularly conducted;
- External audits and certifications: accredited third-party audits are conducted to evaluate Danone's food safety management system and verify its compliance with global industry-recognized standards;
- Performance reviews: quality and food safety metrics to ensure progress.

For critical cases, Danone has crisis management and response plans in place.

In addition, the Quarterly Quality Reviews take place at the central, regional and local levels, and an annual management review is carried out by the Quality and Food Safety Board. The Group's overall results are consolidated and analyzed to identify action plans to drive continuous improvement.

### ■ A continuous effort to strengthen Danone's QFS capabilities (knowledge and competencies, digital systems, etc.) across the organization and to deploy the iCare program to strengthen the Culture of Quality among its employees.

### ■ Close ties with the scientific and regulatory ecosystem as well as numerous collaborations and partnerships worldwide, e.g., academia, governmental and intergovernmental organizations, and industry bodies to advance QFS development.

#### Action plans

In 2024, a set of actions were put in place to strengthen Danone's QFS governance, focusing on the following transformation levers:

- implementing a Group-wide QMS across all Country Business Units, supported by a flexible, industry-leading DMS solution;
- improving the analytical performance of Danone's lab network in terms of reliability, traceability, responsiveness and cost efficiency;
- extending Danone's Product Non-Conformity (PNC) digital capabilities to capture PNCs and ensure that corrective actions are implemented and managed in a timely manner
- continuously improving Danone's end-to-end quality and food safety performance through a robust and harmonized audit management system;
- strengthening Danone's operational competencies and learning capabilities with foundational quality and food safety training programs for plant leadership teams.

#### Metrics and targets

Danone has set two key objectives overseen by the QFS function:

- Danone aims to have 100% of its active food and beverage manufacturing sites FSSC 22000 certified by Danone-approved certification bodies;
- Danone commits to deliver its internal food safety audits in line with the internal annual audit plan.

Both targets are aimed at demonstrating compliance with quality and food safety standards, meeting the expectations of consumers and patients.

The target for FSSC 22000 certification is defined as part of the Group's general commitment to the CGF Coalition of Action on Food Safety: the Global Food Safety Initiative (GFSI). In accordance with the Food Safety Policy, food manufacturing sites are FSSC 22000 certified by accredited independent certification bodies to verify their compliance with globally industry-recognized and externally benchmarked standards.

This target covers all Danone manufacturing sites of entities that are fully controlled by Danone. Within the three to four-year audit program, an average of 80 internal food safety audits are conducted each year by independent and qualified auditors.

Progress towards FSSC 22000 certification is tracked against prior-year results by the food safety certification manager and the performance of internal audits is monitored by the food safety audit Director against the initial plan. Performance is reviewed regularly across the organization, and forms part of the annual quality management review reported at the Executive Committee level. This review aims to identify risks and opportunities, define action plans and drive continuous improvement.

Concerning the FSSC certification target, Danone achieved a site certification rate of 94% in 2024 (96% in 2023). In 2024, 150 FSSC 22000 certification audits were conducted by independent certification bodies (152 in 2023), (see Production Site Food Safety scope at the end of section 5.4.4 *Consumers and end users*).

Concerning the internal food safety audits target, in 2024, the Global Food Safety Audit team conducted 66 in-house FS audits (67 in 2023) (see Production Site Food Safety scope, at the end of section 5.4.4 *Consumers and end users*).

#### 5.4.4.5 Health & Nutrition

### Material impact, risk and opportunity management

#### Governance

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. 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 and is monitored through the global governance of the Danone Impact Journey, the Global Engagement Committee, and the Executive Committee which reviews the topics twice a year. Progress towards the health, social and environmental objectives, set out in Danone's by-laws, is monitored 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.

All external and internal policies, positions and internal guidance documents involving the departments of Research and Innovation, Quality and Food Safety and General Secretary are reviewed and validated at the Corporate Policies and Positions Committee, which is co-chaired by Danone's Chief Research & Innovation, Quality and Food Safety Officer and Danone's General Secretary.

In parallel, the Product Compliance Review Board has been established to ensure the Group delivers to consumers products designed according to the highest quality and food safety standards reflecting Danone specifications, Policies and Commitments. This board operates under the sponsorship of Danone's Chief Research & Innovation, Quality and Food Safety Officer.

The responsibility for the management, implementation and monitoring compliance to the policies related to nutritional quality is assigned by Danone's Chief Executive Officer to the Chief Research & Innovation, Quality and Food Safety Officer, a member of the Danone Executive Committee, who assigned day-to-day responsibility for implementation and monitoring of those to the relevant functions at a Global level to the Research & Innovation Team, and at a local level to the General Managers (GM). Therefore, the GM of each Country Business Unit is responsible for the local implementation and monitoring of the policies in her/his host region/s, including ensuring that appropriate procedures and approval processes are in place.

The governance for marketing practices differs as follows: 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. 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.

The ultimate responsibility for the implementation of the Breast Milk Substitute (BMS) Policy lies with the Chief Executive Officer (CEO) of Danone. The responsibility for the implementation and monitoring compliance with this BMS Policy is assigned by the CEO to the President Specialized Nutrition – who is a member of the Danone Executive Committee, and the General Managers are responsible for the day to day implementation and monitoring of the BMS Policy. Compliance issues related to breast milk substitutes marketing standards are under the responsibility of the Compliance Team within the Specialized Nutrition category. This team 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, the Danone President Specialized Nutrition and/or the SVP General Counsel, on an annual basis.

**Policies**

Danone has set in place a number of policies to ensure that the material impacts, risks and opportunities are managed.

- Nutritional quality
  - **Danone Nutritional Targets (2024):** Since 2005, Danone has defined comprehensive internal nutritional standards to continuously improve the nutritional quality of its products. A summary of Danone's nutritional standards is published externally under the name "Danone Nutritional Targets". This document aims to disclose the operational objectives for product development for the most material nutrients for the Group only. They include nutrients to limit and nutrients to encourage relevant to their specific food categories and target population. They are applicable to the whole Danone portfolio, in all geographies. They are regularly updated to reflect the changes in nutrition science and dietary guidelines. These guidelines are closely monitored during the innovation, product development and reformulation processes, as are all criteria in the internal nutritional standards and Danone Nutritional Targets.
- Marketing practices
  - **Danone Policy on Marketing to Children (2024):** Danone acknowledges the need to promote healthier lifestyles and choices, and believes in harnessing the power of brand and product communications to make healthy products desirable. Danone is a founding member of the EU Pledge for responsible marketing to children. In 2007, Danone launched its first Pledge on Marketing to Children and in 2024 the Group enhanced its Policy on Marketing to Children in three key areas: (i) introduction of the Health Star Rating (HSR) system as the Nutrient Profile Model to determine what products can be advertised to children, (ii) increased age threshold for the restrictions applying to children (16 years old rather than 13), (iii) the audience threshold used to restrict marketing to children has been tightened to 25% below the age of 16 rather than 30% below the age of 13. This policy applies to all controlled affiliates of Danone. Danone is also working with its non-controlled joint ventures to ensure they follow similar principles for products sold under Danone brands.
  - **Danone Policy on the Nutritional Principles for the Use of Health & Nutrition Claims (2024):** This policy defines the nutritional profile criteria applicable to Danone products that display or communicate health or nutritional claims towards consumers. In addition to complying with Danone's Communication Validation Management Policy, products that display health or nutrition claims should comply with the following nutritional principles:
    - Danone relies on the Health Star Rating (HSR) as a Nutrient Profiling System to consider a product as relevant for the use of a nutrition or health claim;
    - Danone only makes nutrition and health claims on products that score  $\geq 2.5$  stars by the Health Star Rating (HSR). This criterion is also closely monitored during new product development;
    - All Danone health and nutrition claims are based on scientific evidence and must comply with local nutrition and health claim regulations or the CODEX Alimentarius standards, whichever are the strictest.

- **Danone Nutritional Targets (2024):** To continuously improve the nutritional quality of Danone's products as detailed above.
- **Danone Communication Validation Management Policy (CVM, 2023):** This policy is designed to ensure compliant, responsible, credible, and accurate communications for Danone products and categories. It is applied across all communication channels. The Danone CVM Policy enables Danone Country Business Units to develop communication materials that are locally relevant and compliant with regulations, Danone social and environmental objectives, Group policies, and any codes of good practices and ethics, while benefiting from global expertise and alignment with the brands, categories, and Group strategy. It complies with local regulations or CODEX Alimentarius standards, whichever are the strictest. All communications must comply with this Policy. The General Managers and the Communication Validation Managers of all Country Business Units and Global teams are responsible for the implementation of the CVM Policy.
- **Danone Policy for the Marketing of Breast-Milk Substitutes (2018):** 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.

This policy applies to all Danone employees and contracted partners involved in the marketing, distribution, sales, 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.

## Actions

### Nutritional quality

#### ■ Actions to develop healthy and high quality products in line with nutritional standards

Danone products are consumed regularly by millions of people across the world. By focusing on healthy categories, the Group can, and wants to, have a positive impact on nutrition and health. The Group's first line of action is therefore its product portfolio. Currently, the vast majority of Danone's portfolio can be qualified as "healthy". In 2024, 87.7% (compared to 89.2% in 2023) of product volumes sold scored  $\geq 3.5$  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. 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 sugars, saturated fats and calories.

More information on the Danone Nutritional Targets and commitments of Danone related to "Offer tastier and healthier food and drinks" and "Provide positive nutrition and hydration for healthier life" is available under Policies and Targets on Danone's website.

Actions are being deployed to reach these targets through regional and local roadmaps.

The compensation of the Chief Executive Officer, the members of the Executive Committee, General Managers, and other executives and senior managers, includes targets to decrease total sugar content (see 6.3 *Compensation and benefits of governance bodies* and 6.4 *Detailed information on long-term compensation plans* in section 6 *Corporate Governance* of this Universal Registration Document).

#### ■ Actions to respond to the risk of increased regulatory scrutiny of the food and beverage sector which could expose Danone to enforcement, litigation and tax risks.

In its global strategic risk assessment (see 2.6 *Risk factors* in section 2 *Overview of activities, risk factors*), Danone formally recognizes risks explicitly linked to nutrition, including for example the risk of extending nutrition-related taxes such as sugar taxes in many countries. This risk could eventually have an impact on the financial performance of the Group. Danone considers this risk to be relevant for all food and beverage companies, however, given Danone's portfolio and Danone's mission, it is now managed as a risk and an opportunity.

The actions described above to increase consumers' use of healthy products address this risk, as well as the policies described in section *Policies* above (Danone Nutritional Targets, Danone Policy on Marketing to Children and Danone Policy on the Nutritional Principles for the Use of Health and Nutrition Claims).

■ **Actions through which, Danone develops products supporting people of all ages who have specific nutritional needs (babies, people with medical conditions)**

The medical nutrition portfolio for babies and children includes nutritional solutions designed to meet the specific needs of those diagnosed with certain medical conditions (e.g., cow's milk allergy), and the portfolio of adult medical nutrition includes oral nutritional supplements for patients suffering from malnutrition (e.g. cancer). Danone also provides tube feeding and medical devices for patients of all ages who can no longer eat or drink orally.

In June 2024, Danone hosted a Capital Market Event, projecting the Group into the future of Health and Nutrition and sharing its mid-term strategy and value creation journey for the 2025-2028 period. One of the three main areas of focus corresponded to broadening some of its business models, especially Medical Nutrition. Linked with its purpose to bring health through food to as many people as possible, Danone aims to accelerate in the medical nutrition area and help support better outcomes for more patients, with specific focus on Adult Medical Nutrition. This category supports adult patients by addressing specific nutritional needs and is intended to be used under medical supervision as part of an integrated care plan. It is estimated that one in three patients needing medical nutrition actually receives it. Given its mission and its portfolio, Danone is well-positioned to leverage the potential in the adult medical nutrition segment. Several actions are being deployed to achieve this ambition such as:

- Ensuring that science and innovations development are anchored in the Benefit Platforms Framework. This internal document defines the eleven consumer and patient benefit platforms which sets the Group priorities, and aims to scale its Science and Technology programs to deliver a superior and differentiated value proposition to consumers and patients.
- Leveraging existing capabilities to educate and demonstrate the positive impact of Danone's solutions to patients, caregivers, healthcare professionals, and paying institutions;
- Continuing to drive preference and maximize superiority through a patient-centric need-based portfolio and innovation;
- Balancing channel footprint enabling the Group to be present in crucial moments in the patient's care journey.

The implementation of these actions and their results are monitored on a monthly basis at the Specialized Nutrition board meeting.

### Marketing practices

■ **Actions for consumers to make healthier food choices through voluntary interpretative nutritional information provided and responsible marketing practices of Danone's products**

- (1) Danone encourages consumers to make healthier choices by providing additional information on labeling and easy-to-understand nutritional information. As part of the Danone Impact Journey and Société à Mission targets, the Group has set a target

to display interpretative information for consumers in the vast majority of the eligible portfolio (>95% of the volumes sold of Dairy, Plant-Based and Aquadrinks products, with on-pack or online interpretative nutritional information by 2025). This interpretative information aims to go beyond the display of legal nutritional labelling that includes nutrient declarations for specific nutrients, mandatory for pre-packaged foods. Voluntary interpretative nutritional information provides a consumer-friendly interpretation of the nutritional information to help consumers make choices and compare products within the same category. The interpretative information is based on government and/or scientifically endorsed nutrient profiling systems.

A local implementation roadmap has been defined considering each country's legal and regulatory landscape, as well as existing market practices to ensure that the most appropriate interpretative information for each country is displayed. All entities were exposed to learning materials and a reporting and monitoring system has been implemented.

- (2) 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.

Regarding Responsible Marketing to Children, Danone is a founding member of the EU Pledge (external initiative), and also participates in voluntary pledges at local levels, wherever such programs are compatible with the Danone Pledge on Marketing to Children.

Regarding responsible marketing practices for baby formula, 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, including making available to the public a summary of any 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 trainings for its relevant employees and external partners about the principles of responsible marketing of BMS. This includes:

- The implementation of e-learning training courses on its BMS Policy, available in thirteen languages. In 2023, an in-depth online training course specifically designed for employees involved in the marketing of breast milk substitutes was introduced.
- For third-party stakeholders, such as retailers and distributors, a specific toolkit was created in 2022 and rolled out in 2023 to raise awareness about responsible marketing of baby formula and Danone's BMS Policy standards.

(3) Danone also contributes to initiatives that aim to disseminate knowledge on the benefits of breastfeeding for the infant and the mother. This includes the collaboration with UNITAR's Global Breastfeeding Education Initiative, the first multi-stakeholder education initiative of its kind that seeks to positively impact maternal and infant health at large. A breastfeeding education program is deployed and accessible through the UNITAR's platform and includes the training course, "The Magic Drop, Essentials of Breastfeeding", which is available in twelve languages. This e-learning program is also available to all Danone employees through its internal Danone education platform.

As part of the *Société à Mission* agenda, the Group has also defined a target to develop three impact-oriented projects to expand Danone's contribution to supporting women's choice to breastfeed. These dedicated projects must meet strict criteria. They are ambitious, innovative, with the ambition to create measurable positive systemic change. These projects should deploy general interest activities addressing the key root causes of the issue, involve a coalition of relevant partners, and aim to develop both a sustainable model for lasting impact and indicators to track positive health outcomes at national scale. One of the projects in place has been developed in Spain. The "Best Chance at Breast" project involves the training of 50,000 healthcare professionals, 5,000 breastfeeding counselors, and various stakeholders, with the aim to provide support to 75,000 families on their breastfeeding journey. Its overarching goal is to contribute to a 15% increase in the breastfeeding initiation rate in Spain. A second project is currently being implemented in Algeria: in the context of a lack of midwives and nurses trained on breastfeeding and low numbers of breastfeeding initiation rates, the "SELA" project has been launched in partnership with GIZ. It aims to train 50% of the active midwives and pediatric nurses of whole Algeria (targeting about 4,700 healthcare professionals) to support mothers and parents on increasing breastfeeding initiation from the start. Ultimately, its goal is to contribute to a 3% increase in the number of babies exclusively breastfed every year.

#### Affordability and Accessibility of Healthy Products

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.

Concerning affordability and accessibility dimensions, the Group provides its subsidiaries with relevant guidance and market data that can be integrated in brands' value proposition. As such, various actions are implemented by Danone, including:

- Understanding local realities through data on health and nutrition, local consumption and pricing dynamics in the countries where the Group operates;
- Defining of a business strategy at local level to reach middle- to low-income populations;
- Bringing nutrition solutions to low- and middle-income populations and to those who have difficulty accessing healthy foods and safe drinking water;
- Using the Occasion, Brand, Pack, Price, Channel (OBPPC) methodology to enable Danone to position its highly nutritious

portfolio in the right place for consumers and shoppers, by identifying the occasions where consumers wish to consume Danone's products and brands, as well as the appropriate price, packaging and relevant channels.

Further description and examples can be found in the document "Reaching as many people as possible: our efforts to make healthy products affordable and accessible" (October 2023) available on Danone's website.

#### Metrics and targets

##### Metrics and targets related to nutritional quality

Danone has set the following objectives as part of its goal to offer tastier and healthier food and drinks in the Danone Impact Journey and *Société à Mission* roadmap:

- By 2025, Danone aims to have ≥85% 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. In 2024, 87.7% (compared to 89.2% in 2023) of volumes sold were at this target;
- By 2025, Danone aims to have >95% of the volumes sold of EDP kids portfolio with maximum 10g of total sugar per 100gr. In 2024, 78.5% (compared to 62.2% in 2023) of the volumes sold of EDP kids portfolio were at this target. This is also a *Société à Mission* target. In 2023, the compensation of the Chief Executive Officer, the members of the Executive Committee, General Managers, and other senior executives and senior managers of Danone, is specifically linked to this key performance indicator and its achievement (more information available in 6.3 *Compensation and benefits of governance bodies* and 6.4 *Detailed information on long-term compensation plans* in section 6 *Corporate Governance* of this Universal Registration Document);
- By 2025, Danone aims to have >95% of the volumes sold of toddler milks intended for 1-3-year-olds with ≤1.25g added sugar/100kcal, compared the baseline of 99% in 2022. In 2024, 99.0% (compared to 99.3% in 2023) of the volumes sold were at this target. This is also a *Société à Mission* target;
- By 2025, Danone aims to have >95% of the volumes sold of formula milks intended for 4-5-year-olds with ≤2g added sugar/100kcal. In 2024, 94.9% (compared to 94.5% in 2023) of the volumes sold were at this target. This is also a *Société à Mission* target.
- Starting in 2024, the compensation of the Chief Executive Officer, the members of the Executive Committee, General Managers, and other senior executives and managers of Danone, of Danone is also specifically linked to the key performance indicator: volume (as a percentage) of EDP everyday adults' products that contain 10g of sugar or less per 100g of product. In 2024, a target of reaching equal or more than 76.5% has been set for the long-term compensation. In 2024, 75% (compared to 75% in 2023) of the volumes sold were at this target.
- Other metrics used to monitor portfolio healthiness are:
  - Volumes sold of products that correspond to healthy categories: In 2024, 89.4% (compared to 90.3% in 2023) of product volumes sold were considered to be from "healthy" categories. The remaining 10.6% corresponds mainly to low-sugar drinks and occasional indulgence categories.

- Volumes sold of products without added sugars: In 2024, 80.4% (compared to 81.2% in 2023) of product volumes sold had no added sugars.

To ensure that product portfolio healthiness is being leveraged to increase consumer demand for healthy products, Danone has set the following Danone Impact Journey objective to promote healthier choices:

- By 2025, Danone aims to display >95% of the volumes sold of Dairy, Plant-Based and Aquadrinks products via on-pack or online interpretative nutritional information. In 2024, 71.5% (compared to 40.5% in 2023) of volumes sold were at this target. This is also a *Société à Mission* target.

In line with this objective, Danone has set a target as part of its goal to provide positive nutrition and hydration for healthier life in the Danone Impact Journey:

- By 2025, Danone aims to have ≥85% of product volumes sold of the Group's Dairy portfolio aimed at children fortified with relevant vitamins and minerals. In 2024, 89.8% (compared to 83.2% in 2023) of volumes sold were at this target.

These time bounded targets were fixed based on the strategic review previously described, a portfolio analysis, and feasibility assessment per region.

Danone has not set a specific target with regards to the positive impact to support patients with medical conditions that it can have through its specialized nutrition products and activities, as it is the essence of this activity.

**Metrics and targets related to marketing practices**

The Group considers that the first action to ensure responsible marketing practices is to provide a healthy portfolio to consumers. Danone's portfolio is mainly healthy, this means that the majority of the branded marketing and communication efforts will be directed to healthy products. All the above-mentioned metrics and targets related to the Group efforts to offer tastier and healthier food and drinks, and included in the Danone Impact Journey and *Société à Mission* roadmap, therefore remain relevant within the topic of responsible marketing practices.

To ensure transparency for consumers and that product portfolio healthiness is being leveraged to increase consumer demand for healthy products, Danone has set the following Danone Impact Journey target to promote healthier choices:

- By 2025, Danone aims to display >95% of the volumes sold of Dairy, Plant-Based and Aquadrinks products via on-pack or online interpretative nutritional information. In 2024, 71.5% (compared to 40.5% in 2023) of volumes sold were at this target. This is also a *Société à Mission* target.

To further address the impacts, risks and opportunities related to marketing practices, Danone also monitors the following indicators and targets:

- Danone is committed to promote and advocate responsible business practices across the value chain and in its partnerships. The Group therefore provides comprehensive training to all partners working on a contracted basis, to ensure they can fully comply with Danone's Breast Milk Substitutes Marketing Policy. In 2024, 6,104 employees were trained on the Danone Policy for the Marketing of Breast Milk Substitutes.

- Danone audits compliance with its Policy on Marketing to Children on an annual basis to ensure its application globally. This is done through a mix of external and internal audits. The external auditor is appointed by an industry association/initiative to audit compliance with the industry association's marketing commitments, and Internal audits use the Danone Way self-assessment <sup>(2)</sup> to ensure compliance with the Group's own specific marketing commitments.

As a member of the EU Pledge, Danone also participates in voluntary pledges at local level. Compliance is certified by an external agency.

In 2024, an independent audit by Ebiquity found that 99.6% of Danone's television advertising was compliant with the EU Pledge criteria. This audit was conducted in six sample EU countries: France, Germany, Italy, Netherlands, Romania and Spain.

- In 2024, 85% of entities monitored their compliance with the Pledge on Marketing to Children. In case of non-compliance, the entities have established a process to rectify their practices in relation to the Marketing of Breast Milk Substitutes Policy and the Policy on Marketing to Children (see Danone Way scope, in 5.5.1 *Business conduct (ESRS G1)*).

Danone considers that it plays a key role in ensuring awareness and understanding of the importance of nutrition in the first 1,000 days of life. As part of the *Société à Mission* agenda, the Group has set the following target:

- By 2025, Danone aims to develop three projects to support women's choice to breastfeed. In 2024, three projects (compared to one in 2023) met the criteria of impact projects with all key criteria covered. The Group considers these projects to be a way to encourage and support healthy behaviors such as breastfeeding. These impact-oriented projects are ambitious, innovative, and socially-oriented, with the ambition to create measurable positive systemic change.

These time bounded targets were fixed based on the strategic review previously described, a portfolio analysis, regulatory assessment and feasibility assessment per region.

**Metric related to affordability and accessibility of Healthy Products**

In line with its mission to "Bring health through food to as many people as possible", the Group monitors the healthiness of its portfolio (in volumes sold and in net sales) on an annual basis using the Health Star Rating system, as described in the section *Metrics and targets*.

- By 2025, Danone aims to have ≥85% of product volumes sold scored ≥3.5 stars under the Health Star Rating system. In 2024, 87.7% (compared to 89.2% in 2023) of volumes sold were at this target.

<sup>(2)</sup> Danone Way is a sustainability management program underpinned by an annual self-assessment campaign, used to identify, measure and in turn enhance the sustainability commitments and progress of local Country Business Units, in line with global sustainability commitments and priorities. This program is also used to measure Country Business Unit implementation of topics deemed as material to Danone, and essential to its operational integrity and maintaining its license to operate.



# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.4 Social information

The Group also ensures its commercial presence of its mostly healthy portfolio in low and middle income countries by monitoring the following metric:

- Danone's healthy portfolio is sold in more than 120 countries. In 2024, 68% (70% in 2023) of the volumes sold were in countries classified by the United Nations as developing economies and economies in transition.

### Methodology note

#### Consolidation scope and coverage

The consolidation scope consists of all Danone subsidiaries that are fully consolidated for the preparation of the consolidated financial statements, in other words, the subsidiaries in which Danone holds, directly or indirectly, exclusive control. Nevertheless, some subsidiaries do not report all social, safety, environmental, and health and nutrition indicators. These entities were consolidated for financial reporting purposes as of December 31, 2024, and action plans are planned and/or in progress to ensure the availability and reliability of the data. Lastly, the list of subsidiaries that do not report certain indicators may differ depending on the types of indicators. The coverage scope varies according to the indicator categories, as described in the sections below:

**Production Site Food** – In 2024, 151 production sites were included in the scope considered for FSSC 22000 certification. These sites correspond to the production sites for all of Danone's Categories and do not include the production sites of co-manufacturers and suppliers.

**Health and Nutrition** – In 2011, Danone created a set of performance indicators (formerly named One Health Scorecard) to measure advancements in health and nutrition, particularly product composition and responsible communication. Reporting process and indicators have continued to strengthen over the years. In 2024, 96 entities representing 97.8% of consolidated sales and 99.4% of volume sold reported health and nutrition indicators (94.5% sales and 98.2% volumes sold in 2023).

#### Like-for-like changes

Danone measures changes in environmental indicators and in greenhouse gas emissions on a like-for-like basis, i.e. at constant consolidation scope and constant methodology.

**Essential Dairy and Plant-Based (EDP):** Production and distribution of fresh fermented dairy products and other dairy specialties, plant-based products and beverages, and coffee creations.

**Specialized Nutrition (SN):** Production and distribution of formulas and complementary feeding for babies and young children, as well as food for medical purposes for children and adults with an underlying medical condition.

**Waters:** Plain water, flavored water and functional beverages.

#### Data collection

To ensure the homogeneity of the indicators across the reporting scope, shared data reporting guidelines for social, safety, environmental, and health and nutrition data are transmitted and updated each year following data consolidation and contributors' comments. These guidelines specify the methodologies to be used for

reporting the indicators, including definitions, methodology principles, calculation formulas and standard factors. These reporting guidelines for social, safety, environmental, GHG, health and nutrition and Danone Way data are available on request from the Sustainable Finance Department. Lastly, health and nutrition data are checked at the subsidiary level and then at the Category level when reported.

#### Health and Nutrition indicators

The Sustainable Finance Department and the Research & Innovation – Nutrition Department are responsible for the health and nutrition indicators. Health and nutrition data are reported by the local R&I/ Nutrition teams at each subsidiary through a system of standardized forms, which are then consolidated to calculate the global indicators. Entities report volume sales and net sales for the period of reference (October 1, 2023 to September 30, 2024 included). Product data is generated by reporting entity-specific systems, then consolidated and verified by the central Sustainable Finance and Research & Innovation – Nutrition teams. Data on volumes and net sales are generated by Danone's financial information consolidation software.

All health and nutrition indicators are volume-weighted. This excludes all exports, non-food products, private labels (products manufactured for a non-Danone company) and sprays (for the Water activities). Volume-weighted figures are calculated based on the volumes of products as consumed. When necessary, a conversion factor is applied (i.e. for a powder product what is counted is the "reconstituted" volumes, which means the powder mixed/combined with a liquid). It concerns mainly the products from the Specialized Nutrition business.

#### Information regarding methodologies

The methodologies used for certain nutrition indicators may have limits due to:

- The absence of common national and/or international definitions;
- Necessary estimates, the representative nature of measurements taken or the limited availability of external data required for calculations.

For these reasons, the definitions and methodologies used for the following indicators are specified.

#### Percentage of volume sold corresponding to healthy categories

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 three years of age and foods for children over three years of age in the early life nutrition activities).
- All plain waters and flavored waters with 0% sugar.

#### Percentage of volumes sold of products scoring $\geq 3.5$ stars according to the Health Star Rating (HSR) system:

This percentage is calculated for the Essential Dairy and Plant-Based and Waters Categories. According to the HSR system, any product that scores 3.5 stars or above can be confidently promoted as a healthy choice. More information on this system can be consulted on HSR's website.

**Percentage of volumes sold of products without added sugars**

This percentage is calculated for all product categories in the Essential Dairy and Plant-Based, Waters and Specialized Nutrition Categories. Medical nutrition products are excluded. The products included in this indicator are those whose added sugar content is less or equal to 0.5 grams. The threshold of 0.5g is set for calculation and reporting purposes to avoid overestimation. All entities are expected to report according to the Danone point of view on sugars. In countries where there is a specific legal contradiction to this document, the entity must follow the local legislation.

**Percentage of volumes sold of Dairy and Plant-based products aimed at children with  $\leq 10\text{g}$  of total sugars/100g**

This indicator monitors all products in the Essential Dairy and Plant-Based portfolio specifically designed for and/or primarily appealing to children (3-12 years). The terms are defined in Danone's Marketing To Kids Policy.

**Percentage of volumes sold of toddlers Milks (1-3 years) with  $\leq 1.25\text{g}$  of added sugars/100 Kcal**

This indicator is calculated for Specialized Nutrition, essential Dairy and Plant-Based portfolio, specifically for toddler milks, which are milk-based formulas designed to support the nutritional and developmental needs of children aged one to three years and meeting the added sugar target of less or equal to 1.25g/100 Kcal.

The calculation excludes milks from tailored nutrition designed for specific medical conditions.

**Percentage of volumes sold of Formula Milks (4-5 years) with  $\leq 2\text{g}$  of added sugars/100 Kcal**

This percentage is calculated for milk products directed to children aged three years and above, having a sugar content of less than or equal to 2g/100Kcal. The calculation is based on the Specialized Nutrition portfolio, excluding milks from tailored nutrition designed for specific medical conditions.

**Percentage of volumes sold of EDP everyday adults' products with total sugars  $\leq 10\text{g}/100\text{g}$** 

This percentage is calculated for Dairy and Plant-Based products that are reported as being part of the adult and/or family portfolio, and that are included in the following sub-categories: Dairy and Plant-Based Everyday & Functional yogurt, fermented milks, milks, plant-based drinks, dairy and plant-based cheeses that had a maximum of 10g of total sugars per 100g, and excluding all dairy and plant-based

indulgent sub-categories (desserts, ice creams, creamers, ready to drink coffees), and traditional products/cooking aids (butter, margarine creams). The calculation of this KPI excludes the countries within the CIS region (Russia, Belarus, Kazakhstan) from its baseline scope.

**Percentage of volumes sold of kids dairy products fortified with relevant vitamins and minerals**

This indicator is calculated for all products in the dairy portfolio, specifically designed and/or primarily appealing to children aged between three and 12 years, more information can be accessed in Danone's Marketing to Kids Policy. Fortification can be either an increase of a naturally present nutrient or a full addition of vitamins and minerals. For this indicator, a list of relevant nutrients has been defined, considering potential deficiencies or insufficiencies specific to the target group and region. Each case undergoes individual assessment to confirm relevancy criteria.

**Percentage of volumes sold of Dairy, Plant-Based and Aquadrinks products providing on pack or online interpretative Nutritional information**

This percentage is calculated for the categories Essential Dairy and Plant-Based and Aquadrinks in countries where regulation or market practice allow to display interpretative labeling in a voluntary or mandatory basis on pack or online. The interpretative nutritional information is provided on the food packages or via Danone owned or Danone supported online platforms (websites, apps, etc.)

The markets may define their own preferences and criteria regarding on pack and/or online placement as well as the interpretative labeling system choice.

**Percentage of volumes sold in developing and in transition countries' economies**

This percentage is calculated based on volumes sold in all relevant countries identified as developing or in transition economies, as outlined in the World Economic Situation and Prospects 2024 document, and classified by the United Nations (UN) as developing economies and economies in transition<sup>(3)</sup>.

**Number of scientific publications in peer-reviewed journals and/or presentations at scientific conferences**

This indicator is calculated following a cross-category digital review and approval system for tracking and forecasting of scientific publications and abstract submissions.

<sup>(3)</sup> The full report is available at this link: [https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP\\_2024\\_Web.pdf](https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/WESP_2024_Web.pdf)

## 5.5 GOVERNANCE INFORMATION

### 5.5.1 BUSINESS CONDUCT (ESRS G1)

Danone is committed to working actively against corruption, bribery, payments in kind, facilitation payments, conflicts of interest, theft, fraud, embezzlement, inappropriate use of Group resources and money laundering. The Group has established policies and procedures for responsible practices that apply to all of its employees, its subsidiaries, the companies controlled by the Group and, in some cases, its business partners. Danone has a compliance framework which sets out the most important principles with regard to standards, governance, responsibilities, organization and processes for its policies and programs.

The following section presents the Group's material gross impacts, related to business conduct, as well as Danone's associated policies and action plan, metrics and targets.

#### 5.5.1.1 Material impacts, risks and opportunities related to business conduct

##### Process to identify material impacts, risks and opportunities

Danone worked with experts from the General Secretary and Cycles and Procurement teams, taking into account governance, compliance (including data protection), the whistleblowing mechanism, marketing, lobbying and advocacy, and purchasing practices when it carried out its double materiality assessment to identify the gross material impacts, risks and opportunities (ie before actions taken by Danone) which are related to business conduct and presented in the next section. More information on the materiality assessment is available in 5.2.5 *Impact, risk and opportunity management* in sections 5.2 *Sustainability statement - General Disclosures (ESRS 2)* and 6. *Corporate Governance*

##### Presentation of the material impacts

Considering Danone's activities, several gross material impacts are to be considered:

##### Strong governance to deliver on sustainability commitments

Strong governance is crucial for companies to effectively deliver on their sustainability commitments. It provides a structured framework that ensures transparency and strategic alignment with sustainability goals. With robust governance, companies can integrate sustainability into their core operations, making it a priority across all levels of the organization. Additionally, strong governance fosters stakeholder trust and engagement, which is essential for long-term success and resilience in a rapidly changing market. By embedding sustainability into their governance structures, companies may drive meaningful change and achieve their sustainability objectives more efficiently and effectively. Danone's governance and the role and expertise of the Board members regarding sustainability is detailed in 5.2.2 *Governance* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*, and in section 6 *Corporate Governance*.

##### Protection of individuals who raise concerns

Whistleblowing mechanisms enable employees, external workers, suppliers, customers and any third party to report any concerns related to unethical conduct or any violation of the Code of Business Conduct, compliance policies, codes of good practice (e.g., Cybersecurity, purchasing policy) or any activity representing an environmental, health, or human rights risk. Whistleblowers may face challenges when deciding to raise concerns such as retaliation, isolation, lack of support, emotional stress, etc. Having a secure platform protecting its users, including the possibility to report anonymously, can influence the number of concerns raised and therefore the mitigation of potential problems. Such systems can lead the Group to implement corrective measures when appropriate.

##### Misuse or breach of personal data

Privacy and protection of personal data represents a fundamental right for individuals. Breaches of the confidentiality, availability and integrity of personal data can lead to harmful consequences for individual rights and freedoms (e.g., discrimination, fraud, identity theft) and breaches of compliance with relevant regulations and standards. By maintaining a robust framework and stringent data protection measures, Danone is able to safeguard the privacy and security of personal information and mitigate risks associated with data breaches.

##### Responsible lobbying and advocacy practices

Lobbying and advocacy activities conducted with integrity and accountability can help identify and develop common solutions to public health, social, and environmental challenges. By providing expertise and collaborating with policymakers and other stakeholders in a transparent, legitimate and ethical manner, Danone can help support improved outcomes for all stakeholders.

##### Public sector and stakeholder engagement

Engaging with the public sector and collaborating with various stakeholders, including governments, NGOs, and local communities, can help drive positive change and create sustainable value. By fostering strong relationships with stakeholders, Danone can contribute to addressing public health, social, and environmental challenges effectively and align its sustainability roadmap with broader societal goals, promoting responsible business practices.

##### Enhanced value sharing for Danone employees

Employees play a central role in organizations. Encouraging the creation of shared value recognizes each employee's contribution to the Group's performance and also creates a more motivating dynamic to achieve even greater results. Danone offers its employees competitive compensation and benefit packages, including social and personal protection measures and employee profit sharing (where applicable).

### Poor animal welfare in the value chain

Animals play an essential role in agriculture, particularly in the dairy industry. In livestock farming upstream of the agricultural value chain, overcrowding (which increases the risk of injury, disease, infection and stress), inadequate shelter or ventilation systems to protect against the elements, forced breeding practices and the use of growth hormones can have harmful consequences on animal welfare.

These impacts are gross, meaning before actions taken by Danone. No risks or opportunities related to ESRS G1 have been assessed as material.

### 5.5.1.2 Management of the material impacts

Danone has established a range of general and thematic policies and procedures for responsible practices that apply to all its employees, subsidiaries, companies controlled by the Group, and, in some cases, its business partners. Danone's compliance framework sets out the most important principles regarding standards, governance, responsibilities, organization, and processes for its policies and programs. Danone's approach to integrating views and interest of stakeholders has been detailed in its stakeholder engagement policy described in section 5.4.1.2 *Stakeholder engagement* in section 5.4.1 *Own workforce (ESRS S1)*.

### Anti-corruption and bribery

#### Governance related to incidents of corruption or bribery

Danone works actively against corruption, bribery, payments in kind, facilitation payments, conflicts of interest, theft, fraud, embezzlement, inappropriate use of Group resources and money laundering. Danone's worldwide Compliance Program is under the supervision of the Corporate Compliance and Ethics Board, which is chaired by the Chief Compliance Officer. It is approved and supported by its Chief Executive Officer as well as by its Executive Committee. It is also reviewed at least twice a year by the Audit Committee. The Chief Compliance Officer is the executive head of the Compliance function and, along with the Global Compliance directors, is responsible for designing and leading the compliance strategy and overseeing its implementation and execution worldwide.

At the local level, Danone has a global network of Local Compliance Officers and Local Compliance Committees, chaired by the local General Manager.

Responsibility for the governance of internal evaluations of alleged or suspected non-conformities lies with the Danone Ethics Line Committee, made up of the Chief Compliance Officer, Global Integrity Director, Global Head of Internal Audit, Global Human Resources Compliance and Labor Law Director, Global Compliance Director – Ethics Line and a senior representative from the Security function.

### Policies related to incidents of corruption or bribery

#### Compliance Framework Policy

Updated in 2024, Danone's Compliance Framework Policy sets out the principles, scope, and setup of the Compliance Framework in relation to standards, responsibilities, organization and process. In its Compliance Framework Policy, Danone describes its whistleblowing mechanism, the Danone Ethics Line (DEL), which encourages all employees to report concerns about any actual or potential wrongdoing in breach of Danone's Code of Business Conduct.

#### Code of Business Conduct

Danone's Code of Business Conduct, updated in 2022, is translated into 34 languages and available on Danone's internal and external website. It covers a number of topics related to responsible practices, including anti-corruption, conflicts of interest, confidentiality, fraud, money laundering, interactions with government officials, international trade sanctions, competition, data protection, human rights, and the environment. This policy also includes protection of individuals who raise concerns. Danone's Code of Business Conduct is based on principles derived from:

- the Universal Declaration of Human Rights;
- the Fundamental Conventions of the International Labour Organization;
- the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises;
- the United Nations Global Compact on human rights, labor standards, environmental protection and anti-corruption.

It covers several topics related to responsible practices, including an explicit human rights requirement.

#### Disciplinary Code for Business Conduct Breach

The Disciplinary Code for Business Conduct Breach from 2024, applies to all employees, ensuring that the Group appropriately and fairly sanctions any unethical behavior, as well as any breach of its Code of Business Conduct.

#### Integrity Policy

The Integrity Policy updated in 2022, is translated into 34 languages and available in Danone's website and intranet. It defines the rules and responsibilities governing the conduct of all Danone employees with respect to bribery and corruption, gifts and hospitality, sponsorship, donations, and grants, interactions with government officials and healthcare professionals, advocacy, conflicts of interest, money laundering, fraud, and third party vetting.

#### Third Party Vetting Compliance Policy

The Third Party Vetting Compliance Policy 2020 outlines the due diligence Danone performs on business partners to evaluate and, if necessary, address the potential risk they may pose to the Group. This includes concerns related to corruption, bribery, international trade sanctions, and any other criminal or unethical activity. It applies to all third parties and it is available on Danone's website.

### Code of Conduct for Business Partners

The Code of Conduct for Business Partners 2022 ensures that Danone's business partners comply with applicable laws on bribery and corruption, money laundering, unfair competition, and international trade sanctions. It is available on Danone's website.

### Purchasing Policy

The Purchasing Policy published in 2024 describes how goods (including raw and packaging materials) and/or services are procured within Danone. This policy is available on Danone's website.

### The Competition Policy

Danone's Competition Policy defines Danone's commitment to engaging in fair competition on the merits in all its business activities in compliance with all applicable competition laws.

### International Trade Sanctions Policy

Danone's International Trade Sanctions Policy defines Danone's commitment to complying with trade, financial and other restrictions imposed by national governments and international bodies on certain sanctioned countries, entities and/or individuals.

### Healthcare System Compliance Policy

Danone's Healthcare System Compliance Policy ensures that all interactions with healthcare professionals (HCPs) and healthcare organizations (HCOs) are conducted ethically, transparently, and in compliance with applicable laws and regulations. This policy applies to all employees and contracted partners who engage with Danone's healthcare ecosystem. Proper documentation, books, and records are maintained to ensure transparency and accountability. The policy outlines guidelines for organizing events, contracting with HCPs, and offering sponsorships, grants, and donations. Additionally, there are specific rules regarding gifts and hospitality to avoid conflicts of interest.

## Actions related to anti-corruption and bribery

### Training on business conduct

Danone has a comprehensive compliance training program in place, incorporating a mandatory annual compliance fundamentals e-learning course for all employees with access to a laptop and more targeted anti-corruption training for those employees identified as being at higher risk, e.g., those working in sales, finance, marketing, medical, public affairs, procurement and Research and Innovation. In 2024, 98% of such Danone employees completed the e-learning course.

In 2024, the annual compliance fundamentals e-learning course was opened to external Board members and all of them completed the e-learning. The Board members, including the Chief Executive Officer, have also been asked about their expertise in business conduct matters: a majority of the Board members have confirmed that they have an expertise in all or part of the business conduct matters, considering their current or past positions and/or their participation to trainings (for more information see 6.1 *Governance bodies* and 6.2 *Positions and Responsibilities of the Directors* in section 6 *Corporate Governance* on the expertise of Board members and their biographies).

In addition, Danone has specific training modules on interacting within the healthcare environment and international trade sanctions.

### Prevention and detection of corruption and bribery

Danone has implemented a global Compliance Program that includes a specific section on anti-corruption. This program incorporates risk assessments and their related mitigation plans, policies, procedures, controls, trainings, communication plans, and due diligence on third parties.

The Group conducts compliance-specific internal controls to ensure the effective implementation of the overall Compliance Program. These controls cover specific issues such as gifts and hospitality, interactions with government officials and healthcare professionals, events, sponsorships, donations and grants, public tenders, confidentiality of personal data, and third-party due diligence. These controls are reviewed annually by internal control and periodically by internal audit. The results are used as a key input into Danone's compliance and anti-corruption risk assessment. Internal controls are implemented by Danone's General Management, managers, and operational teams. The Group uses its internal control framework, DANgo (Danone Governing and Operating Processes – see *Methodology* in 2.7.3 *Internal control* in section 2 *Overview of activities, risk factors*), which covers the following operating processes: Sales, Purchasing, Operations, Human Resources, Finance, Information Systems and General Secretary, and includes a Control Environment section. For each risk area, the framework specifies the potential impacts for Danone, such as reputational harm, financial misstatements, financial losses, disruptions to operating activities, and fraud.

In addition, Danone has implemented on the Danone Ethics Line described in the sections 5.4.1 *Own workforce (ESRS S1)* and 5.4.2 *Workers in the value chain (ESRS S2)*.

Danone's Global Compliance team and the Danone Ethics Line Committee are responsible for investigating allegations and incidents of bribery and corruption. Danone ensures the separation between investigators and the chain of management involved. If a conflict arises, cases are managed at the global level.

Annual Danone Ethics Line statistics are reported to the Corporate Compliance and Ethics Board, the Danone Ethics Line Committee and the Audit Committee of the Board of Directors see 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns* in section 5.4.1 *Own workforce (ESRS S1)*.

### Channel to raise concerns and protection of whistleblowers

As described in 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns* in section 5.4.1 *Own workforce (ESRS S1)*, all employees are encouraged to raise concerns about any wrongdoing through a number of channels (such as managerial, HR and legal channels) including via the whistleblowing system Danone Ethics Line. For a description of the Danone Ethics Line, see *Danone Ethics Line* in section 5.4.1 *Own workforce (ESRS S1)*.

### Mechanisms to identify, report and investigate business conduct concerns

In order to identify, report and investigate concerns about unlawful behavior or behavior that breaches its Code of Conduct or similar internal rules, Danone relies on several mechanisms: an internal control framework named DANgo, the Danone Ethics Line, and anyone raising a concern to the Compliance team directly. The internal control framework is described below and in more detail in 2.7 *Control Environment* in section 2 *Overview of activities, risk factors*. The Danone Ethics Line is described in the next section and applies to concerns raised by internal and external stakeholders.

### Procedure to investigate business conduct incidents

The Group has procedures in place to investigate business conduct incidents, including incidents of corruption and bribery, in a prompt, independent and objective manner. Each alert is initially reviewed by the Global Compliance team responsible for the management of the Danone Ethics Line and/or the Global Human Resources Compliance and Labor Law team. Depending on the alert, a decision will be taken to appoint an independent internal or external investigator, as necessary.

Concerns raised through the Danone Ethics Line and failures to comply identified during the Group's controls and audits result in mitigation plans overseen by the Danone Ethics Line Committee and local management. These mitigation plans may involve process improvements, disciplinary action, training and communication initiatives, and enhanced monitoring by the Compliance team in the form of a steering committee responsible for overseeing the implementation of corrective measures. (For more details on DEL, see 5.4.1.5 *Processes to remediate negative impacts and channels for own workers to raise concerns* in section 5.4.1 *Own workforce (ESRS S1)*)

### Metrics related to incidents of corruption or bribery

In 2024, Danone received 1,118 concerns on various issues, including workplace people-related issues, corruption and fraud (compared to 902 in 2023). None of these cases had a material impact on the Group's consolidated financial statements. In 2024, 38,682 new third parties were vetted through Danone's dedicated Third Party Vetting digital solution (164,856 in total in 2023 since 2020). Among them, 91.8% were approved (98.7% in 2023), 1.8% were approved with mitigation (1.1% in 2023) and 0.2% were rejected (0.2% in 2023). The rest of the third parties are still in the process.

There has been no convictions nor fines for violation of anti-corruption and anti-bribery laws in 2024.

## Protection of personal data

### Governance related to protection of personal data

The corporate team in charge of Data Privacy comprises one Director, reporting to the Chief Compliance Officer, a Senior Data Protection Manager, and two Data Protection Managers. The implementation of the Personal Data Privacy policy and the programs related to it are overseen by Danone's General Secretary.

## Policies related to protection of personal data

### Personal Data Privacy Policy

The Personal Data Privacy Policy, published in 2016, defines Danone's commitment to processing personal data in a fair, lawful, and transparent manner, in compliance with regional key protection data regulation. It applies to all Danone entities worldwide, including subsidiaries and affiliates that are majority owned or effectively controlled by the Group, and all their employees. The policy establishes the rules and responsibilities that employees and any third parties processing personal data on Danone's behalf must abide by when managing personal data.

### Actions related to protection of personal data

Danone has set up procedures to evaluate and monitor principles relating to data protection, including:

- regularly assessing risks relating to personal data protection at local Business Units;
- integrating personal data protection into the annual control plan of the internal audit and internal control teams;
- auditing data security annually via the internal audit team and automated analysis. External Cybersecurity experts also ensure that weaknesses in Danone's data security are detected and external ethical hacking campaigns are conducted annually.

Danone has a comprehensive compliance training program incorporating a mandatory annual compliance fundamentals e-learning course for all employees with access to a laptop with a whole section dedicated to Data Privacy. A more dedicated training for EU employees, who are subject to the European General Data Protection Regulation (GDPR), is also available. This is completed by all new recruits and at least every two years for all targeted employees.

Danone has implemented a document center, accessible to all Danone employees with access to the Danone's internal online Workplace, providing employees with document and procedure templates. The goal is to achieve harmonized and compliant personal data protection practices. It offers, for example, a privacy policy and cookie policy templates, procedures for assessing the legality of international transfers of personal data, specific contract templates allowing Danone and its partners to organize their respective relationships or obligations regarding personal data protection.

Danone includes necessary clauses and annexes in contracts with external partners, in the form of Data Processing Agreements covering the requirements of Article 28 of the GDPR, as well as necessary measures in consumer interactions, in the context of transparency measures and stating access rights.

If a corporate personal data breach occurs, Danone's Corporate Personal Data Breach Handling Procedure provides the steps to be taken to make sure that possible personal data breaches within Danone or affecting Danone Personal Data are handled in a compliant and effective way, and their effects for individuals and for Danone are quickly and effectively stopped or reduced.

### Metrics related to protection of personal data

Danone monitors the level of training on the protection of personal data for all workers with laptop access. In 2024, 98% of employees took the annual compliance fundamentals e-learning that includes Data Privacy matters.

### Advocacy and stakeholder engagement

#### Governance related to advocacy and stakeholder engagement

Danone engages with governmental and non-governmental stakeholders, as a group or industry member, to build common ground and drive collaboration to deliver on its Danone Impact Journey sustainability roadmap. The Group is committed to sustainable lobbying and advocacy activities, working with others to find solutions to the public health, social, and environmental challenges the world is currently facing.

Danone's Public Affairs and Compliance teams are co-responsible for the global oversight and management of Danone's advocacy and lobbying activities. Local Public Affairs managers are held accountable for their advocacy activities. Advocacy is under the governance of Danone's General Secretary, part of Danone's leadership team and member of the Executive Committee.

Lobbying and advocacy is conducted in accordance with the Group's policies and positions on health, environmental and social matters. All policies and positions are reviewed by the Corporate Policies and Positions Committee, which meets quarterly under the leadership of the General Secretary and the Chief Human Resources, Research, Innovation, Quality and Food Safety Officer. An update on Danone policies on health, environmental and social issues is presented annually at the meeting of the CSR Committee of the Board of Directors. Advocacy and engagement activities are reviewed by the Global Engagement Committee, which brings together investor relations, sustainable finance, communications, public affairs, legal and sustainability representatives every two months.

All lobbying and advocacy conducted by Danone employees, or agencies or consultants working on behalf of Danone, must fully comply with all national and international laws and regulations, as well as Danone's Advocacy Policy, Danone's Code of Business Conduct, Danone's Integrity Policy, and a number of other relevant internal policies which are outlined in the Advocacy Policy.

#### Policies related to advocacy and stakeholder engagement

##### Advocacy Policy

The Advocacy Policy published in 2023 outlines the Group's approach to engaging with external stakeholders, including governmental and non-governmental entities. Danone interacts with governmental and non-governmental stakeholders as part of its dialogue with stakeholders and in the regular course of business to fulfil its purpose of "bringing health through food to as many people as possible". When the Group engages in advocacy activities, it does so with the interests of the consumer in mind and with the goal of meeting public health

objectives. Danone does not use any corporate funds or assets to make political contributions or independent expenditures on behalf of candidates or parties. The policy sets out the behaviors expected of its employees and emphasizes that all advocacy efforts must comply with the Code of Business Conduct and the Integrity Policy, in addition to all applicable national and international laws and regulations. The policy also describes how Danone's advocacy activities are monitored and the external reporting linked to its advocacy. Specifically, Danone is listed in the EU Transparency Register, as well as the French *Haute Autorité Française pour la Transparence de la Vie Publique* (HATVP) and US registers of interest representatives. Regular trainings by the Public Affairs and Compliance teams ensure that professionals are well-versed in advocacy practices and rules, and understand Danone's advocacy goals and positions on specific topics.

##### The Stakeholder Engagement Policy

In 2024, Danone drew up a Stakeholder Engagement Policy, applicable to all employees, notably those who interact with specific groups such as authorities, policymakers, organizations, and customers, across all subsidiaries and markets. This policy outlines Danone's approach and key principles to gather and consider stakeholders' feedback in the Group decision-making processes.

#### Actions related to advocacy and stakeholder engagement

##### Governance ensures responsible lobbying and advocacy practices

As detailed in Danone's Advocacy Policy, Danone does not engage in political contributions to political parties, elected representatives and political candidates seeking office, or associations or foundations owned or controlled by such. This includes prohibiting donations, loans, sponsorships, retainers or purchase of tickets/events. It also includes a ban on in-kind contributions including goods and services such as advertising, use of facilities, design and printing, and donation of equipment. Beyond not making any political contributions, Danone does not support political parties, candidates or any groups that promote a political party's interests in any other form. Compliance is ensured via DICE (the Danone Internal Control Evaluation framework) where donations are monitored and controlled annually by internal control and subject to internal audits on a periodic basis. All donations are subject to Danone's Integrity Policy, Healthcare Compliance Policy and Third-Party Vetting Policy, with any donations classified as "high risk" undergoing a compliance review.

Local public professionals are expected to maintain a register of all their engagements with government officials, which are reported externally in accordance with applicable lobbying legal frameworks (including the EU Transparency Register, the HATVP and US registers of interest representatives). Danone's Public Affairs professionals also maintain a register of trade association memberships which are consolidated at group level and reviewed regularly to ensure alignment with Danone's advocacy goals. (More information is available in *Methodology related to Danone Way*).

### Positive impacts in line with the Danone Impact Journey from engaging with the public sector and stakeholders

As outlined in the Danone Advocacy Policy, Danone is committed to sustainable lobbying and advocacy practices that respect planetary boundaries and that are in support of the sustainability goals laid out in Danone's sustainability strategy, the Danone Impact Journey, and in line with its progress towards B Corp™ certification.

Danone advocates and partners with others on several sustainability topics which are fundamental to Danone's long-term success and to people, society and the environment. All key topics Danone engages on are in line with Danone's material analysis results, presented in 5.2.5.1 *Double materiality assessment* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*. These include climate change, regenerative agriculture, watershed preservation and restoration, and circular economy and waste reduction. Danone is committed to conducting advocacy in line with the Paris Agreement and in line with Danone's Climate Policy goals, notably to restrict global temperature rise to 1.5°C. Danone's 2023 Position on Climate Advocacy sets out the Group's commitments, public policy positions and governance on this important issue.

Danone is committed to lobbying only in support of measures to improve health and nutrition, consistent with public interest and nutrition. Danone wants to and can have a positive impact on nutrition and health, helping to meet public health goals (including tackling obesity, malnutrition and under nutrition), and supporting the health and nutrition of mothers and infants from the youngest age.

Advocacy and engagement with the public sector and other stakeholders are reviewed at the Global Engagement Committee, which brings together Investor Relations, Sustainable Finance, Communications, Public Affairs, Legal and Sustainability representatives on a bi-monthly basis.

Danone's advocacy activities are also examined carefully as part of the certification process to become a fully certified B Corp™.

In addition to regular training to ensure Danone's Public Affairs professionals are aware and support Danone's positions on sustainability goals (see the relevant section above), Local Public Affairs teams report internally on any engagement with policymakers or stakeholders (either direct or via trade associations and coalitions) on environmental, health or social topics via the Danone Way Program.

### Metrics related to advocacy and stakeholder engagement

Danone's Public Affairs team monitors local entities' public official engagements and trade association memberships as well as advocacy activities on double materiality topics through the Danone Way Program. In 2024, 194 consolidated entities fell under the scope of Danone Way self-assessments, representing 99% of Danone's consolidated net sales (94.8% in 2023). This program also covered 99% of Danone's total headcount as of December 31, 2024.

In 2024, 75% of countries in which Danone operates maintained a detailed and up-to-date register of all engagements with government

officials. 87% of entities engaged with policymakers or stakeholders (either directly or via trade associations or coalitions) to influence public policies and the regulatory environment to improve the country's social, health, or environmental standards. Information on both topics is collated at global level via the Danone Way Program.

### Danone's corporate culture

Danone is committed to building and promoting a corporate culture based on trust, where performance and sustainability go hand in hand. In 2022, Danone updated its culture through the "Renew Danone" strategy following interviews, workshops, and a Culture Survey conducted across all Zones and Functions to better understand employees' opinions on the Group's values and behaviors, and the Renew Danone strategy.

Through the Danone People Survey (DPS) and Pulse programs, which started more than two decades ago, all Danone employees worldwide have the opportunity to express their opinions, share their beliefs, and put their ideas into action to build the Danone of tomorrow (see 5.4.1.2 *Stakeholder engagement* in section 5.4.1 *Own workforce (ESRS S1)*).

As part of the Renew Danone strategy, the Group has strengthened a performance-driven culture, evolving short-term and long-term incentives but also reigniting the longstanding HOPE (Humanism, Openness, Proximity, Enthusiasm) Values and designing a new human resources strategy. The values are powerful retention levers as well as important assets to attract talent externally.

The insights from the feedback received helped refresh and update the Group's culture in order to:

- increase awareness of the Danone HOPE Values. These are the four fundamental values that each Danone employee should use as a moral compass to make the right decisions, not only on everyday topics, but also on strategic decisions that might have a big impact on the future of the Group;
- launch a new set of Danone Behaviors, critical to achieving the "Renew Danone" strategy objectives:
  - "put Danone first: Consumers, patients and customers are at the center of what we do: we exist for them, and we need to act and work as one team to meet their needs,
  - lead with people: We grow as leaders by developing others,
  - keep it simple: We deal with complexity by bringing focus and a pragmatic approach,
  - be accountable: We are decisive and fact-based,
  - walk the talk: We do what we say, acting as role models."

Additionally, improvements have been made to incorporate Danone Behaviors into human resources processes, such as performance evaluation and, since 2024, talent acquisition. Results from the DPS show an increase in Danone employees' familiarity with the HOPE Values and Danone Behaviors, and the perception that leaders follow them.



## Enhanced value sharing for Danone employees

Danone offers its employees comprehensive, competitive and fair compensation based on its own system of evaluating and classifying jobs, taking into account external market developments as well as regulations, requirements and the local context of the subsidiaries.

### Compensation – Global Incentive Plans

Variable annual compensation rewards collective and individual performance based on two sets of targets:

- business targets, measuring how well Danone and its subsidiaries performed financially;
- specific individual targets, defined with each employee's immediate manager and allocated to the categories of Renew (linked with the implementation of the "Renew Danone" Strategy), People (such as a succession plan, development and turnover), and Function (such as productivity and market share sustainability).

As part of an integrated vision of the Group's performance, the Long Term Incentive plan (long term variable compensation) granted to executives, senior managers and some other key employees includes on social and environmental performance criteria such as improvement of the Group's environmental impact and employee health and safety. In 2024, approximately 2,000 employees received this variable compensation (see 6.3 *Compensation and benefits of governance bodies* in section 6 *Corporate Governance*).

### Employee profit sharing and share ownership

Employees of Danone's French subsidiaries are eligible for a profit-sharing plan indexed primarily to Danone's earnings. Some French subsidiaries and certain foreign subsidiaries have established employee incentives and/or profit-sharing agreements indexed to their own earnings.

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;
- on an international level, in 2019, Danone launched its first international employee share ownership plan, giving employees in eight countries the chance to subscribe for new DANONE shares. Since then, the share ownership plan has been extended to additional countries. In 2024, the plan covered 48 countries, representing 87.5% of Danone employees worldwide (see 7.3 *Authorizations to issue securities giving access to the share capital* in section 7 *Share Capital and Ownership*);
- 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.

## Animal welfare

### Governance related to animal welfare

The overall responsibility for animal welfare lies within the Global Cycles & Procurement team, led by the Global Chief Cycles & Procurement Officer. This team reports to the Global Chief Operations Officer and on a dotted-line basis to the Chief Sustainability & Strategic Business Development Officer. Both Officers report directly to Danone's Chief Executive Officer. Danone has both global and local teams dedicated to animal welfare. These teams work together to ensure the delivery of animal welfare standards and commitments. Local teams oversee audits, provide technical support, and work closely with farmers to improve farming practices.

## Policies and approach related to animal welfare

### Sustainable Sourcing Policy

Danone's Sustainable Sourcing Policy (SSP) outlines their commitment to ethical, sustainable, and fair sourcing practices, including Animal Welfare. More information on the SSP is available in 5.3.5.2 *Sourcing raw material* in section 5.3.5 *Resource use and circular economy (ESRS E5)*.

### Animal Welfare Position Paper

In 2016, Danone published an Animal Welfare Position Paper that clearly set out its approach, which was further updated in 2018. Danone's animal welfare approach was developed in cooperation with Compassion in World Farming (CIWF) and other animal welfare specialists and is based on the internationally recognized Five Freedoms established by the Farm Animal Welfare Council, an expert committee in the UK that advises the English government on the welfare of farmed animals. The Group is working to ensure these freedoms are upheld globally, in all applicable countries, for all species relevant to Danone: dairy cows for fresh milk, poultry (laying hens, broilers, turkeys), lambs, beef cattle, ducks, calves, pigs, rabbits and fish (including finfish), across the supply chain. Since 2021, the Group has updated commitments, actions and progress reported and published in the annual progress report.

The Five Freedoms call for management and housing of animals to respect the following needs:

- freedom from hunger and thirst by ready access to fresh quality water and a diet that maintains full health and vigor;
- freedom from discomfort by an appropriate environment, including shelter and comfortable resting areas;
- freedom from pain, injury and disease by prevention or rapid diagnosis and treatment;
- freedom to express normal behavior, by providing sufficient space, proper facilities and company of the animals' own kind;
- freedom from fear and distress by ensuring conditions and care that avoid mental suffering.

Upholding the Five Freedoms means working to ensure that the farming practices in Danone's supply chain:

- provide appropriate housing environments and avoid closed confinement (e.g., cages for hens and rabbits);
- give regular access to food and water, in both quantity and quality;
- promote responsible use of antibiotics (to be avoided for prophylaxis);
- monitor and improve key health and behavioral welfare outcomes.

This format highlights Danone's commitment to animal welfare and the specific actions taken to ensure the well-being of animals in its supply chain following the internationally recognized framework of Five Freedoms established by the Farm Animal Welfare Council. Danone is committed to publicly reporting on its progress and performance, on an annual basis.

### Actions related to animal welfare

Danone is committed to working with farmers and other key partners to build agricultural models that respect natural resources and foster animal welfare, acknowledging that animals are sentient beings.

The aim is to achieve better conditions for all species, either directly or indirectly involved in the supply chain. For this reason, animal welfare is one of the three key pillars in the Danone Regenerative Agriculture strategy. Danone's commitment to animal welfare is overseen by the Global Cycles and Procurement team, led by the Global Chief Cycles and Procurement Officer (CPO).

In 2021, the Danone animal welfare assessment tool won the "Special Recognition Award 2021" in the Innovation Category, organized by the CIWF. Based on its disclosures, Danone was awarded Tier 2 status in the Business Benchmark on Farm Animal Welfare (BBFAW) independent report in 2018, 2019, 2020, and 2021. There was no BBFAW assessment in 2022, as the BBFAW methodology was in the process of being substantially modified, placing further emphasis on companies' performance reporting, performance impact and a stricter interpretation of company disclosures. In 2023, following these significant changes in the methodology to the BBFAW benchmark, Danone achieved Tier 3 status in the BBFAW benchmark, a testament to the Group's steadfast commitment and significant efforts in this area. More information about Danone's Animal Welfare actions is provided in the Danone Animal welfare commitments and its full-year 2023 progress report available on Danone's website.

### Metrics and targets related to animal welfare

All Danone's metrics and commitments related to animal welfare are available in the Danone animal welfare commitments and its full-year 2023 progress report. Danone commits to maintaining 80% of fresh milk volumes worldwide assessed through the new animal welfare assessment tool or via Validus Animal Welfare certification. In 2024, Danone assessed 86% of fresh milk volumes worldwide.

More information on Danone's performance regarding animal welfare is available in the Annual Progress Report 2023, which is available on Danone's website.

### Fight against tax evasion

Since 2022, Danone has been annually publishing a Tax Transparency Report. Danone's Tax Transparency Report includes a Tax Policy and Tax Code of Conduct, which underscores Danone's commitment to compliance with applicable rules and legislation, and to responsible tax management through its pledge to not implement artificial schemes disconnected from Danone's actual business operations. Through these measures, Danone fosters internal alignment in terms of its approach to tax by ensuring appropriate behavior and by providing guiding principles. Danone contributes to OECD initiatives and applies OECD standards with respect to its cross-border transactions.

The Vice-President Tax & Insurance leads Danone's tax function and strategy. Throughout the year, the Corporate Tax Department reviews the tax performance, policies, and risks. At local level, experienced tax professionals ensure implementation of the tax policies. On a periodic basis, Danone's Internal Audit Department reviews the tax governance and policies in place. Once a year, the Vice-President Tax & Insurance reports to the Audit Committee on tax developments, new initiatives, and process improvements.

Danone is committed to foster a collaborative relationship with tax authorities. Danone has also signed a number of partnership agreements with tax authorities, which are based on transparency and mutual trust. Danone is furthermore part of the B TEAM, a group of leading multinationals, with contributions from civil society, institutional investors, and international institution representatives to develop principles that offer a clear framework for responsible tax practice. This framework aims to achieve an approach to taxation that companies can endorse to demonstrate responsibility and to play their part in creating a stable, secure, and sustainable society.

## 5.6 AUDITOR CSRD REPORT

### REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION AND VERIFICATION OF THE DISCLOSURE REQUIREMENTS UNDER ARTICLE 8 OF REGULATION (EU) 2020/852

#### DANONE SA

**Year ended December 31, 2024**

*This is a free translation into English of one of the statutory auditors' report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction with, and construed in accordance with, the French law and the H2A guidelines on "Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".*

To the Annual General Meeting of Danone SA,

This report is issued in our capacity as statutory auditor of Danone SA. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in sections 5.2 to 5.5 to the group management report.

Pursuant to Article L. 233-28-4 of the French Commercial Code, Danone SA is required to include the above mentioned information in a separate section of the group management report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables an understanding of the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 b of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by Danone SA to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in sections 5.2 to 5.5 of the group management report with the requirements of Article L. 233-28-4 of the French Commercial Code, including ESRS, and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Danone SA in the group management report, we have included an emphasis of matter paragraph hereafter.

#### Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Danone SA, in particular it does not provide an assessment, of the relevance of the choices made by Danone SA in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the group management report are not covered by our engagement.

## COMPLIANCE WITH THE ESRS OF THE PROCESS IMPLEMENTED BY DANONE SA TO DETERMINE THE INFORMATION REPORTED, AND COMPLIANCE WITH THE REQUIREMENT TO CONSULT THE SOCIAL AND ECONOMIC COMMITTEE PROVIDED FOR IN THE SIXTH PARAGRAPH OF ARTICLE L. 2312-17 OF THE FRENCH LABOUR CODE

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### Nature of procedures carried out

Our procedures consisted in verifying that:

- the process defined and implemented by Danone SA has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in sections 5.2 to 5.5 of the group management report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

### Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Danone SA with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code we inform you that as of the date of this report, this consultation has not yet been held.

### Elements that received particular attention

We present hereafter the elements which have been the subject of particular attention on our part concerning the compliance with the ESRS of the process implemented by Danone SA to determine the information published.

#### Concerning the identification of stakeholders

Information on the identification of stakeholders is given in note 5.2.4 "Interest and views of stakeholders" in the group management report.

We have examined the analysis carried out by the entity to identify:

- the stakeholders who may affect the entities in the scope of the information or may be affected by them, through their activities and direct or indirect business relationships in the value chain,
- the main users of the sustainability statements (including the main users of the financial statements).

We interviewed the persons we considered appropriate and examined the available documentation. Our work consisted in particular in:

- assess the consistency of the main stakeholders identified by the entity with the nature of its activities and its geographical location, taking into account its business relationships and value chain,
- assess the appropriateness of the description given in note 5.2.4 'Interest and views of stakeholders' of the group management report, particularly with regard to the procedures implemented by the entity for dialogue with stakeholders.

#### Concerning the identification of impacts, risks and opportunities

Information relating to the identification of impacts, risks and opportunities is given in note 5.2.5.2 "Overall approach – Identification of Danone's sustainability topics and associated impacts, risks and opportunities" of the group management report.

We have reviewed the process implemented by the entity for identifying actual or potential impacts (negative or positive), risks and opportunities ('IROs') in relation to the sustainability issues mentioned in paragraph AR 16 of the "Application requirements" of ESRS 1 and those specific to the entity, as presented in note 5.2.5.2 of the Group management report.

In particular, we assessed the approach taken by the entity to determine its impacts and dependencies, which may be a source of risks or opportunities.

We also assessed the completeness of the activities included in the scope used to identify IROs.

We have familiarised ourselves with the entity's mapping of the IROs identified, including in particular a description of their distribution in the entity's own activities and value chain, as well as their time horizon (short, medium or long term), and assessed the consistency of this mapping with our knowledge of the entity.

We have:

- assessed the consistency of the actual and potential impacts, risks and opportunities identified by the entity with available sector analyses,
- assessed the consistency of the current and potential impacts, risks and opportunities identified by the entity, in particular those that are specific to it because they are not covered or insufficiently covered by the ESRS standards, with our knowledge of the entity,

- assessed how the entity has taken into account the different time horizons, particularly with regard to climate issues,
- assessed whether the entity has taken into account the risks and opportunities that may arise from both past and future events as a result of its own activities or business relationships, including the actions taken to manage certain impacts or risks,
- assessed whether the entity has taken account its dependency on natural, human and social resources when identifying risks and opportunities.

### Concerning the assessment of impact materiality and financial materiality

Information relating to the assessment of impact materiality and financial materiality is given in note 5.2.5 “Impact, risk and opportunity management” in the group management report.

Through interviews with management and inspection of available documentation, we have examined the impact materiality and financial materiality assessment process implemented by Danone SA and assessed its compliance with the criteria defined by ESRS 1.

In particular, we assessed the way in which the entity has established and applied the materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, in order to determine the material information published:

- for indicators relating to material IROs identified in accordance with the relevant ESRS thematic standards,
- for information specific to the entity.

## COMPLIANCE OF THE SUSTAINABILITY INFORMATION INCLUDED IN SECTIONS 5.2 TO 5.5 OF THE GROUP MANAGEMENT REPORT WITH THE REQUIREMENTS OF ARTICLE L.233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING THE ESRS

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### Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in sections 5.2 to 5.5 of the group management report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used,
- the presentation of this information ensures its readability and understandability,
- the scope chosen by Danone SA for providing this information is appropriate, and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in sections 5.2 to 5.5 of the group management report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

### Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in note 5.2.1.3 “Contextual specificities related to the first year of publication of the CSRD requirements” of the sustainability statement, which describes the uncertainties and limitations faced by the Group in the general context of the first application of the CSRD Directive and, more specifically, the difficulties faced, in respect of the 2024 financial year, in collecting the information necessary for the publication of certain data points identified in the same paragraph.

### Elements that received particular attention

The information published in respect of climate change (ESRS E1) is mentioned in note 5.3.1 “Climate change” in the group management report.

We present below the items to which we have paid particular attention concerning the compliance of this information with the ESRS.

Our work consisted primarily in:

- assessing, based on interviews with management and the persons concerned, whether the description of the policies, actions and targets implemented by the entity covers the following issues: climate change mitigation and adaptation,
- assess the appropriateness of the information presented in note 5.3.1 of the environmental section of the sustainability information included in the Group management report and its overall consistency with our knowledge of the entity.

- Regarding the information disclosed relating to the greenhouse gas emissions statement, our work consisted primarily in:
  - obtaining an understanding of the internal control and risk management procedures implemented by the entity to ensure the conformity of the information published,
  - assessing the consistency of the scope considered for the assessment of the greenhouse gas emissions statement with the scope of the consolidated financial statements, the activities under operational control, and the upstream and downstream value chain,
  - familiarising ourselves with the greenhouse gas emissions inventory protocol used by the entity to prepare its greenhouse gas emissions statement and assess its application procedures, for a selection of emissions categories, in particular under scope 3 FLAG<sup>(1)</sup> and non-FLAG,
  - assessing the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used,
  - with regard to the estimates used by the entity to prepare its greenhouse gas emissions statement, which we considered to be critical:
    - by interviewing management, we were informed of the methodology used to calculate the estimated data and the sources of information on which these estimates are based,
    - we assessed whether the methods had been applied consistently and, in the case of information affected by changes since the previous period, whether these changes were appropriate.
  - we verified the arithmetical accuracy of the calculations used to establish this information.
- With regard to the verifications under the transition plan for the mitigation of climate change, our work consisted in particular of:
  - assess whether the information published in respect of the transition plan meets the requirements of ESRS E1 and provides an appropriate description of the underlying assumptions, it being specified that we are not required to express an opinion on the appropriateness or the level of ambition of the objectives of the transition plan,
  - with the help of our climate experts, compare the trajectory with sectoral analyses and internal or market forecasts,
  - assess the consistency of the main information provided under the transition plan, particularly with regard to the decarbonisation levers and associated actions,
  - assess whether the transition plan is consistent with the strategic plan as approved by the governing bodies.

## COMPLIANCE WITH THE REPORTING REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852

### Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Danone SA to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable,
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

### Elements that received particular attention

We have concluded that there are no such matters to be disclosed in our report.

**Le commissaire aux comptes,  
Forvis Mazars & Associés  
Paris La Défense, le 5 mars 2025**

Gonzague Senlis  
Partner

Achour Messas  
Partner

<sup>(1)</sup> FLAG: Forest, Land and Agriculture

## 5.7 VIGILANCE PLAN

### Contents

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### 5.7.1 INTRODUCTION

Since its creation, Danone has anchored its vision in the founding belief that sustainable economic performance can only be achieved when it generates a positive impact on the environment and society as a whole. This vision, which was first defined in Danone's dual economic and social project in the 1970s, has been embodied since 2005 in the Group's corporate purpose to bring health through food to as many people as possible. In 2020, at its Annual General Meeting, Danone's mission was expressed as social, societal and environmental objectives in the company's by-laws when Danone became a *Société à Mission* under French law. The Vigilance Plan is naturally anchored in this corporate vision and culture.

#### 5.7.1.1 Legal framework

Danone's Vigilance Plan fulfills the requirements of Article L.225-102-1 of the French Commercial Code (*Code de commerce*) on the duty of vigilance of parent companies and main contractors.

In accordance with French law, Danone's Vigilance Plan sets out the reasonable actions implemented within the Group to identify risks and prevent severe adverse impacts on human rights and fundamental freedoms, the health and safety of people, and the environment. The risks covered by this Plan are those arising from the activities of Danone and the entities it controls within the meaning of Article L.233-16 II of the French Commercial Code (the "Subsidiaries") and Suppliers and Subcontractors with which the Group maintains an established commercial relationship (the "Suppliers and Subcontractors").

#### 5.7.1.2 Vigilance Plan governance and management

Danone's Vigilance Plan demonstrates the Group's aims to continuously improve and intensify its proactive approach to risk prevention and management.

A working group meets at least quarterly to oversee the Vigilance Plan implemented within Danone. The working group defines a roadmap, setting out the objectives, milestones and resources required to implement the Vigilance Plan. The Chief Sustainability Officer chairs the group of in-house experts in charge of the following areas: Health and Safety, Food Quality and Safety, Human Rights, Environment, Legal Affairs, Sustainable Finance and Public Affairs. The working group presents its actions to the Global Engagement Committee, which provides strategic guidance, monitors ongoing initiatives and approves action plans. This Committee oversees the working group's progress at least twice a year and is co-chaired by the Chief Sustainability and Strategic Business Development Officer, the General Secretary and the Group Deputy Chief Executive Officer in charge of Finance, Technology & Data, who are all members of the Executive Committee. The following senior executives sit on the committee: Chief Sustainability Officer, SVP Communications, SVP General Counsel, Regulatory Affairs and Compliance, VP Public Affairs, and VP Investor Relations and Sustainable Finance (see 5.2.2 *Governance* in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*).

5.7.1.3 Stakeholder dialogue

Regular dialogue with Danone's internal and external stakeholders underpins its Vigilance Plan and reflects an integrated approach aimed at aligning economic performance with sustainable value creation.

Danone works closely with its stakeholders, enabling the Group to contribute to debates and issues relating to social, societal and environmental topics and to continually improve its own actions in this area. Danone's teams are in regular contact with experts on

environmental issues, human rights and fundamental freedoms, and health and safety of workers, as well as with employee representatives, Suppliers, Subcontractors, customers, investors, local and international organizations and associations and public authorities. More information are available in section 5.2 *Sustainability statement - General Disclosures (ESRS 2)*, describing the stakeholder engagement policy.

The table below presents a non-exhaustive list of the main organizations and associations with which Danone is actively involved:

Risk category	Topic	Organization/ Association	Contribution
ENVIRONMENT	Reduction of greenhouse gas (GHG) emissions	Science Based Targets initiative (SBTi)	The SBTi is a global organization that helps companies set greenhouse gas reduction targets in line with the latest climate science. These targets ensure that businesses' emission reduction efforts are aligned with the goal of limiting global warming to 1.5°C, as outlined in the Paris Agreement. Danone worked closely with SBTi to develop its FLAG decarbonization guidance for companies in the forest, land and agriculture sector.
		Global Methane Hub (GMH)	The GMH is an international alliance of over 20 leading philanthropic organizations. They have pledged to invest at least \$200 million in developing and implementing practical solutions aimed at reducing methane emissions by 30% by 2030. Danone is the first company to join GMH's Enteric Fermentation R&D Accelerator. This commitment aims to foster new, scalable and practical solutions to help dairy farmers significantly reduce methane emissions.
		Environmental Defense Fund (EDF)	Danone has launched a strategic partnership with the EDF to support its ambitions to reduce methane emissions. Danone and the EDF are working together on projects such as improving science, data and reporting standards, introducing innovative financing models to help farmers of all sizes, and catalyzing industry and policy leadership through advocacy.
		RE100	In line with the RE100 initiative, Danone, as part of the Re-Fuel energy excellence and decarbonization program, pledges to transition to 100% renewable electricity by 2030, with an interim milestone of 50% achieved in 2020.
		Consumer Goods Forum (CGF)	The Towards Net Zero Coalition, co-chaired by Danone within the Consumer Goods Forum, focuses on driving collective action among consumer goods companies to achieve Net-Zero emissions. It emphasizes collaboration across the value chain, fostering innovation, and aligning with science-based targets to reduce carbon footprints. The coalition seeks to accelerate decarbonization efforts, improve supply chain sustainability, and promote transparent reporting to meet global climate goals, all while engaging stakeholders and advocating for supportive policies.
		Cool Farm Alliance (CFA)	The CFA is an international membership organization that supports the adoption of sustainable farming practices through data-driven tools and collaboration across the global food industry. Danone uses its Cool Farm Tool (CFT), measuring GHG footprint, water and biodiversity, to assess its GHG footprint on dairy farms. The Group sits on the Steering Board and Dairy and Crops Working Groups.



Risk category	Topic	Organization/ Association	Contribution
ENVIRONMENT	Wetland conservation (carbon sinks)	Ramsar	Danone has been a partner of the Ramsar Convention on Wetlands since 1998, with the aim of protecting wetlands as an important carbon sink essential to climate mitigation and adaptation. Danone helped secure the Ramsar sites ( <i>Impluvium d'Évian</i> , Villavicencio Natural Reserve) and supports wetland conservation best practices through a dedicated award.
		World Wildlife Fund (WWF) France	Danone and WWF have worked together on a range of nature-based solutions, such as WWF France supporting Danone in developing its regenerative agriculture definition and scorecard. Danone has also teamed up with WWF Netherlands and Ramsar to create an open-access training course on water stewardship.
	SAI Platform	SAI Platform was founded by Danone, Unilever and Nestle in 2002, to come together to promote sustainable agriculture practices and address common challenges in the food and beverage industry. Danone works with SAI Platform to share knowledge and support the development of solutions to overcome mutual challenges, and to promote and accelerate adoption of sustainable agriculture practices within the food and drink sector.	
	Regenerative agriculture	COP28 Action Agenda on Regenerative Landscapes	Danone is part of the COP28 Action Agenda on Regenerative Landscapes, a flagship initiative led by the COP28 Presidency, the World Business Council for Sustainable Development (WBCSD) and the Boston Consulting Group (BCG) with the support of the UN High Level Climate Champions (HLCC). This initiative aims to consolidate, accelerate and amplify existing efforts and new commitments to transform large agricultural landscapes into regenerative landscapes by 2030.
		World Business Council for Sustainable Development (WBCSD) & One Planet Business for Biodiversity (OP2B)	The WBCSD is a global CEO-led organization of over 200 leading businesses. The WBCSD aims to promote sustainable business practices and support business to shift to responsible ESG practices. One Planet Business for Biodiversity (OP2B) is a business-led initiative that focuses on protecting and restoring biodiversity within agricultural systems. Danone works with the WBCSD and OP2B to support driving best ESG practices.

Risk category	Topic	Organization/ Association	Contribution
ENVIRONMENT	Circular economy for packaging	Ellen MacArthur Foundation (EMF)	<p>Danone is a member of the EMF New Plastics Economy initiative Advisory Board and contributes to the EMF yearly progress report on Global Commitment targets.</p> <p>Dialogue with EMF made an impact on, for example, Danone's 2018 Packaging Policy and the calculation method used to determine Danone's packaging recyclability rates. The rates use the definition of recyclability per packaging type outlined by EMF in its concept of the circular economy.</p>
		Consumer Goods Forum Plastic Waste Coalition of Action (CGF PWCoA)	<p>Danone is a member of the CGF PWCoA, which aims to set standards to improve plastic collection and recycling.</p>
		Business Coalition for a Global Plastics Treaty	<p>Danone is a member of the Business Coalition for a Global Plastics Treaty, led by EMF and the WWF, that brings together businesses and financial institutions committed to supporting the development of an ambitious, effective, and legally binding UN treaty to end plastic pollution.</p>
		WWF	<p>With WWF and EMF, Danone advocates for an ambitious and binding UN Treaty on plastics.</p>
	Water and biodiversity	WWF	<p>Danone uses the Water Risk Filter tool developed by WWF to identify water-related risks.</p> <p>In partnership with WWF and Ramsar, Danone has launched an open-source water stewardship training course to help build local water stewardship capacities in and beyond Danone's value chain.</p> <p>Danone collaborates with WWF as part of the Natural Capital Project and via the <i>Alpro</i> brand to develop methodological frameworks that incorporate the value of nature into business models, such as the Science Based Targets Network (SBTN) initiative.</p>
		Water Access Acceleration Fund (W2AF) and Danone Communities	<p>As part of its status as a Société à Mission and the Danone Impact Journey roadmap, the Group has pledged to contribute to achieving universal access to safe drinking water. Vulnerable populations are a priority for Danone through Danone Communities and the Water Access Acceleration Fund (W2AF), which both support social enterprises that provide affordable, safe drinking water. These enterprises contribute to the Danone Impact Journey ambition to provide 20 million people with access to safe drinking water by 2025.</p>
		Water Resilience Coalition – CEO Water Mandate	<p>Danone, as a member of the Water Resilience Coalition (WRC), actively engages in preserving the world's freshwater resources. The WRC focuses on collective action in water-stressed basins and sets ambitious, quantifiable goals to ensure sustainable water management. Danone contributes significantly to these efforts by participating in the development of the Net Positive Water Impact Guidance and other water-related task forces such as the Standardized Metrics and Collective Action Taskforce, which aims to address water challenges in 150 water-stressed basins globally.</p>

Risk category	Topic	Organization/ Association	Contribution
ENVIRONMENT	<b>Deforestation and land conversion</b>	Consumer Goods Forum (CGF), Forest Positive Coalition (FPC)	<p>The FPC's mission is to drive collective, transformative change to eliminate deforestation, land conversion and forest degradation from major supply chains, and to support forest-positive businesses. As one of the FPC's 21 member companies, Danone advocates change articulated around three complementary aspects: verified deforestation- and conversion-free value chains, helping Suppliers and Subcontractors also reach this objective, and extending commitments beyond its value chains, notably by supporting landscape projects to transition towards a forest-positive model. This commitment follows on from Danone's Renewed Forest Policy published in December 2022.</p> <p>Danone plays an active role in the FPC steering committee and three working groups on palm oil, soy and paper.</p>
	<b>Supply chain traceability for preventing social and environmental risks</b>	Earthworm Foundation	Danone works with the Earthworm Foundation on palm oil traceability and managing social and environmental concerns (e.g., in the area of deforestation) relating to palm oil. The Group intends to extend the process to other raw materials.
	<b>Cutting waste across the value chain</b>	Global Foodbanking Network (GFN)  Food and Agriculture Organization of the United Nations (FAO)	<p>In 2020, Danone and the GFN signed a collaboration agreement, to work together globally to achieve the shared goal of ensuring excess food feeds people and to support engagement between Danone's production and distribution facilities and GFN food bank members. Since 2020, Danone has donated over 13 million kilograms of products across 14 countries with the GFN.</p> <p>As part of its shared commitment to achieve SDG 12.3 (UN Sustainable Development Goal), Danone works closely with the FAO to effectively reduce food loss and waste and ensure food security and nutrition for everyone. In 2023, Danone and FAO signed a Memorandum of Understanding on identifying and promoting interventions and practices that proved successful in preventing and reducing food loss and waste throughout the food value chain. The first output is a report that will be published in partnership with Danone-FAO and the Global Foodbanking Network on the topic of Food Recovery &amp; Redistribution.</p>

Risk category	Topic	Organization/ Association	Contribution
<p><b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b></p>	<p><b>Responsible sourcing and human rights</b></p>	<p>AIM-Progress</p>	<p>Danone contributes to this Forum of Fast Moving Consumer Goods (FMCG) supporting companies and common Suppliers and Subcontractors to promote responsible sourcing practices and sustainable supply chains.</p> <p>In 2023 and 2024, through AIM-Progress, Danone provided four of its strategic logistics Suppliers with the expertise required to improve their grievance mechanisms, using Oxfam Business Advisory Service Grievance Mechanism toolkit and expert support.</p> <p>Danone also co-sponsored the development of the HREDD (Human Rights Environmental Due Diligence) assessment tool to support suppliers in understanding the maturity of their own HREDD systems for due diligence legislation reporting, highlight opportunities for capacity building engagement to help improve these HREDD systems and contribute to a better understanding of risk management capacity for suppliers.</p>
	<p><b>Human rights due diligence</b></p>	<p>CGF Human Rights Coalition with the support of the Fair Labor Association (FLA)</p>	<p>Danone is a founding member of the coalition and has helped define the objectives of its members. In 2020, Danone pledged to develop and deploy Human Rights Due Diligence in its operations for 100% of its scope, including external workers.</p> <p>Danone continues to work with its peers to develop frameworks and share best practices for implementing this pledge, with the support of the FLA.</p>

Risk category	Topic	Organization/ Association	Contribution
<b>HEALTH AND SAFETY OF PEOPLE</b>	<b>Food safety</b>	Global Food Safety Initiative (GFSI) (part of the CGF)	Danone actively contributes to the GFSI, an international initiative that aims to improve food safety worldwide by promoting the principles of good food production, safe food handling and good hygiene practices. Danone's VP Quality and Food Safety, Standards and Risk Management is a member of the GFSI Steering Committee and also a member of the Public-Private Partnership Committee, which facilitates relationship with governmental agencies.
		United Nations Food and Agriculture Organization (UN FAO)	Since 2019, Danone has actively partnered with the UN FAO on food safety to set up collaborations on emerging food safety issues. In 2022, Danone and the FAO jointly published a scientific position paper on food allergens. In 2024, a new paper was published on "Recent and emerging food packaging alternatives: Chemical safety risks, current regulations, and analytical challenges". Danone continues to collaborate with FAO on two key areas: (i) thought leadership concerning new hazards and risks, and (ii) shaping the future for food safety foresight using artificial intelligence.
		FoodDrinkEurope (FDE)	Danone is an active member of FDE, a European interprofessional association that aims to guarantee all consumers safe, sustainable and healthy food. The collaboration enables the food and drink industry to commit to achieving more sustainable food systems by focusing on the triple challenge to deliver on economic, social and environmental sustainability. Danone contributes to the FDE's positions and policies, particularly those designed to ensure consumer safety on issues such as contaminants, allergens and packaging materials in contact with food.
	<b>Promoting nutritional food and a healthy diet</b>	CGF "Collaboration for healthier lives"	The CGF "Collaboration for healthier lives" is a coalition of consumer goods manufacturers and retailers whose aim is to promote healthier, more sustainable lifestyles in communities through on-the-ground action, but also by knowledge-sharing and collaboration between member organizations. Danone co-chairs the coalition with a retailer. The coalition's work focuses on the following areas: improving consumer access to healthier, more sustainable products; influencing consumer behavior to encourage and enable healthier, more sustainable living; ensuring employees' health and well-being; accountability and reporting; and preventive health.
		EU Pledge	Danone is a founding member of the EU Pledge for responsible marketing to children. The EU Pledge is a voluntary framework followed by leading food and drink companies when advertising to under-13s in the European Union. Danone is committed to complying with the International Chamber of Commerce (ICC) Advertising and Marketing Communications Code and the ICC Framework for Responsible Food and Beverage Marketing Communications regardless of the age of the audience or the nutritional profile of the product.

These meaningful exchanges with a broad range of stakeholders lead to observations that nurture the policies and measures defined by Danone's Vigilance Plan.

#### 5.7.1.4 2024 highlights

The main updates to the Vigilance Plan in 2024 include the following:

##### Human rights and fundamental freedoms

Internally, the first steps of the Human Rights Due Diligence (HRDD) roadmap have been deployed across Danone's operations in 39 Country Business Units in 2024, including local governance measures, the communication of the Human Rights Policy in local languages and human rights self-assessments or SMETA audits (Sedex Members Ethical Trade Audits) of Danone sites covering the external workforce. In parallel, Danone published its Sustainable Sourcing Policy (SSP) in June 2024 as an upgrade of its Sustainability Principles. The policy will be gradually deployed to reach 100% of Danone's suppliers by 2030.

##### Safety and quality of Danone's products

Danone is continuously strengthening its quality management system with a strong focus on risk prevention and management to honor Danone's promise to consumers and patients.

In 2024, Danone improved its governance by setting up the Product Compliance Review Board. This board is tasked with designing, ensuring, verifying and auditing the comprehensive implementation and execution of Danone's policies, commitments and standards for its products. The new governance structure operates under the leadership of the Chief R&I, Quality & Food Safety Officer, and the Senior Vice President, Danone General Counsel.

##### Environment

In 2024, Danone's 2030 mid-term and 2050 Net-Zero targets were validated by the Science Based Targets initiative (SBTi) and reflect its efforts to limit risks relating to climate change and greenhouse gas (GHG) emissions. These targets confirm the Group's short- to long-term ambition to reduce GHG emissions and align with the 1.5°C pathway.

##### Alert mechanism

A question on the Danone Ethics Line was included in the 2024 Danone People Survey, which was conducted worldwide. More than 81% of respondents said they would raise a concern without fear. In addition, in 2024, the Internal Audit team reviewed the Danone Ethics Line as per the audit plan approved by the Audit Committee.

## 5.7.2 CONTENT OF THE VIGILANCE PLAN

Article L.225-102-4 of the French Commercial Code defines the scope of any Vigilance Plan and requires it to include the following five measures:

- risk mapping to identify, analyze and prioritize risks;
- procedures for regularly assessing the situation of Subsidiaries and Suppliers and Subcontractors;
- adapted actions to mitigate risks or prevent severe harm;
- a whistleblowing and concern registration system relating to the existence or occurrence of risks; and
- a system to monitor the actions implemented and assess their effectiveness.

The five categories of measures that make up Danone's Vigilance Plan are set out below.

### 5.7.2.1 Risk mapping

Risk mapping aims to identify, analyze and prioritize the main risks arising from Danone's activities and those of its Subsidiaries, Suppliers and Subcontractors.

Risk mapping was the first step in building Danone's Vigilance Plan and helped define the measures to be put in place. Danone's methodology is based on the types of risks and violations listed in the Article L.225-102-1 of the French Commercial Code (*Code de Commerce*) on the duty of vigilance: human rights and fundamental freedoms, health and safety, and the environment.

#### Presentation of the methodology

The methodology applied by Danone to assess potential risks is based on several parameters including the sector of the activity, the magnitude of the negative impact based on the severity, scale/scope and reversibility of the potential damage, and the estimated likelihood of the risk based on its frequency and geographical location.

This methodology draws on the main international benchmarks for human rights and responsible business conduct, including:

- the principles enshrined in the United Nations Guiding Principles on Business and Human Rights (UNGPs);
- the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises; and
- the conventions and declarations of the International Labour Organization (ILO), such as the Declaration on Fundamental Principles and Rights at Work.

The purpose of the risk analysis was to identify the main actual or potential negative impacts associated with all of the value chains linked to Danone's various business segments.

The methodological approach to risk mapping comprises three key phases:

- building a risk register;
- modeling the value chains linked to Danone's main activities; and
- mapping the main gross risks in detail.

#### Building a risk register

Building a risk register provided a framework and direction for identifying risks that could arise from Danone's activities. It was consolidated by analyzing the following elements:

- the main topics highlighted in the human rights impact assessment finalized in 2022 with the support of Shift, the leading center of expertise on the UN Guiding Principles on Business and Human Rights;
- the classification frameworks established by the main organizations promoting human rights, i.e., the ILO and the Office of the United Nations High Commissioner for Human Rights (OHCHR); and
- the risk categories defined by French law on duty of vigilance and the European Directive on Corporate Sustainability Due Diligence.

#### Modeling the value chains linked to Danone's main activities

In line with the UNGPs, the introduction of an analysis framework based on value chain modeling enabled Danone to meet its objective of acquiring sufficient knowledge of "the nature of actual and potential adverse human rights impacts" and "understanding the specific impacts" that the Group could have on stakeholders in the course of its activities (Principle no. 18).

Danone's activities were split across two value chains:

- the food value chain including activities related to dairy, plant-based and specialized nutrition products; and
- the value chain for water-related activities.

These value chains were modeled based on consultation with stakeholders. The models were used to identify the various stages and players involved upstream and downstream of Danone's activities.

Four types of risk factor were identified at each stage of the value chains:

- risk factors related to the country or region of the world in which Danone operates;
- risk factors related to the sector and/or Danone's business model;
- risk factors related to raw materials; and
- risk factors related to vulnerable stakeholders.

These risk factors were used to enrich the detailed mapping phase.

### Mapping the main gross risks

This phase aimed to analyze and specify the conditions and context in which adverse impacts potentially linked to Danone's activities occur. The research was carried out by cross-referencing the risk register with the risk factor analysis carried out for each stage of the value chain.

This approach identified 21 major risks organized according to the three pillars of French law and set out below.

The detailed risk map was used to identify appropriate strategies for responding to any material risks.

### Risk mapping

In each of the areas covered by law (environment, human rights and fundamental freedoms, health and safety of people), Danone identified the main gross risks listed below as they stand before the prevention and mitigation actions implemented by Danone, its Subsidiaries, Suppliers and Subcontractors.

#### Environment

The prioritization process identified the priority risks associated with potential impacts that Danone's activities could have on the environment. Among these, climate change and plastic use represent the most severe risks due to the following impacts:

- the risk relating to climate change that could lead to biodiversity loss, water scarcity and adverse effects on human rights and health;
- plastic use could have risks on water, air, soil, the climate, as well as risks on human rights and health.

#### Risk relating to climate change and GHG emissions

- The risk associated with the increase in the main greenhouse gases in the atmosphere is associated with changes in temperature and weather conditions. Climate change also affects people's rights, including their right to life, food and water, health and decent work. Climate change is likely to aggravate social and economic inequality, disproportionately affecting those who are already vulnerable such as small-scale farmers, children, women and indigenous populations.

#### Risk relating to plastic use

- This risk relates to plastic use and plastic pollution having an impact on water, air, soil, fauna, flora and the climate as well as affecting human rights and human health, particularly among vulnerable populations such as waste pickers and workers in the recycling sector (for more details, see section *Focus on risks relating to plastic use and Danone's preventive actions*).

#### Risk relating to natural resource use

- This risk relates to natural resource depletion and more generally the potential environmental impact of exploiting natural resources across Danone's value chain, especially in its supply chain and operations.

Danone's supply chain and industrial processes involve the use of natural resources (producing or extracting raw materials, transportation, packaging, end-of-life product treatment, etc.) and can contribute to their depletion. The risk includes potential water shortages resulting from water extraction activities, and natural resource depletion resulting from industrial energy consumption.

#### Risk of damage to natural ecosystems and biodiversity

- This risk relates to damage to the stability and functioning of natural ecosystems, as well as to the variety and abundance of living organisms within these ecosystems. It encompasses damage to ecosystems and biodiversity. This risk is linked to:
  - industrial and agricultural processes using substances that generate atmospheric emissions (e.g., volatile organic compounds, ammonia) that can affect air quality and natural environments;
  - water and soil contamination from excessive use of chemical fertilizers and pesticides, untreated wastewater, untreated hazardous waste or accidental chemical releases potentially affecting the environment including biodiversity and human health;
  - releases from ingredient Suppliers and Subcontractors that have an impact on air or water or soil health;
  - water, air, soil, fauna and flora pollution across the plastics life cycle; and
  - transportation-related air pollution across the value chain.
- This risk covers both Danone's operations and its supply chain.

#### Risk relating to deforestation or conversion and changes in land use

- This risk relates to land use conversion and degradation of natural ecosystems driven by land use change, and expanding agriculture to produce new crops for the food and feed value chains in Danone's supply chain.

#### Risk of harm to animal welfare

- This risk concerns animal living conditions and treatment. Animal welfare in the agricultural industry, and especially in the dairy industry, is a growing concern. The risk focuses on livestock farming upstream of the agricultural value chain. Assessing the dairy farms every 24 months and defining an action plan will motivate farmers to continuously improve practices on animal welfare.

#### Human rights and fundamental freedoms

The prioritization process identified the highest-priority risks associated with potential impacts that Danone's activities could have on respect for human rights and fundamental freedoms. The most significant risks identified were:

#### Risk relating to unreasonable working hours

- This risk refers to workers not having reasonable working hours due to low legal protection in some countries or non-compliance with rules, or workers being denied adequate rest periods and annual leave. The consequences may include physical and mental health issues and an increased risk of workplace accidents. This risk, which is considered to be very low for Danone employees, may exist for external workers (temporary workers and Subcontractors) and is more significant for Suppliers and Subcontractors given Danone's global value chains.



**Risk relating to forced labor**

- This risk relates to workers being forced to work through violence or intimidation, or through more subtle means such as withheld identity documents or threats of being reported to immigration officials. This risk may particularly exist for external workers (temporary workers and Subcontractors) within Danone, as well as at its Suppliers and Subcontractors. This type of situation often arises from risks related to unethical hiring practices that force workers to pay high recruitment fees that can lead to debt bondage. Temporary workers, especially migrant workers, are particularly vulnerable to forced labor.

**Risk relating to child labor**

- This risk is considered very low in Danone's operations and concerns its supply chain. According to the Food and Agriculture Organization of the United Nations (FAO, 2023), 70% of child labor is in agriculture. The paper and cardboard packaging value chain is vulnerable to child labor (logging), along with other agricultural value chains such as cocoa. This risk also exists in the food manufacturing sector.

**Risk of discrimination and harassment**

- This risk refers to workers being discriminated against on the grounds of race, ethnic origin, gender, religion, sexual orientation, disability or social origin, or to people being subjected to harassment through the use or threat of punishment, coercion, bullying, or gender-based violence including sexual harassment. While both issues may take place at Danone and Tier 1 Suppliers, women and migrant workers are particularly at risk in the agricultural part of the supply chain.

**Risk relating to inadequate salary and income**

- This risk relates to workers not receiving enough compensation to meet their fundamental needs. This risk, which is considered to be very low for Danone employees, may exist for external workers (temporary workers and Subcontractors) as well as for Suppliers. It can arise due to several factors including late payment, improper deductions, time-based or piecework rates, or the level of wages or income paid (producer income issues are often linked to the price at which the producer's raw goods are purchased). This risk exists in certain developing countries, the agricultural sector and the plastics recycling sector. In advanced economies, this risk is particularly high for transportation workers (truck drivers) and logistics activities. In many parts of the world, there is a close link between low wages and excessive working hours.

**Risk to workers' rights to freedom of association and collective bargaining**

- This risk refers to workers being denied the right to assemble, form and join trade unions or go on strike. This risk can exist for external workers (temporary workers and Subcontractors) at Danone's operations, and for Danone's Suppliers.

**Risk relating to precarious working conditions**

- This risk particularly affects temporary workers, waste collection and recycling workers, and self-employed workers in Danone's supply chain.
- In the food and beverage sector, migrant and temporary workers may be victims of precarious housing and working conditions such as unreasonable working hours, low pay and dangerous working conditions, with limited access to labor law protection. The risk is higher on farms and in the transportation and logistics activities of the value chain.
- Waste collection and recycling workers, who may be exposed to difficult conditions, earn unstable incomes and can be exposed to pollutants and potentially hazardous materials.
- Precarious working conditions also apply to self-employed Suppliers and Subcontractors in the value chain. Outsourcing certain tasks to self-employed workers can create job insecurity.

**Impacts to people linked to the environment****Risk relating to community displacement and land grabbing**

- This risk arises mainly from the supply chain and is related to the displacement of indigenous peoples and the use of their land and natural resources (forests, traditional agriculture, etc.) for industrial purposes or to grow specific crops (e.g., palm, sugar cane, or soy). This makes land unavailable for other purposes, whether individual or collective, which can impede access to basic human rights such as the right to food, water, maintaining one's culture, and having a safe and healthy environment.

**Risk relating to a deterioration in living conditions in local communities**

- This risk relates to the consequences of climate change, soil, air and water pollution, damage to biodiversity, and deforestation. It also includes unsustainable use of natural resources, especially water. The negative impacts may affect individuals and communities including consumers and Danone's value chain (both its own operations and its supply chain). The United Nations states that a clean, healthy and sustainable environment is essential to human well-being and rights such as the right to life, health, access to adequate food, drinking water and an adequate standard of living. Given the nature of Danone's business, special emphasis is placed on community access to water, including drinking water and water for sanitation and everyday use. People living near Danone bottling plants, farms, plantations and Suppliers' or Subcontractors' sites could be affected by water table depletion (agriculture accounts for 89% of Danone's water footprint) and by droughts.

- This risk also relates to human health and the rights of workers and neighboring communities, especially vulnerable populations in or near plastics extraction, processing, treatment and recycling infrastructure. In addition, it covers the risk of failure to respect human rights in the plastics value chain, particularly with regard to waste pickers and recycling workers.
- The various components of risk relating to a deterioration in living conditions in local communities fall under the environment category. As such, the vigilance measures that relate to them (assessment, mitigation and prevention) are described in the environment sections of this document.

The prioritization process also identified the following risks as significant:

#### **Risk relating to insufficient consumer access to products**

- This risk refers to the access to safe food and drinking water, both physically and affordably, so that consumers in general, and especially vulnerable populations, can enjoy a healthy, balanced diet. This risk covers Danone employees conducting their professional activities, as well as consumers.

#### **Risk relating to personal data**

- This risk relates to breaches of personal data under the responsibility of Danone, including the personal data of employees, consumers, patients, Suppliers and Subcontractors, partners, and so on. Sources of risk may be internal or external, involuntary or malicious.
- The risk encompasses breaches of confidentiality, availability and integrity of personal data, which could have harmful consequences for rights and freedoms of individuals (e.g., discrimination, fraud, identity theft, etc.).

#### **Risk relating to inadequate professional training**

- This risk relates to workers not acquiring, due to a lack of training or training opportunities, the skills they need to keep pace with technological developments (communication, digitalization) and the transition to more sustainable production methods. Upskilling workers, including agricultural producers and workers, is key to avoiding stagnation in low-skilled, low-paid jobs, job insecurity and labor market exclusion. This risk exists both within Danone and across the supply chain.

#### **Health and safety of people**

The prioritization process identified the highest-priority risks associated with potential impacts that Danone's activities could have on people's health and safety.

#### **Risk relating to product safety and quality**

- This risk relates to the consumer's right to safe, high-quality products and to transparent information. This risk can arise from raw materials, packaging or finished goods (chemical and microbiological contaminants, nutrients, foreign substances or allergens) and product misuse. The risk is present throughout the value chain, from Suppliers and Subcontractors to consumers.
- Human health risks relating to the production and use of certain plastics and plastic chemicals which, when released, could create human health risks throughout the plastic life cycle.

#### **Risk relating to the consumption of foods with low nutritional quality**

- This risk refers to diets that do not meet current nutrition and dietary recommendations, either for quantity or quality.
- It may stem from foods of poor nutritional quality that are insufficiently rich in essential nutrients (vitamins, minerals, fiber, etc.) or too rich in nutrients that can be unhealthy when over-consumed (added sugars, certain fatty acids, alcohol, etc.). The risk may also be linked to the influence of communication and advertising, which may promote an unbalanced diet or fail to guide consumers towards healthy, varied products as part of a healthy lifestyle. This risk can affect both Danone employees and consumers.

#### **Risk relating to workers' health and safety**

- This risk relates to exposing Danone's operations, supply chain and transportation workers to physical, chemical or biological risks, which could potentially result in death, illnesses or injuries due to their working conditions or tasks. These issues are particularly severe in the agricultural supply chain due to machinery, pesticides and other agrochemicals, heavy loads and heat. Workers' health can also be affected by a lack of or inadequate access to medical care.

### 5.7.2.2 Procedures for regularly assessing the situation of Subsidiaries, Suppliers and Subcontractors

Danone has set up procedures to assess the situation of its Subsidiaries, Suppliers and Subcontractors in relation to the risk map it has drawn up.

The results of Danone's policies and action plans are assessed annually, both quantitatively, using Danone's published non-financial performance indicators, and qualitatively, via the Danone Way program (see the *Methodology note related to Danone Way* in 5.5.1 *Business conduct (ESRS G1)*). Danone Way is a global program underpinned by a comprehensive self-assessment tool designed to analyze progress towards Danone's objectives, especially in terms of sustainable development.

The assessment procedures described below are not exhaustive and are implemented as follows.

#### Danone Subsidiaries' regular assessment procedures

##### Environment

- The Danone Way self-assessment covers the climate, regenerative agriculture, packaging circularity (including plastic), food waste and water preservation.
- Danone has set up a system to monitor and report environmental data from production sites, and measure its carbon footprint (scope 1, 2 and 3). The Group monitors the data, which is audited by an independent third party and published annually in the Universal Registration Document.
- Danone deploys its Global Risk Evaluation for ENvironment (GREEN) program worldwide. The Group commissions external and internal audits to identify and monitor the main environmental risks at its production sites and the implementation of the environmental management system, including water-related risk evaluation criteria. The objective is to monitor and control atmospheric emissions (greenhouse and refrigerant gases), discharges into water (wastewater) and soil (treatment plant sludge and waste generated by livestock at some Subsidiaries) resulting from the Group's activities, as well as measure noise pollution generated by its production sites.

Danone uses the WWF Water Risk Filter tool and the Aqueduct tool to assess the water-related risks of its factories, watersheds and agricultural supply chain. It aims to identify sites and watersheds located in areas with water-related risk including floods, water stress, and scarcity, and to assess operational water-related risk. It assesses exposure to water stress and drought across its agricultural supply chains. Danone carries out these assessments annually.

#### Human rights and fundamental freedoms

- Danone has set up worldwide procedures to prevent the risks of adverse impact on human rights and fundamental freedoms identified in the Vigilance Plan, namely discrimination and harassment, restrictions on freedom of association and collective bargaining, forced labor, child labor, inadequate salary and income, unreasonable working hours, inadequate professional training and precarious working conditions. These risks have been covered by nine framework agreements signed since 1989 between Danone and the IUF. The framework agreements between Danone and the IUF are deployed in each Subsidiary, and each year a joint assessment is carried out with a Danone representative and IUF representative.
- The Danone Way self-assessment program also monitors these procedures at Subsidiary level. Specific guidelines addressing the human rights of temporary workers were updated in 2024 to cover more extensively the new Human Rights Due Diligence (HRDD) process.
- In 2020, Danone committed to develop and deploy HRDD systems focusing on the prevention of forced labor in its own operations, with the aim of reaching 100% coverage by 2025, including external workers.
  - Initial steps included i) setting up the governance at global and local levels, overseen by the Chief Human Resources Officer, ii) appointing a global taskforce to drive and monitor rollout of the HRDD systems and a network of local Business and Human Rights Leaders to implement the process on the ground, and iii) ensuring effective communication of the Human Rights Policy translated and explained in local languages to all workers.
  - Danone assesses adverse human rights impacts on the ground through on-site audits or self-assessments. The ten highest-priority countries of operation were identified based on two criteria: human rights risk inherent to the country and size of external workforce employed at Danone's sites.
  - In the ten priority countries, site-specific SMETA audits were conducted by certified auditors at facilities including plants, headquarters, and warehouses. Danone ensured that trade union representatives were interviewed.
  - In the other countries, human rights self-assessments have been conducted at priority sites (defined as over 150 Danone employees or if the external workforce exceeds 20% of the Danone headcount) using an internal self-assessment tool aligned with the Ethical Trade Initiative (ETI) Basecode and the Danone Sustainability Principles (DSP). Both audits and self-assessments also addressed issues related to workers' health and safety, in addition to the specifics described in this section. 100% of audits and 90% of self-assessments scheduled for 2024 have been completed.

- Danone has set up procedures to evaluate and monitor rules relating to data protection, including:
  - regularly assessing risk relating to personal data protection at local Business Units;
  - integrating personal data protection into the annual control plan of the internal audit and internal control teams;
  - monitoring annually the e-learning completion rates on Data privacy & protection;
  - auditing data security annually via the internal audit team and automated analysis. An external Cybersecurity expert also ensures that weaknesses in Danone’s data security are detected in real time and external ethical hacking campaigns are conducted annually.
- Danone regularly assesses its current personal data protection actions and procedures to improve them where necessary. For example, Danone is rolling out a digital tool to manage its risk assessment procedure concerning personal data processing (“Privacy by design”).

**Health and safety of people**

- The Danone Way self-assessment covers topics such as employees’ mental health and well-being, physical accessibility, employee access to basic services, working conditions and working hours.
- Site-level risk assessments cover all people on site (Danone employees and external stakeholders). Danone’s sites are responsible for conducting their own risk assessments. These risk assessments are revised annually. In Europe, Danone assesses risks and implements the necessary action plans to ensure employee safety in compliance with the Single Risk Assessment Document. Health and Safety managers on site are in charge of updating the Single Risk Assessment Documents and site directors are legally accountable for the health and safety of employees.
- Workplace accident monitoring covers all individuals present on site. Accidents are reported through a participative system available to Danone employees and, at certain locations, to external workers. For major risks or accidents, special procedures and a cascading information reporting system are implemented, ensuring the information reaches the appropriate management levels. A Digital system has been extensively deployed in the last years at most Danone sites and allows any Danone employee to report safety observations. Observation trends are meant to be analyzed to generate action plans to protect all teams on main risks identified.
- WISE<sup>2</sup> audits cover all Danone employees and external workers present at production sites, headquarters, R&I facilities and across sales forces in terms of safety and compliance culture. Since 2018, Danone has also deployed the WISE<sup>2</sup> compliance standards in countries such as Egypt, Indonesia, Mexico and Morocco

- Danone has set up worldwide standards and procedures to anticipate, prevent and manage quality and food safety risks. These standards and procedures are integrated into a global Quality and Food Safety management system meeting ISO and FSSC 22000 international standards and managed as part of a continuous improvement process. This system applies to:
  - all stages of the value chain (from design to delivery);
  - all types of hazards (microbiological, chemical, physical, allergenic, nutritional, labeling, etc.), including risks associated with malicious acts and fraud;
  - all products bearing a trademark belonging to Danone or its Subsidiaries.

Danone’s internal standards and procedures for Quality and Food Safety are defined at a global level. They are implemented worldwide to ensure that a single set of standards is applied to all products, regardless of where they are manufactured or sold. They are supported by a range of tools designed by in-house experts to help Subsidiaries make decisions based on robust risk analysis. Specific procedures for each stage of the value chain define targets and the relevant global and local responsibilities. These are supplemented by:

- cross-functional procedures that define requirements common to several value chain steps or measures aimed at developing, managing, assessing or improving food quality and safety across sites. Such procedures include strict hygiene rules, risk control measures such as allergen management, and measures to ensure traceability and the development of a Culture of Quality;
- specific requirements for finished goods, adapted to the product’s composition, manufacturing process and target consumers or patients.

**Supplier and Subcontractor regular assessment procedures**

Danone implements responsible sourcing due diligence towards its Tier 1 Suppliers and Subcontractors to assess their sustainability performance and compliance with the Danone Sustainability Principles (DSP) and gradual compliance with the Sustainable Sourcing Policy (SSP) via the RESPECT program. The scope of the RESPECT program encompasses all sourcing categories except agricultural producers, notably milk producers, covered by the Regenerative Agriculture Program.

The DSP cover human rights, including health and safety, environment and business ethics. In 2023, Danone updated them setting expectations towards Suppliers and published its SSP in 2024. This will be gradually rolled out to Suppliers in the coming years.

In 2024, Danone also reinforced the RESPECT Supplier assessment procedure, built on four pillars:

(i) Suppliers and Subcontractors are screened through a new ESG risk rating tool introduced in 2024 for a more tailored and proactive risk management process; (ii) Suppliers and Subcontractors covered by the scope are asked to complete a self-assessment questionnaire on a platform (Sedex or EcoVadis) that then generates a scorecard assessing four areas: labor standards, health and safety, environment and business ethics; (iii) High-risk and priority Suppliers and Subcontractors undergo on-site audits performed by third parties using the Sedex Members Ethical Trade Audits (SMETA) methodology. In addition, Danone has access to peer audits on shared Suppliers and Subcontractors via the Sedex platform and the AIM-Progress mutual recognition program. The SMETA methodology covers the same four assessment areas as Sedex and EcoVadis; (iv) Once audits are completed, Danone supports its Suppliers and Subcontractors towards developing and implementing the auditors' recommended corrective action plans. This is done through dedicated RESPECT resources to provide regular engagement, expert support and methodological frameworks. The aim is to support Suppliers and Subcontractors throughout their improvement process until validation by the auditor. Danone's dedicated resources focus on critical areas of non-compliance identified in the audit (as defined by the SMETA methodology), whether the audits were commissioned by Danone or by peers.

### Environment

- The RESPECT program assesses Suppliers' and Subcontractors' environmental risks and performance: the new ESG risk rating tool, Sedex and EcoVadis self-assessments and the SMETA audit methodology all include environmental management system assessments on issues such as compliance with applicable regulations and the granting of permits for consuming and discharging energy, water, atmospheric emissions and waste management.
- Danone assesses the water-related risk of the main 131 ingredients in its supply chain using the Aqueduct water risk tool from the World Resources Institute (WRI). This tool highlights priority ingredients to focus on and helps define measures to implement with Suppliers and Subcontractors.
- The first pillar of Danone's Regenerative Agriculture Program is environmental. It covers protecting and restoring soils, water and biodiversity and focuses on enhancing soil organic matter content, increasing soil carbon sequestration capability, strengthening biodiversity, and protecting and retaining water resources. To that end, in 2021, Danone introduced the Danone Regenerative Agriculture Handbook and Scorecard to support field technicians and practitioners with assessing farmers' adherence to regenerative agriculture practices. These tools were updated in 2022 and integrated into a digital tool to improve farming data collection. This new digital survey was piloted in more than 25 farms in Europe, North and Latin America, and has allowed for better data quality at scale since 2023. The Group is adopting SAI Platform's Regenerating Together Framework, and began implementing this transition in a number of Country Business Units in 2024.

- Since 2017, Danone has been conducting country-by-country assessments on its milk volumes using the CAP2ER tool in France and the Cool Farm Tool (CFT) worldwide. The CFT was developed and is overseen by a multi-stakeholder coalition that includes food manufacturers, retailers, input suppliers, NGOs and universities. The tool's strength lies in its global application and it is designed for continuous improvement. In 2024, Danone used the CFT (in 18 countries) and CAP2ER (in France) to monitor the greenhouse gas footprint of the purchased milk, now covering in total 92% of direct milk collection volumes from farms. Rollout is planned to include new geographies in South East Asia and India.
- Through the Animal Welfare assessment, Danone supports and assesses raw milk Suppliers and Subcontractors. In 2024, animal welfare was assessed at Suppliers and Subcontractors providing 86% of the volume of fresh milk purchased by the Group (91% in 2023). Suppliers of meat, beef, eggs and fish are also assessed to ensure compliance with the Danone commitments on animal welfare.

### Human rights and fundamental freedoms

- The RESPECT program assesses Suppliers' and Subcontractors' human rights risks and performance according to international standards through each tool: the ESG risk rating tool, Sedex and EcoVadis self-assessments and the SMETA audit methodology. More specifically, the 2024 audit plan for highest risk and priority Suppliers and Subcontractors was established based on an in-house human rights impact evaluation based on risk level and spend.
- In addition to the audits, Danone initiated a "Worker's Voice" pilot project in 2024. This innovative pilot aims at fostering deeper supplier engagement and moving beyond traditional audit practices to listen directly to the workers. It is implemented within Danone's upstream fruit team, focusing on some of the Group's high-risk fruit raw materials. The subsequent steps will involve assessing the findings and, when needed, developing solutions with suppliers to improve working conditions.

### Health and safety of people

- The RESPECT program assesses Suppliers' and Subcontractors' health and safety risks and performance as regards working conditions and the health and safety of their workers. This takes place at each stage: through the ESG risk rating tool, Sedex and EcoVadis self-assessments and the SMETA audit methodology.
- Danone's quality and food safety management system for Suppliers and Subcontractors is based on implementing strict measures aligned with ISO and FSSC 22000 certification requirements.
- Suppliers must implement and follow the relevant regulatory requirements as well as Danone-specific requirements (procedures, policies, positions) relating to:
  - a set of basic conditions and activities essential for maintaining strict hygiene throughout the food chain;
  - a risk management plan for quality and food safety (including managing all potential hazards, traceability, malicious acts and fraud);
  - specific requirements for raw materials and packaging;
  - verification plans for raw materials and packaging supplied to Danone;
  - specific crisis management measures; and
  - developing, promoting, measuring and improving a quality and food safety culture.

- These requirements are included in cross-functional procedures or procedures specific to the type of raw material or packaging, and apply to all Suppliers. They cover all relevant hazard types (chemical, biological, allergenic, nutritional and physical).

Materials delivered to Danone comply with the requirements of relevant regulations. The material specifications are agreed based on the material usage within Danone, and the end consumer risk category. Suppliers of these materials are risk assessed and audited based on Danone guidelines, and approved via an internal system.

**5.7.2.3 Adapted policies and actions for risk mitigation and prevention of severe harm**

In light of its risk mapping, Danone defined a series of actions to mitigate the main risks identified and prevent severe harm to the environment, human rights, fundamental freedoms and health and safety.

These actions, described hereafter, include:

- establishing and implementing policies and action plans;
- engaging, raising awareness and training employees;
- engaging Suppliers and Subcontractors on Danone's sustainability agenda;
- engaging and collaborating with value chain partners, academics, NGOs and other key external stakeholders;
- conducting regular audits and investigations; and
- ensuring the availability of dedicated expert remediation support when significant variances are identified among the audited Suppliers and Subcontractors.

For Subcontractors, Danone has set up Subcontractor procedures to guarantee the quality and food safety of manufactured products. In line with ISO and FSSC 22000 certification requirements, Subcontractors must implement and follow quality and food safety management system principles similar to those defined for Suppliers (including compliance with the relevant regulations and certification by an independent external body according to a system recognized by the GFSI), and comply with requirements specific to the finished goods (dairy, plant-based, specialized nutrition, water, etc.). In addition, as with Suppliers, internal procedures govern the approval of Subcontractors and finished goods, with all risks considered.

Employees of Danone and its Subsidiaries are engaged in a sustainability approach designed to help them understand and report risks. This engagement involves adherence to the Danone Code of Business Conduct and the DSP, which govern employee conduct within Danone and its Subsidiaries.

With respect to its Suppliers and Subcontractors, Danone has established a Code of Conduct for Business Partners and also requires them to comply with the Danone Sustainability Principles and, gradually, with its Sustainable Sourcing Policy. These requirements are included in the contracts between Danone and its Suppliers and Subcontractors (see section 5.5.1 *Business conduct (ESRS G1)*).

The prevention of severe harm related to identified risks is based on (i) policies defined by Danone (in particular those listed in the table below) and (ii) adapted actions for risk mitigation.

## 5.7.2.4 Policies for risk mitigation and prevention of severe harm

Risk category	Risk	Policy
ENVIRONMENT	<b>Prevention of risks relating to climate change and GHG emissions</b>	<p>The Climate Transition Plan, published in December 2023 by Danone, replaced the Climate Policy of 2016. This plan is based on eight programs aimed at i) reducing Danone's emissions by 2030, in line with its science-based targets and aligned with the 1.5°C pathway, and ii) providing forward-looking perspectives for its Net-Zero by 2050 target. These eight programs cover the different categories of its value chain: direct operations, milk, ingredients, packaging, logistics, co-manufacturing, supplier and subcontractor engagement, as well as the design and management of low-carbon portfolios. The plan also addresses solutions to continue reducing emissions beyond 2030, with a view to achieving Net-Zero by 2050, in line with the 1.5°C pathways defined by the Science Based Targets initiative (SBTi). With an initial focus on emissions reduction within the Group's value chains, the plan outlines the approach to neutralize residual emissions by 2050.</p> <p>The eight programs and long-term perspectives are described in <i>Actions specific to the activities of Danone and its subsidiaries</i> below, and the full Climate Transition Plan has been available on Danone's corporate website since December 2023.</p>
	<b>Prevention of risks relating to plastic use</b>	<p>The Group fully embraced the ambition of packaging circularity when it joined Ellen MacArthur Foundation's (EMF) New Plastics Economy initiative in 2017, and signed the 2018 Global Commitment on Plastics, spearheaded by the EMF. In the same year, the Group published its Packaging Policy, outlining its roadmap to transition from a linear to a circular economy.</p> <p>Since then, Danone has been working toward achieving its target in addition to advocating for a collective global transition and in 2023, reinforced this ambition in its new sustainability strategy, the Danone Impact Journey, built on a holistic approach based on three strategic pillars to drive the transition to a circular and low-carbon packaging system.</p> <p>The Group also continues to support EMF's Global Commitment on Plastics, working to define new sectoral targets for the industry beyond 2025. It is anticipated that these new sectoral targets will complement Danone's mandatory requirements, management systems and advanced practices set in the Sustainable Sourcing Policy (SSP) under the Circularity – Reduce Packaging and Food Waste Principle. These requirements include and are not limited to:</p> <ul style="list-style-type: none"> <li>■ suppliers contribute to packaging collection, sorting, and recycling solutions to mitigate packaging materials ending up in landfill or as litter. Packaging suppliers should increase the amount of recycled content in their products where possible;</li> <li>■ packaging Suppliers partner with Danone, as relevant, to co-build a transparent circular economy of packaging by minimizing when possible the amount of product and transit packaging supplied, as well as increasing the reusability, recyclability or compostability and recycled content of packaging material;</li> <li>■ packaging Suppliers integrate circularity in material selection and design processes aiming for 100% packaging designed to be reusable, recyclable, or compostable and reduce virgin fossil-based packaging; and</li> <li>■ packaging Suppliers, when using recycled packaging/materials, perform Human Rights Due Diligence in line with the OECD approach.</li> </ul> <p>For more details, see <i>Focus on risks relating to plastic use and Danone's preventive actions</i>).</p>
	<b>Prevention of risks relating to natural resource use</b>	<p>As part of its Danone Water Policy (2024), Danone promotes an innovative approach and integrated management to preserve water resources throughout its value chain and rethink circularity within and around the production sites. The Danone Water Policy has been updated in 2024.</p> <p>In 2018, Danone signed up to EMF's Global Commitment on Plastics in collaboration with the United Nations Environment Programme (UNEP).</p>

Risk category	Risk	Policy
ENVIRONMENT	<b>Prevention of risks of damage to natural ecosystems and biodiversity</b>	The Sustainable Sourcing Policy (2024), the Renewed Forest Policy (2022), the Regenerative Agriculture document (2021), Danone Regenerative Agriculture Handbook and Scorecard (2021), the Water Policy (2024) and the Packaging Policy (2018) all contribute to Danone's goal of combating damage to natural ecosystems and biodiversity.
	<b>Prevention of risks relating to deforestation and changes in land use</b>	The Sustainable Sourcing Policy (2024), the Renewed Forest Policy (2022) and the Regenerative Agriculture document (2021) contribute to mitigating this risk within Danone's value chain. Through its Renewed Forest Policy, Danone is committed to delivering verified deforestation- and conversion-free supply chains by 2025 and promoting a sustainable future for forests. The policy focuses on key forest-risk commodities (palm oil, paper and board, soy, cocoa and animal feed) and addresses all forms of deforestation and land conversion in line with the definitions of the Accountability Framework initiative (AFi). Danone is also committed to adhering to the NDPE principles of No Deforestation, No Peat and No Exploitation of the rights of workers, indigenous peoples and local communities and ensuring the Free, Prior and Informed Consent (FPIC) of indigenous peoples and local communities.
	<b>Prevention of risks of harm to animal welfare</b>	Danone's Animal Welfare Commitments & Full Year 2024 Progress Report, the Danone Sustainability Principles, the Sustainable Sourcing Policy and the Position Paper on Animal Welfare (2018) frame Danone's actions on animal welfare.



Risk category	Risk	Policy
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risks of discrimination and harassment</b>	The Human Rights Policy (2022), Parental Policy (2017), Anti-Harassment and Anti-Discrimination Policy (2020), the Danone Sustainability Principles and the Sustainable Sourcing Policy demonstrate Danone's commitment to ensuring a workplace free of harassment and discrimination in its activities and supply chain. The updated global Inclusion and diversity Policy (2024) details the Group's standards and expectations regarding anti-discrimination and harassment in the workplace.
	<b>Prevention of risks to workers' rights to freedom of association and collective bargaining</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles and the Sustainable Sourcing Policy reaffirm Danone's commitment to respect and strengthen human rights in its value chain. They set out Danone's responsibilities and expectations towards its business partners regarding freedom of association and the right to collective bargaining.
	<b>Prevention of risks relating to forced labor</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles, the Sustainable Sourcing Policy and the Declaration on Forced Labor (2018) reaffirm Danone's commitment to fight against forced labor in both its activities and supply chain.
	<b>Prevention of risks relating to child labor</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles and the Sustainable Sourcing Policy reaffirm Danone's commitment to fight against child labor in both its activities and supply chain.
	<b>Prevention of risks relating to inadequate salary and income</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles and the Sustainable Sourcing Policy include Danone's commitment to promote decent work by granting a living wage and at least the applicable legal minimum or standard pay in both its operations and supply chain.
	<b>Prevention of risks relating to unreasonable working time</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles and the Sustainable Sourcing Policy include Danone's commitment to securing reasonable working hours in both its operations and supply chain.
	<b>Prevention of risks relating to precarious working conditions</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles and the Sustainable Sourcing Policy reaffirm Danone's commitment to promote decent working conditions in both its activities and supply chain.
	<b>Prevention of risks relating to community displacement and land grabbing</b>	Danone's Human Rights Policy (2022), the Danone Sustainability Principles, the Sustainable Sourcing Policy and Danone's Renewed Forest Policy (2022) reaffirm Danone's commitment to respect and enforce the rights and property rights of people, indigenous peoples and local communities. All negotiations concerning their property or land, including use and transfers, adhere to the Principles of Free, Prior, and Informed Consent (FPIC).
	<b>Prevention of risks relating to a deterioration in living conditions in local communities</b>	The Human Rights Policy (2022) reaffirms Danone's commitment to respect the populations of the communities impacted by its activities by not impeding their access to water and respecting the right to a healthy environment. Danone's various environmental policies (the Renewed Forest Policy (2022), Regenerative Agriculture document (2021), the Water Policy (2024) and the Packaging Policy (2018)) contribute to reducing the negative environmental impacts of the Group and its value chain on people and local communities, particularly with regard to climate change, soil deterioration, access to water, deforestation and plastic pollution.

Risk category	Risk	Policy
HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	Prevention of risks relating to insufficient consumer access to products	Danone's key document on making healthy products affordable and accessible ("Reaching as many people as possible: our efforts to make healthy products affordable and accessible") reaffirms its commitment to improve product accessibility and provide consumers with healthy and affordable products (2023). It describes Danone's approach to providing access, both physically and in terms of price, to healthy food and drinking water, so that consumers in general, and vulnerable populations in particular, can enjoy a healthy, balanced diet.
	Prevention of risks relating to personal data	Among the actions contributing to the protection of personal data, Danone has implemented: <ul style="list-style-type: none"> <li>■ a Global Data Protection Policy (2023) applicable to all employees worldwide, setting out the principles and standards they must comply with when processing personal data;</li> <li>■ business conduct principles, applicable to all employees worldwide, aimed at complying with applicable laws and regulations on personal data protection and in accordance with the Danone Personal Data Privacy Policy (2023).</li> </ul>
	Prevention of risks relating to inadequate professional training	As part of the FutureSkills program, Danone signed in 2020 a joint declaration with the International Union of Food Workers (IUF), which aims to give its employees the opportunity and time to develop new skills and prepare them for the jobs of tomorrow. The implementation of the FutureSkills program undergoes specific monitoring by Danone's Mission Committee, which reinforces the program's governance and emphasizes the importance of training all employees to adapt to the jobs of tomorrow. Further in 2024, Danone has launched the Danone Microsoft AI Academy, dedicated to upskilling all Danone employees equipping all with the AI and digital tools needed to thrive in the new AI-driven economy.
HEALTH AND SAFETY OF PEOPLE	Prevention of risks relating to product safety and quality	Danone's quality and Food Safety Policy is governed by: <ul style="list-style-type: none"> <li>■ Danone Quality and Food Safety Commitments, endorsed by the Executive Committee (renewed in 2024);</li> <li>■ Danone Quality and Food Safety Manual (2019), which describes the Group's operations regarding Quality and Food Safety;</li> <li>■ Danone's Food Safety Policy (2023), which refers to Danone's Food Safety Management System aligned with ISO 22000 and FSSC 22000 operating guidelines.</li> </ul> They apply to Danone, its Subsidiaries, Suppliers and Subcontractors worldwide.
	Prevention of risks relating to the consumption of foods with low nutritional quality	Danone's Policy for the Marketing of Breast-Milk Substitutes (2018), Danone's Policy on Marketing to Children (2024), Danone's Policy on the Nutritional Principles for the Use of Health & Nutrition Claims (2023) and Nutritional Quality Guidelines for Food: Danone's nutritional targets (2023) frame Danone's mission to impact employees' and consumers' health locally.
	Prevention of risks relating to workers' health and safety	Danone's Human Rights Policy (2022), the Danone Sustainability Principles and the Sustainable Sourcing Policy (2024) reaffirm its commitment to respect and enforce workers' health and safety in both its activities and supply chain.

Based on these policies, and as part of a continuous improvement approach, actions to mitigate risks and prevent severe harm have been implemented for each risk category, including:

## 5.7.2.5 Adapted actions for risk mitigation and prevention of severe harm

## Actions specific to the activities of Danone and its Subsidiaries

Risk category	Risk	Actions for risk mitigation and prevention
ENVIRONMENT	<b>Prevention of risks relating to climate change and GHG emissions</b>	<p>Danone rolls out measures across its value chain through eight programs, which form its Climate Transition Plan (2023). For its operations and Subsidiaries, Danone works on the following programs:</p> <ul style="list-style-type: none"> <li>■ improving its production sites' energy footprint and transition to renewable energies;</li> <li>■ producing milk sustainably;</li> <li>■ sourcing ingredients sustainably;</li> <li>■ transforming its packaging;</li> <li>■ improving its logistics;</li> <li>■ supporting co-manufacturers;</li> <li>■ engaging with Suppliers and Subcontractors to decarbonize their own GHG emissions;</li> <li>■ developing sustainable product offerings for its consumers.</li> </ul> <p>Danone's climate action is part of a holistic approach, taking into account the various aspects of social and environmental impacts. For example, the rollout of regenerative agriculture in the value chain aims not only to reduce GHG emissions, but also to support biodiversity and soil health and improve water management and animal welfare while helping farmers shift towards resilient agriculture in the face of climate change. Approaching 2050, climate change adaptation will become increasingly critical and is already so in some of the most exposed regions.</p> <p>More information on the programs is available in <i>Focus on risks relating to climate change and GHG emissions and Danone's preventive actions</i></p>
	<b>Prevention of risks relating to plastic use</b>	<ul style="list-style-type: none"> <li>■ Participation in the Ellen MacArthur Foundation (EMF) annual progress report on the Global Plastics Commitment (2018) as a member of the Advisory Board of the New Plastics Economy Initiative.</li> <li>■ Participation in the Consumer Goods Forum Plastic Waste Coalition of Action, which aims to set standards and align the industry to improve plastic collection and recycling.</li> <li>■ Advocacy with WWF and EMF for an ambitious and binding UN Treaty on Plastics.</li> <li>■ Participation in The Carbon Disclosure Project (CDP) plastics reporting to disclose Danone's plastic-related activities, impacts, risks and opportunities. For Danone, participating in the CDP plastics reporting helps assessing potential environmental and regulatory risks.</li> <li>■ Partnership with Loop Industries to enhance closed-loop recycling for PET bottles and make it easier to recycle traditionally hard-to-recycle packaging and materials.</li> <li>■ Joining the Circulate Capital initiative for Latin America and the Caribbean in 2023. Danone committed a further \$15 million to combat plastic pollution and develop the recycling value chain in the region, on top of the \$15 million committed in 2018 to Circulate Capital Ocean Fund (CCOF) in South and South-East Asia.</li> </ul>
	<b>Prevention of risks relating to natural resource use</b>	<ul style="list-style-type: none"> <li>■ Implementation of a fourth pillar, "Reclaim", to the 3R strategy (Reduce, Reuse, Recycle) described in Danone's Water Policy.</li> <li>■ Deployment of 4R roadmaps and action plans in all production sites, to optimize water usage and reinforce second life for water. More concrete examples in targeted countries is available in section 5.3.3 <i>Water resources (ESRS E3)</i>.</li> <li>■ A similar 4R strategy is also applied to packaging waste management, with the aim of recovering and reclaiming waste to achieve the target of zero-waste landfill by 2025.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<p><b>ENVIRONMENT</b></p>	<p><b>Prevention of risks of damage to natural ecosystems and biodiversity</b></p>	<ul style="list-style-type: none"> <li>■ All the measures taken by Danone to prevent risks relating to climate change and GHG emissions related to the use of natural resources or deforestation contribute to Danone's goal of combating damage to natural ecosystems and biodiversity.</li> <li>■ The <i>Alpro</i> brand is a member of the official Science Based Targets for Nature (SBTN) pilot group for measuring the nature and biodiversity footprint.</li> </ul>
	<p><b>Prevention of risks relating to deforestation or conversion and changes in land use</b></p>	<ul style="list-style-type: none"> <li>■ Strengthening of commitments to fight against deforestation and the conversion of natural ecosystems through the Renewed Forest Policy (2022). This policy focuses on three commitments: traceable and verified deforestation- and conversion-free supply chains (Clean Supply Chains) by 2025, responsible Suppliers and Subcontractors by 2025 and support for projects and coalition for the restoration of natural ecosystems by 2030.</li> <li>■ The Group applies the deforestation- and conversion-free principle to its own operations and implements the policy in its supply chains (see the section on Suppliers and Subcontractors below).</li> </ul>
	<p><b>Prevention of risks of harm to animal welfare</b></p>	<ul style="list-style-type: none"> <li>■ Rollout of a clear, time-bound action plan for non-compliant farms. Integration of the welfare of animals in Danone's regenerative agriculture approach.</li> <li>■ Collaboration with the international NGO Compassion in World Farming (CIWF) to develop animal welfare roadmaps. Partnerships with upstream farm suppliers through the global Partner for Growth program to drive projects that improve animal health and welfare.</li> </ul>
<p><b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b></p>	<p><b>Prevention of risks of discrimination and harassment</b></p>	<ul style="list-style-type: none"> <li>■ Global application of the Danone Sustainability Principles through the implementation of HRDD in Danone's own operations. As part of Step 3 of the HRDD process, based on the audit or self-assessment results, prevention and mitigation measures will be developed at Global, Country and Local levels.</li> <li>■ Membership of the LEAD Network, a non-profit organization which aims to advance women's careers, gender equality and inclusion in the Consumer Goods and Retail sector through annual conferences, educational opportunities and mentoring support.</li> <li>■ 2024 global membership to the Business Disability Forum, a non-profit organization bringing businesses, people with disabilities and policymakers together.</li> <li>■ New global partnership with Disability:IN, a leading non-profit resource for business disability inclusion, providing counsel, educational opportunities and sharing of best practices on disability inclusion in the workplace.</li> <li>■ Mandatory e-learning programs and/or in-person training for all employees on anti-harassment and discrimination.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risks to workers' rights to freedom of association and collective bargaining</b>	<ul style="list-style-type: none"> <li>■ Global application of the Danone Sustainability Principles through implementation of HRDD in Danone's own operations. As part of Step 3 of the HRDD process, based on the audits or self-assessment results, prevention and mitigation measures will be developed at Global, Country and Local levels.</li> <li>■ Rollout of the framework agreements signed between Danone and IUF in each subsidiary.</li> <li>■ Joint site visits with the IUF to verify the application of agreements and the quality of social dialogue (7 visits in 2024, and 80 since 2009).</li> <li>■ Application of the neutrality agreement signed in 2019 with unions in the United States, having enabled the recognition of unions and the signing of collective agreements at all Danone industrial sites in the country.</li> </ul>
	<b>Prevention of risks relating to forced labor</b>	<ul style="list-style-type: none"> <li>■ Contribution to the Consumer Good Forum's collective effort to eradicate forced labor from the global supply chain (2016).</li> </ul>
	<b>Prevention of risks relating to child labor</b>	<ul style="list-style-type: none"> <li>■ Global application of the Danone Sustainability Principles, applicable across the Group's value chain. In its own operation, Danone implemented a HRDD process, based on the audit or self-assessment results, prevention and mitigation measures will be developed and a global governance has been set up to monitor implementation of the measures.</li> </ul>
	<b>Prevention of risks relating to inadequate salary and income</b>	<ul style="list-style-type: none"> <li>■ Global application of the Danone Sustainability Principles through implementation of HRDD in Danone's own operations. As part of Step 3 of the HRDD process, based on the audit or self-assessment results, prevention and mitigation measures will be developed at Global, Country and Local level.</li> <li>■ Partnership with an external provider to assess Danone's own workforce is receiving a living wage in all locations where it operates. This partnership aims to ensure that no Danone employee falls below a living wage, with comprehensive assessments covering various factors influencing wages, such as local cost of living (including food, housing, healthcare, and other essential needs) and economic conditions. This external provider applies its methodology, which includes a detailed analysis of wage levels, wage structures, and local living standards, to identify any gaps and guide corrective actions if necessary.</li> <li>■ Dan'Cares program, with the commitment of protecting all employees and ultimately guaranteeing quality health coverage. It is designed to cover major risks while taking into account relevant practices in the respective markets. The three major risks considered are: 1) hospitalization and surgery, 2) ambulatory care and 3) maternity care.</li> <li>■ Global employee share ownership plan whereby employees in 48 countries can subscribe for new DANONE shares.</li> <li>■ Contribution to state-sponsored and/or private retirement funds for employees in accordance with the laws and customs of the countries of each Danone entity.</li> </ul>
	<b>Prevention of risks relating to unreasonable working time</b>	<ul style="list-style-type: none"> <li>■ Global application of the Danone Sustainability Principles through implementation of HRDD in Danone's own operations. As part of Step 3 of the HRDD process, based on the audit or self-assessment results, prevention and mitigation measures will be developed at Global, Country and Local levels.</li> <li>■ Launch of the Future of Work study (2021) among employees to reflect on how to transform working time methods.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<p><b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b></p>	<p><b>Prevention of risks relating to precarious working conditions</b></p>	<ul style="list-style-type: none"> <li>■ Implementation of HRDD in Danone's own operations. As part of Step 3 of the HRDD process, based on the audit or self-assessment results, prevention and mitigation measures will be developed and a global governance has been set up to monitor implementation of the measures.</li> <li>■ Contribution to the CGF coalition's collective effort, supported by the FLA, to develop due diligence framework tools and processes.</li> </ul>
	<p><b>Prevention of risks relating to community displacement and land grabbing</b></p>	<ul style="list-style-type: none"> <li>■ Global application of the Danone Sustainability Principles, the HRDD, the Sustainable Sourcing Policy (2024).</li> </ul>
	<p><b>Prevention of risks relating to a deterioration in living conditions in local communities</b></p>	<ul style="list-style-type: none"> <li>■ See environmental risks above. Implementation of actions linked to the Renewed Forest Policy (2022), the Regenerative Agriculture document (2021), the Water Policy (2020) and the Packaging Policy (2018).</li> <li>■ Global application of the Danone Sustainability Principles (DSP) and the Sustainable Sourcing Policy (SSP, 2024)</li> </ul>
	<p><b>Prevention of risks relating to insufficient consumer access to products</b></p>	<ul style="list-style-type: none"> <li>■ Group guidelines and tools provided to Subsidiaries to integrate accessibility to Danone's healthy products into business practices.</li> <li>■ Ensuring commercial presence of its mostly healthy portfolio by monitoring the following metric: the volumes sold were in countries classified by the United Nations as developing economies and economies in transition.</li> <li>■ Monitoring the healthiness of its portfolio (in volumes sold and in net sales) on an annual basis using the Health Star Rating system.</li> <li>■ Monitoring the coverage of countries where Danone operates with at least one healthy product in their portfolio targeting middle- or low-income populations or an action plan to expand access.</li> <li>■ Development of distribution channels and support for projects to provide better access to Danone's healthy products.</li> <li>■ Danone's contribution to non-commercial initiatives aiming to provide access to healthy food for as many people as possible.</li> <li>■ Support for social enterprises that provide affordable drinking water to vulnerable populations and communities through Danone Communities and the Water Access Acceleration Fund (W2AF), which aims to provide more than 20 billion liters of drinking water to low-income consumers by 2030.</li> </ul>
	<p><b>Prevention of risks relating to personal data</b></p>	<ul style="list-style-type: none"> <li>■ Implementation of a document center providing employees with document and procedure templates, aimed at achieving harmonized and compliant practices in terms of personal data protection. These include a privacy policy and cookie policy templates for informing individuals, a procedure for assessing the legality of international transfers of personal data, specific contract templates allowing Danone and its partners to organize their respective relationships and requirements around personal data protection. Danone includes necessary clauses and annexes in contracts with external partners in the form of Data Processing Agreements covering the requirements of Article 28 of the European General Data Protection Regulation (GDPR), as well as necessary measures in consumer interactions, including transparency measures and statements of access rights.</li> <li>■ Training and e-learning programs to raise awareness among employees about the importance of protecting personal data and the habits to be adopted for this purpose.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risks relating to inadequate professional training</b>	<ul style="list-style-type: none"> <li>■ Rollout of the FutureSkills program on a local level with in-depth professional training programs: in 2023 more than 380 employees in the Group's factories in Morocco, Germany, Turkey and Spain were trained to access new/future jobs, as beneficiaries of FutureSkills program. Through individualized upskilling/reskilling plans, including reconversion and certification programs individuals were equipped to ensure and increase their employability internally and externally.</li> <li>■ To prepare people for the future, Danone has developed and launched in 2023, specifically for the workers in the operational teams, learning solutions like Digital Basic Skills and Danone Factory of the Future to engage and equip people with the basics required for digitalization journey and facilitate their access to on-line learning.</li> <li>■ In 2024, Danone launched the Danone Microsoft AI Academy, dedicated to upskilling all Danone employees and ensure that everyone is equipped with the AI and digital tools needed to thrive in the new AI-driven economy.</li> </ul>
<b>HEALTH AND SAFETY OF PEOPLE</b>	<b>Prevention of risks relating to product safety and quality</b>	<ul style="list-style-type: none"> <li>■ Implementation of a process to identify new developments in science, regulatory requirements, analyses and standards in terms of quality and food safety.</li> <li>■ Maintenance of cutting-edge scientific capabilities, drawing on internal expertise and collaboration with international scientific institutes, universities and recognized external experts.</li> <li>■ Definition and global rollout of standards and procedures containing a set of internal requirements designed to anticipate, prevent and manage quality and food safety risks.</li> <li>■ Development and rollout of an internal training program on quality and food safety to increase knowledge and skills on key topics and support a strong quality and food safety culture within Danone.</li> <li>■ Development and rollout of a global program to help local entities monitor, control and resolve any difficulties that may arise at their sites, thereby protecting their consumers. This system is used to analyze root causes, resolve issues, provide technical support, and define and implement corrective and preventive actions.</li> <li>■ A lock system for positive release of finished products release.</li> <li>■ Accelerated development of data and digital tools to foster process robustness and data-driven decisions.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<p><b>HEALTH AND SAFETY OF PEOPLE</b></p>	<p><b>Prevention of risks relating to the consumption of foods with low nutritional quality</b></p>	<ul style="list-style-type: none"> <li>■ Publication of the Danone Impact Journey, Danone’s sustainability roadmap, including a “Health through Food” pillar with eight quantified commitments for 2025, which are steered on a quarterly basis by the Health Steering Committee chaired by the Chief Research, Innovation, Quality and Food Safety Officer.</li> <li>■ Implementation of a product renovation program focused on reducing sugar levels in products for children, with regular cross-regional coordination to monitor progress and share best practices.</li> <li>■ Continuation of the program for transparency in the nutritional content of products, with regular cross-regional coordination, and in consultation with local authorities for the choice of locally relevant labeling systems.</li> <li>■ Coordinating an iron impact group aimed at developing local projects to combat iron deficiency.</li> <li>■ Bimonthly meetings of the network of local Nutrition correspondents to inform them of existing policies and procedures, and to share the outcomes of action plans and best practices.</li> <li>■ Detailed outcomes of these actions can be found in the Health Journey Report.</li> </ul>
	<p><b>Prevention of risks relating to workers’ health and safety</b></p>	<ul style="list-style-type: none"> <li>■ Implementation of HRDD in Danone’s own operations. As part of Step 3 of the HRDD process, based on the audit or self-assessment results, prevention and mitigation measures will be developed at Global, Country and Local level.</li> <li>■ Launch of the Danone’s global Health, Safety and Well-Being Policy, which sets out its commitment to ensuring the health and safety of all employees and stakeholders, and the well-being of all Danone employees, outlining implementation guidelines to local Danone entities.</li> <li>■ Implementation of the Dan’Cares program to provide health coverage for all employees.</li> <li>■ Employees Assistance Program (EAP) to support employees with emotional, practical or physical issues and challenges.</li> <li>■ Global rollout of the WISE<sup>2</sup> program designed to guarantee the safety of all Group employees. This program is aimed at continuously reducing the number of workplace accidents, promoting a culture of workplace health and safety at all Group sites, and ensuring compliance with standards for the most critical risk situations.</li> <li>■ Network of Health and Safety managers at Danone Subsidiaries and sites ensuring compliance with the WISE<sup>2</sup> program.</li> <li>■ The new Dan’Cares pillar, Be Well. The Be Well program encompasses global initiatives to enhance employees’ mental health, nutrition and physical well-being. The program is supported by a global network of Be Well champions, trained on mental health and well-being, who lead local Be Well initiatives (e.g., awareness on stress management, burnout, nutrition, etc., and physical fitness opportunities).</li> </ul>



### Actions specific to the activities of Danone's Suppliers and Subcontractors

Risk category	Risk	Actions for risk mitigation and prevention
ENVIRONMENT	<b>Prevention of risks relating to climate change and GHG emissions</b>	<p>Danone deploys actions across its value chain through eight programs, supporting its decarbonization roadmap outlined in the Danone Climate Transition Plan (2023):</p> <ul style="list-style-type: none"> <li>■ improving its production sites' energy footprint and transition to renewable energies;</li> <li>■ producing milk sustainably;</li> <li>■ sourcing ingredients sustainably;</li> <li>■ transforming its packaging;</li> <li>■ improving its logistics;</li> <li>■ supporting co-manufacturers;</li> <li>■ engaging with Suppliers and Subcontractors to decarbonize their own GHG emissions;</li> <li>■ developing sustainable product offerings for its consumers.</li> </ul> <p>More information on the eight programs, including the Supplier and Subcontractor engagement program, is available in <i>Focus on risks relating to Climate Change and GHG emissions and Danone's preventive actions</i>.</p>
	<b>Prevention of risks relating to plastic use</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the Danone Sustainability Principles (DSP) and gradually of the Sustainable Sourcing Policy (SSP), and incorporating the DSP and then the SSP into contractual clauses between Danone and its direct Suppliers and Subcontractors.</li> </ul> <p>The DSP cover the risk relating to plastic use and plastic pollution generated throughout the plastic life cycle:</p> <ul style="list-style-type: none"> <li>• plastic pollution due to extraction or leaks into nature: this point is covered by the principle relating to the environmental management system;</li> <li>• greenhouse gas emissions from plastic production and end-of-life plastic energy recovery: these points are covered by the principles relating to climate change and environmental management systems.</li> </ul> <p>The Suppliers and Subcontractors SMETA audit assesses environmental management systems on points such as compliance with applicable regulations and the granting of permits for consuming and discharging atmospheric emissions and waste management.</p>
	<b>Prevention of risks relating to natural resource use</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and then gradually of the SSP, incorporating the DSP and then the SSP into contractual clauses between Danone and its direct Suppliers and Subcontractors.</li> <li>■ Development of methodology to identify farms or collection centers located in water-stressed areas and determine an appropriate approach (mitigation, adaptation or relocation of the supply source).</li> </ul>
	<b>Prevention of risks of damage to natural ecosystems and biodiversity</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and then gradually of the SSP, incorporating the DSP and then the SSP into contractual clauses between Danone and its direct Suppliers and Subcontractors. Danone expects Suppliers and Subcontractors to conduct their business in a manner consistent with the preservation of biodiversity, deforestation and conversion-free value chains, efficient water management and zero discharged pollution in own operations and supply chains.</li> <li>■ To accelerate the transition of its Plant-Based portfolio in Europe, in 2022, Danone started to develop its sustainable sourcing with specific programs for soybeans, almonds, and oats with local authorities and suppliers. In parallel, through its iconic plant-based brand <i>Alpro</i>, Danone took part in the Science Based Targets for Nature (SBTN) pilot group alongside key food businesses and retailers. This global alliance is developing a systemic approach for companies and cities to holistically assess and prioritize their environmental impacts on nature across freshwater, land, ocean, biodiversity and climate.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<p><b>ENVIRONMENT</b></p>	<p><b>Prevention of risks relating to deforestation or conversion and changes in land use</b></p>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP and incorporating them into contractual clauses between Danone and its direct Suppliers and Subcontractors.</li> <li>■ Conducting a forest risk analysis and selecting priority commodities for deforestation and conversion, based on reports such as the WWF Risky Business reports and consultation with external stakeholders. This selection was taken into account when drawing up the Renewed Forest Policy (2022).</li> <li>■ Implementation of the three commitments of the Renewed Forest Policy (2022) for priority categories: traceable and verified deforestation- and conversion-free supply chains (clean supply chains) by 2025, responsible suppliers and subcontractors by 2025 and support for projects and coalitions that protect and restore natural ecosystems by 2030:</li> </ul> <p><b>Palm oil</b></p> <ul style="list-style-type: none"> <li>• Commitment to traceability of palm oil to plantation from 2023. Palm oil must come from plantations: whose expansion does not threaten forests, particularly High Conservation Value (HCV) forests and High Carbon Stock (HCS) forests, and tropical peatland; which protect the rights of indigenous populations and local communities; and which protect the rights of all workers.</li> <li>• Commitment to use RSPO (Roundtable on Sustainable Palm Oil)-certified Segregated palm oil.</li> <li>• Ten-year project launched in 2021 alongside the Livelihoods Fund for Family Farming (L3F) to help 2,500 smallholder palm oil farmers achieve a sustainable transition in Sumatra Island, Indonesia.</li> <li>• Since 2018, support provided to the Siak Pelalawan Landscape Program (SPLP) in the province of Riau, Indonesia, aimed at achieving sustainable palm oil production.</li> </ul> <p><b>Paper and board</b></p> <ul style="list-style-type: none"> <li>• Packaging made of recycled fibers or virgin certified (FSC, PEFC with preference for FSC) fibers.</li> <li>• Commitment to traceability to the mill.</li> </ul> <p><b>Soy</b></p> <ul style="list-style-type: none"> <li>• Use of certified soybeans: for example, <i>Alpro</i> brand soybeans are 100% ProTerra Segregated certified.</li> <li>• Commitment to traceability, with 100% of soybeans traced directly to the plantation by 2025 in high-risk regions for deforestation and conversion.</li> <li>• A country-by-country assessment of the volume and origin of soy feed consumed by dairy cows through the Cool Farm Tool.</li> </ul> <p><b>Cocoa</b></p> <ul style="list-style-type: none"> <li>• Use of cocoa certified by one or more of the following programs: Rainforest Alliance, Organic, Fair Trade, Fair For Life.</li> <li>• Working towards traceability of cocoa back to plantation</li> </ul> <p>Danone is also getting ready for the implementation of the European Union Deforestation Regulation (EUDR).</p> <p><b>External contributions</b></p> <ul style="list-style-type: none"> <li>• Participation in the One Planet Business for Biodiversity (OP2B) coalition, as well as in the Consumer Goods Forum's Forest Positive Coalition (Danone is a member of the Steering Committee and of the three task forces for palm oil, soy and paper).</li> </ul>
	<p><b>Prevention of risks of harm to animal welfare</b></p>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and then the SSP into contractual clauses between Danone and its direct Suppliers and Subcontractors.</li> <li>■ Implementation of a Danone animal welfare assessment used to evaluate farmers' adherence to animal health and welfare best practices and/or impact on the three pillars of regenerative agriculture.</li> <li>■ Assessment of animal welfare for 86% of the direct sourced volume of fresh milk produced via the Group's animal welfare audit.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risks of discrimination and harassment</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP incorporating them into contractual clauses between Danone and its Suppliers and Subcontractors: acceptance and adherence to the DSP, SSP, or provision of equivalent principles is mandatory to do business with Danone. It is the responsibility of Suppliers and Subcontractors to exercise diligence in implementing the DSP, SSP, or equivalent requirements within their own company and with their Suppliers and Subcontractors, as well as their own monitoring programs.</li> <li>■ RESPECT program for direct Suppliers and Subcontractors (other than fresh milk producers): <ul style="list-style-type: none"> <li>• supplier and Subcontractor ESG risk screening through new tool introduced in 2024, and, for those in scope, self-assessments on Sedex or EcoVadis platforms allowing for an initial risk assessment;</li> <li>• selection of priority Suppliers and Subcontractors for audits. Annual audit plan (SMETA methodology) supplemented by access to audits of shared Suppliers and Subcontractors by peer companies;</li> <li>• requirement to implement improvement plans. For critical non-conformities, monitoring of the process by Danone until audit closure by the auditors (validation of improvement measures) for audits of shared Suppliers and Subcontractors by both Danone and peer companies.</li> </ul> </li> </ul>
	<b>Prevention of risks to workers' rights to freedom of association and collective bargaining</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and SSP into contractual clauses between Danone and its Suppliers and Subcontractors.</li> <li>■ RESPECT program for Suppliers and Subcontractors (other than fresh milk producers): see "Risk of discrimination and harassment" above.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risks relating to forced labor</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and SSP into contractual clauses between Danone and its Suppliers and Subcontractors.</li> <li>■ RESPECT program for Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> <li>■ Joining the Consumer Goods Forum's (CGF) collective effort to eradicate forced labor from the global supply chain (2016).</li> <li>■ Assessment of the situation of external workers at Danone sites through the due diligence program deployed internally.</li> </ul>
	<b>Prevention of risks relating to child labor</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and the SSP into contractual clauses between Danone and its Suppliers and Subcontractors. The Supplier must not hire children under 15 years old and must implement rigorous age verification checks following ILO principles. Furthermore, young people under the age of 18 should not be hired for jobs involving dangerous work, night shifts, or work that interferes with regular educational activities.</li> <li>■ RESPECT program for direct Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> </ul>
	<b>Prevention of risks relating to inadequate salary and income</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and the SSP into contractual clauses between Danone and its Suppliers and Subcontractors.</li> <li>■ RESPECT program for direct Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> <li>■ Support for improving the livelihoods and conditions of farmers and agricultural workers through the implementation of projects. For instance, in Spain, a project was launched to support farmers on the verge of retiring in finding generational relay for their farms and to coach young people to become professional farmers.</li> <li>■ Implementation of the "Alban Baladine" milk collection centers project in Egypt, which contributes to the empowerment of small milk producers, particularly women. The target is to have a positive social impact by opening milk collection centers and providing small milk producers with access to milk analysis and storage to increase and stabilize their cows' productivity and consequently their income.</li> </ul>
	<b>Prevention of risks relating to unreasonable working time</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and SSP into contractual clauses between Danone and its Suppliers and Subcontractors.</li> <li>■ RESPECT program for Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> </ul>
	<b>Prevention of risks relating to precarious working conditions</b>	<ul style="list-style-type: none"> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and SSP into contractual clauses between Danone and its Suppliers and Subcontractors.</li> <li>■ RESPECT program for Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> <li>■ Assessment of the situation of external workers (temporary workers and subcontractors, who are more vulnerable to precarious working conditions) at Danone sites through the due diligence program deployed internally.</li> </ul>
	<b>Prevention of risks relating to community displacement and land grabbing</b>	<ul style="list-style-type: none"> <li>■ Supplier and Subcontractor information and engagement based on the 2022 Renewed Forest Policy, the DSP, and gradually the SSP.</li> <li>■ RESPECT program for Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS	<b>Prevention of risks relating to a deterioration in living conditions in local communities</b>	<ul style="list-style-type: none"> <li>■ The actions set out in Danone's environmental policies aim to mitigate the risks relating to a deterioration in living conditions in local communities.</li> </ul>
	<b>Prevention of risks relating to personal data</b>	<ul style="list-style-type: none"> <li>■ Implementation of a document center providing suppliers and contractors with document and procedure templates, aiming to achieve harmonized and compliant practices in terms of personal data protection, including: privacy policy and cookie policy templates for informing individuals, procedure for assessing the legality of international transfers of personal data, specific contract templates allowing Danone and its partners to organize their respective relationships or obligations regarding personal data protection.</li> </ul>
	<b>Prevention of risks relating to inadequate professional training</b>	<ul style="list-style-type: none"> <li>■ Support to farmers via training equipment and funding opportunities, to support the positive and sustainable transformation of agricultural chains. To this end, Danone implemented the Farming for Generations (F4G) program, which focuses on training farmers to accelerate the transition to regenerative agriculture. F4G has reached over 2,600 farmers, sharing their experiences through farming events, webinars, newsletters and the Danone Regenerative Agriculture Knowledge Center. Danone continues to develop its regenerative agriculture practices drawing on the experiences learned from the F4G program, now known as Partners for Growth (P4G) (for more information, see section 5.3.1 <i>Climate change (ESRS E1)</i>).</li> </ul>

Risk category	Risk	Actions for risk mitigation and prevention
<p><b>HEALTH AND SAFETY OF PEOPLE</b></p>	<p><b>Prevention of risks relating to product safety and quality</b></p>	<ul style="list-style-type: none"> <li>■ Implementation of actions to prevent and mitigate risks that apply to all raw materials and packaging (including plastics) and to all Suppliers:                             <ul style="list-style-type: none"> <li>• suppliers certified (or in the process of obtaining certification) by an independent external body following GFSI recognized (or equivalent) standards as a prerequisite for supplying Danone;</li> <li>• contractual agreement signed by all Suppliers covering quality and food safety requirements that apply to all raw materials and packaging;</li> <li>• implementation of a lock system ensuring that the purchase of a material is only possible if the supplier is approved, the specification of the material to be delivered is approved and the Danone production site receiving the material provides its approval;</li> <li>• implementation of a verification plan to ensure that the specific requirements for the material have been met and that the raw material or packaging is compliant.</li> </ul> </li> <li>■ Implementation of actions to prevent and mitigate risks that apply to all Subcontractors:                             <ul style="list-style-type: none"> <li>• certification of the subcontractor (or certification in progress) by an independent external body following GFSI recognized standards as a prerequisite for supplying Danone;</li> <li>• subcontractor approval according to Danone's internal procedures, including a quality and food safety audit and a corrective and preventive action plan to mitigate risks prior to the launch;</li> <li>• signature of a contractual agreement between Danone and the Subcontractor specifying the responsibility, obligation and liability of the co-manufacturer in the prevention and management of risks relating to quality and food safety prior to the launch;</li> <li>• finished products manufactured according to Danone's internal procedures and the regulations in force in the market of sale. All validation, monitoring and verification activities designed to ensure product safety are formalized in the finished product specifications signed by both parties. The relevant analyses/controls are conducted accordingly by the subcontractor and verified during the audits.</li> </ul> </li> <li>■ Danone's specifications for recycled materials are among the most demanding on the market, requiring an average investment of 18 to 24 months for recyclers. Danone has over 15 years' experience in the use of food grade recycled materials, and was one of the initiators of the development of Recycled PolyEthylene Terephthalate for food contact applications.</li> </ul>
	<p><b>Prevention of risks relating to workers' health and safety</b></p>	<ul style="list-style-type: none"> <li>■ The WISE<sup>2</sup> program and related audits are applicable to outside workers at Danone sites. In particular, WISE<sup>2</sup> includes a contractors' element and third parties and interims are directly included in Danone's employee safety performance.</li> <li>■ Informing Suppliers and Subcontractors of the DSP and of the SSP, incorporating the DSP and SSP into contractual clauses between Danone and its Suppliers and Subcontractors.</li> <li>■ RESPECT program for direct Suppliers and Subcontractors (other than fresh milk producers): see "Prevention of risks of discrimination and harassment" above.</li> </ul>

## Focus on risks relating to climate change and GHG emissions and Danone's preventive actions

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### Background

Climate change is a profound and systemic challenge. It is happening now and accelerating, generating a multitude of global challenges, such as biodiversity loss, water scarcity, as well as considerable negative social impacts. The food sector holds a key role in fighting climate change and in transitioning toward a low-carbon economy.

Danone recognizes the importance and urgency of addressing climate challenges, as well as the environmental and human impacts of extreme weather events linked to climate change. For this reason, Danone has adopted science-based greenhouse gas emission reduction targets across its value chain, aligned with the pathway to 1.5°C by 2030, and has also submitted science-based targets to achieve Net-Zero emissions by 2050. The scope covers greenhouse gas emissions from scopes 1, 2 and 3, notably from the production of its farms, its operations and the packaging processing facilities after the consumption of its products.

### Governance

To achieve its ambitious goals, the Group recognizes the need to engage all its internal functions, along with external stakeholders.

Danone's approach to combating climate change is supported by the Chief Executive Officer, the Chief Operations Officer and the Chief Sustainability and Strategic Business Development Officer. It is integrated into all functions and levels of the Group (global, regional and national) with the support of:

- the Chief Sustainability Officer (CSO), in charge of overseeing the Group's overall approach to climate change management;
- the Group Deputy CEO in charge of Finance, Technology & Data, whose teams play a central role in the measurement, monitoring and reporting of climate-related issues;
- the SVP Cycles & Procurement, whose role is essential in deploying the CO<sub>2</sub> emissions reduction strategy with Suppliers and Subcontractors, given that procurement categories represent nearly 95% of Danone's total emissions.

In addition, the Group regularly assesses its progress in terms of climate action, notably through two internal committees comprising key functional managers and members of the Executive Committee:

- the Global Impact Steering Committee, responsible for overseeing the implementation of the Danone Impact Journey strategy, in particular the eight climate-related programs and the program to combat deforestation;
- the Global Engagement Committee, which oversees matters concerning sustainability reporting, governance and dialogue with both internal and external stakeholders.

Furthermore, operational governance has been established at Group level to implement the climate priorities of the Nature pillar of the Danone Impact Journey.

### Partnerships and collective initiatives

Danone collaborates with various stakeholders, such as governments, regulators, scientific experts, international organizations, NGOs and other companies, to work toward the Paris Agreement objectives. The Group recognizes that collective action is essential to limit global warming to 1.5°C. The following initiatives represent Danone's main stakeholders in its fight against climate change:

- **Business Ambition for 1.5 °C** – Danone is actively engaged in this initiative, which promotes targets to limit global warming to 1.5°C.
- **Science Based Targets initiative (SBTi)** – Danone works closely with this corporate climate action organization to develop guidelines for companies in the forest, land and agriculture sector, known as FLAG guidance.
- **We Mean Business** – Danone is a member of this initiative aimed at taking action on climate change and working towards halving global emissions by 2030 in line with the 1.5°C pathway.
- **CDP**: Danone tracks and assesses its progress on climate and environmental issues through partners such as the CDP, an international non-profit organization whose rating system is recognized as the world's leading standard for corporate environmental transparency.

As well as partnering with organizations on climate transition, Danone also works with various stakeholders on cross-cutting climate-related issues such as agriculture, water, biodiversity and forests, and participates in several industry civil society organizations. A non-exhaustive list is shown in the table below:

Categories	Stakeholders
<b>Agriculture, water, biodiversity and forest related platforms</b>	<ul style="list-style-type: none"> <li>■ <b>One Planet Business for Biodiversity (OP2B):</b> Danone is a founding member of OP2B, a business coalition focused on scaling up regenerative agriculture practices to protect soil health, developing product portfolios to boost cultivated biodiversity and increase the resilience of the food and agriculture models, eliminating deforestation and enhancing the management, restoration and protection of high value natural ecosystems.</li> <li>■ <b>Science Based Targets for Nature (SBTN):</b> The plant-based brand <i>Alpro</i> is part of the SBTN Engagement Program to contribute to the development of SBTN methods, tools and guidance.</li> <li>■ <b>Sustainable Agriculture Initiative (SAI):</b> Danone co-founded the SAI Platform in 2002 to promote regenerative agriculture practices and the transformation to sustainable food systems.</li> <li>■ <b>Task Force on Nature-related Financial Disclosures (TNFD):</b> Danone took part in a pilot study to support the development of the first version of the TNFD's global framework for nature-related risk management and disclosure.</li> <li>■ <b>Forest Positive Coalition (FPC) of Action:</b> Danone actively participates in this coalition as a member of the steering committee and three working groups on raw materials (palm oil, soy and paper).</li> <li>■ <b>Water Resources Coalition (WRC):</b> Danone, as a member of the WRC, actively engages in preserving the world's freshwater resources. The WRC focuses on collective action in water-stressed basins and sets ambitious, quantifiable goals to ensure sustainable water management. Danone contributes significantly to these efforts by participating in the development of the Net Positive Water Impact Guidance and other water related task forces such as Standardized Metrics and Collective Action Taskforce, which aims to address water challenges in 150 water-stressed basins globally.</li> </ul>
	<ul style="list-style-type: none"> <li>■ <b>Environmental Defense Fund (EDF):</b> Danone has launched a strategic partnership with EDF to improve science, data and reporting for methane emissions in agriculture to ensure that climate benefits are real and lasting; a call to action from both the dairy sector and public authorities to prioritize solutions that reduce methane emissions in agriculture; advancing innovative financing models, such as co-funding models between companies and governments to more rapidly deploy solutions tailored to farmers.</li> <li>■ <b>Global Methane Hub (GMH):</b> Danone has joined GMH's R&amp;D Accelerator to reduce methane emissions through innovation. This accelerator aims to create new, easy-to-apply solutions to help dairy farmers reduce their methane emissions.</li> </ul>

**Carbon footprint**

As part of its short-term targets aligned with the science-based 1.5°C pathway approved by SBTi, Danone is committed to reducing its annual net emissions from 21.9 million metric tons of CO<sub>2</sub> equivalent in 2020 to 14.3 million metric tons of CO<sub>2</sub> equivalent by 2030.

Danone is determined to achieve this target while continuing to develop its activities and make progress on its roadmap, which is based on its eight programs constituting its Climate Transition Plan and supported by its program to combat deforestation. The emissions projected in the baseline scenario for 2030, although theoretical,

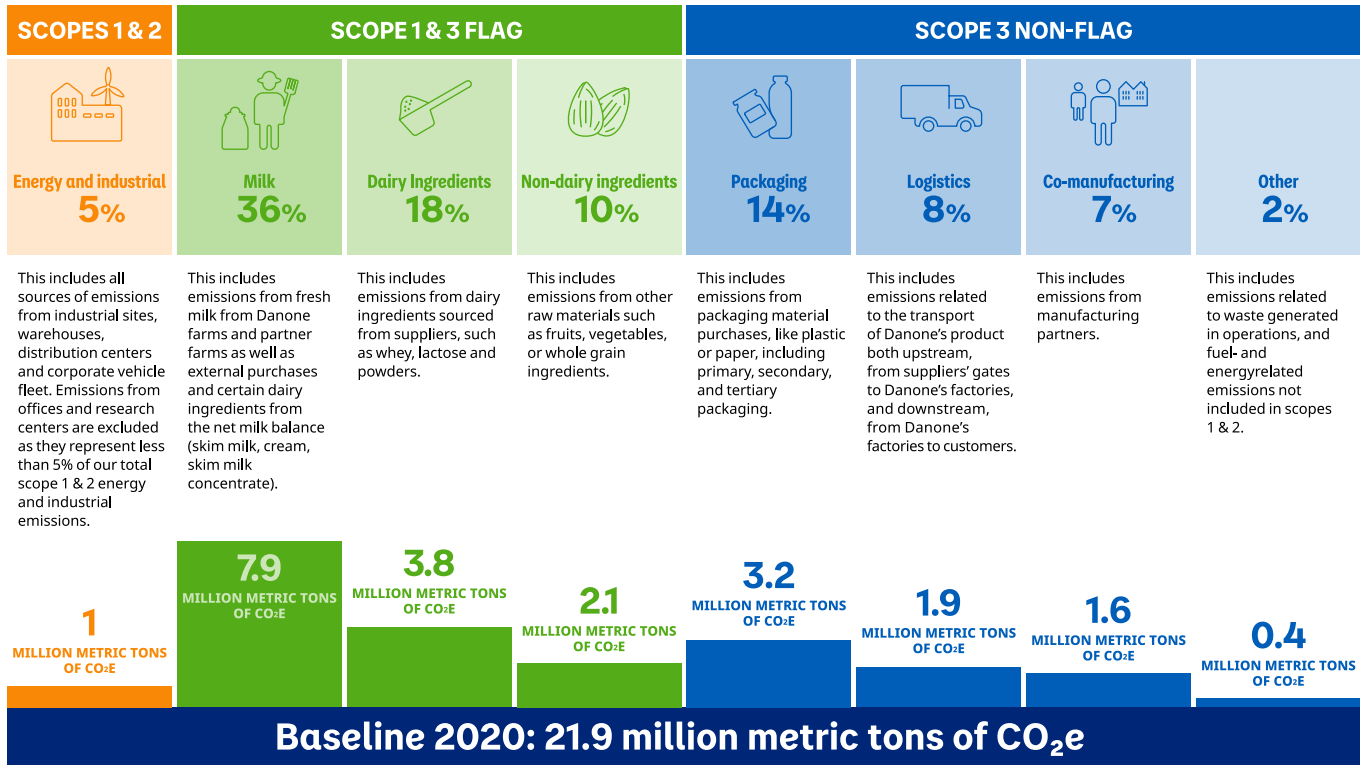
incorporate the evolution of Danone's emissions trajectory in recent years, thus demonstrating the effective integration of decarbonization initiatives into its operating model.

Danone's greenhouse gas emissions, included in the SBTi targets, in millions of metric tons of CO<sub>2</sub> equivalent vs its 2020 baseline, are broken down as follows:



# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.7 Vigilance plan



Danone's carbon footprint covers its scope 1, 2 and 3 emissions. Its scope 3 emissions are particularly high. For this reason, the Group is stepping up its actions on issues linked to agriculture and packaging, where the risks and challenges are particularly significant for its activities and supply chain.

### Risks identified

Current global greenhouse gas emissions are heading towards global warming exceeding the goals of the Paris Agreement. This reality poses many risks for Danone, its supply chains and its consumers. These risks include environmental, health and social risks.

- Climate change, loss of biodiversity, soil depletion, water scarcity and flooding are closely linked and need to be addressed together. A silo approach may result in investments that are ultimately counterproductive, leading to a negative impact on biodiversity, water resources and local communities. A non-material approach may also result in failing to mitigate the risks generated by Danone, which must deploy its actions across its entire value chain, with a particular focus on its scope 3 agricultural emissions.
- Climate change also results in risks to the health, livelihoods, well-being and dignity of billions of individuals worldwide, particularly risks to the right to life, to food and water, to health and to decent work. Water resources are particularly affected by the consequences of climate change, yet they remain fundamental for human health as they involve drinking water, sanitation and hygiene.
- Climate change may exacerbate social and economic inequalities, disproportionately affecting vulnerable groups, such as small-scale farmers, children, women and indigenous peoples.

### Commitments and targets

As part of its sustainability strategy – the Danone Impact Journey – Danone aims to reduce its greenhouse gas emissions (1.5°C target) and lead the way on methane reduction.

To achieve this, Danone committed to reducing its absolute emissions by 34.7% by 2030, from a 2020 baseline year, with the following targets validated by the Science-Based Targets initiative:

- reduce absolute scope 1 and 2 GHG emissions by 46.3% by 2030 from a 2020 base year;
- reduce absolute scope 3 GHG emissions by 42% by 2030 from a 2020 base year;
- reduce absolute scope 1 and 3 Forest Land and Agriculture (FLAG) GHG emissions by 30.3% by 2030 from a 2020 base year;
- reduce absolute methane emissions from milk used in dairy products by 30% by 2030.

In 2024, Danone also committed to reaching Net-Zero greenhouse gas emissions across the value chain, with the following targets validated by the Science-Based Targets initiative:

- Energy and Industry: Danone commits to reducing absolute scope 1, 2 and 3 GHG emissions from purchased goods and services, fuel and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution, and end-of-life treatment of sold products by 90% by 2050, from a 2020 base year. The target includes land-related emissions and removals from bioenergy feedstocks.
- FLAG: Danone commits to reducing absolute scope 1 and 3 FLAG GHG emissions by 72% by 2050, from a 2020 base year. The target includes FLAG emissions and removals.

**Roadmap and action plan**

To achieve its ambitious targets, the Group has worked on a clear and concrete roadmap for reducing its emissions, built around eight strategic programs, published in the Climate Transition Plan in 2023.

The first six programs cover its entire value chain: operations, milk, ingredients, packaging, logistics and co-manufacturing partners.

The last two programs are cross-functional, aimed at accelerating the decarbonization of Danone's entire value chain, such as the Supplier and Subcontractor engagement program and the program on the design and management of low-carbon product portfolios, which aims to integrate carbon footprint reduction from the design stage of the Group's products.

Program	Actions	Examples
<p><b>1. Direct operations (~5% of Danone's GHG emissions, 2020)</b></p>	<p>Danone's Re-Fuel program aims to reduce its GHG emissions from scope 1 &amp; 2 by 46.3% between 2020 and 2030. It is based on 1) improving the Group's energy efficiency by equipping sites with tools and practices to maximize energy efficiency, 2) sourcing 100% of electricity from renewable sources and transitioning to renewable thermal solutions such as biomass, electrification, heat pumps and biomethane.</p>	<p>In Spain, the installation of a heat pump at the Tres Cantos dairy factory saw a 21% reduction in gas.</p> <p>In the Netherlands, the installation of a heat recovery system at the Haps Specialized Nutrition site has enabled a 5% energy reduction.</p> <p>In Meknes (Morocco), a biomass boiler powered by local olive pomace oil by-product waste alongside a biodigester using sludge from the factory's wastewater plant, means the factory is powered by 86% renewable energy.</p>
<p><b>2. Milk (36% of Danone's GHG emissions, 2020)</b></p>	<p>The Group's global, regional and local teams work hand in hand with farmers, suppliers and technical partners to support farmers and develop action plans and roadmaps for continuous improvement toward more resilient, sustainable and economically viable farms. These roadmaps are tailored based on where the farms stand in their regenerative agriculture and decarbonization journeys, and what the farms' challenges are, in order to prioritize improvement practices, bearing in mind trade-offs and co-benefits. In this sense, regular monitoring is put in place to establish a clear understanding of where farms in the supply chain are currently placed in their regenerative agriculture transition journey and what steps Danone needs to take to support them to go further. This also allows for increased supply chain transparency and enables continuous improvement.</p>	<p>In France, the <i>Les 2 Pieds sur Terre</i> program, launched in 2017, aims to help farmers improve soil health and achieve a 15% reduction in GHG emissions by 2025, while boosting their competitiveness. The project supports farmers by measuring their carbon footprint on their farm (using the CAP2ER tool), co-designing customized action plans with them and providing access to technical and financial support for their implementation. In 2024, the project trained 359 farmers via more than 21h trainings, and enabled 498 farmers to increase and secure their revenues thanks to the project.</p> <p>In 2023, Danone committed to a global action plan to reduce methane emissions from the fresh milk supply chain by 30% in absolute terms by 2030 (from the 2020 baseline). The target represents the equivalent of 1.2 million metric tons of carbon dioxide by 2030. To achieve this goal, Danone:</p> <ul style="list-style-type: none"> <li>■ supports dairy farmers in implementing regenerative agriculture practices and developing innovative solutions;</li> <li>■ collaborates and partners with peers, governments and organizations such as the Environmental Defense Fund to develop innovation, accountability and advance financing models;</li> <li>■ engages in dialogue with public authorities to improve methane policies, share data and information on methane, support research and funding, and facilitate the transition to regenerative dairy practices.</li> </ul>

Program	Actions	Examples
<b>3. Ingredients (18% of Danone's GHG emissions, 2020)</b>	<p>To reduce the environmental impact of its dairy and non-dairy ingredients, Danone is focusing its efforts on three areas:</p> <ol style="list-style-type: none"> <li>(1) engaging its Suppliers and Subcontractors to implement actions to reduce GHG emissions, for example by including carbon reduction targets in contracts;</li> <li>(2) deploying regenerative agriculture practices;</li> <li>(3) combating deforestation – see below.</li> </ol> <p>Danone aims to source from traced and verified deforestation- or conversion-free value chains by 2025 for direct priority commodities of the Renewed Forest Policy.</p> <p>With the launch of the Renewed Forest Policy in 2022, Danone has defined three pillars (clean supply chain, responsible Suppliers and Subcontractors, regeneration) and specific performance indicators. Danone releases an annual report on forest-related topics to show the progress achieved on each of these indicators.</p> <p>Danone adheres to the methodology and definitions of the Accountability Framework Initiative, through consensus between civil society and NGOs.</p> <p>Over the last three years, Danone has strengthened its traceability and verification processes. All its data on key forest products are collected and verified by external partners: the Earthworm Foundation (for palm) and 3keel (for other products). The goal is to assess Supplier and Subcontractor performance in delivering traceable and verified Deforestation and Conversion Free (vDCF) products, obtain traceability information to determine the nearest or current (if possible) location of product production, identify Suppliers and Subcontractors who do not comply with Danone's policy and work with them to achieve transparent and verified DCF supply chains.</p>	<p>In 2024, Danone leveraged its Partner for Growth program along with other supplier engagement projects to decarbonize its supply chain, promote regenerative agriculture practices, implement positive water management practices, and eliminate deforestation and conversion from its supply chains.</p> <hr/> <p>Danone acknowledges the importance of third-party certification programs for specific value chains, and supports such certification programs for its own supply chains whenever feasible. 2024 results: 97% of palm oil was sourced RSPO Segregated and 2.2% was certified RSPO Mass Balance (in 2023, 95% of palm oil was certified Segregated, with 2% in Mass Balance).</p>

Program	Actions	Examples
<p><b>4. Packaging (14% of Danone's GHG emissions, 2020)</b></p>	<p>Regarding packaging, Danone has three objectives:</p> <ul style="list-style-type: none"> <li>■ 100% reusable, recyclable or compostable packaging by 2030;</li> <li>■ halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030 vs 2020, accelerating reuse and recycled materials;</li> <li>■ lead the development of effective collection systems to recover as much plastic as it uses by 2040.</li> </ul> <p>To reduce GHG emissions related to packaging, Danone focuses its efforts on the following areas:</p> <ol style="list-style-type: none"> <li>(1) shift to lower-carbon materials;</li> <li>(2) packaging optimization to reduce weight and/or eliminate unnecessary packaging;</li> <li>(3) improved packaging end-of-life; and</li> <li>(4) value chain engagement by engaging Suppliers and Subcontractors to reduce their emissions, notably by using renewable energy in their manufacturing processes</li> </ol> <p>More information on plastics is available in <i>Focus on risks related to plastic use and Danone's preventive actions</i>.</p>	<ul style="list-style-type: none"> <li>■ In 2024, 85% of Danone packaging was reusable, recyclable or compostable (84% in 2023). For plastic packaging, this proportion represented 76%</li> <li>■ 2% absolute reduction in the use of plastic packaging between 2020 and 2024;</li> <li>■ 8% reduction in the use of virgin fossil-based packaging between 2020 and 2024</li> </ul> <p>In 2024, the Group achieved the following results for recycled materials:</p> <ul style="list-style-type: none"> <li>■ 16.8% recycled materials on average in its plastic packaging (compared with 14.6% in 2023), 29.2% recycled PET (rPET) used on average by the Waters category (compared with 23.8% in 2023)</li> </ul> <p>In 2024, Danone engaged with over 45 suppliers across regions, validating specific emission factors for packaging products, representing more than 43% of the overall packaging CO<sub>2</sub> footprint, providing training and support in CO<sub>2</sub> calculation and access to renewable electricity for less mature suppliers.</p>
<p><b>5. Logistics (8% of Danone's GHG emissions, 2020)</b></p>	<p>To reduce its GHG emissions related to logistics, Danone is focusing its efforts on the following areas:</p> <ul style="list-style-type: none"> <li>■ optimizing its operations and improving efficiency, for example by optimizing truck or pallet filling rates;</li> <li>■ transitioning to less carbon-intensive modes of transport, such as rail or multimodal transport;</li> <li>■ improving the energy efficiency of its logistics partners' distribution centers;</li> <li>■ adopting new technologies such as electric vehicles.</li> </ul>	<p>By introducing double-deck trailers in 2023, Danone aims to optimize loading capacity, reduce emissions and significantly reduce the environmental impact of its logistics operations. These improvements generally lead to a reduction in CO<sub>2</sub> emissions of between 15% to 50% (projects in Spain and in Mexico). Using bio fuel (HVO) for local deliveries in Sweden reduced emissions by up to 80%.</p> <p>From June 2024, Electric vehicles are being piloted in Germany through a strategic partnership with Danone's main logistics provider in the county</p> <p>Since September 2023, by delivering Waters to customers in France using train network, Danone has reduced its road transport emissions.</p> <p>Small electric vehicles have been introduced for dairy deliveries in Egypt in 2024, marking the beginning of a pilot program to test and learn from this new technology</p>
<p><b>6. Co-manufacturers (7% of Danone's GHG emissions, 2020)</b></p>	<p>Co-manufacturers are partners manufacturing or packaging products on behalf of Danone. To reduce the GHG emissions related to these partnerships, Danone:</p> <ul style="list-style-type: none"> <li>■ encourages its partners to adopt science-based GHG emission reduction targets aligned with the 1.5°C pathway, in line with Danone's targets;</li> <li>■ encourages its partners to activate similar levers to its own for reducing GHG emissions in its direct manufacturing processes.</li> </ul>	<p>The focus is on supporting co-manufacturers in optimizing energy and waste management processes.</p> <p>In Europe, co-manufacturers have developed an initial network of electric trucks for logistics transport.</p>

Program	Actions	Examples
<b>7. Engage Suppliers and Subcontractors (cross-cutting program covering 95% of GHG emissions)</b>	<p>Danone mobilizes its resources to engage its entire value chain on the journey to decarbonization. This cross-cutting plan supports all its programs.</p> <p>Danone engages with its Suppliers and Subcontractors by focusing on the following areas:</p> <ul style="list-style-type: none"> <li>■ supporting and working with Suppliers and Subcontractors to increase their capacity to reduce GHG emissions;</li> <li>■ improving transparency, such as sharing information on GHG emissions and continuous improvement;</li> <li>■ incorporating climate commitments in contracts;</li> <li>■ developing partnerships, including co-investments and joint projects;</li> <li>■ developing relationships with new Suppliers and Subcontractors who can deliver lower carbon footprints.</li> </ul>	<p>The collaboration between Danone and Friesland Campina has resulted in a 24% reduction in emissions from sourced ingredients between 2015 and 2024.</p> <p>Danone has also collaborated with Synlait on a project to measure the impact of regenerative agriculture practices on soil health.</p> <p>By the end of 2024, over 84% of Danone's Suppliers and Subcontractors (by volume) were members of the Sustainable Dairy Partnership, a platform that supports the decarbonization of the dairy sector.</p> <p>While publishing Danone new Sustainable Purchasing Policy, Danone also incorporates an SBTi commitment from its Suppliers to reduce greenhouse gas emissions.</p> <p>With the contractual clause related, Danone is asking to certain Suppliers to commit to develop SBTi targets, and/or to reduce their greenhouse gas emissions by 30% by 2030.</p> <p>Danone is currently working with HOWGOOD to develop a common platform for suppliers to share their decarbonization initiatives.</p>
<b>8. Product design and management of low-carbon portfolios</b>	<p>Danone acknowledges that actions to decarbonize its existing activities must be accompanied by reflection on product design and its business operations.</p> <p>As a consequence, Danone has launched a program on product design and low-carbon portfolio management.</p> <p>The main priorities are:</p> <ul style="list-style-type: none"> <li>■ integrating GHG indicators into innovation and renovation processes;</li> <li>■ developing innovative, less carbon-intensive packaging and formats;</li> <li>■ developing lower-carbon ingredients for dairy and plant-based products, including hybrid products;</li> <li>■ promoting innovation and new disruptive technologies;</li> <li>■ managing the portfolio in a way that optimizes both economic and carbon aspects, while remaining true to its purpose of bringing health through food to as many people as possible. This entails working together with Suppliers and Subcontractors, distributors and other partners to create competitive conditions for less carbon-intensive products.</li> </ul>	<p>The acquisition of the plant-based products portfolio, including the flagship Silk and <i>Alpro</i> brands, has made Danone a world leader and pioneer in plant-based products.</p> <p>Since 2017, the dairy products category has been transitioning towards regenerative, less carbon-intensive agriculture.</p> <p>With respect to Specialized Nutrition, Danone has developed hybrid products that provide nutritional value for consumers while reducing their carbon footprint.</p> <p>Around 50% of water volumes are already offered in reusable format.</p> <p>In 2024, Danone began rolling out HowGood's product footprinting solution. This solution automates and streamlines carbon footprint calculations for Danone's products. Leveraging a comprehensive database of over 90,000 emission factors, the platform provides dynamic life cycle assessments (LCAs) that are continuously updated with the latest scientific research.</p>

**Results**

In 2019, Danone estimated that it had reached the peak of its scope 1, 2 and 3 emissions, five years ahead of its original target (2025). Since then, the Group's emissions have continued to decrease. In 2024, total emissions across its entire value chain amounted to 19,803 ktCO<sub>2</sub>e (compared with 27,179 million tCO<sub>2</sub>e in 2019).

The largest portion of emissions is generated by scope 3, representing 95.9% of total emissions (i.e. 18,996 ktCO<sub>2</sub>e in 2024, 20,614 in 2023), while scopes 1 and 2 cover only 4.1% (i.e. 685 ktCO<sub>2</sub>e for scope 1 and 122 ktCO<sub>2</sub>e in 2024 for scope 2).

Scope 3 emissions related to milk purchases are the most significant, representing 31.7% of SBT scope emissions, notably due to methane emissions from the supply of fresh milk used in dairy products. Therefore, Danone has made it one of its priorities to decarbonize its value chain, achieving a 25% reduction in methane emissions in 2024 compared to 2020 (13.3% in 2023).

Furthermore, in 2024, Danone purchased 39% of its key ingredients directly from producers who started their transition to regenerative agriculture, thereby exceeding its target by two years ahead of schedule (initially set at 30% by 2025 as part of its Danone Impact Journey strategy).

The table below presents a non-exhaustive list of the Group's key results related to combating climate change:

	2023	2024	Target
Total scope 1 emissions (in ktCO <sub>2</sub> e)	789	685	-46.3% in 2030 for scope 1 & 2 Energy and Industrial
Total scope 2 emissions (in ktCO <sub>2</sub> e)	256	122	-30.3% in 2030 for scope 1 & 3 FLAG
Total scope 3 emissions (in ktCO <sub>2</sub> e)	20,614	18,996	-42% in 2030 for scope 3 Non-FLAG 2020 excl. EDP Russia base year
Total scopes 1, 2 & 3 emissions (in ktCO <sub>2</sub> e)	21,659	19,803	Net-Zero in 2050 (SBTi)
Total methane emissions (in ktCO <sub>2</sub> e)	3,548	3,054	-30% in 2030
Total percentage of renewable electricity	71.8%	85.7%	100% in 2030
Total percentage of renewable energy	34.3%	41.1%	35% renewable thermal energy by 2030 50% renewable energy by 2030

## Focus on risks relating to plastic use and Danone's preventive actions

### Contents

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### Background

Whether it is paper, glass, metal or plastic, packaging is of paramount importance for the food and beverage sector, guaranteeing the safe delivery of products to consumers, while protecting and preserving their quality, ensuring their transport and storage, and contributing to the reduction of food waste.

Since the 1970s, plastic materials have gradually emerged as the most widely used material by the industry: lighter yet still strong and highly protective, more functional and practical for consumers and distributors, less energy-intensive than glass, and considered safe from a sanitary standpoint, plastic has notably become the standard for food and beverages. As a leader in natural mineral water and spring water, and essential dairy and plant-based products, Danone, like other Food and Beverages companies, has become a major user of plastic packaging, and one of the main users in certain countries and regions.

However, the widespread use of plastic packaging combined with inadequate end-of-life management, has caused many impacts on society on a large scale. The increasing awareness (which has accelerated in recent years) of the impact of plastics on environmental pollution and, more broadly, of the risks it poses to the climate, soil, water and human rights, has led Danone to firmly commit for several years to structured action plans aimed at reducing the use of plastic packaging, improving the circularity of plastics that cannot be eliminated to date, and recovering what is not kept in circulation.

These objectives are both challenging and complex to achieve. They entail, simultaneously and concomitantly, systematically exploring new technical solutions, developing new business models, promoting new usage and engaging in a comprehensive ecosystem, encompassing

either economic or regulatory aspects. Some actions can be implemented immediately, while others cannot or will only have an impact in the medium to long term. Some will be transitional while awaiting better solutions, while others will be definitive. Nevertheless, committing to this pathway is a priority for Danone.

### Governance

At Danone, a team focuses on packaging circularity, working in cooperation with the Research and Innovation, Operations and Procurement functions and the General Secretary team.

Danone's General Secretary team oversees regulatory monitoring at both national and regional level, and conducts an annual global assessment of policy trends and upcoming developments.

### Partnerships and collective initiatives

The key functions mentioned above dedicated to the circular economy of packaging are involved in ongoing external dialogue and partnerships with key stakeholders including expert groups, Suppliers and Subcontractors, governments and civil society, including non-governmental organizations (NGOs). For Danone, the aim of this dialogue is to understand its risks and opportunities, monitor its impact and co-develop its packaging strategy. Danone consults a large number of stakeholders on its environmental strategy (some of whom are mentioned in section 5.7.1.3 *Stakeholder dialogue* of this *Vigilance Plan*). Its main partners in the circular economy of packaging are:

- the **Ellen MacArthur Foundation** (EMF), through initiatives such as the New Plastics Economy and the Global Commitment on Plastics, led by the EMF in collaboration with the United Nations Environment Programme;
- the **Consumer Goods Forum Plastic Waste Coalition of Action** (CGF PWCoA), of which Danone is a member, which aims to set standards to improve plastic collection, reuse and recycling;
- the **Business Coalition for a Global Plastics Treaty**, led by the Ellen MacArthur Foundation (EMF) and the World Wildlife Fund (WWF), bringing together companies and financial institutions committed to supporting the development of an ambitious, effective and legally binding treaty within the United Nations to put an end to plastic pollution.

In addition to the three main stakeholders mentioned above, Danone also works with various other partners to develop its packaging and plastics strategy. A non-exhaustive list is shown in the table below:

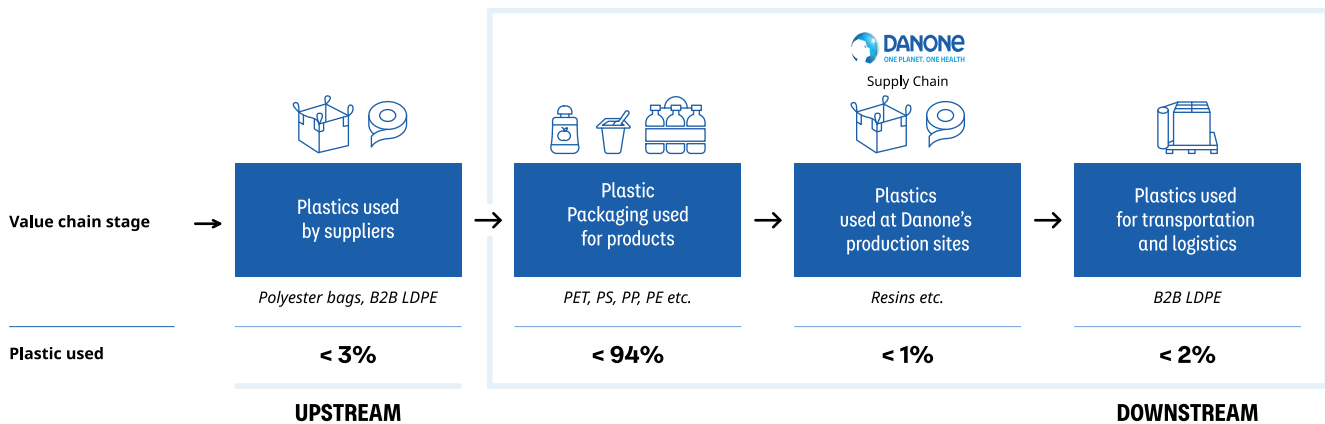
Categories	Role	Stakeholders
Industry alliances/coalitions	Collaborating on common challenges and pre-competitive solutions, covering various aspects from design to implementation such as standardization	Consumer Goods Forum, EMF New Plastics Economy, Business Coalition for a Global Plastics Treaty
Trade associations	Informing and co-developing advocacy positions and actions	UNESDA, Natural Mineral Waters Europe (NMWE), Food Drink Europe (FDE), etc.
Public authorities and political decision-makers	Participating in the definition of requirements for plastics processing, developing strategies, policies and actions to meet them	United Nations Development Programme, United Nations Environment Programme, European Union officials, national and local political decision-makers in countries where Danone operates
Distributors	Engaging and collaborating on common challenges and shared solutions (such as the adoption of new reuse models and the introduction of Deposit Return Schemes), including consumer involvement.	Walmart, Tesco, Carrefour, etc.
Suppliers and Subcontractors	Advising and collaborating to rethink packaging in favor of reuse and recycling	Tetrapak, GPI, Amcor, etc.
Collection and sorting organizations	Engaging and collaborating on challenges and opportunities to improve collection, recycling and reuse infrastructure (formal and informal)	Extended Producer Responsibility (EPR) organizations in countries where Danone operates (Citeo in France, Circular Action Alliance in the United States, IPRO in Indonesia), Circulate Capital, Closed Loop Fund (in the United States)
Non-governmental organizations (NGOs)	Identifying challenges and/or opportunities related to plastic footprint and proposing actions and solutions to mitigate them	World Wildlife Fund, Ellen MacArthur Foundation, CDP, The Recycling Partnership (in the United States)
Innovation partners/startups	Advising and collaborating to develop innovative solutions to reuse and recycling challenges	LOOP INDUSTRIES, Perfect sorting, HOLYGRAIL 2.0

**Plastic footprint**

Currently, plastic represents around 50% of Danone's packaging (same as last year). Danone has conducted an initial assessment of the presence of plastic in its operations and identified its usage at virtually every stage of the value chain: from some of its Suppliers and

Subcontractors upstream in its production sites to downstream in its logistics operation for product delivery to customers. This assessment shows that the majority of plastics in Danone's value chain, i.e., more than 94%, is used for packaging.

**ASSESSMENT OF PLASTICS IN DANONE'S VALUE CHAIN (IN 2024)**





# 5 SOCIAL, SOCIETAL AND ENVIRONMENTAL RESPONSIBILITY

## 5.7 Vigilance plan

- Upstream, plastic packaging is used by Danone's Suppliers and Subcontractors to ship raw materials to Danone's production sites, mainly in the form of polyester bags and polyethylene film.
- The plastic packaging purchased is used to safely contain Danone's products in accordance with current regulations and make them available to consumers. The Group has mapped primary and secondary plastics such as plastic bottles, films, caps and labels, yogurt pots and beverage cartons. Since this packaging accounts for more than 93% of the plastic used, it has been identified as the main risk to be mitigated.
- Danone's production sites also use plastic components to enable its sites to operate effectively.
- Danone monitors waste production and recovery at its production sites through recycling, waste reuse, and energy recovery. The production sites seek to maximize the recovery rate for their waste through on-site sorting. In 2024, the recovery rate for plastic packaging waste at the production sites totaled 99%.
- Downstream, plastics are used for transport and logistics to ship finished products to Danone customers, mainly in the form of polyethylene film.

All the players in Danone's value chain are key to co-build a circular economy for packaging. Danone is preparing the launch of a program in collaboration with these players, in order to increase transparency and traceability across the value chain, and implement actions to reduce the impact of its plastic packaging. To achieve this goal, a recognized framework, methodology and tool will have to be deployed in collaboration with the industry.

### Risks identified

Danone has established processes and engages in continuous dialogue with its stakeholders enabling it to identify risks associated with packaging.

Plastic packaging presents cross-cutting risks across the value chain, including:

- environmental risks associated with plastic use and plastic pollution having an impact on water, air, soil, fauna, flora and the climate throughout the plastic life cycle;
- risks relating to human health and the rights of workers and neighboring communities, especially vulnerable populations in or near plastics extraction, processing, treatment and recycling infrastructure; risk of failure to respect human rights in the plastics value chain, particularly with regard to waste pickers and recycling workers;
- human health risks relating to the production and use of certain plastics and additives that are likely, due to the migration of sensitive substances, to generate impacts on human health throughout the life cycle of plastics.

The potential impacts of plastic pollution, especially microplastics, on human health are the subject of research, the developments and results of which are closely monitored by Danone.

### Commitments and targets

Danone has long been committed to promoting a circular approach to packaging. This is demonstrated by its participation in the creation of the first Extended Producer Responsibility system (Eco-Emballages, now Citeo) in France in 1992, as well as *evian's* leadership in becoming the first brand to use food-grade recycled PolyEthylene Terephthalate (rPET) for natural mineral water in France in 2008.

In 2017, the Group cemented its ambition to lead the transition to a circular economy for packaging by joining the Ellen MacArthur Foundation's (EMF) New Plastics Economy initiative and signing the Global Commitment on Plastics led by the EMF in 2018. Since then, Danone has made tangible progress in key areas such as in the reduction in the use of plastic, virgin plastic reduction, reuse, recyclability rate and recycled content.

### Commitments

Building on its progress and experience, Danone is continuing its transition to a circular and low-carbon packaging system, while aiming to recover as much plastic as it uses. This approach is outlined in its sustainability strategy – the Danone Impact Journey – which sets out three main objectives:

- 100% reusable, recyclable or compostable packaging by 2030;
- halve the use of virgin fossil-based packaging by 2040, with a 30% reduction by 2030 compared to 2020; by accelerating reuse and recycling;
- lead the development of effective collection systems to recover as much plastic as Danone uses by 2040.

Danone shares its packaging ambition and commitments with its Suppliers and Subcontractors, asking them to align their practices with its approach in order to co-build a transparent circular economy for packaging. This entails minimizing plastic usage, designing reusable, recyclable or compostable packaging, and enhancing the use of recycled materials in their packaging materials.

This approach is described in the Danone Sustainability Principles (DSP) and in the Sustainable Sourcing Policy (SSP) launched in 2024. For Tier 1 suppliers (excluding farmers), the SSP enhances the DSP & Implementation Note for Business Partners. It sets higher standards for Danone and its Suppliers and Subcontractors, and outlines the Group's commitments to establish fair, sustainable, and ethical relationships. Danone has engaged with diverse stakeholders to develop it, including union representatives, NGOs, and international experts. The SSP is articulated around three sets of Fundamental Principles on social, environmental and business ethics issues. Danone's ambition is to deploy it to all Tier 1 suppliers by 2030.

### Systemic barriers

Since 2018, Danone has demonstrated tangible progress in key areas such as in virgin plastic reduction, reuse, recyclability rate and recycled content.

However, systemic barriers must be emphasized – from underdeveloped reuse, collection and recycling infrastructure to scarcity of recycled material. To overcome them, collective action is needed at all levels of the value chain, involving companies, political decision-makers (notably through regulation), distributors, waste collection services and consumers. Several factors are needed to accelerate the transition:

- strong and consistent regulation, including well-designed Extended Producer Responsibility (EPR) systems and Deposit Return Schemes (DRS) for water bottles, aimed at eliminating any distortion of competition;
- the establishment of collection, reuse and recycling infrastructures, and the creation of supply chains for reuse in certain markets;
- the development of new recycling technologies to enhance the recycling of hard-to-recycle packaging and materials;
- the adoption of solutions to encourage consumer involvement, notably with regard to reuse and recycling.

For this reason, Danone has advocated since 2020 with the WWF and EMF for an ambitious and binding global UN Treaty on Plastics. This is an important opportunity in unlocking and accelerating progress on plastics circularity and in reducing global plastic pollution.

**Action plans and outcomes related to the activities of Danone and its subsidiaries**

Danone implements action plans to fulfill its commitments in every country where it operates, following the circular economy principles underpinned in the Ellen MacArthur Foundation's New Plastics Economy, the European Directive on Single-Use Plastics (SUP) and the upcoming European Packaging and Packaging Waste Regulation (PPWR). These action plans focus on three main objectives:

- (1) reduce plastic usage;
- (2) improve the circularity of plastics that cannot be eliminated;
- (3) recover what is not kept in circulation, fighting against leakage into nature, while improving working and living conditions of workers in the collection and recycling sectors.

Danone's environmental packaging footprint is assessed on a yearly basis and monitored using environmental Key Performance Indicators (KPIs) calculated for each country and for each type of packaging. These indicators include packaging volumes that Danone places on the markets where it operates, packaging recyclability rates, actual recycling rates, use of recycled materials and greenhouse gas emissions.

**1. Reduce plastic usage, including virgin plastics**

Key results in 2024:

- Total packaging volumes: 1,397,960 metric tons, of which 670,107 metric tons of plastic.
- 2% reduction in absolute terms of plastic packaging use between 2020 and 2024.
- 8% reduction in the use of virgin fossil-based packaging between 2020 (baseline year) and 2024; and a 5% reduction between 2023 and 2024.

Danone aims to reduce plastic packaging use where possible, with actions and progress including:

- **Eliminating problematic or unnecessary packaging:**
  - plastic straws: between 2018 and 2024, Danone removed or replaced around 3.7 billion units of plastic straws (3 billion in 2023);

- plastic spoons: Danone removed or replaced around 30 million plastic spoons between 2018 and 2024, with total elimination in Europe.

- **Replacing plastic packaging with alternative materials such as glass, metal or paper-based solutions.** The Group is working to offer consumers plastic-free options that are economically viable, tailored to local needs, and ensures, through a life-cycle analysis, that the alternative solution is environmentally beneficial. These include:

- a natural mineral water offering in glass bottles and metal cans;
- planned alternative paper-based solutions in Europe for Danone's plant-based products category.

- Optimizing plastic use **through packaging design to use less material without compromising product protection:**

- Danone has launched several lightweighting programs across categories and regions, on cups and bottles. As an example, Danone's main water brands, such as *evian*, *Volvic*, *Font Vella*, *Lanjaron* and *Żywiec Zdroj* have launched lightweighting programs, achieving more than 10% reduction in weight since 2019 in 1.5L bottles;
- large formats have been developed, for example, in the Waters category. As an example, plastic content in *Volvic*'s 8L format weighs 25% less per liter than the 1.5L format.

- Reducing **virgin fossil-based plastic packaging.**

Reducing the use of new primary raw materials to decrease the demand for new plastic production can be achieved through multiple levers described in the action plans, such as increasing reusable materials and recycled content and/or replacing plastic packaging with alternative materials.

**2. Improve the circularity of plastics that cannot be eliminated**

Key results

In 2024, 85% of Danone's packaging was reusable, recyclable or compostable.

- **Developing reusable models:**

- around 50% of Danone's water volumes are sold in reusable packaging, mainly reusable water containers under the *Bonafont* (Mexico), *AQUA* (Indonesia) and *Sirma* (Turkey) brands;
- Danone is rolling out returnable glass packaging for its waters for the Hotels, Restaurants, Catering (HORECA) sector, and is working on expanding this in several countries, including France, Spain and Indonesia;
- Danone has launched more than 15 reuse projects (finalized or underway) for its Waters category, Dairy and Early life nutrition products, in collaboration with supply chain partners such as Terracycle Loop, Uzaje and LemonTri, as well as retailers such as Carrefour and Tesco. These pilots have brought Danone valuable knowledge for bulk, filling solutions and returnable models, helping Danone to develop a viable future model that will be beneficial in terms of plastic and CO<sub>2</sub> footprints.

■ Danone is also **actively participating in cross-industry partnerships to scale reusable models.**

- In France, the Group is collaborating closely with CITEO on the ReUse program to establish a unified and nationwide operational reuse system for food packaging.
- The Group forges and enters into cross-sector partnerships for its categories across its primary markets. For example, in 2023, Danone was one of the founding members of the Coalition Défi Vrac with companies such as Bel, Lesieur and Famille Michaud.
- The Group continues to work with platforms such as the Ellen MacArthur Foundation's Scaling Returnable Packaging project and the Consumer Goods Forum's Reuse/Refill working group, engaging in pre-competitive discussions and initiatives on the subject.

- Danone intends to work with distributors to develop reuse models, including recovery and cleaning standards, cross-industry specifications for distributors and new business models.
- Danone supports policies aimed at addressing current challenges concerning the expansion of reuse models, such as the lack of scalable business models, infrastructure and sector collaborations.
- Danone is committed to supporting consumer engagement on reuse, e.g., *evian* refill stations installed in public places and at events.

**Main active projects on Reuse/Bulk**

Project name	Category	Country	Brands	Partners	Focus	Starting date	End date
La Consigne by Carrefour	Waters	France	<i>evian &amp; Badoit</i>	Carrefour, Heineken, Coca-Cola	Infrastructure and logistics Consumer insights	2023	On-going
Loop	Waters	France	<i>evian &amp; Badoit</i>	Carrefour, Terracycle Loop and multiple brands	Consumer insights	2020	On-going
National ReUse program	Waters	France	<i>evian, Badoit, Volvic</i>	Citeo and cross-industry partners	Infrastructure and logistics	2023	On-going
Smart Water Dispenser IZIFILL	Waters	Indonesia	<i>Aqua Indonesia</i>	Izifill	Technology development Consumer insights	2023	On-going
Yoghurt dispenser for hotels	Plant-Based	Spain	<i>Alpro</i>	Hotels & PortAventura World	Technology development Consumer insights	2020	On-going
Défi Vrac coalition (pilot in 2 stores)	Dairy	France	<i>Danone Velouté</i>	Bel, Lesieur, Famille Michaud apiculteurs, Leclerc et Monoprix	Technology development Consumer insights	2023	Q4 2025 (tentative)
Cleaning Coalition	Specialized Nutrition	France	<i>Blédina</i>	Andros, Ecotone	Technology development Infrastructure and logistics	2023	Q4 2025 (tentative)

■ Re-designing packaging to **ensure recyclability**

Danone is working to ensure that the materials purchased to sell its products on the market can be sorted and recycled, taking into account existing infrastructures.

Some examples of efforts deployed in 2024 include:

- adapting packaging design to ensure efficient sorting, for example using new inks to improve the recyclability of black beverage cartons, such as *Alpro* drinks;
- Danone is also supporting the development of recyclability principles to achieve full circularity, participating in industry alliances (Ceflex, Consumer Goods Forum Golden Design Rules), and these guidelines are introduced into the packaging development process;
- for Essential Dairy & Plant-Based cups, whether made from PS or PET, Danone aims to ensure that 100% of the cups put on the market are recyclable. In this regard, Danone is working with value chain partners to create recycling streams, for instance: the PET25 coalition in France with CITEO or the PET Recycling Coalition in the US (since 2022);
- in 2024, Danone Canada initiated the transformation of dairy cups lines from PS to PET.

■ **Increasing the use of recycled materials to promote an after-use economy**

Increasing the incorporation of recycled materials is essential for extending the lifespan of packaging and reducing the amount of mismanaged materials. "Closing the loop" is Danone's priority for reducing its carbon footprint and preserving natural resources.

- In the Waters Category, the Group met its commitment to achieve an average of 25% rPET in 2020 and is aiming to reach an average of 50% by 2025 in countries where local standards and regulations allow it, thereby doubling its volumes of recycled materials from 2020. To attain this goal, the Group has already entered into long-term contracts with its Suppliers and Subcontractors to meet its targets, providing them with sufficient visibility to encourage them to invest in collection and recycling technologies and infrastructure.

- Danone continues to incorporate recycled materials into its cups portfolio, with PET cups containing 30% rPET in France and Belgium. Furthermore, in 2023, the Group signed its first contract in the US for the use of food-grade recycled high density polyethylene to incorporate into its beverage offering.
- The Group continued the launch of 100% rPET bottles. Since 2021, all Danone's main water brands have had at least one format made from 100% recycled materials (in the countries where it is authorized).
- Danone also actively supports new recycling technologies that enable the recycling of hard-to-recycle packaging and materials in order to reach its ambition, in partnership with companies such as Loop Industries and Eastman.

**3. Recover what is not kept in circulation, fighting against leakage into nature**

- Danone is committed to **co-building and co-financing efficient and inclusive collection systems to recover as much plastic as it uses**. Danone is engaged in developing efficient and inclusive collection and recycling systems, through a collaborative approach with its ecosystem. In 2024, 60% of the plastic that the Group placed on the market was recovered (versus 58% in 2023).
  - Danone participates in financing the collection of plastics at end-of-life by paying EPR fees in markets where this obligation is regulated. Danone participates actively in the promotion of Deposit Return Schemes (DRS) for water bottles, and runs pilot initiatives to demonstrate their effectiveness to decision-makers, for example in Poland;
  - in the United States, Danone is a founding member of the Circular Action Alliance (CAA), a Producer Responsibility Organization (PRO) approved to implement EPR in Colorado and California, and selected in 2024 by two other states (Maryland and Oregon). In 2018, Danone also committed to invest \$5 million in Closed Loop Partners' Closed Loop Infrastructure Fund (CLIF) to support the development of recycling infrastructure and promote a circular economy;
  - the Group's actions also include engaging with local partners, notably in Europe and North America, to create sustainable recycling streams for Essential Dairy and Plant-Based cups.
  - Danone will continue to support well-designed Extended Producer Responsibility (EPR) systems incorporating eco-modulation to incentivize packaging designed to be recyclable and including recycled content, and Deposit Return Schemes (DRS) for water bottles.

For several years, Danone has been acting in favor of a global treaty on plastics, and playing an active role in the Business Coalition for a Global Plastics Treaty. Together with other Coalition members, Danone is calling on governments worldwide to establish a robust treaty, with binding global rules and measures, to promote circularity and curb plastic pollution on a global scale.

- In **markets with high level of leakage**, in addition to Danone's support to well-designed EPR systems, Danone **has voluntarily invested in impact funds and provided subsidies** to overcome structural obstacles during the transition phase.

- In 2018, Danone has committed \$15 million to the Circulate Capital Ocean Fund (CCOF) in Asia, as part of the AQUA water brand's (Indonesia) pledge to recover more plastic than it uses by 2025. To date, the CCOF has committed over \$61.2 million. In 2024, CCOF portfolio companies prevented approximately 93,000 additional metric tons of plastic waste from leaking into the environment while improving the livelihoods of more than 5,600 workers across the recycling value chain since the start of the Fund.
- In 2020, Danone and five other companies co-founded the Indonesia Packaging Recovery Organization (IPRO), a voluntary PRO in Indonesia. Since then, more companies have joined the initiative, contributing to its growth and impact. In 2024, IPRO counts 18 members.
- In 2023, Danone joined the Circulate Capital initiative for Latin America and the Caribbean and committed an additional \$15 million to combat plastic pollution and develop the recycling value chain in the region and in particular in Mexico and Brazil.
- In 2024, Danone Aqua Indonesia, in collaboration with its partner Prevented Ocean Plastic, opened the first major plastic collection center in Samarinda (Borneo), capable of processing 500 metric tons of recycled plastic per month and creating 96 direct jobs for the region.

**4. Danone designs projects aimed at providing direct support to workers in the collection and recycling sectors, thereby improving their working and living conditions**

- Danone and Danone Ecosystem have launched **inclusive recycling projects** to support these workers in different ways in eight countries (for example, workers' cooperatives overseeing the collection, sorting and direct sale of plastics to recycling plants), enabling them to work in a safe environment, be fairly compensated and benefit from better social protection.

Global results of Danone Ecosystem projects:

- In 2024, more than 10,179 people have become professionally empowered through the nine projects implemented since the launch of Danone Ecosystem. This process of developing their autonomy has created a ripple effect, positively impacting over 2.94 million people.

In Indonesia, inclusive recycling projects, in collaboration with Danone Ecosystem, have resulted in the following outcomes:

- around 300 workers in the collection and recycling sector benefited from micro credit services and 2,896 had access to social benefits tailored to their needs;
- training communities of workers in the collection and recycling sectors to prevent child labor;
- since 2020, Danone Ecosystem actions have enabled the collection of 372 kttons of recyclable materials in eight countries.

- Use of recycled materials to promote an after-use economy

Managing recycled materials is essential to creating a reuse economy as it helps reduce the amount of mismanaged materials and to improve working and living conditions for waste pickers and recycling workers. "Closing the loop" is Danone's priority for reducing its carbon footprint and preserving natural resources. Furthermore, it can help create new jobs and stimulate economic growth.

### Action plans and outcomes related to Suppliers and Subcontractors and the SSP

Regarding the risks associated with the use of plastic packaging by its Suppliers and Subcontractors upstream of its supply chain, Danone shares its vision and commitments to them, through the Danone Sustainability Principles (DSP) and the Sustainable Sourcing Policy (SSP) launched in 2024. For Tier 1 suppliers (excluding farmers), the SSP is progressively replacing the DSP & Implementation Note for Business Partners. It sets the standards for Danone and its Suppliers and Subcontractors, and outlines the Group's commitments to establish fair, sustainable, and ethical relationships. Danone has engaged with diverse stakeholders to develop it, including union representatives, NGOs, and international experts. The SSP is articulated around three sets of Fundamental Principles on social, environmental and business ethics issues.

In terms of circular economy, the Group asks its Suppliers and Subcontractors, excluding farmers, to align with its approach to co-build a transparent circular economy for packaging by reducing the use of plastic, while increasing reusability and/or recyclability, as well as the recycled content in their materials.

Through the RESPECT program (see section 5.4.2 *Workers in the value chain (ESRS S2)* for more detail), Danone monitors Suppliers and Subcontractors' adherence to and compliance with its sustainability principles, implementing sustainable sourcing due diligence on its Suppliers and Subcontractors, other than milk producers (covered by the Social Pillar of Danone's Regenerative Agriculture Program). This program comprises four steps: use of a new ESG risk rating tool introduced in 2024, self-assessment of Suppliers and Subcontractors on Sedex or EcoVadis platforms, SMETA audit of priority Suppliers and Subcontractors, and follow-up on the resolution of critical non-conformities. In 2024, 88% of Plastic suppliers spend was covered by the RESPECT program (vs 85% in 2023).

Danone prioritizes a collaborative approach and fosters a culture of continuous improvement. However, in the event of a breach, in the rare cases where Danone deems that a Supplier or Subcontractor is not committed to remedying the situation, the Group takes necessary actions, which may entail ending a commercial relationship.

Regarding human rights and environmental due diligence – Danone encourages its Suppliers and Subcontractors to carry out human rights and environmental due diligence (HREDD) in line with the OECD guidance for responsible business conduct. The aim of conducting an HREDD is to identify, prevent, mitigate and report on how they address and manage potential and actual negative impacts on social and environmental issues that they may cause or contribute to through their own activities, as well as those directly related to their operations, products or services through their business relationships.

### Quality and food safety

Packaging design is primarily based on compliance with all applicable legal and regulatory requirements in the countries of production as well as in the countries where the finished products are marketed. In addition, it incorporates specific requirements from Danone regarding quality and food safety. In-house expertise enables Danone to monitor and anticipate the progress of scientific knowledge on the adverse effects of plastic on human health and the environment.

The various requirements enable Danone to control packaging quality through:

- compliance with purity criteria for substances used in the manufacturing of packaging materials;
- non-use, right from the packaging design stage, of certain substances identified as presenting specific risks to quality and/or food safety;
- verification of compliance with internal and regulatory requirements, particularly ensuring compliance with standards relating to potential migration of chemical substances from the packaging to the finished product;
- strict risk assessment relating to non-intentionally added substances migrating from packaging to finished goods (substances resulting from reactions or degradation);
- compliance with requirements related to potential microbiological, allergenic and physical hazards;
- continuous monitoring of emerging human health and safety risks and all relevant regulations. The Group develops and updates its company policies, standards and Compliance Programs to ensure that action is taken when impacts are identified;
- regular assessment of progress and developments in the field of human health and safety, notably through the Corporate Positions and Policies Committee (CPPC) co-led by the Chief R&I and Quality & Food Safety Officer and General Secretary, which develops and validates positions on key issues. More broadly, this committee also analyzes if and when any changes could be needed in the Group's positions relating to plastics and health.

Furthermore, all the Suppliers and Subcontractors are carefully selected, approved and audited to ensure their ability to supply materials that meet these requirements.

In the specific case of recycled plastics, Danone only uses recycled packaging that has been assessed and declared suitable and safe for use by the relevant authorities (EFSA, FDA). To remain one step ahead, Danone has set up an in-house procedure involving further requirements and analysis to focus on substances that could be created during recycling. The aim is to ensure that the chosen packaging is suitable and safe for use for consumers. These requirements are formalized through the signature of specifications with Suppliers and are recognized as being among the highest standards in the industry for recycled plastic materials in contact with food.

### 5.7.2.6 Alert mechanism

Danone has designed and implemented an alert mechanism providing all its employees and third parties (including external workers, suppliers, former employees etc.) with the possibility of reporting and disclosing any situation that may constitute a breach of the duty of vigilance prescribed by Article L.225-102-1 of the French Commercial Code.

The whistleblowing system covers all the breaches falling within the scope of the law. It was drawn up following discussions with Danone's employee representatives and ensures that whistleblowers are protected. Concerns raised undergo a triage process and may lead to investigations and, where appropriate, to sanctions, depending on the seriousness of the issue.

### Danone Ethics Line whistleblowing system

#### Background

Since 2017, an ethics whistleblowing system has been in place to enable whistleblowers to report any proven or potential breach of Danone's Business Conduct Principles or Sustainability Principles.

#### Purpose

The Danone Ethics Line provides a secure channel for anyone wishing to report any alleged violation of business conduct principles, human rights, fundamental freedoms, health and safety or the environment. The tool is adapted to the different stages of Danone's value chain.

### Access to the whistleblowing system

#### How to access the whistleblowing system

A QR code is included in (i) Danone's Code of Conduct, (ii) its Integrity Policy and (iii) its Health Care Systems Compliance Policy. This code is also shared during employee training sessions. It can also be found on posters and on Danone's intranet sites. A link to the Danone Ethics Line is also available for people external to Danone on the "Contact Us" section of [www.danone.com](http://www.danone.com).

Suppliers, Subcontractors and any third parties, including external stakeholders and external workers, can also use the Danone Ethics Line to report their concerns, anonymously if necessary.

Concerns can be raised through the digital platform or by telephone at any time.

Danone's alert system was updated in 2022 to make it easier to use and offer greater flexibility to people raising concerns, regardless of their geographical location.



### Report an Incident

Specifically, the scope of whistleblowing for Danone includes any alleged violations of our Code of Business Conduct, the Integrity Policy, any of our other Compliance Policies or any non-ethical conduct. It also covers any unlawful behaviour, financial malpractice and any activity which poses or is likely to pose a danger to the environment or to anyone working for Danone.

Select your location. \*

Where did the incident occur? \*

GET STARTED

### Check Status

You can check the status of your report or question using the access number and password you created when you submitted the report or question.

Access Number

Password

Forgot your password?

CHECK STATUS

### Multiple languages

Danone's whistleblowing system is available in 56 languages, which ensures it is accessible worldwide.

### Access hours

Danone's whistleblowing system is available around the clock, every day of the year. This total accessibility provides a permanent space for concerns to be raised, regardless of the time zone, and promotes real-time information processing by Danone.

## Awareness and communication initiatives

### Informing employees of Danone and its Subsidiaries about the whistleblowing system

In 2024, several awareness-raising initiatives were carried out to inform employees of Danone and its Subsidiaries about the existence and functioning of the whistleblowing system.

The Danone Ethics Line (DEL) is communicated to all employees on an ongoing basis via posters and through targeted communication campaigns as well as training. All measures are taken to protect employees who raise a concern in good faith through this channel.

A question on the Danone Ethics Line was included in the 2023 Danone People Survey (DPS), which was conducted worldwide. More than 80% of respondents said they knew how to report concerns via the DEL. In 2024, the DPS asked to all employees whether they were comfortable to report a concern via the DEL. 81% answered that they were comfortable/rather comfortable to do so.

### Informing Danone's Suppliers and Subcontractors

In 2024, Danone continued to inform its Suppliers and Subcontractors of the existence of its whistleblowing system in its contractual clauses. A direct mention is made in the DSP legal terms in the contracts as well as in the SSP legal terms, with a link to the DEL web page.

### Handling of reports

All concerns raised in the human rights category, including those relating to health and safety, are initially reviewed by the Global Human Resources Compliance and Labor Law team, which appoints an independent internal or external investigator if the concern calls for an investigation. All specific enough concerns that fall within the scope of the DEL are subject to an investigation.

Any potentially serious violation identified is handled in collaboration with the Human Rights team to determine the appropriate approach and action plans. Further collaboration is being developed to improve remediation and also to strengthen the whistleblowing system for all stakeholders beyond employees.

All concerns raised in the environment category are initially reviewed by Danone's Compliance Team and, when necessary, sent to the relevant function or team to investigate and, if necessary, resolve the potential problem.

## Specific alert and grievance mechanism for raw materials

### Purpose

Since 2019, Danone has implemented a whistleblowing system for palm oil, with the support of the Earthworm Foundation, a non-profit organization that assists companies in enhancing the accountability of their supply chains. Currently, this mechanism is also being used for other raw materials. Danone is adapting its monitoring process to more effectively manage concerns relating to raw materials.

A dedicated team meets regularly to address any incoming NGO and media alerts. When allegations of non-conformity against producers arise, the Group carries out an investigation with support from internal and external experts, and in particular Tier 1 Suppliers. If a low-risk non-conformity is confirmed, Danone asks the producers to develop an action plan to resolve the non-conformity.

In the case of high-risk non-conformities, Danone, working together with its Tier 1 Suppliers, may decide to suspend its relationship with the producer concerned, until they demonstrate concrete progress. Danone informs all its active Suppliers of any suspension decision. The suspended producer may re-enter Danone's supply chain after demonstrating progress and obtaining Danone's authorization.

### Handling of reports in association with stakeholders

In total, Danone is currently monitoring 18 alerts raised by organizations such as the Earthworm Foundation, RAN, Global Witness and Mighty Earth. In line with Danone's grievance mechanism, they are being investigated and monitored in dialogue with the parties involved and the supporting NGOs and experts.

**5.7.2.7 Monitoring of implemented actions and assessment of their effectiveness**

Pursuant to Article L.225-102-1 of the French Commercial Code, Danone has adopted a system for (i) monitoring the actions implemented as part of its Vigilance Plan, and (ii) assessing the effectiveness of these actions.

The purpose of this approach is to make any necessary adjustments, optimize the resources allocated by Danone to implement its Vigilance Plan, and assess the outcomes.

**Monitoring and assessment of actions specific to the activities of Danone and its Subsidiaries**

Risk category	Monitoring and assessment of actions
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>■ Monitoring of environmental performance indicators and outcomes of actions deployed on environmental topics, such as those actions covered by the Climate Transition Plan, the Clean Water Standards, or the roadmap on packaging.</li> <li>■ Audits based on environmental risks. In 2024, 114 sites were audited in connection with Danone's environmental risks, through the GREEN audit program.</li> </ul>
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<ul style="list-style-type: none"> <li>■ Monitoring of Danone Way results and deployment of additional educational content and improvement assistance including the human rights component. In 2024, 39 entities were assessed on their Human Rights Due Diligence (HRDD) implementation processes including temporary workers (see section 5.5.1 <i>Business conduct (ESRS G1)</i>).</li> <li>■ Monitoring of the HRDD roadmap deployment: in 2024, 100% of audits in scope for 2024 and 90% of self-assessments were completed.</li> </ul>
<b>HEALTH AND SAFETY</b>	<ul style="list-style-type: none"> <li>■ Monthly management of safety performance at all levels of the organization and monitoring of workplace accidents.</li> <li>■ Audits to measure the effectiveness of the WISE<sup>2</sup> program. In 2024, a total of 39 countries assessed their compliance with Danone's global health and safety processes via the Danone Way program (see section 5.5.1 <i>Business conduct (ESRS G1)</i>).</li> <li>■ Regular performance reviews of quality and food safety. These performance assessments focus mainly on KPIs related to quality and food safety, ongoing issues and monitoring of the implementation of action plans. In addition to these regular reviews, which take place at central, regional and local levels, an annual management review is carried out by the Directors of the Central Quality and Food Safety function. The Group's overall results are consolidated and analyzed in order to identify action plans to continuously improve the system.</li> <li>■ Ongoing monitoring of workers' health and safety through the HRDD roadmap deployment: in 2024, 100% of audits in scope for 2024 and 90% of self-assessments were completed.</li> </ul>



## Monitoring and assessment of actions specific to the activities of Danone's Suppliers and Subcontractors

Risk category	Monitoring and assessment of actions
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>■ Monitoring of RESPECT program performance indicators.</li> <li>■ Performance monitoring using the Cool Farm Tool and the Animal Welfare tool.</li> <li>■ Improved traceability of priority ingredients.</li> <li>■ Regenerative agriculture scorecard to support and assess the improvement of farmers' practices in regard to regenerative agriculture.</li> <li>■ Since 2022, the specialized firm 3Keel, renowned for its expertise in sustainable purchasing, has been working with Danone to strengthen and implement a traceability process for all priority raw materials of the Renewed Forest Policy (soy, cocoa, paper). The aim is to (i) measure the performance of all Suppliers and Subcontractors to deliver verified deforestation- and conversion-free raw materials, (ii) obtain traceability information to determine where raw materials are produced and (iii) identify the Suppliers and Subcontractors who may not be in compliance with Danone's commitments, in order to work with them towards traced and verified deforestation- and conversion-free value chains.</li> </ul>
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<ul style="list-style-type: none"> <li>■ Monitoring of RESPECT program performance indicators: KPI1 (percentage of Danone's expenditure covered by the RESPECT program), KPI2 (annual audit plan completion), KPI3 (audit closure rate) – (see 5.4.2.4 <i>Material impact, risk and opportunity management</i> in section <i>Actions related to workers in the value chain</i> in 5.4.2 <i>Workers in the value chain (ESRS S2)</i>). In 2024, KPI1 stood at 70.8%, indicating that 70.8% of the Group's expenditure was covered by the RESPECT program, other than raw milk, real estate and tax services. KPI2 stood at 90.2% (annual audit plan completion), and KPI3 at 80.9% (audit closure rate).</li> <li>■ Monitoring of milk volumes covered by Cost Performance Model (CPM) contracts takes into account production costs in the determination of the price of milk and is established with the farmers or their organizations.</li> <li>■ Improved traceability and certification coverage of priority ingredients.</li> </ul>
<b>HEALTH AND SAFETY</b>	<ul style="list-style-type: none"> <li>■ Monitoring of RESPECT program performance indicators.</li> <li>■ Periodic performance assessment of Suppliers and Subcontractors. These performance assessments primarily focus on analyzing key performance indicators (KPIs), addressing current issues or topics, and implementing action plans. These assessments aim to ensure the continuous improvement of Danone's Supplier/Subcontractor quality and food safety systems.</li> </ul>

### Vigilance Plan implementation report

As part of a proactive improvement approach, Danone has drawn up an implementation report for its Vigilance Plan, enabling it to measure the effectiveness of the actions taken, and provide a useful basis for guiding its future actions.

### Summary of results of Danone's own actions and those of its Subsidiaries

The table below shows the results of the actions implemented under the Vigilance Plan, both within Danone and within its Subsidiaries and in relation to Suppliers and Subcontractors.

The results listed are not exhaustive. More detailed information on monitoring indicators and key sustainability target is available in the relevant sections of section 5.3 *Environmental information* above.

Risk category	Risk	2024 results
<b>ENVIRONMENT</b>	<b>Prevention of risk relating to climate change and GHG emissions</b>	<ul style="list-style-type: none"> <li>■ 16.1% CO<sub>2</sub> reduction between 2024 and 2020 (excluding EDP Russia) in line with the SBTi 1.5°C pathway for 2030.</li> <li>■ 25% reduction in methane emissions from fresh milk production between 2024 and 2020 (excluding EDP Russia).</li> <li>■ Thanks to the switch to renewable electricity sources in France, Indonesia Morocco, Turkey and Uruguay, 105 Danone production sites used electricity from 100% renewable sources (compared to 99 in 2023). Total energy use from renewable sources represented 41,1% of total energy use in 2024 (compared to 34.3% in 2023).</li> </ul>
	<b>Prevention of risk relating to plastic pollution</b>	<ul style="list-style-type: none"> <li>■ Total packaging volumes: 1,397,960 metric tons, of which 670,107 metric tons of plastic.</li> <li>■ Absolute reduction of 2% in the use of plastic packaging between 2020 and 2024.</li> <li>■ 8% reduction in the use of virgin plastic packaging from fossil resources between 2020 (base year) and 2024.</li> <li>■ In 2024, 60% of the plastic that the Group placed on the market was recovered (versus 58% in 2023).</li> <li>■ The recovery rate for plastic waste at Danone production sites amounted to 99% (compared to 99% in 2023).</li> </ul>
	<b>Prevention of risk relating to the use of natural resources</b>	<ul style="list-style-type: none"> <li>■ 99,3% of facilities had 4R action plans (compared to 94.8% in 2023).</li> <li>■ 82,3% of facilities complied with the Clean Water Standards (CWS) (compared to 77.8% in 2023). Production sites implemented improvement plans to achieve these standards.</li> <li>■ 62% of the total water intake of production sites located in water-stressed areas had an effective watershed preservation action (up compared to 53% 2023).</li> <li>■ 78 production sites were ISO14001 certified (compared to 79 in 2023).</li> <li>■ In 2024, 47% of Danone production sites were located in high or extreme water risk areas.</li> <li>■ 88.5% of the total food waste was valorized.</li> <li>■ 54% of Danone's top 20 ingredients sourcing volumes are exposed to high or extremely high water risk</li> </ul>
	<b>Prevention of risk of damage to natural ecosystems and biodiversity</b>	<ul style="list-style-type: none"> <li>■ All the results in terms of climate change and greenhouse gas (GHG) emissions related to the use of natural resources or deforestation contribute to Danone's goal of combating damage to natural ecosystems and biodiversity.</li> </ul>
	<b>Prevention of risk relating to deforestation or conversion and changes in land use</b>	<ul style="list-style-type: none"> <li>■ 93% of Danone's raw materials were deforestation and conversion free.</li> </ul>
	<b>Prevention of risk of harm to animal welfare</b>	<ul style="list-style-type: none"> <li>■ 86% of fresh milk volumes worldwide assessed through the new animal welfare assessment tool or via Validus Animal Welfare certification</li> </ul>

Risk category	Risk	2024 results
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risk of discrimination and harassment</b>	<ul style="list-style-type: none"> <li>■ Inclusion Index in the Danone People Survey: 79% (vs 79% in 2023).</li> <li>■ Percentage of women in senior management positions: 44% (vs 43% in 2023).</li> <li>■ Percentage of women on the Executive Committee: 23% (vs 20% in 2023)</li> <li>■ Gender Pay Gap of 1.1 point in manager, director and executive positions (vs 2.1 pts in 2023)</li> <li>■ Deployment of the first steps of the HRDD process:               <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries</li> </ul> </li> </ul>
	<b>Prevention of risk to workers' rights to freedom of association and collective bargaining</b>	<ul style="list-style-type: none"> <li>■ The percentage of employees covered by collective bargaining agreements remained stable at 69%.</li> <li>■ Deployment of the first steps of the HRDD process:               <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries.</li> </ul> </li> </ul>
	<b>Prevention of risk relating to forced labor</b>	<ul style="list-style-type: none"> <li>■ Deployment of the first steps of the HRDD process:               <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries.</li> </ul> </li> </ul>
	<b>Prevention of risk relating to inadequate salary and income</b>	<ul style="list-style-type: none"> <li>■ 48 countries were covered by the global employee share ownership plan:</li> <li>■ 82% employee of Danone were covered by the global employee share ownership plan.</li> <li>■ 87,664 employees in 52 countries received health coverage fully meeting the criteria defined by Dan'Cares, representing 98% of Danone's employees</li> <li>■ Deployment of the first steps of the HRDD process:               <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries.</li> </ul> </li> </ul>

Risk category	Risk	2024 results
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risk relating to unreasonable working time</b>	<ul style="list-style-type: none"> <li>■ In at least 84.6% of the countries, Danone employees maintained an average effective working week of maximum 48 hours per week.</li> <li>■ Deployment of the first steps of the HRDD process:                             <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries.</li> </ul> </li> </ul>
	<b>Prevention of risk relating to precarious working conditions</b>	<ul style="list-style-type: none"> <li>■ Deployment of the first steps of the HRDD process:                             <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries.</li> </ul> </li> <li>■ Danone's continuous and in-depth dialogue with the IUF which began in the 1980s and has resulted in nine co-signed global agreements aligned with the UN Guiding Principles on Business and Human Rights (UNGPs), ensuring respect for human rights and labor standards</li> </ul>
	<b>Prevention of risk relating to a deterioration in living conditions in local communities</b>	<ul style="list-style-type: none"> <li>■ As this risk relates to environmental impacts (climate change, plastic pollution, etc.), the Group recommends referring to the results listed above in the "Environment" risk category.</li> </ul>
	<b>Prevention of risk relating to insufficient consumer access to products</b>	<p><b>Consumers:</b></p> <ul style="list-style-type: none"> <li>■ Danone's portfolio consists mainly of products that can be promoted as a healthy food choice. In 2024, 87,7% of product volumes sold scored 3.5 stars or higher, according to the Health Star Rating system (89.2% in 2023). According to this system, any product that scores 3.5 stars or above can be promoted as a healthy choice.</li> <li>■ In 2024, 67,6% of sales volumes (70% in 2023) originated from countries classified by the United Nations as developing or transitioning economies.</li> <li>■ In 2024, 48.5% of countries where Danone operates had at least one healthy product in their portfolio targeting middle- or low-income populations or a plan to expand access.</li> </ul> <p><b>Vulnerable populations:</b></p> <ul style="list-style-type: none"> <li>■ Danone Communities' investments in social enterprises provided access to drinking water for 20.8 million people (12.7 in 2023) around the world in 2024, representing 8.2 billion liters of safe drinking water (4.6 in 2023).</li> </ul>
	<b>Prevention of risk relating to personal data</b>	<ul style="list-style-type: none"> <li>■ The completion rates of e-learning courses are monitored on a yearly basis. In 2024, 100% of the target employee population completed e-learning courses.</li> </ul>
	<b>Prevention of risk relating to inadequate professional training</b>	<ul style="list-style-type: none"> <li>■ Percentage of Danone employees trained: 100%.</li> <li>■ Average number of hours per person trained by Danone: 32 (vs 24 in 2023).</li> </ul>

Risk category	Risk	2024 results
HEALTH AND SAFETY OF INDIVIDUALS	Prevention of risk relating to product safety and quality	<ul style="list-style-type: none"> <li>■ <b>External certifications:</b> in 2024, 150 FSSC 22000 certification audits were conducted by independent certification bodies (152 in 2023) and 94% of Danone entities were certified (96% in 2023).</li> <li>■ Internal Food Safety audits: in 2024, the internal audit team conducted 66 food safety audits (67 in 2023).</li> </ul>
	Prevention of risk relating to the consumption of foods with low nutritional quality	<ul style="list-style-type: none"> <li>■ 87.7% of product volumes sold scored <math>\geq 3.5</math> stars according to the Health Star Rating system (compared to 89.2% in 2023). According to this system, any product that scores 3.5 stars or above can be promoted as a healthy choice. The percentage drop in the KPI for 2024 vs 2023 is primarily due to a combination of market adjustments, strategic business decisions, external sociopolitical factors and HSR algorithm coding verifications.</li> <li>■ 80.4% of product volumes sold had no added sugars (compared to 81.2% in 2023).</li> <li>■ 78.5% of the volumes sold of the Group's Dairy and Plant-Based products directed at children aged between 3 and 12 had a maximum of 10g of total sugar per 100g (compared to 62.2% in 2023).</li> <li>■ 99.0% of the volumes sold of Danone Infant Milk Formula directed at children aged between 1 and 3 had a maximum of 1.25g of added sugar per 100 kcal (compared to 99.3% in 2023).</li> <li>■ 71.5% of Danone product volumes had on-pack/online interpretative nutritional information (compared to 40.5% in 2023).</li> <li>■ 89.8% of the volumes sold of the Group's kids' dairy portfolio were fortified with important vitamins and minerals (compared to 83.2% in 2023).</li> <li>■ In the 2024 Access to Nutrition global Index (ATNI), Danone was ranked second for the sub-category on Product Profile, recognizing the superiority of the Group's portfolio in terms of the nutritional quality of its products. Danone was also recognized as the company with the highest sales-weighted mean Health Star Rating of 3.8 out of 5 stars at portfolio level.</li> </ul>
	Prevention of risk relating to workers' health and safety	<ul style="list-style-type: none"> <li>■ Number of countries that have implemented the Employees Assistance Program (EAP): 39 (38 in 2023).</li> <li>■ Number of employees benefiting from health coverage that complies with the criteria defined by Dan'Cares: 87,664 in 2024 (86,928 in 2023).</li> <li>■ WISE<sup>2</sup> results: number of fatal accidents – 2 (3 in 2023); accidents with at least one lost working day – 187 (207 in 2023), frequency rate 0.9 (0.9 in 2023), severity rate in 2024 – 0.02 (0.03 in 2023).</li> <li>■ Deployment of the first steps of the HRDD process: <ul style="list-style-type: none"> <li>• 100% of Country Business Units translated and communicated the Human Rights Policy in local languages;</li> <li>• 100% of Country Business Units have set up local human rights governance;</li> <li>• 100% of SMETA audits in scope for 2024 completed in top ten priority countries;</li> <li>• 90% of self-assessments completed at all high priority sites in other countries.</li> </ul> </li> </ul>

Summary of results from actions implemented regarding Danone’s Suppliers and Subcontractors

Risk category	Risk	2024 results
ENVIRONMENT	Prevention of risk relating to climate change and GHG emissions	<ul style="list-style-type: none"> <li>In 2024, Danone sourced 39% of its main ingredients directly from producers who have started their transition to regenerative agriculture, thus exceeding its target two years ahead of schedule (initially set at 30% by 2025 as part of its Danone Impact Journey strategy).</li> </ul>
	Prevention of risk relating to plastic pollution	<ul style="list-style-type: none"> <li>8% reduction in the use of virgin fossil-based packaging between 2020 (excluding EDP Russia) and 2024.</li> <li>16.8% recycled materials on average in its plastic packaging (compared with 14.6% in 2023).</li> <li>29.2% recycled PET (rPET) used on average by the Waters category (compared with 23.8% in 2023) and 36.6% in countries where local standards and regulations allow it (compared with 31.3% in 2023).</li> </ul>
	Prevention of risk relating to natural resource use	<ul style="list-style-type: none"> <li>In 2024, the assessment conducted using the Aqueduct Water Risk tool developed by the World Resources Institute (WRI) identified the 20 ingredients (out of a total of 69) in its supply chain that were most critical for Danone in terms of water risk. Focused on water stress, this analysis highlights priority ingredients to deep dive on and helps to prioritize actions. 54% of the volume of these ingredients came from water-risk areas.</li> </ul>
	Prevention of risk of damage to natural ecosystems and biodiversity	<ul style="list-style-type: none"> <li>All the results in terms of climate change and greenhouse gas (GHG) emissions related to the use of natural resources or deforestation contribute to Danone's goal of combating damage to natural ecosystems and biodiversity.</li> <li>Since 2017, Danone has participated in the implementation of 20 agricultural projects in 25 different countries, including projects related to soil health, water and/or biodiversity (e.g.: Les 2 Pieds sur Terre, Pachamama project).</li> </ul>
	Prevention of risk relating to deforestation or conversion and changes in land use	<ul style="list-style-type: none"> <li>98% traceability of palm oil back to plantation and 100% traceability back to mill (99.3% and 99.8% respectively in 2023).</li> <li>99.2% RSPO (Roundtable on Sustainable Palm Oil) certified palm oil (95% in 2023).</li> <li>99% of paper and board packaging made of recycled fibers or virgin certified (FSC, PEFC, SFI) fibers (99% in 2023).</li> <li>71% of cocoa certified with one or more of the following certifications: Rainforest Alliance, Organic, Fairtrade (75-80% in 2023).</li> <li>100% of the soybeans used for the <i>Alpro</i> brand was ProTerra Segregated certified and came from areas identified as having no or negligible risk of deforestation and conversion (100% in 2023).</li> </ul>
	Prevention of risk of harm to animal welfare	<ul style="list-style-type: none"> <li>86% of the volume of fresh milk was assessed via the Group's animal welfare audit.</li> </ul>

Risk category	Risk	2024 results
<b>HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS</b>	<b>Prevention of risk of discrimination and harassment</b>	■ Percentage of critical non-conformities of Danone's Suppliers and Subcontractors relating to discrimination during the audits performed in 2024: 0.6% (representing three non-conformities)* vs 1.1% in 2023.
	<b>Prevention of risk to workers' rights to freedom of association and collective bargaining</b>	■ No critical non-conformities of Danone's Suppliers and Subcontractors relating to workers' rights to freedom of association and collective bargaining were identified during the audits performed in 2024*.
	<b>Prevention of risk relating to forced labor</b>	■ Percentage of critical non-conformities of Danone's Suppliers and Subcontractors relating to forced labor during the audits performed in 2024: 2.7% (representing 13 non-conformities) vs 1.3% in 2023. In each of the six cases, costs were unduly borne by workers during the recruitment process (such as costs relating to work permits, visas, medical examinations, uniforms, etc., which must be borne by the employer).
	<b>Prevention of risk relating to child labor</b>	■ Percentage of critical non-conformities of Danone's Suppliers and Subcontractors relating to child labor during the audits performed in 2024: 0.4% (representing two non-conformities) vs 0.7% in 2023. One of the situations concerned non-conformity with health and safety protection for young workers aged between 15 and 18 (ILO). Three if the cases related to missing policies. By the end of December, corrective actions had been taken in all cases*.
	<b>Prevention of risk relating to inadequate salary and income</b>	■ Percentage of critical non-conformities of Danone's Suppliers and Subcontractors relating to working time and compensation during audits performed in 2024: 28.1% (representing 135 non-conformities) * vs 21.5% in 2023.
	<b>Prevention of risk relating to unreasonable working time</b>	
	<b>Prevention of risk relating to community displacement and land grabbing</b>	■ No critical non-conformities of Danone's Suppliers and Subcontractors relating to community displacement and land grabbing during audits performed in 2024*.
<b>Prevention of risk relating to a deterioration in living conditions in local communities</b>	See the environmental section above for more details.	
<b>HEALTH AND SAFETY OF PEOPLE</b>	<b>Prevention of risk relating to product safety and quality</b>	■ In 2024, Danone achieved GFSI recognized Food Safety Certification rates for its Suppliers and Subcontractors of 96% and 92%, respectively (in 2023, 93% and 91% respectively).
	<b>Prevention of risk relating to workers' health and safety</b>	■ Percentage of critical non-conformities of Danone's Suppliers and Subcontractors relating to workers' health and safety during audits performed in 2024: 58.3% (representing 280 non-conformities)* vs 65.9% in 2023.

\* For Danone's Suppliers and Subcontractors, the results are based on the analysis of critical non-conformities from SMETA audits (or audits performed using a similar methodology) of shared Suppliers and Subcontractors by Danone or peer companies. Danone's goals are to support Suppliers and Subcontractors in their improvement process, validated by closure by the auditors in accordance with the SMETA methodology (verification of corrective action plans). Danone's dedicated resources are focused on supporting Suppliers and Subcontractors whose audits contain critical non-conformities, representing 480 audits out of 531 in 2024.

**Concerns raised through the Danone Ethics Line**

**Statistics**

In 2024, 516 reports were recorded in the human rights category. These reports came from 36 countries, compared with 388 reports in 31 countries in 2023. As a reminder, the human rights category was broadly redefined in 2021 to include child labor, forced labor, the right to collective bargaining, working time and decent wage, the set of issues related to discrimination, harassment, and workers' health, safety and security. This increase can be attributed in particular to the global communications campaign carried out in 2023 to raise awareness around the DEL and how to raise a concern. In addition, questions asked to all employees in the Danone People Survey in 2023 (about their knowledge of DEL) and in 2024 about their level of trust in DEL also contributed to this increase.

All these topics have been brought under the human rights category and form a set intended to:

- end exploitation (prohibiting child and forced labor, prohibiting harassment and abuse, ensuring reasonable working hours): 264 reports (mostly relating to harassment);

- maintaining decent working conditions (granting a decent wage and at least the applicable legal minimum or standard pay, committing to safe and healthy working conditions, granting the right to freedom of association and collective bargaining, ensuring all workers are treated equally with respect and dignity, promoting inclusion): 241 reports (almost all relate to misconduct and discrimination).

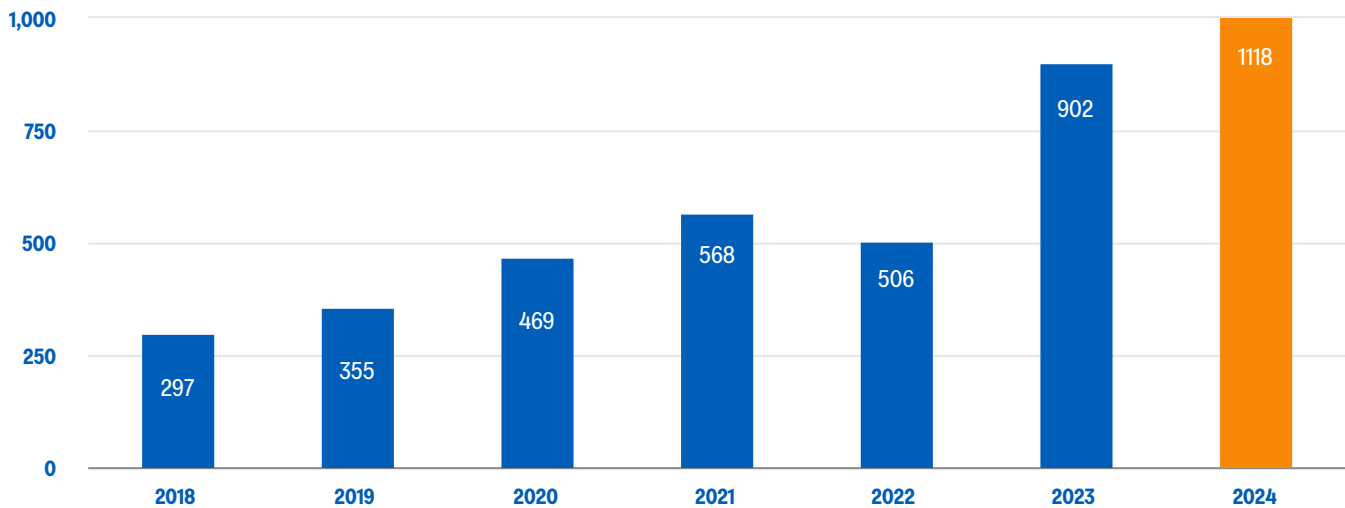
In summary, 82.7% of reports in the area of human rights related to harassment, misconduct or discrimination.

Out of the 516 reports received in 2024, 356 had been closed by year end, and 160 were still under investigation. Of the reports closed, 156 were totally or partially substantiated.

In 2024, four reports related to the environment. After investigation, zero was/were partially substantiated and two are still under review.

In 2024, the alert system registered a total of 1,118 reports worldwide (including those related to human rights and environmental concerns mentioned above), i.e., an increase of 24% compared to the previous year. This increase demonstrates the effectiveness of the communication campaign carried out in 2023, and the use of this tool by Danone employees and external workers.

**NUMBER OF DEL CONCERNS RAISED PER YEAR FROM 2018 TO 2024**



\* ECCIOF – European Chief Compliance Officer Forum

Finally, with respect to raw material concerns, in 2024, Danone registered 13 reports linked to deforestation and harm to human rights, eight of which were related to palm oil and five to other commodities.



# 6

## **CORPORATE GOVERNANCE**

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# 6 CORPORATE GOVERNANCE

## 6.1 Governance bodies

In accordance with Articles L.225-37, L.225-37-4 and L.22-10-10 of the French Commercial Code, the following section includes the Report of the Board of Directors on corporate governance, the composition of the Board of Directors and the conditions for preparation and organization of the Board's work.

In accordance with Article L.22-10-10 of the French Commercial Code, the Company affirms that it voluntarily adheres to the corporate governance Code for listed companies amended in December 2022 (AFEP-MEDEF Code). In addition, in accordance with paragraph 7 of Article L.22-10-10 of the French Commercial Code, which was integrated following Order no. 2023-1142 of December 6, 2023, a description of the main features of the company's internal control and risk management systems as part of the financial reporting process is provided in section 2.7 Control environment of this Universal Registration Document.

This report, inspired in particular by the comments gathered through a dialogue with Danone's shareholders throughout the year, was prepared following diligences performed by the Legal Department working closely with the Human Resources and Finance departments. It was previously presented initially to the Nomination, Compensation and Governance Committee on January 31, 2025 and then approved by the Board of Directors on February 25, 2025.

## 6.1 GOVERNANCE BODIES

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## BOARD OF DIRECTORS

### The Board of Directors in 2024



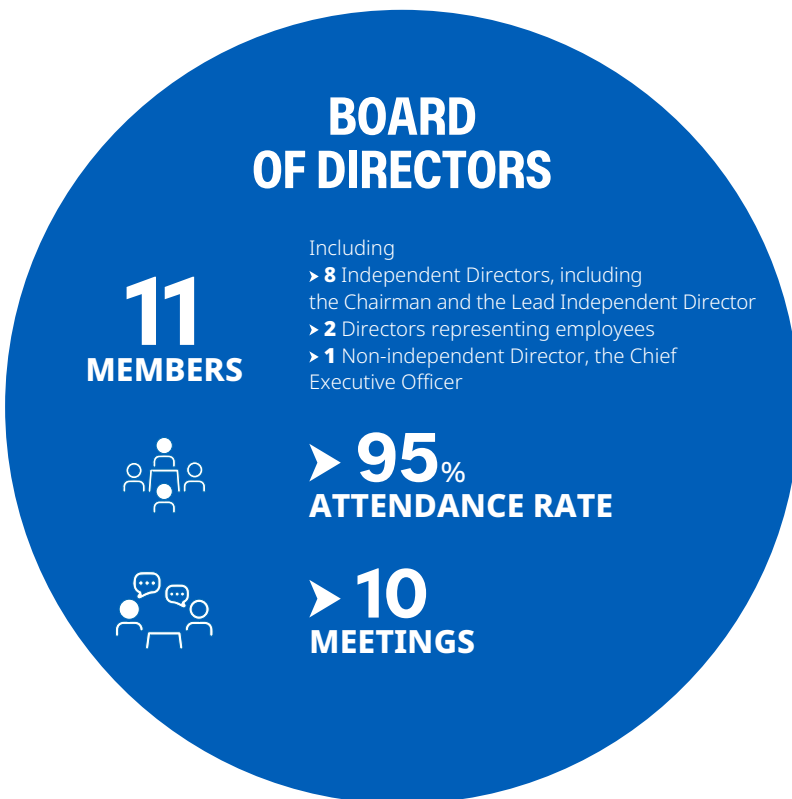
**INDEPENDENCE RATE\***



**DIVERSITY/DIRECTORS WITH A NON-FRENCH NATIONALITY\***



**PERCENTAGE OF WOMEN\***



#### AUDIT COMMITTEE

**3 MEMBERS**

▶ **100% ATTENDANCE RATE**

▶ **5 MEETINGS**

#### NOMINATION, COMPENSATION AND GOVERNANCE COMMITTEE

**3 MEMBERS**

▶ **100% ATTENDANCE RATE**

▶ **5 MEETINGS**

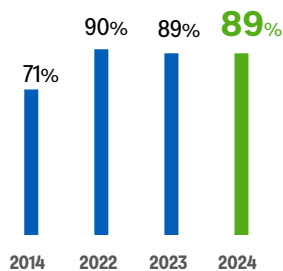
#### CSR COMMITTEE

**4 MEMBERS**

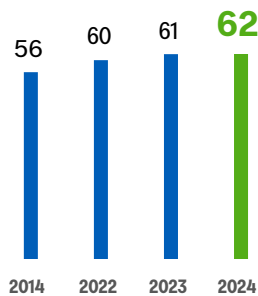
▶ **100% ATTENDANCE RATE**

▶ **4 MEETINGS**

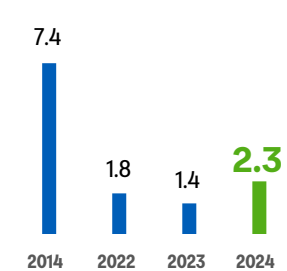
**INDEPENDENCE RATE\***



**AVERAGE AGE OF DIRECTORS (years)\***














**AVERAGE LENGTH OF THE TERMS OF OFFICE (years)\***



\* In accordance with the recommendations of the AFEP-MEDEF Code and legal provisions, Directors representing employees are not included in this calculation.

**Composition as of December 31, 2024: 11 Directors**

Since the end of its renewal conducted between 2021 and 2023, the Board of Directors is 89% made up of independent Directors, including recognized experts in the consumer goods market who hold or have held up top-level responsibilities in major international groups. The diversity and complementarity of Directors' experiences and expertises give them a detailed and in-depth understanding of Danone's challenges.

Name	Personal information				Position on the Board					
	Gender	Age	Nationality	Primary function	Number of DANONE shares	Number of directorships in non-Group listed companies	Independence	Starting date of Director's term	Expiration date of Director's term <sup>(a)</sup>	Years on the Board
<b>EXECUTIVE CORPORATE OFFICER</b>										
Antoine de SAINT-AFFRIQUE		60	French	Chief Executive Officer of Danone	7,500	1		2022	2028 <sup>(b)</sup>	2
<b>DIRECTORS</b>										
Gilles SCHNEPP		66	French	Chairman of Danone's Board of Directors	5,000	1	●	2020	2026	4
Valérie CHAPOULAUD-FLOQUET		62	French	Lead Independent Director of Danone	2,000	1	●	2022	2026	2
Gilbert GHOSTINE		64	Lebanese and Canadian	Chairman of the Sandoz's Board of Directors	3,000	1	●	2022	2027	2
Lise KINGO		63	Danish	Corporate Director	2,000	2	●	2022	2027	2
Patrice LOUVET		60	American and French	President and CEO of Ralph Lauren Corporation	2,000	1	●	2022	2028 <sup>(b)</sup>	2
Sanjiv MEHTA		64	Indian	Corporate Director	1,000	2	●	2023	2026	1
Géraldine PICAUD		54	French	Chief Executive Officer of SGS	2,000	-	●	2022	2028 <sup>(b)</sup>	2
Susan ROBERTS		67	British, Canadian and American	Associate Dean for Fundamental Research at Dartmouth College	2,000	-	●	2022	2028 <sup>(b)</sup>	2
<b>DIRECTORS REPRESENTING EMPLOYEES</b>										
Frédéric BOUTEBBA		57	French	Director representing employees	1 <sup>(c)</sup>	-	N/A	2016	2026	8
Bettina THEISSIG		62	German	Director representing employees	1 <sup>(c)</sup>	-	N/A	2014	2026	10

(a) Date of the Shareholders' Meeting.

(b) Subject to renewal by the Annual General Meeting of April 24, 2025.

(c) Share granted under the "One Person, One Voice, One Share" program.

Pursuant to Act no. 2013-504 of June 14, 2013 and the Company's by-laws, two Directors representing employees are members of the Board and are appointed by the French Group Works Council and the European Works Council, respectively. In addition, a member of the Social and Economic Committee, participates in an advisory capacity in Board of Directors' meetings. Moreover, Franck RIBOUD has been the Honorary Chairman of the Board of Directors since 2017 (see section *Vice-Chair, Honorary Chairman and Honorary Vice-Chairman* hereinafter).

## Danone's governance structure

Danone's mode of governance is adapted to its specific characteristics and history, and is part of a continuous improvement approach.

### Separation of the functions of Chairman of the Board of Directors and Chief Executive Officer

On March 14, 2021, the Board of Directors separated the functions of Chairman of the Board of Directors and Chief Executive Officer, by appointing Gilles SCHNEPP as Chairman of the Board, setting up a provisional General Management team and launching a search for a Chief Executive Officer. Following this external selection process led by the Nomination, Compensation and Governance Committee, with the support from a world-renowned recruitment firm, the Board of Directors, upon the recommendation of the Nomination, Compensation and Governance Committee, unanimously decided on May 17, 2021, to appoint Antoine de SAINT-AFFRIQUE as Chief Executive Officer as of September 15, 2021.

This separation of functions allows Danone to benefit from both the corporate governance expertise and experience of Gilles SCHNEPP and the recognized managerial and operational skills of Antoine de SAINT-AFFRIQUE.

### Chairmanship of the Board of Directors

#### Duties and powers of the Chairman

Pursuant to the Company's by-laws and the Board of Directors' rules, the Chairman of the Board of Directors:

- convenes and sets the agenda for Board of Directors' meetings;
- prepares, organizes and directs the work of the Board and leads discussions;
- ensures the proper operation of the Board;
- oversees the onboarding of new Directors;
- ensures that Directors are able to perform their duties and, in particular, that they are sufficiently informed prior to Board meetings and are able to meet with the Company's senior management and Statutory Auditors;
- may meet with investors from time to time to discuss governance matters, among other things;
- develops and maintains a trusting and ongoing relationship between the Board and General Management to ensure that management permanently and continuously implements the strategic orientations defined by the Board.

#### Work of the Chairman in 2024

Gilles SCHNEPP has been the Chairman of the Board of Directors since March 14, 2021.

In 2024, in this capacity, he oversaw the preparation of Board meeting agendas, taking into account Danone's current situation and key ongoing issues, and ensured that Directors had the best possible information. He actively led Board meetings, attended all Board Committee meetings and took part in the meetings of the Mission Committee.

In addition, he met each Director individually to discuss notably their individual contribution to the Board's annual assessment.

He took part in the dialogue with shareholders, meeting some of them directly. He also had discussions with representatives of the unit-holders of FCPE "Fonds Danone", the employee shareholding fund. These latter exchanges helped strengthen dialogue with Danone's employee shareholders.

He also attended the Capital Market Event held in The Netherlands in June.

Furthermore, he contributed to Danone's representation of the 2024 Olympic Games.

Finally, throughout the year, he maintained a direct weekly dialogue with the Chief Executive Officer and a regular dialogue with the Lead Independent Director, but also with members of the Executive Committee and certain Danone executives, enabling close coordination between General Management and the Board of Directors.

### General Management

Antoine de SAINT-AFFRIQUE has been Chief Executive Officer since September 15, 2021. On February 25, 2025, upon recommendation of the Nomination, Compensation and Governance Committee, the Board of Directors decided to renew Antoine de SAINT-AFFRIQUE's term of office as Chief Executive Officer, subject to approval of the renewal of his directorship by the Annual Shareholders' Meeting, for the duration of his directorship, in accordance with the by-laws.

#### Duties and powers of the Chief Executive Officer

In accordance with legal provisions and with the Company's by-laws, the Chief Executive Officer, appointed by the Board of Directors, is vested with the broadest powers to act on behalf of the Company in all circumstances, within the limits of the corporate purpose and subject to the powers expressly assigned by law to Shareholders' Meetings and the Board of Directors. He represents the Company in its dealings with third parties.

The Chief Executive Officer manages the Company's operations and, with the support of the Executive Committee, oversees the operational implementation of the strategic orientations approved by the Board of Directors.

He communicates transparently with the Directors and keeps them regularly informed of all aspects of the Company's operations and performance.

#### Limits on the powers of the Chief Executive Officer

The Board of Directors' rules set limits on the Chief Executive Officer's powers. Thus, the Board of Directors must approve strategic investment projects and all transactions, in particular acquisitions or disposals, that could have a significant impact on Danone's results, the structure of its balance sheet or its risk profile.

In 2024, the Board of Directors reviewed the transactions and transaction thresholds requiring prior authorization and/or information by the Board.

The Chief Executive Officer must obtain the Board of Directors' prior authorization for the following transactions:

Type of transaction	Thresholds based on Danone's consolidated figures
Acquisitions or disposals of securities and/or assets, partnerships or joint ventures (in cash or by asset contributions, carried out in one or more transactions)	Any transaction representing an amount exceeding €250 million for the Group's share
Internal reorganizations	Any reorganization project representing an overall cost for the Group's share exceeding €100 million
Capital expenditures (CapEx)	Threshold of €250 million for the Group's share

In addition, the Chief Executive Officer must systematically inform the Board of Directors for the following transactions:

Type of transactions	Thresholds based on Danone's consolidated figures
Other investments, including off-balance sheet commitments made by Danone	Threshold of (a) €250 million per year or (b) €50 million per year and exceeding 7 years, for the Group's share

## Board of Directors

Pursuant to the Company's by-laws and the Board of Directors' rules, the Board, a collegial body, exercises the powers attributed to it by-laws and acts in all cases in the corporate 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, examines the economical performance while pursuing to fulfill its 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 in 2020. Thus, it takes into consideration both the financial impacts as well as the social, societal and environmental consequences of its decisions on the various Company's stakeholders.

The Board of Directors meets as often as required to serve the Company's interests and at least five times a year. It conducts the verifications and controls that it deems necessary. All the Board's members are involved in debates and are source of proposals.

To prepare and inform its work, the Board of Directors may decide to create one or several specialized Committees, whose composition, powers and operating rules it sets, and which conduct their activity under its responsibility. The Committees are comprised only of Directors who are appointed in their individual capacity by the Board of Directors, acting on the recommendation of the Nomination, Compensation and Governance Committee.

## Lead Independent Director

The Lead Independent Director is appointed by the Board of Directors, upon the recommendation of the Nomination, Compensation and Governance Committee, from among the independent Directors. His/her appointment is mandatory when the functions of Chairman of the Board of Directors and Chief Executive Officer are combined. Although the functions of Chairman of the Board and Chief Executive Officer have been separated, the Board of Directors felt it appropriate to maintain this position, particularly in view of the recent full renewal of the Board's composition, and with a view to maintaining enhanced shareholder dialogue, particularly with regard to governance matters.

## Duties and powers of the Lead Independent Director

The Lead Director's duties are set out in the Board of Directors' rules.

As part of his/her principal duties, the Lead Independent Director:

- may propose additional agenda items to the Chairman and require that the Chairman convenes a Board meeting for a specific agenda;
- chairs Board meetings in the Chairman's absence;
- participates in the Directors' recruitment process;
- convenes, chairs and moderates a meeting of the independent Directors at least once a year and informs the Chief Executive Officer of the conclusions of these meetings;
- prevents conflicts of interest from occurring;
- ensures compliance with the Board's rules and with the principles/recommendations of the AFEP-MEDEF Code;
- oversees the assessment process for the Board and for the Chairman of the Board;
- is the main point of contact for shareholders regarding the Board's responsibility and governance and is available to meet with shareholders;
- is to be appointed Chair of the Nomination, Compensation and Governance Committee;
- oversees the preparation of the succession plan for the corporate officers, including the Chairman of the Board of Directors and the Chief Executive Officer, as well as the Directors' recruitment process.

## Resources

The Lead Independent Director:

- has access to all documents and information that he/she deems necessary to fulfill his/her duties. He/she may, in performing his/her functions, request the completion of external technical research at the Company's expense;
- is regularly informed of major events related to the Company's business;
- may meet Danone's operational or functional managers, at his/her request and after informing the Chairman and the Chief Executive Officer;
- may request assistance from the Board secretary in order to perform his/her duties.

## Report

The Lead Independent Director reports on the execution of his/her duties once a year to the Board of Directors. At Shareholders' Meetings, he/she may report on his/her actions at the Chairman's request or on his/her own initiative.

At the end of each term of office of the Lead Independent Director, the Board conducts a study on the operation of this body and reviews its powers in order to adapt them, if necessary.

## Work of the Lead Independent Director in 2024

In 2024, Valérie CHAPOULAUD-FLOQUET, Lead Independent Director and Chair of the Nomination, Compensation and Governance Committee, notably:

- participated in the annual exchange on the evolution of the short-, medium- and long-term succession plan for the Chief Executive Officer and Chairman of the Board, and the review of Executive Committee members;
- oversaw the assessment of the Board's operation and performance carried out at the end of 2024 in the form of an internal assessment via a questionnaire; the conclusions of this evaluation are published in the *Assessment* section below;
- conducted two meetings of independent Directors, devoted in particular to the operations of the Board of Directors and its Committees, the Board's work program, the performance of the Chief Executive Officer and the performance of the Chairman (in the latter's absence); and
- took part in the dialogue with shareholders, including a governance roadshow in November and December 2024, during which she met with over a dozen investors representing 35% of Danone's capital (more detail on these discussions is available in the *Dialogue with shareholders* section below); the Lead Independent Director provided the Directors with a report on the exchanges held with these investors.

Lastly, Valérie CHAPOULAUD-FLOQUET maintained close relations with the Chairman, the Directors, as well as with General Management and various Company's executives of Danone. In addition, the Lead Director visited the Danone Montreal site and met with its executive managers.

## Vice-Chair, Honorary Chairman

The Board of Directors' rules give the Board the option to elect (i) one or more Vice-Chairmen from among its members and to appoint (ii) an Honorary Chairman chosen from among the former Chairmen of the Board of Directors and (iii) up to two Honorary Vice-Chairmen chosen from among the Directors or former Directors.

## Honorary Chairman and Honorary Vice-Chairman

Franck RIBOUD, Danone's Chairman and Chief Executive Officer for 18 years (1996-2014) and then Chairman of the Board until 2017, was appointed Honorary Chairman that same year and for an indefinite period, in recognition of his invaluable contribution to the Board's work. The former Honorary Vice-Chairman, who died in 2022, has not been replaced.

In accordance with the Board' of Director's rules, when they are not Directors, the Honorary Chairman and the Honorary Vice-Chairman have no authority but may be invited from time to time to attend Board meetings in an advisory capacity. In addition, the Honorary Chairman may, at the request of the Chairman or the Chief Executive Officer, share his experience and speak to Danone's teams. He may also represent Danone among its longtime partners, and take part in the Company's key events.

The Board's rules also stipulate, to the extent necessary, that all the ethics rules applying to Directors especially in terms of confidentiality and market abuse regulation also apply to the Honorary Chairman. The Honorary Chairman's effective participation in Board meetings must be disclosed in the Corporate Governance Report. Franck RIBOUD, whose term of office as a Director expired in April 2022, has not attended any of the Board meetings held since that date.

It is specified that the position of Honorary Chairman does not entail any compensation.

## Vice-Chair

The former Vice-Chair, Cécile CABANIS, has not been replaced following her departure in 2022.

In accordance with the Board's rules, the position of Vice-Chair entails no specific powers other than chairmanship of (i) Shareholders' Meetings, in the absence of the Chairman of the Board or the Director to whom these functions are delegated, and (ii) Board of Directors meetings, in the absence of the Chairman and the Lead Independent Director.

## Balanced distribution of powers

In addition to the separation of the functions of Chairman of the Board of Directors and Chief Executive Officer, the balance of powers is ensured by the following mechanisms:

- chairmanship of the Board of Directors by an independent Director;
- the existence of a Lead Independent Director whose duties, resources and responsibilities are described in section *Lead Independent Director* above;
- the high independence rate of the Board of Directors, 89% of whom were independent Directors as of December 31, 2024 in strict compliance with the independence criteria of the AFEP-MEDEF Code, which allows it to exercise full oversight of the management;
- a Board made up of highly committed Directors who hold or have held top-level responsibilities in major international groups;
- the free and independent review of Board agenda items, with the work in the Committees also enabling Directors to review certain matters in greater detail and work in direct contact with Danone's teams;
- the composition of the Board Committees, all of which are chaired by independent Directors and the responsibilities of these Committees;
- the diversity policy regarding the Board's composition, which aims to ensure a variety of complementary profiles in terms of gender, nationality, skills and experience;
- the full involvement of Directors in the work and discussions of the Board and Committees, as reflected in a high participation rate at meetings (see section *Attendance rates for Directors in 2024* hereinafter);
- regular Independent Directors' meetings, organized by the Lead Independent Director, which enable them to discuss any topic of their choice freely and spontaneously and provide input for the Lead Independent Director's ongoing dialogue with the Chairman of the Board and the Chief Executive Officer;
- limits imposed on the Chief Executive Officer pursuant to the Board's rules, described above.



## Succession Plan for Executive Officers and the Lead Independent Director

### General principles

Each year, the Nomination, Compensation, and Governance Committee proactively and systematically oversees the succession of the Chairman, the Chief Executive Officer and the Lead Independent Director. This process, organized with the participation of the Chairman of the Board and the Chief Executive Officer, includes an annual review of a detailed succession plan covering two dimensions:

- a succession plan in case of an unforeseen vacancy (such as death, resignation, or sudden incapacity);
- a long-term succession plan to manage the anticipated end of the terms of the Chairman of the Board, the Chief Executive Officer and the Lead Independent Director; and to identify both internal and external talents, with a strategic vision of possible evolutions of key positions.

This succession plan is presented to the Board of Directors, which is regularly informed of its progressed and any revisions made.

### Succession plan in case of unforeseen or accelerated vacancy (death, resignation or incapacity)

This plan, reviewed annually by the Nomination, Compensation, and Governance Committee, proposes a mechanism to effectively respond to potential situations that would result in an unforeseen or accelerated vacancy of the positions of Chairman, Chief Executive Officer, or Lead Independent Director. It covers both temporary and permanent vacancies and includes the identification of interim or potentially permanent replacements, while ensuring strict confidentiality.

If a specific event occurs, the Nomination, Compensation, and Governance Committee must meet again to review the relevance of previous recommendations and will present its final recommendation to the Board of Directors.

### Long-term succession plan

The long-term succession plan reviewed by the Nomination, Compensation, and Governance Committee to prepare for the appointment of the Chairman, Chief Executive Officer, and Lead Independent Director, due to retirement or the end of a term, is structured around the following elements:

- strict confidentiality of the process in place;
- possible support from a world-renowned external consultant;
- consideration of both internal and external candidates in a logic of openness, complementary, and comparison;
- discussions with the outgoing corporate officer, if relevant, to gather his/her opinion on the considered candidates and their suitability for the role and for Danone;
- an analysis of profiles in terms of skills and expertise through a thorough examination of the candidates' qualifications and know-how to ensure their ability to meet the specific challenges of the role;
- an evaluation of the consistency of profiles with the Group's values to ensure that the prospective candidates share and embody the specific values of Danone.

## Dialogue with shareholders

The Company, mainly through the intermediary of the Chief Executive Officer, the Chief Financial Officer and the Investor Relations team, maintains an ongoing dialogue with its shareholders and proxy advisors, notably at dedicated meetings and events such as financial results announcements and Capital Market Events. It posts the various presentations made at these meetings and events on Danone's website: [www.danone.com](http://www.danone.com) (Investors/Publications & Events/Investors' and Capital Market Events). In addition to these meetings, the Investor Relations team interacts with Danone's investors and shareholders on a regular basis throughout the year.

In addition, the Lead Independent Director is the investors' main point of contact for topics relating to Danone's governance, even though the Chairman of the Board of Directors may also have occasion to speak with investors from time to time as appropriate.

Thus, as in previous years, in the autumn of 2024, the Lead Independent Director met with a dozen investor representing more than 35% of the share capital to discuss governance topics. The discussions focused particularly on the composition of the Board of Directors, especially in terms of the expertise of the Directors. The investors were also interested in better understanding the dynamics of exchanges between Directors, as well as their interactions with members of the Executive Committee. Investors aimed to assess the Board's level of involvement in determining strategic orientations, particularly regarding mergers and acquisitions and the analysis of strategic risks.

The discussions also covered the latest external assessment of the Board of Directors, conducted at the end of 2023, its results, and the implementation of new practices to meet the expectations of the Directors.

Furthermore, as part of the Chief Executive Officer renewal process, discussions focused on the proposed adjustments to the Chief Executive Officer's compensation policy. Thus, discussions addressed the potential alignment of the maximum number of GPS that could be delivered to executive corporate officers with that of other GPS beneficiaries (120%), as well as details on the discretionary power of the Board, particularly the exceptional circumstances in which the Board could adjust the criteria for long-term variable compensation.

This shareholders' dialogue continued in early 2025, notably ahead of the Annual Shareholders' Meeting. In particular, following exchanges with investors, the Company detailed the conditions for using the Board of Directors' discretionary power with regard to the long-term variable compensation criteria, notably as regards the exceptional circumstances concerned.

## Composition of the Board of Directors and Committees

### Guiding principles for the composition of the Board of Directors and its Committees

#### Diversity policy of the Board of Directors and its Committees

##### Objectives

In accordance with the provisions of Articles L.22-10-10 2° of the Commercial Code and 7.2 of the AFEP-MEDEF Code, the Board of Directors pays close attention to its composition, notably in order to promote its diversity and that of its Committees, believing that it is a source of dynamism, creativity and performance and ensures the quality of the Board's discussions and decisions. This goal, which has been pursued for several years, has led to a noticeable change in the composition of the Board of Directors with a balanced representation achieved, particularly in terms of independence, gender, expertise, age and seniority of its members.

The Board's policy with respect to diversity of its composition and that of its Committees also aims to promote a variety of cultures, expertises, experiences and nationalities and to ensure that the Board's tasks are performed independently and objectively, and in a collegial and open-minded way.

Thus, the Board:

- seeks to combine the expertises needed to develop and implement Danone's long-term strategy in all its dimensions and ensures that these expertises are varied and cover the food and beverage industry, the consumer goods industry, the customer/consumer experience, trademark management, governance and leadership of large companies, international experience, finance, strategy, mergers and acquisitions, research & development, nutrition, corporate social responsibility and climate;
- pays close attention to ensuring that its members' profiles are complementary and in line with Danone's strategy and values;
- continuously aims to ensure fair representation of women, the international diversity of its members and generational balance.

##### Implementation

At each meeting, the Nomination, Compensation and Governance Committee examines the composition of the Committees and the Board to date, and reports to the Board of Directors.

In addition, as part of its assessment, the Board regularly reviews whether its composition and that of its Committees are consistent with its diversity policy. It identifies the guidance to provide in order to ensure the best possible balance based on the objectives of this policy; to that end, it takes into account the work and recommendations of the Nomination, Compensation and Governance Committee.

##### Results

Since its complete reorganization finalized at the close of the Annual Shareholders' Meeting 2023, the Board of Directors has 11 members, including two Directors representing employees. Each member has a wide range of experience and expertise.

On December 31, 2024, the Board of Directors (excluding Directors representing employees) includes four women, including the Lead Director, bringing the proportion of women on the Board to 44%.

Danone also ensures international representation on its Board of Directors. Thus, on December 31, 2024, the non-French Directors rate of the Board stands at 56%. Many nationalities are represented on the Board, including American, British, Canadian, Danish, French, Indian and Lebanese.

In addition, the Board's internationalization rate is 82%, taking into account Directors who have held positions outside France.

The Board of Directors takes into account the age of its members, and at December 31, 2024, the average age of Board members was 62. In addition, following its recent reorganization, the Board aims to balance the terms of office of its members, particularly in the context of future renewals.

Danone strictly applies all the recommendations of the AFEP-MEDEF Code, as detailed below. In accordance with these recommendations, directors representing employees are not included in the calculation of the above-mentioned rates.

The Board of Directors and the Nomination, Compensation and Governance Committee have examined, as every year, the independence of each Director on the basis of the criteria detailed below.

#### Procedure for selecting and renewing Directors

The Board of Directors relies on the work of the Nomination, Compensation, and Governance Committee to propose to the Shareholders' Meeting any new appointment or renewal of a Director's mandate.

When it comes to renewing a mandate, the Committee analyzes this renewal by taking into account both reflections on the composition of the Board and its diversity policy. This analysis also considers the participation of this Director within the Board.

Regarding the policy for selecting future Directors, the Nomination, Compensation, and Governance Committee has established a specific procedure, with the exception of the two Directors representing employees, who are appointed through a separate process in compliance with the Law no. 2013-504 of June 14, 2013, and the Company's bylaws, one by the France Group Works Council and the other by the European Works Council.

## Independent Directors

<b>Profile definition</b>	The Nomination Compensation and Governance Committee first determines the skills, expertise and profiles to be added to the Board, in line with the Board's diversity policy, Danone's strategic approach and future challenges.
<b>Pre-selection</b>	It is assisted by one or more firms that specialize in the recruitment of Directors with international profiles. The Nomination, Compensation and Governance Committee examines the various candidates and assesses their expertises, experiences and complementarity with those already on the Board.
<b>Selection</b>	The selected candidates meet with the Lead independent Director, the Chairman of the Board of Directors, the Chief Executive Officer, Directors and the Secretary of the Board of Directors. During these meetings, the number of mandates held and candidates' availability are discussed in depth to ensure that they have sufficient time to serve as Directors at Danone. Special emphasis is also placed on their ability to preserve Danone's values and culture and embody its commitments, particularly as a <i>Société à Mission</i> . Finally, the compatibility of the selected profiles with the recommendations of the AFEP-MEDEF Code is reviewed, including in terms of independence, diversity, accumulation of mandates and complementarity with the current members.
<b>Designation</b>	Following these meetings and after reviewing the various profiles, the Nomination, Compensation and Governance Committee selects the candidates to be presented to the Board. The Board analyzes the various profiles and decides to submit certain appointments to the shareholders for approval.

## Expertise of Directors

The matrix of expertise and experience areas was revised in 2022 to include only the five main fields of expertise of each Director. The areas of expertise are described in detail in the biographical information in section 6.2 *Positions and Responsibilities of the Directors*.

	Antoine de SAINT-AFFRIQUE	Gilles SCHNEPP	Frédéric BOUTEBBA	Valérie CHAPOULAUD-FLOQUET	Gilbert GHOSTINE	Lise KINGO	Patrice LOUVET	Sanjiv MEHTA	Géraldine PICAUD	Susan ROBERTS	Bettina THEISSIG	Total (in numbers)	Total (in %)
<b>Core skills</b>	Governance/Leadership	✓	✓	✓	✓	✓	✓	✓	✓			8	73%
	International experience	✓	✓	✓	✓	✓	✓	✓	✓	✓		9	82%
	Audit, accounting and risk management		✓				✓	✓	✓			5	45%
	Strategy/M&A	✓	✓	✓	✓				✓			5	45%
<b>Sector-specific skills</b>	FMCG/Food & Beverage industry	✓		✓	✓		✓	✓		✓	✓	8	73%
	Brand management/Customer-consumer focus experience	✓		✓	✓		✓	✓			✓	6	55%
	R&D, Health & Innovation						✓			✓	✓	3	27%
	CSR/Climate		✓			✓	✓		✓	✓	✓	6	55%
<b>Membership on Board Committees</b>	Audit Committee				●			●	○			3	
	Nomination, Compensation and Governance Committee			●	○		●					3	
	CSR Committee				●	○				●	●	4	

Committee Chair: ○

Committee member: ●

## Independence of Directors

### Criteria applied by Danone

Danone strictly applies all AFEP-MEDEF Code recommendations as detailed below. Directors representing employees are not subject to an assessment, in accordance with the recommendations of the AFEP-MEDEF Code.

### Review carried out by the Board of Directors

The Board of Directors and the Nomination, Compensation and Governance Committee reviewed, as it does each year, the independence of each Director based on the following criteria.

	Independent	Non-independent	Directors not subject to an assessment
<b>Number</b>	8	1	2
<b>Independence rate</b>	89%	11%	N/A
<b>Directors</b>	Gilles SCHNEPP Valérie CHAPOULAUD-FLOQUET Gilbert GHOSTINE Lise KINGO Patrice LOUVET Sanjiv MEHTA Géraldine PICAUD Susan ROBERTS	Antoine de SAINT-AFFRIQUE	Frédéric BOUTEBBA Bettina THEISSIG
<b>Comments</b>	The Board confirmed that each of these Directors satisfied all of the independence criteria of the AFEP-MEDEF Code, notably with respect to the absence of a significant business relationship with Danone, and thereby confirmed their status as Independent Directors.	The Board considered him non-independent because of his position as Chief Executive Officer, in accordance with the criteria of the AFEP-MEDEF Code.	

### Situation of each Director regarding the independence criteria defined by the AFEP-MEDEF Code (Appendix 3)

Name	Employee/Corporate officer during the past 5 years	Cross directorships	Significant business relationship	Family relationship	Statutory Auditors	Term of office exceeding 12 years	Non-executive corporate officer with variable compensation	Status of major shareholder	Qualification of Independent Directors
Antoine de SAINT-AFFRIQUE	✘	●	●	●	●	●	●	●	No
Gilles SCHNEPP	●	●	●	●	●	●	●	●	Yes
Frédéric BOUTEBBA <sup>(a)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Valérie CHAPOULAUD-FLOQUET	●	●	●	●	●	●	●	●	Yes
Gilbert GHOSTINE	●	●	●	●	●	●	●	●	Yes
Lise KINGO	●	●	●	●	●	●	●	●	Yes
Patrice LOUVET	●	●	●	●	●	●	●	●	Yes
Sanjiv MEHTA	●	●	●	●	●	●	●	●	Yes
Géraldine PICAUD	●	●	●	●	●	●	●	●	Yes
Susan ROBERTS	●	●	●	●	●	●	●	●	Yes
Bettina THEISSIG <sup>(a)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

● when the independence criterion is met, ✘ when it is not met.

(a) Director representing employees.

The Board ensures that a Director does not have any other ties (significant professional or personal relationships, particularly in terms of sales) likely to interfere with his or her freedom of analysis and decision-making.

Taking into consideration the recommendations of the *Autorité des Marchés Financiers (French Financial Markets Authority)* and the *Haut Comité de Gouvernement d'Entreprise* (High-level Committee for Corporate Governance), the Board reviews, where applicable, the significant nature of Danone's business relationships with other companies of which Directors are corporate officers or employees, based on the nature, purpose and importance of these relationships that are capable of affecting his or her status as an independent Director.

Thus, the Board assesses the significant nature of the business relationship based on the following qualitative and quantitative criteria:

- importance of the business relationship for the Director and the Company through a potential economic dependency, exclusivity or dominance in the sector to which the business relationship relates;
- the Director's involvement in the business relationship;
- length and continuity of the business relationship;
- sales generated between Danone and the company or group with which the Director is associated, both in absolute and relative value;
- the application of arm's length market conditions to the business relationship.

Antoine de SAINT-AFFRIQUE's directorship at Barry Callebaut ended on December 5, 2024. In any event, the Board of Directors noted that the business relations between Danone and Barry Callebaut were not of a significant nature, either from Danone's or Barry Callebaut's point of view, given their routine nature, the absence of any mutual economic dependency, the fact that Danone's purchases from Barry Callebaut represent less than 0.25% of its overall costs of raw materials and packaging, and that Antoine de SAINT-AFFRIQUE's role within Barry Callebaut had no operational link with the activities concerned.

In addition, Géraldine PICAUD, Chief Executive Officer of SGS, the Board of Directors has noted that the business relationship between Danone and SGS is not significant from either Danone's or SGS's point of view, given its routine nature, the absence of mutual economic dependence and the fact that Danone's purchases from this company represent less than 0.03% of its total purchases of services. Furthermore, Géraldine PICAUD is not involved in the business relationships in question, given the way the two companies are organized.

It is reminded that Directors are required to act at all times in the interests of the Company and all its shareholders. Each year, the Board assesses the situation of the Directors in the context of the system for preventing conflicts of interest.

### Prevention of conflicts of interest

The Board's rules include various means to prevent conflicts of interest involving Directors, notably the obligation:

- to notify in advance the Board Secretary and the Lead Independent Director or the Chairman of the Board if the latter is independent of any conflict of interest, including potential or future conflicts of interest, that involves or could potentially involve that Director, in order to obtain their approval; the Board Secretary and the Lead Independent Director, if they consider it necessary, may, where applicable, obtain the opinion of the Nomination, Compensation and Governance Committee before giving their approval;

- to submit a sworn statement indicating any conflicts of interest (i) at the time he/she takes office, (ii) annually at the time of the preparation of Danone's Universal Registration Document or (iii) at any time upon request from the Chairman of the Board of Directors or, where applicable, the Lead Independent Director, and (iv) within ten working days following the occurrence of any event rendering part or all of the previous sworn statement invalid;
- to provide, each year, the list of positions and responsibilities exercised at all companies during the past five years and to answer the survey on conflicts of interest prepared by the Company;
- for any Director involved in a conflict of interest situation, even a potential one, to systematically abstain from participating in the Board's deliberations and from voting on the corresponding deliberation.

Moreover, for any new agreement between Danone and another company in which a Director exercises responsibilities that might place him/her in an actual or potential conflict of interest situation, and considered a related party agreement, the following requirements apply: (i) total transparency regarding the terms under which the company is compensated by Danone, (ii) prior authorization by the Board of Directors (with the corresponding Director abstaining from the deliberations and vote), (iii) disclosure of the principal terms of the agreement on the Danone website, and (iv) a vote by shareholders under a separate resolution at the next Shareholders' Meeting.

Accordingly, as of the date of this document, some members of the Board of Directors are corporate officers and/or executives of companies that may have business relations with Danone or operate in activities that could compete with those of Danone Group.

Thus, Géraldine PICAUD is Chief Executive Officer of SGS, which has business relations with Danone. In view of the nature, purpose and importance of these business relationships, the Board has considered that Géraldine PICAUD's indirect business relationships with Danone through her duties at SGS are not of a nature to significantly affect her independence or give rise to a conflict of interest (see section *Situation of each Director regarding the independence criteria defined by the AFEP-MEDEF Code* above).

In addition, Sanjiv MEHTA holds positions within Dr Reddy's Laboratories Limited and L. Catterton Asia, companies which may have activities that compete with those of Danone, particularly in India. The Board therefore examined the existence of any potential conflict of interest. In particular, the Board took note of the partnership between Dr Reddy's Laboratories Limited and Nestlé concerning the medical nutrition market in India, announced in April 2024. Further to this review, which covered such aspects as the scope of the partnership and the areas/markets concerned, the Board considered that neither Sanjiv MEHTA's duties within Dr Reddy's Laboratories Limited nor those within L. Catterton Asia led to the existence of a permanent and significant conflict of interest for Sanjiv MEHTA. In any event, in accordance with Board of Directors' rules, if an actual or potential conflict of interest arose between Danone and one of these other companies, Sanjiv MEHTA undertook to (i) recuse himself from all debates and decision-making processes in the matter and (ii) refrain from attending and participating in the corresponding discussions and voting at Danone's Board of Directors, as well as at Dr Reddy's Laboratories Limited and L. Catterton Asia.

To the Company's knowledge:

- there are no family ties among its corporate officers. Moreover, during the last five years, no corporate officer has been convicted of fraud, declared bankrupt, been placed in receivership or liquidation, been officially and publicly accused and/or penalized by any statutory or regulatory authority, or been prohibited by a court from being a member of a company's administrative, management or supervisory body or from participating in the management or administration of a company's business;

- there are no potential conflicts of interest between any Director's duties to the Company and their private interests and/or other duties, other than those mentioned above.

On the date of this Universal Registration Document, no corporate officer is connected to the Company or one of its subsidiaries via a service contract granting any benefits whatsoever, except for the two Directors representing employees bound to Danone by an employment contract.

## Change in the composition of the Board of Directors and Committees

### Changes in the composition of the Board of Directors and Committees in 2024

	Departures	Appointments/Co-options	Renewals
<b>Board of Directors</b>	-	-	Gilbert GHOSTINE Lise KINGO
<b>Audit Committee</b>	-	-	Gilbert GHOSTINE
<b>Nomination, Compensation and Governance Committee</b>	-	-	-
<b>CSR Committee</b>	-	-	Gilbert GHOSTINE Lise KINGO

### Board of Directors renewal program

At the close of the Annual Shareholders' Meeting on April 27, 2023, the program to renew the entire Board of Directors, initiated in July 2021, was completed with the appointment of Sanjiv MEHTA as Director, with effect as from July 1, 2023.

In accordance with the objectives announced in July 2021, the Board of Directors is tighter (11 members) thus facilitating discussions during the Board meetings. This Board of Directors includes an international and diversified group of personalities and experts in the fields of consumer goods, healthcare, finance and sustainability.

The Board regularly reviews its composition, and is considering possible changes in line with its diversity policy in the context of future renewals.

### Proposals for the Shareholders' Meeting of April 24, 2025

The Board has decided to submit to the Shareholders' Meeting of April 25, 2024, the renewal of the terms of office of Antoine de SAINT-AFFRIQUE, Patrice LOUVET, Géraldine PICAUD and Susan ROBERTS, whose terms of office will expire at the close of this Shareholders' Meeting.

	Renewals
<b>Board of Directors</b>	Antoine de SAINT-AFFRIQUE Patrice LOUVET Géraldine PICAUD Susan ROBERTS

## Operation of the Board of Directors

The rules and method of operation of the Board of Directors, including the rights and obligations of Directors are defined by law, the Company's by-laws and the Board of Directors' rules, which are published in their entirety on the Danone's website: [www.danone.com](http://www.danone.com) (Group/Governance/By-laws, rules of procedure of the Board of Directors and business conduct policies).

Adopted in 2002, the Board of Directors' rules is updated regularly, particularly to take into account regulatory developments and certain self-assessments of the Board of Directors.

Thus, in 2024, it was amended:

- in February, mainly to adjust the missions of the Audit Committee and the CSR Committee, with regard to the transposition into French law of the Corporate Sustainability Reporting Directive (CSRD);
- in July, to adjust the thresholds for transactions which require the prior authorization of the Board of Directors, which had remained unchanged for many years and were relatively low compared to the Group's European and French peers.

## Directors' terms of office: duration and renewal

<b>Duration under the by-laws</b>	Under the by-laws, the term of office for a Director is three years, renewable.
<b>Age limit</b>	The term of office of any individual Director automatically ends at the conclusion of the Shareholders' Meeting held to approve the previous year's financial statements and held in the year in which this Director has reached or will reach age 70. If the Shareholders' Meeting so decides, this age limit is nevertheless not applicable to one or more Directors whose term of office could be maintained or renewed on one or more occasions, as long as the number of Directors affected by this provision does not exceed one-fourth of active Directors.
<b>Staggering</b>	Directors' terms of office are staggered over time. This staggering and the three-year limit under the by-laws facilitate their regular renewal, thereby allowing the Shareholders' Meeting to vote each year on several terms of office.

### Ownership of DANONE shares by Directors

Although French law no longer requires Directors to hold a minimum number of shares, Danone's by-laws require each Director (with the exception of Directors representing employees) to hold a minimum of 2,000 DANONE shares (representing 130,240 euros based on the closing share price on December 31, 2024), *i.e.* more than the average annual compensation of each Director. This provision is in line with the AFEP-MEDEF Code, which recommends that Directors should be shareholders in their own right and own a minimum number of shares commensurate with the compensation they receive. In accordance with the Company's by-laws, each Director has a period of three months from his/her date of appointment to hold at least 1,000 shares, and an overall period of twenty-four months to hold the required 2,000 shares.

The Nomination, Compensation and Governance Committee reviews each Director's shareholding once a year.

### Directors' Code of Ethics

In accordance with the Board of Directors' rules:

#### Independence of Directors

Each year, after reviewing the opinion of the Nomination, Compensation and Governance Committee, the Board of Directors considers the situation of each Director in light of the AFEP-MEDEF Code independence rules and informs shareholders of its findings in the Universal Registration Document.

#### Duty to report conflicts of interest

Each Director must, at all times, make every effort to avoid carrying out activities or completing transactions that could give rise to a conflict of interest with Danone.

The measures taken by the Company to prevent actual or potential conflicts of interest are described in section *Prevention of conflicts of interest* above.

#### Stock Market ethics

Directors, as well as all individuals involved in the work of the Board and Committees, including, where applicable, the Honorary Chairman and the Honorary Vice-Chairmen, are bound by a duty of care and due diligence, as well as an obligation to take special care with respect to any transactions involving DANONE shares or any financial instruments related to such shares. They must comply with regulations governing insider trading. In particular, they are required to comply with the applicable stock exchange regulations related to the definition, use and disclosure of inside information, as well as compliance with blackout periods.

### Ban on the use of any hedging instrument

Each Director and any closely related persons must refrain from using any financial instruments related to DANONE shares (including hedging instruments), in particular (i) call options or options to subscribe DANONE shares, (ii) rights to DANONE shares granted subject to performance conditions, (iii) DANONE shares issued through options or issued through shares granted subject to performance conditions, (iv) DANONE shares subject to a holding period requirement by the Board of Directors or by-laws, and lastly, (v) any other DANONE shares held by this Director.

In addition, Antoine de SAINT-AFFRIQUE, Chief Executive Officer, has formally undertaken not to use any instruments to hedge his risk, in particular with regard to the Group performance shares (GPS) of which he has been a beneficiary, until such time as he ceases to hold office.

### Onboarding of new Directors

As part of the program to renew the entire Board of Directors, initiated in 2021, particular attention has been paid to the integration of new Directors, and their training program has been redesigned and strengthened in this perspective.

Thus, new Directors benefit from a comprehensive induction program, involving around twenty hours of interviews. This program enables them to get to know and understand the Group, specially the key stages in its development, its culture and values. On the other hand, it gives them a better understanding of the Group's businesses and markets, its short and long-term issues and, its strategic priorities and the way it is governed.

The Chairman of the Board ensures the smooth integration of new Directors, through a program based on the following key elements:

- any new Director is given a welcome pack, that includes, in particular (i) presentations about the Danone's activities, challenges and risks, and its competitive environment, (ii) the Board of Directors' rules, (iii) the Company's by-laws, and (iv) various other documents presenting the Group, including Universal Registration Documents and Shareholders' Meeting documents relating to the last three years, and the Mission Committee's report;
- individual interviews are organized with the Chief Executive Officer, the Chairman of the Board of Directors, several current Directors and the Secretary of the Board of Directors. These interviews focus in particular on the Group's culture and history, Danone's governance, the way in which the Board of Directors operates, and recent developments in corporate governance;

- meetings are also held with the Company's Executive Committee members and senior Danone executives, to enable new Directors to deepen their knowledge of the Group's activities (their history, results, competitive environment, challenges and risks), to address specific subjects (such as investor relations), and to familiarize themselves with the Group's internal practices and approach, particularly in terms of social and societal issues, but also of sustainable growth, including its *Société à Mission* status and the requirements and objectives arising from this;
- lastly, more in-depth inductions are carried out for each Director who is to become Chair or a member of a Committee.

The training of Directors continues beyond they have taken office, and constitutes an ongoing process. In 2024, for example, this included training on compliance topics, as well as in-depth discussions on sustainability and Danone's environmental priorities.

The Board of Directors' rules also stipulate that each Director is entitled, throughout his or her term of office, to the training required to carry out his or her duties. Directors representing employees also benefit from training adapted to the performance of their duties. These internal or external training courses are organized by the Company and paid for exclusively by the latter.

### Information for Directors

Prior to each meeting, the Directors receive preparatory documents on the agenda items requiring analysis and prior review so that they can take an informed position with full knowledge of the facts.

The Board Secretary is at the disposal of the Directors for any request for information on their rights and obligations, the functioning of the Board or the activities of the Company. Directors may also ask the Chairman to provide them at any time with any information or documents they deem useful for the performance of their duties.

At least once every six months, General Management presents Danone's financial position, cash position and main commitments to the Board of Directors.

The Directors have regular contact with management, including the Executive Committee members and the heads of the main functions, who present the main topics in their areas of responsibility at Board and Committee meetings on a regular basis.

In addition, the Directors have access to a secure digital platform on which they can easily access the preparatory documents of each Board of Directors' meeting at any time (agenda, minutes of the previous meeting, support documents). This platform is a way to share useful and varied information that facilitates their work.

They also receive weekly press review containing articles about Danone and its environment, as well as, on a regular basis financial analysts' reports regarding Danone's stock.

A Board meeting is held each year in December, at one of the Group's main sites in France or abroad, followed by an in-depth presentation of the activity in question and visits to production sites. These visits are an opportunity for Directors to meet with Danone's teams and speak with the operational managers.

In 2024, during the Board meeting held in October, the Directors visited the international Research & Innovation Center in Saclay to discuss Danone's Research and Innovation strategy.

In addition, for the 2024 December Board meeting, the Directors went to Jakarta, Indonesia for three days to focus on Danone's activities in this country. Following an introduction on the AMEA zone, the Directors conducted a strategic review of Danone's Waters and Specialized Nutrition activities in Indonesia with members of Danone's Executive Committee, as well as with the management team of Danone Indonesia. They then visited the biodiversity park and the AQUA water plant in Mekarsari (on the island of Java), and engaged with leaders of AQUA water distributors, before conducting a field visit to stores selling the Group's products in Jakarta, accompanied by members of the local team. At Danone Indonesia's headquarters in Jakarta, they met in small groups with Danone employees from various functions and levels, of different ages and backgrounds: they were thus able to discuss what the teams consider to be the greatest opportunities and challenges for Danone in Indonesia, as well as corporate culture, the expectations and motivations of the new generations at work, and the changes anticipated by the teams in the country.

### Availability of Directors

Directors are expected to attend Board and Committee meetings, as well as Shareholders' Meetings, and to devote the necessary time to their duties.

In particular, they must limit the number of directorships they hold in other companies, including their membership of committees of these companies, so as to maintain sufficient availability. As stipulated in the Board of Directors' rules, and in accordance with the AFEP-MEDEF Code, they must ensure that they do not hold more than four other directorships in listed companies outside the Group (including foreign companies). Prior to accepting an additional term of office in a French or foreign listed company, the Director concerned is required to inform the Chairman of the Board of Directors or the Chair of the Nomination, Compensation and Governance Committee; executive corporate officers are also required to seek the opinion of the Board of Directors.

To ensure that the composition of the Board is optimal, the Board carries out an annual detailed review of the individual situation of each Director in terms of:

- independence, by strictly applying the independence criteria set out in the AFEP-MEDEF Code;
- availability, by examining, among other things, the number of external mandates held by each Director, notably within listed companies, and their compatibility with their duties as Danone Directors, in order to ensure that all members of the Board have the necessary time to devote fully to the work of the Board;
- participation, by analyzing the attendance rate of each member at Board and Committee meetings.

The Nomination, Compensation and Governance Committee pays particular attention to the availability of candidates when recruiting new Directors in order to ensure that they will have sufficient time to serve as Director of Danone.



## Involvement of Directors outside of Board meetings

Directors demonstrate their commitment outside of Board meetings, particularly through discussions among themselves and with the Lead Independent Director and the Chairman of the Board, and by meeting several times a year informally.

In particular:

- they meet and talk informally before or after each Board meeting;
- they participate in briefings when new developments so require and meet regularly outside of Board meetings;
- they participate in site visits;
- they attend the Shareholders' Meeting;
- in 2024, they took part in representing the Group for the Olympic Games in Paris.

## Assessment

Since 2022, the frequency of Board assessments was increased, the Board's rules provide for an annual assessment of the Board. This annual assessment may take the form of a self-assessment or an assessment by the Nomination, Compensation and Governance Committee, an assessment by the Lead Independent Director or by any third-party body. An external assessment is organized on a regular basis, once every three years. A detailed report is submitted to the Nomination, Compensation and Governance Committee and to the Board. The assessment of the Board enables to identify new areas for improvement in order to optimize the Board's performance. The most recent external assessment of the Board was carried out at the end of 2023 by a world-renowned firm, notably recognized for its rigorous assessment methods and confidentiality. This assessment consisted of individual interviews with each Director, based on a questionnaire reviewed by the Lead Independent Director.

Following this external assessment, and in view of the areas for improvement that had been identified by the Directors; preparatory documents for Board meetings have been drafted more succinctly, focusing more on the key points to be discussed; the duration of some Board meetings has been extended; and more time has been devoted to the Company's medium- and long-term strategic orientations.

Finally, at the end of 2024, an internal assessment of the Board was carried out under the responsibility of the Lead Independent Director. As part of this process, an assessment questionnaire was sent out to the Directors, containing questions designed to assess the Board's performance and to identify the Directors' expectations.

This assessment revealed a very positive outcome: the Directors highlighted the collaborative spirit and diversity of profiles within the Board, which enable effective exchanges and significant contributions to the Group's ambitions. They are satisfied with the content of the agendas, the time allocated to each topic, the duration and the frequency of the Board's meetings. The Directors are also satisfied with the information sent between Board meetings as well as with the transparency of the relationships established with the Executive Committee and the Chief Executive Officer. The Chairman of the Board is considered as facilitating the conduct and productivity of the meetings. The key role played by the Lead Independent Director and the professionalism of the General Secretary are also praised by the Directors.

Furthermore, the Board meetings held abroad and the meetings of the independent Directors are appreciated by the Directors, as is their involvement in the Capital Market Event held in June 2024 and their increasing exposure to the management.

The assessment also allow to identified some areas for improvement, especially regarding the preparatory documents for the Board meetings, which the Directors would like to receive earlier ahead of Board meetings. Furthermore, although they noted that the requests made during the previous assessment had been taken into account, some Directors would like the preparatory documents to be more concise. Finally, they expressed the desire to devote more time to topics related to the Group's medium and long-term strategic orientations, innovation, new technologies, artificial intelligence, Cybersecurity, brand portfolio, and Human Resources. Some directors have expressed an interest in training sessions on subjects such as sustainability and Cybersecurity.

In conclusion, the Board of Directors is considered to be a very effective and well-balanced body, demonstrating solid governance practices.

## Annual review of the Board's operation

In 2024, as it does every year, the Board dedicated an agenda item of one of its meetings to a review of its own operation and that of each of its Committees.

## Procedure for related party and ordinary agreements

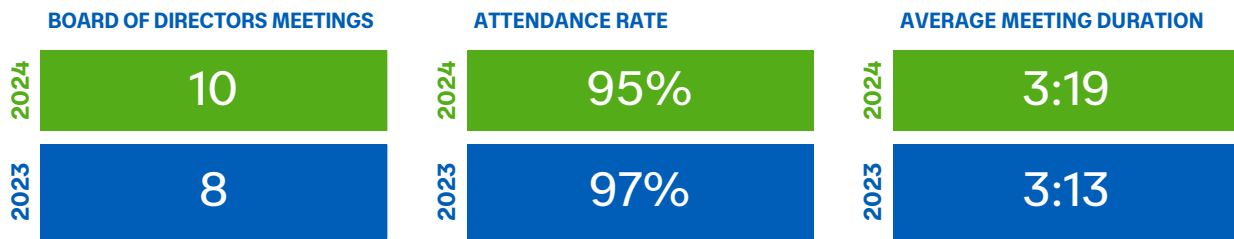
In accordance with Article L.22-10-2 of the French Commercial Code and upon the recommendation of the Nomination, Compensation and Governance Committee, on December 12, 2019, the Board of Directors approved an internal procedure related to the identification of related party agreements and the assessment of agreements entered into in the ordinary course of business.

While reiterating the applicable legal and regulatory framework, this procedure formalizes the process for identifying and characterizing agreements as "related party agreements" or "agreements entered into in the ordinary course of business and at arm's length", a process applied before entering into any agreement that might be characterized as a related party agreement. In particular, it includes criteria for classifying agreements, notably on the basis of transaction categories and financial thresholds. The procedure also institutes an annual assessment of its implementation by the Nomination, Compensation and Governance Committee, which may at that time propose to the Board of Directors that the procedure's terms be amended. Persons directly or indirectly affected by an agreement do not participate in its assessment.

The implementation of this procedure in 2024 resulted in a review by the Legal Department of the summary table prepared by the Accounting Department of financial flows during the year between the Company and the persons concerned within the meaning of the applicable regulations. A summary of this review was then presented to the Nomination, Compensation and Governance Committee on January 31, 2025, which, after reviewing it, presented the findings of its assessment to the Board of Directors on February 25, 2025, at the time of the annual review of related party and other agreements. After analysis, the Nomination, Compensation and Governance Committee concluded that all the agreements entered into in the ordinary course of business and at arm's length continued to qualify as such.

## Activity and work of the Board of Directors

### Meetings and attendance



Each Board meeting concludes with a round-table discussion allowing each Director to express his/her opinion on how the meeting went, and his/her expectations for future sessions. These round-table discussions are supplemented by meetings of independent Directors organized by the Lead Independent Director, at which Directors can discuss any topic they wish at greater length and in greater detail. Thus, in 2024, two meetings of independent Directors were held.

### Attendance rates for Directors in 2024

Name	Board of Directors	Audit Committee	Nomination, Compensation and Governance Committee	CSR Committee
Antoine de SAINT-AFFRIQUE	100%	-	-	-
Gilles SCHNEPP	100%	-	-	-
Frédéric BOUTEBBA	100%	-	100%	-
Valérie CHAPOULAUD-FLOQUET	100%	-	100%	-
Gilbert GHOSTINE	90%	100%	-	100%
Lise KINGO	100%	-	-	100%
Patrice LOUVET	100%	-	100%	-
Sanjiv MEHTA	90%	100%	-	-
Géraldine PICAUD	90%	100%	-	-
Susan ROBERTS	100%	-	-	100%
Bettina THEISSIG <sup>(a)</sup>	70%	-	-	100%

(a) Bettina THEISSIG's attendance rate at the Board of Directors' meetings in 2024 is due to medical reasons.

### Matters reviewed and discussed by the Board of Directors in 2024 and early 2025

#### Strategy

- presentation by General Management of Danone's strategic priorities and main operating choices in the various geographical zones and Categories;
- preparation with the General Management of the Capital Market Event and discussions on medium and long-term strategic orientations;
- review of the context and mapping of Danone's strategic risks (including sustainability risks);
- regular review of the Group's portfolio of brands and assets, and of market share trends;
- analysis of ongoing acquisition and divestment projects, and of various external growth opportunities;
- regular updates on competitive intelligence and strategic analysis of Danone's external environment, category outlook and assets;

- in-depth review of the Group's Research and Innovation strategy, including a visit to the Paris-Saclay research center;
- in-depth review of the Specialized Nutrition (SN) and Waters business in Indonesia;
- in-depth review of marketing strategy;
- opinion from the Social and Economic Committee about strategic orientations.

#### Finance, activity and results

- review of preparation for the closing of the annual and interim consolidated and statutory financial statements, and review of forward-looking management documents;
- presentation by the Statutory Auditors of the conclusions of their work concerning the annual and interim consolidated and statutory financial statements;
- monitoring of Danone's financial communications, including review of press releases concerning the annual and interim consolidated financial statements;

- approval of the management report and other reports to shareholders;
- regular review of the business and financial performance of each zone;
- regular review of Danone's financial position (debt situation and credit rating);
- approval of the annual guidelines and medium-term financial objectives (announced at the Capital Market Event);
- review of renewals of financial delegations to General Management namely in respect of share buybacks;
- monitoring Danone's stock market performance, share capital and shareholders;
- proposal for dividend distribution in 2024 and 2025;
- regular reporting on Danone's risk management and internal control systems, and review of Danone's risks;
- update on the Group's operations and on partnership strategy;
- annual budget review;
- amendment to the Board's rules to adjust the thresholds for transactions requiring the Board's prior authorization;
- approval of the "Winning Together in Europe" initiative.

### Governance and Compensation

- preparation of the 2024 and 2025 Shareholders' Meetings: adoption of the management report and the corporate governance report for the 2023 and 2024 financial years; setting of the agenda and adoption of draft resolutions, with an in-depth examination of draft resolutions relating to corporate governance and executive compensation; proposal for the renewal of Directors' terms of office, notably Chief Executive Officer's renewal; responses to shareholders' written questions;
- review of Board and Committees' composition;
- review of Directors' independence, availability and effective participation in Board and Committee meetings in 2024;
- monitoring exchanges with Danone's main shareholders on governance topics, in particular following roadshows conducted by the Lead Independent Director;
- review of external and internal assessments of the functioning of the Board of Directors and its Committees performed in 2023 and 2024, and examination of their conclusions;
- annual review of the functioning of the Board of Directors and its Committees;
- review of the succession plan for the Chief Executive Officer, the Chairman of the Board of Directors and the Lead Independent Director (see section on the *work of the Nomination, Compensation and Governance Committee in 2024 and early 2025* below);
- opinion regarding the acceptance by the Chief Executive Officer of a directorship position at Saint-Gobain;
- annual review of related party agreements and of the internal procedure for identifying regulated agreements and assessing ordinary agreements;
- preparation and approval of compensation policies for the Chief Executive Officer, the Chairman of the Board of Directors and Directors for 2024 and 2025;
- review of the achievement of the performance conditions applicable to the Chief Executive Officer's variable annual compensation for 2023 and 2024;

- adoption of long-term share-based compensation instruments (GPS 2024 and 2025 and Fidelity Shares 2024 and 2025 plans): determination of performance conditions for new GPS plans, review of achievement of performance conditions for current GPS and GPU plans;
- allocation of performance shares (GPS) and shares conditional on continued presence (Fidelity Shares) to certain employees for 2024;
- review of the voting rights ceiling clause at 6% in the Company's by-laws towards a proposal for the removal of this cap at the 2024 Shareholders' Meeting;
- amendment of the Board's rules, in particular to adjust the missions of the Audit Committee and the CSR Committee in the context of the transposition into French law of the Corporate Sustainability Reporting Directive (CSRD).

### Sustainability

- annual review of Danone's situation, of its action plan and its corresponding deadlines, in sustainability matters, notably people and community, plastic, GHG and methane emissions reduction strategy, including the Climate Transition Plan, Danone's water preservation strategy and the definition and implementation of the forest policy; annual review of results achieved and the need to adjust the action plan or amend objectives;
- approval of Danone's annual contribution to Danone Communities and review of the fund's projects;
- monitoring of Danone's sugar reduction targets;
- human rights update, including review of human rights policy;
- annual update on the FTSE4Good index;
- review of the Audit Committee's recommendation on the appointment of a Sustainability Auditor at the Annual Shareholders' Meeting on April 25, 2024;
- update on the implementation of the Corporate Sustainability Reporting Directive (CSRD);
- review of 2023 and 2024 sustainability reporting results and progress on Danone Impact Journey performance indicators;
- approval of the sustainability report for fiscal 2024 and presentation by the Sustainability Auditor of the conclusions of his work on this report;
- follow-up on the work of the Mission Committee;
- approval of the renewal of the members of the Mission Committee and its Chairman.

### Human resources

- annual review of Danone's situation and policy in terms of professional and salary equality between men and women, and monitoring of progress towards diversity objectives;
- capital increases reserved for employees: approval of the annual capital increase reserved for employees of Danone's French companies who are members of a Company Savings Plan, and of the worldwide capital increase reserved for employees of Group Danone's foreign companies; monitoring of the results of these operations.

## AUDIT COMMITTEE

### Composition as of December 31, 2024

	Date first joined the Committee
Géraldine PICAUD Chair	April 2022
Gilbert GHOSTINE	October 2022
Sanjiv MEHTA	July 2023

The Directors who are Audit Committee members are independent. Géraldine PICAUD, the Committee's "financial expert" as defined by Article L.823-19 of the French Commercial Code, chairs the Committee. Its members were chosen for their know-how and their recognized expertise in finance, accounting, internal control, internal audit and risk management. Their professional background is presented extensively in section 6.2 *Positions and responsibilities of the Directors and Nominees to the Board of Directors*.

### Missions

The Audit Committee is responsible for monitoring issues relating to the preparation and control of Danone's financial, accounting and sustainability information. Its main missions include:

- reviewing the draft versions of the annual and interim consolidated and statutory financial statements and drafts of press releases;
- since 2024, monitoring the sustainability reporting process, including the double materiality assessment process conducted to identify the information to be reported in accordance with the applicable sustainability reporting standards;

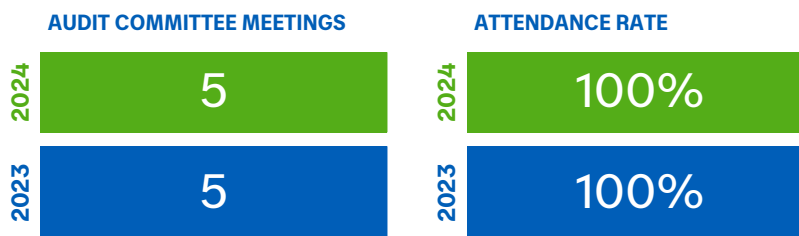
- monitoring the effectiveness of internal control, internal audit and risk management systems as well as compliance policies;
- monitoring the mandates, works and independence of the Statutory Auditors and Sustainability Auditor(s).

It is regularly briefed by senior management responsible for the financial statements, internal audit and internal control, risk management, treasury and financing, tax matters and compliance, and by the Statutory Auditors. At the discretion of the Committee, these briefings may be held without representatives of General Management being present. The Audit Committee invites the Statutory Auditors to attend each of these meetings and meets with them once a year, without any Danone representative being present. It also meets once a year with the head of the Company's Internal Audit Department, in the absence of any other Danone representative.

The missions of the Audit Committee are described in the Board of Directors' rules, available on the Danone website at [www.danone.com](http://www.danone.com) (Section Group/Governance/By-laws, rules of procedure of the Board of Directors and business conduct policies).

### Activity and work of the Audit Committee

#### Meetings and attendance



A report on each Audit Committee meeting is presented at the next Board of Directors' meeting, thereby enabling the Board to be fully informed and facilitating its work and proceedings. The Chief Financial Officer is involved in the Audit Committee's work and participates in its meetings.

#### Work of the Committee in 2024 and early 2025

- review of the annual and interim statutory and consolidated financial statements, this review systematically includes: (i) a presentation by the Chief Financial Officer of the main results, (ii) a review of non-IFRS indicators, (iii) a review of goodwill, provisions and the accounting treatment of disposals and acquisitions, (iv) a presentation of off-balance sheet commitments, (v) a presentation of major litigation, (vi) a review of press releases and associated analyst presentations;

- presentation by the Statutory Auditors of the performance of their assignment, the conclusions of their work and any audit adjustments to the annual and half-yearly financial statements, as well as joint presentation by the head of consolidated financial statements (Director of Consolidation, Reporting and Standards) and the Statutory Auditors of the main accounting options adopted;
- half-yearly review of Danone's financial position: strategy and debt situation, financial rating, financial risk management;

# 6 CORPORATE GOVERNANCE

## 6.1 Governance bodies

- review of Danone's main strategic risks (including sustainability risks), changes in risk mapping and implemented action plans, in the presence of the person in charge of strategic risk management; review of the description of risk factors in the Universal Registration Document;
- annual update on Cybersecurity, including review of the associated risks, organization and implemented measures to address it;
- review of excerpts from the management report on internal control and risk management;
- results of the 2023 and 2024 campaigns and 2025 action plan;
- regular updates on compliance;
- annual update on taxation;
- monitoring partnership management;
- approval and regular monitoring of Statutory Auditors' fees for certification of accounts and other services, and review of their independence;
- review and approval of the authorization procedure for services, other than the certification of financial statements, provided by the Statutory Auditors and members of their networks;
- monitoring of the tendering procedure set up by Finance General Management and recommendation to the Board of Directors for the appointment of a Sustainability Auditor by the Shareholders' Meeting of April 25, 2024;
- modification of the Board's rules, in particular to (i) adjust the missions of the Audit Committee and the CSR Committee in the context of the transposition into French law of the Corporate Sustainability Reporting Directive (CSRD), and (ii) to adjust the threshold of operations subject to prior authorization by the Board;
- follow-up of the implementation of the Corporate Sustainability Reporting Directive (CSRD), and reviewing the process and results of the dual materiality analysis;
- presentation by the Sustainability Auditor of his work and conclusions;
- review of the "Winning together in Europe" initiative;
- review of the proposed dividend distribution submitted to the vote of the Shareholders' Meeting;
- review of financial authorizations submitted to the vote of the Shareholders' Meeting;
- annual review of the functioning of the Audit Committee.

## NOMINATION, COMPENSATION AND GOVERNANCE COMMITTEE

### Composition as of December 31, 2024

	Date first joined the Committee
Valérie CHAPOULAUD-FLOQUET Chair	April 2022
Frédéric BOUTEBBA (Director representing employees)	October 2022
Patrice LOUVET	April 2022

### Missions

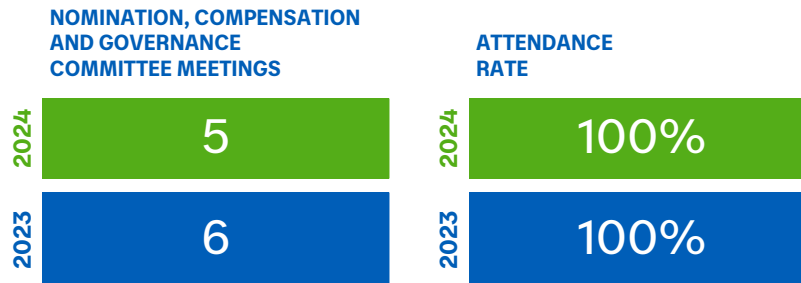
The Nomination, Compensation and Governance Committee is responsible for monitoring governance matters, including in particular the appointment of Board members and executive corporate officers, as well as matters regarding their compensation, namely in accordance with the AFEP-MEDEF Code on corporate governance at listed companies, which serves as a reference for the Company.

As part of its duties, the Committee may request external technical studies. It also examines the corporate governance rules applicable to Danone, and monitors their implementation and any changes they may undergo. It also supervises the annual assessment of the Board of Directors.

The Nomination, Compensation and Governance Committee's duties are described in detail in the Board of Directors' rules, available on the Danone website at [www.danone.com](http://www.danone.com) (Section Group/Governance/By-laws, rules of procedure of the Board of Directors and business conduct policies).

## Activities and work of the Nomination, Compensation and Governance Committee

### Meetings and attendance



A report on each Nomination, Compensation and Governance Committee meeting is presented at the next Board of Directors' meeting that enable the Board to be fully informed and facilitates its work and proceedings. The Chief Executive Officer regularly contributes to the work of the Nomination, Compensation and Governance Committee, including its meetings, except for matters concerning him personally.

### Work of the Committee in 2024 and early 2025

#### Regarding governance

- review of the composition of the Board and its Committees, notably in the context of the renewal of the terms of office of Antoine de SAINT-AFFRIQUE, Patrice LOUVET, Géraldine PICAUD and Susan ROBERTS proposed at the 2025 Annual Shareholders' Meeting;
- discussions concerning the renewal of the Chief Executive Officer's term of office;
- review of the succession plan to ensure continuity of General Management, the Chairmanship of the Board and the Lead Independent Director in the event of an unforeseen and medium-term vacancy, and review of the members of the Executive Committee;
- implementation and follow-up of an internal assessment of the Board of Directors and its Committees in 2024, and review of its conclusions;
- annual individual review of (i) the independence of each Director and any potential conflicts of interest (see section *Independence of Director* above), (ii) the availability and participation of each Director at Board and Committee meetings during the year, and (iii) their expertise;
- update on the renewal of the members of the Mission Committee and its Chairman;
- follow-up of the organization of the Annual Shareholders' Meeting, in particular with regard to the preparation of the corporate governance roadshows and feedback from investors following these exchanges;
- review of the draft corporate governance reports for the 2023 and 2024 financial years;
- review of the voting rights ceiling clause at 6% in the Company's by-laws ahead of the 2024 Shareholders' Meeting;
- review of related party agreements and ordinary agreements and associated internal procedures for 2024 fiscal year;

#### Regarding compensation

- review of the compensation policy for corporate officers, in particular review of the compensation policy for the Chief Executive Officer in the context of his proposed renewal at the 2025 Annual Shareholders' Meeting;
- review and determination of the criteria and weighting of annual variable compensation of the Chief Executive Officer, in particular, for each criterion: proposal of objectives, determination of the weighting, setting of the target, ceiling, maximum and minimum amounts that may be awarded;
- review of the long-term share-based compensation program (GPS), including determination of performance conditions, review of whether performance conditions for current plans have been met, and review of the shareholding retention obligation for the executive corporate officer and Executive Committee members; and allocations of GPS and Fidelity Shares;
- delivery of Group performance shares (GPS) and Group performance units (GPU) plans: recognition of the level of achievement of the performance conditions of these plans;
- review of the long-term share-based compensation program without performance condition but with a continued presence condition (Fidelity Shares);
- preparation of resolutions concerning the 2023 and 2024 compensation of corporate officers for the 2024 and 2025 Shareholders' Meetings respectively;
- review of 2024 and 2025 publications relating to the compensation of corporate officers;
- monitoring of the capital increase reserved for employees who are members of a Company Savings Plan, and of the capital increase reserved for employees of Group's foreign companies.

## CSR COMMITTEE

### Composition as of December 31, 2024

	Date first joined the Committee
Lise KINGO Chair	December 2022
Gilbert GHOSTINE	April 2023
Susan ROBERTS	April 2022
Bettina THEISSIG (Director representing employees)	April 2019

### Missions

The CSR Committee assists the Board in overseeing the sustainability matters, focusing in particular on the pillars of the sustainability journey of Danone regarding health, nature, people and communities.

For this purpose, the CSR Committee:

- examines the sustainability strategy, commitments, main targets and policies of Danone and monitors their implementation;
- reviews the results of the annual consolidated sustainability reporting to be published by the Company and is informed of the main aspects of the sustainability reporting process;
- regularly reviews the main extra-financial ratings carried out on the Company.

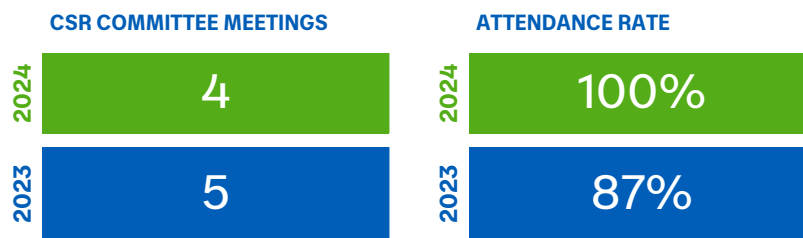
The CSR Committee also reviews how the Company considers the evolving expectations of stakeholders, including investors, customers, public authorities, partners, NGOs, employees and communities, regarding sustainability topics.

The CSR Committee's duties are described in detail in the Board of Directors' rules, which are available on the Danone website at [www.danone.com](http://www.danone.com) (Section Group/Governance/By-laws Board of Directors' rules and business conduct policies).

Several measures implemented by the Company ensure a close collaboration between the Audit Committee and the CSR Committee regarding sustainability information: a common member in both committees (Gilbert GHOSTINE) and the systematic communication of documents presented to the Audit Committee on sustainability to the Chair of the CSR Committee.

### Activity and work of the CSR Committee

#### Meetings and attendance



A report on each CSR Committee meeting is presented at the Board of Directors' meeting, thereby enabling the Board to be fully informed of the sustainability topics and facilitating its work and proceedings.

#### Work of the Committee in 2024 and early 2025

- monitoring of strategic priorities and associated sustainability objectives (Danone Impact Journey);
- update on Danone's various sustainability policies (Sustainable Sourcing Policy included);
- monitoring of Nature performance indicators: monitoring of Danone's Climate Policy (Climate Transition Plan included), water conservation strategy, regenerative agriculture strategy and Danone's forest policy; monitoring on packaging strategy;
- monitoring of the deployment of the Health component, including the following indicators: sugar in products intended for children, labeling and nutritional information, food fortification, measures to prevent iron deficiencies, access to water, and scientific research publications;
- annual review of Danone's policy on equal pay for men and women, and more broadly on inclusion and diversity;
- monitoring of culture and commitment as part of the new Renew Danone strategy;
- monitoring of employee surveys, in particular to measure employee engagement;
- monitoring the compensation of all employees, compared with local living income;
- monitoring the integration of ESG criteria into elements of compensation;
- update on human rights topics;
- update on the mapping of associations and coalitions;
- update on the amendment of the Board's rules, in particular to adjust the missions of the CSR Committee within the framework of the transposition into French law of the Corporate Sustainability Reporting Directive (CSRD);
- update on the results of the 2023 and 2024 sustainability reporting;

- monitoring the implementation of the Corporate Sustainability Reporting Directive (CSRD), and reviewing the process and results of the double materiality analysis;
- monitoring Danone's participation in the FTSE4Good index and the results of Danone's assessment;
- annual review of the budget of the Danone Communities societal fund;
- regular monitoring of Mission Committee meetings and review of key performance indicators adopted as part of the implementation of *Société à Mission* status;
- monitoring of B Corp™ certification and 2025 Roadmap;
- monitoring client's expectations in sustainability matters.

## EXECUTIVE COMMITTEE

### Role

The Executive Committee is responsible for Danone's operational management. Under the responsibility of General Management, it plays a role in implementing the strategy approved by the Board of Directors, reviews and approves resource allocation, ensures the consistency of the actions taken by all the reporting entities and, depending on the results achieved, decides on action plans to be implemented. The Executive Committee meets at least once a month.

At December 31, 2024, Danone's Executive Committee consists of 13 members with varied and complementary expertise and experience who are familiar with the Company's businesses and challenges.

It is also very international, with seven nationalities represented. More broadly in terms of diversity, Danone's goal is to have balanced representation of men and women at each level of its organization. The

Board of Directors ensures that a policy of non-discrimination and diversity is implemented in its management bodies. In particular, in accordance with the recommendations of the AFEP-MEDEF Code, the Board of Directors determines, at the proposal of General Management, ambitious gender diversity goals within the management bodies, as well as the resources deployed and results obtained: thus, for the Executive Committee, the Board of Directors has set a gender diversity target of 40% to 60% by 2029 (see Section 5.4.1 *Own workforce* for more information about Danone's goals and actions in terms of diversity).

Danone ensures that its succession plans at all levels take into account its diversity ambitions.

### Composition as of December 31, 2024

Name	Age	Nationality	Principal function at Danone	Date first joined the Executive Committee
Antoine de SAINT-AFFRIQUE	60	French	Chief Executive Officer	2021
Jürgen ESSER	53	German	Group Deputy Chief Executive Officer, in charge of Finance, Technology & Data	2020
Shane GRANT	50	New Zealand	Group Deputy Chief Executive Officer, Chief Executive Officer Americas and EVP Dairy, Plant-Based and Global Sales	2020
Véronique PENCHIENATI-BOSETTA	58	French	Group Deputy Chief Executive Officer, Chief Executive Officer International and EVP Specialized Nutrition, Waters, Global Marketing & Digital	2018
Vikram AGARWAL	60	Indian	Chief Operations Officer	2022
Henri BRUXELLES	59	French	Chief Sustainability and Strategic Business Development Officer	2017
Bruno CHEVOT <sup>(a)</sup>	58	French	President Greater China, North Asia and Oceania	2020
Silvia DAVILA <sup>(b)</sup>	54	Mexican	President Latin America	2020
Isabelle ESSER	61	Belgian	Chief Human Resources, Research, Innovation, Quality and Food Safety Officer	2022
Jean-Marc MAGNAUDET <sup>(a)</sup>	57	French	President Specialized Nutrition	2020
Pablo PERVERSI <sup>(a)</sup>	54	Spanish	President Europe	2023
Laurent SACCHI	60	French	General Secretary	2021
Christian STAMMKOETTER <sup>(a)</sup>	53	German	President Asia, Africa and Middle East	2022

(a) Reports to Véronique PENCHIENATI-BOSETTA, Chief Executive Officer International.

(b) Reports to Shane GRANT, Chief Executive Officer Americas.



## APPLICATION OF AFEP-MEDEF CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES

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In 2008, Danone decided to refer to the AFEP-MEDEF Code and, as of the date of this Universal Registration Document, applies all of its recommendations.

## 6.2 POSITIONS AND RESPONSIBILITIES OF THE DIRECTORS

In accordance with Article R.225-83, 1°, of the French Commercial Code, information regarding the Directors are presented below:

- unless otherwise indicated:
  - current terms of office correspond to terms of office held as of December 31, 2024,
  - DANONE shares correspond to the number of DANONE shares held as of December 31, 2024,
- the terms of office followed by the symbol "AGM Approval" are subject to approval by the Shareholders' Meeting of April 24, 2025.

### Current Directors

Frédéric **BOUTEBBA** (Director representing employees)  
Valérie **CHAPOULAUD-FLOQUET**  
Gilbert **GHOSTINE**  
Lise **KINGO**  
Patrice **LOUVET**  
Sanjiv **MEHTA**  
Géraldine **PICAUD**  
Susan **ROBERTS**  
Antoine **de SAINT-AFFRIQUE**  
Gilles **SCHNEPP**  
Bettina **THEISSIG** (Director representing employees)

### Directors whose term expired in 2024

–



## Frédéric BOUTEBBA

Political and Social Project Manager of DANONE SA  
 Director representing employees and member of the Nomination, Compensation and Governance Committee

Age 57 – French nationality  
 First appointed to the Board: 2016  
 End of term: 2026  
 DANONE shares: 1 <sup>(a)</sup>



### Expertise – Experience – Main activities

With an Advanced Commercial Technician's Certificate, Frédéric BOUTEBBA joined Danone in 1992 where he held a number of responsibilities in the Sales Department. In 2006, he changed course and began to represent and defend employees' interests, joining various employee representative bodies both at the head office of Danone Eaux France, S.A.E.M.E. and at the national level. In 2018, he became an advisor and urgent applications judge for the Labour Court (*Conseil de Prud'hommes*) of Bergerac. In 2020, he was appointed Vice President of the Labour Court of Bergerac and Assessor-Judge at the Labour Division of the Judicial Court (*Tribunal Judiciaire*) of Périgueux. In 2021 he was elected President of the Labour Court of Bergerac.

### Current terms of office

#### Danone companies

- Director representing employees, member of the Nomination, Compensation and Governance Committee of DANONE SA

### Terms of office expired over the past five years

-

(a) Share granted under the "One Person, One Voice, One Share" program.

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Valérie CHAPOULAUD-FLOQUET

Lead Independent Director of DANONE SA

Independent Director and Chair of the Nomination, Compensation and Governance Committee

Age 62 – French nationality

First appointed to the Board: Board of Directors of December 10, 2021 (with effect from March 1, 2022)

End of term: 2026 Shareholders' Meeting

DANONE shares: 2,000



### Expertise – Experience – Main activities

A graduate of EM Lyon Business School in finance and international business, Valérie CHAPOULAUD-FLOQUET began her career in 1983 as an analyst at Crédit Lyonnais Italy. She joined the L'Oréal group in 1984 as part of the Internal Audit team and then in 1988 joined the Luxury Products Division where she worked until 2008 and held successively different management position in Europe, Asia and North America. In 1996 she became General Manager of Biotherm Italy then in 1998 Biotherm International Development Manager; in 2002 she was appointed General Manager of the Luxury Products Division for Asia, then in 2005 for Europe, and in 2007 President of the Luxury Products Division in the United States. She then joined the LVMH group in 2008 as CEO of Louis Vuitton Taiwan and was successively appointed President of Louis Vuitton South Europe, President and CEO of Louis Vuitton North America and President and CEO of Louis Vuitton Americas. In 2014, she was appointed to head the Rémy Cointreau spirits group as Chief Executive Officer, a position she held until 2019. She then has been focusing on non-executive roles. Since April 26, 2022, she serves as Lead Independent Director of Danone and Chair of the Board's Nomination, Compensation and Governance Committee.

(a) Subsidiary of SOFISPORT SA.

### Current terms of office

#### Danone companies

- Lead Independent Director, Chair of the Nomination, Compensation and Governance Committee of DANONE SA

#### Other companies

##### Foreign listed companies

- Director, member of the audit committee, of the nomination committee and of the compensation committee of DIAGEO (United Kingdom)

##### French unlisted companies

- Member of the supervisory board, member of the audit committee of NEXTSTAGE EVERGREEN S.C.A
- Vice-Chair of the supervisory board of SOFISPORT SA
- Director of NOBEL SPORT SA

##### Foreign unlisted companies

- Director of ACNE STUDIOS (Sweden), AGROLIMEN (Spain), CHEDDITE ITALY S.R.L. <sup>(a)</sup> (Italy), NOBEL SPORT MARTIGNONI S.P.A. <sup>(a)</sup> (Italy)

### Terms of office expired over the past five years

- Director of SOFIAM IBERICA <sup>(a)</sup> (Spain) (2023)
- Director, member of the nomination and compensation committee of JACOBS HOLDING AG (Switzerland) (2024)

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Gilbert GHOSTINE

Chairman of the Board of Directors of Sandoz  
Independent Director, member of the Audit and the CSR Committees

Age 64 – Lebanese and Canadian nationalities  
First appointed to the Board: Board of Directors of September 30, 2022, with effect on October 15, 2022  
End of term: 2027 Shareholder's meeting  
DANONE shares: 3,000



### Expertise – Experience – Main activities

Gilbert GHOSTINE has a master's degree in business administration from Saint-Joseph University in Beirut, complemented by the Advanced Management Program from Harvard Business School. He began his career in 1986 with group Murr, a Lebanese company in the construction sector and he was Marketing & Sales Director at Amlevco Trading Company and then General Manager, Middle East at International Distillers & Vintners, which became Diageo in 1997. Within the Diageo group, the world's leading premium spirits company, Gilbert GHOSTINE held, between 1997 and 2014, several senior leadership roles across four continents. He was notably Managing Director, Middle East, Africa, Central and Eastern Europe (1998-2000), President, Major US Markets and National Accounts (2002-2005), Managing Director Northern Europe (2005-2006), Managing Director Continental Europe (2006-2009), President Asia Pacific (2009-2014) and then Chief Corporate Development Officer and President India and Greater China, a position he held until his departure in 2014. That year, Gilbert was appointed Chief Executive Officer of Firmenich, the Swiss, largest private fragrance and taste company in the world. In this role, Gilbert has championed digital innovation, led the strategic repositioning of Firmenich into Natural, Biotech and Life Science leadership, and driven its growth into a recognized global leader in Environmental, Social and Governance. Under Gilbert's leadership, Firmenich has delivered strong and consistent organic growth whilst securing 15 strategic acquisitions, culminating in merger with DSM in May 2023, creating the world's leading beauty, nutrition and wellbeing company. This achievement marked the end of Gilbert's tenure as Firmenich Chief Executive Officer. Currently, Gilbert serves as the Chairman of the Sandoz Board of Directors and sits on the board of directors at Four Seasons Hotels & Resorts, where he chairs the Remuneration and Nomination Committee.

### Current terms of office

#### Danone companies

- Director, member of the Audit Committee and the CSR Committee of DANONE SA

#### Other companies

##### Foreign listed companies

- Chairman of the Board of Directors of SANDOZ (Switzerland)

##### Foreign unlisted companies

- Director and Chair of the Remuneration and Nomination Committee of FOUR SEASONS HOTELS AND RESORTS (Canada)

### Terms of office expired over the past five years

- Chief Executive Officer of FIRMENICH SA (Switzerland) (2023)

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Lise KINGO

**Independent Director of companies**  
**Independent Director and Chair of the CSR Committee**

Age 63 – Danish nationality

First appointed to the Board: Board of Directors of September 30, 2022, with effect on December 1, 2022

End of term: 2027 Shareholders' Meeting

DANONE shares: 2,000



### Expertise – Experience – Main activities

Lise KINGO holds a master's degree in Responsibility & Business from the University of Bath in the UK as well as bachelor degrees in Religions and Ancient Greek Art from the University of Aarhus in Denmark. She also holds a bachelor's degree in Marketing and Economics from the Copenhagen Business School and a certificate as International Director from INSEAD in France. Lise KINGO joined Novo Nordisk in 1988, where she remained for more than 25 years. She held various international business roles, including in environmental affairs, internal audit, compliance, human resources, communication, branding and sustainability, and was appointed as Executive Vice President, Chief of Staff and member of the Executive Committee in 2002. She played a key role in defining Novo Nordisk's sustainable business strategy and strong brand. In 2015, Lise KINGO was appointed Chief Executive Officer & Executive Director of the United Nations Global Compact, the world's largest sustainability initiative uniting business to create a better world through universal principles and the UN Sustainable Development Goals. She was also a professor in sustainability and innovation at Vrije University in Amsterdam from 2006 to 2015. Throughout her career, Lise KINGO held various positions in Denmark, the United Kingdom, Norway, the Netherlands and the United States. Since 2020, she is a professional independent board member.

### Current terms of office

#### Danone companies

- Director, Chair of the CSR Committee of DANONE SA

#### Other companies

##### French listed companies

- Director, member of the appointments, governance, and CSR Committee of SANOFI

##### Foreign listed companies

- Director, Chair of the sustainability committee of COVESTRO AG (Germany)

##### Foreign unlisted companies

- Director of ALLIANZ TRADE (Belgium)

### Terms of office expired over the past five years

- Director of AKER HORIZONS ASA (Norway) (2023)

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Patrice LOUVET



**President and Chief Executive Officer of RALPH LAUREN CORPORATION**  
**Independent Director and member of the Nomination, Compensation and Governance Committee**

Age 60 – American and French nationalities  
 First appointed to the Board: 2022 Shareholders' Meeting  
 End of term: 2028 Shareholders' Meeting<sup>(a)</sup>  
 DANONE shares: 2,000

### Expertise – Experience – Main activities

A graduate of ESCP Paris and with an MBA from the University of Illinois in the United-States, Patrice LOUVET began his career in 1989 with the Procter & Gamble group where he worked for 28 years. He successively held various management positions in Europe, North America and Asia, notably as President of P&G Prestige between 2009 and 2011, of P&G Global Grooming between 2011 and 2015 and, from 2015, as President of the group's Beauty division. He led and grew multi-billion-dollar global consumer brands – ranging from Gillette to Pantene and SK-II – across diverse distribution channels and geographies. Since 2017, he has been President and Chief Executive Officer of Ralph Lauren Corporation and member of its board of directors. In addition, he serves on the board of directors of the Hospital for Special Surgery based in New York. He is also a member of the CEO Advisory Council of the Fashion Pact, a worldwide coalition committed to advancing environmental sustainability in the fashion and textile industries. He served in the French Navy between 1987 and 1989 as a Naval Officer, *aide de camp* to an Admiral.

(a) Subject to renewal of his term of office by the Shareholder's Meeting of April 24, 2025.

### Current terms of office

#### Danone companies

- Director, member of the Nomination, Compensation and Governance Committee of DANONE SA

#### Other companies

##### Foreign listed companies

- President and Chief Executive Officer, director of RALPH LAUREN CORPORATION (United States)

### Terms of office expired over the past five years

- Director, member of the audit committee of BACARDI LIMITED (Bermudas) (2022)

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Sanjiv MEHTA

Independent Director of companies  
Independent Director and member of the Audit Committee

Age 64 - Indian nationality  
First appointed to the Board: July 1, 2023  
End of term: 2026 Shareholders' Meeting  
DANONE shares: 1,000

### Expertise – Experience – Main activities

A commerce graduate from Nagpur University, member of the Institute of Chartered Accountants of India, Sanjiv MEHTA has also completed the Advanced Management Program from Harvard Business School. He started his career in 1983 with Union Carbide in India where he held various management positions in finance, audit, and sales. In 1992, he joined Unilever Arabia in Dubai as Sales Director and then became Group Sales Director.

At the end of 1998, he moved to Bangladesh as Sales Director of Unilever Bangladesh Limited and in early 2002 he became Chairman and Managing Director. In 2007, he joined Unilever Philippines Inc. as Chairman and Chief Executive Officer and the following year he was appointed Chairman and Chief Executive Officer of Unilever North Africa and Middle East where he oversaw a region of 20 countries. During his various positions, he substantially accelerated the growth and profitability of the Unilever group companies. From 2013 to 2023, he led Unilever's businesses in South Asia including Hindustan Unilever Limited (HUL), Unilever's listed subsidiary and India's largest FMCG company. In 2019, while continuing to lead South Asia he joined Unilever Leadership Executive (Unilever's Global Executive Board) as President South Asia. Under his leadership of ten years, HUL more than doubled its turnover, improved its EBITDA margin by 860 bps and increased its market capitalization by nearly five times to over \$70 billion. Besides building distinctive capabilities especially harnessing data and digitization, under his leadership, HUL has had a big impact through various social and environmental initiatives. Sanjiv's tenure as Chief Executive Officer and Managing Director of HUL ended on June 26, 2023. In addition, he has served as a non-executive Director of the Bombay Chamber of Commerce and Industry between 2015 and 2019 and between 2021 and 2022, he was President of India's largest industry body, the Federation of Indian Chambers of Commerce and Industry (FICI).

He also served as a Board member of the Breach Candy Hospital Trust, between 2014 and 2023, and as a Director of the Indian School of Business between 2018 and 2023. Sanjiv MEHTA is also member of the South Asia Advisory Committee of Harvard Business School of India, consultant with Accenture India and Chairman Emeritus of Vikaasa, a coalition of Indian and multinational companies formed to help solve some of the major challenges facing India.

### Current terms of office

#### Danone companies

- Director, member of the Audit Committee of DANONE SA

#### Other companies

##### Foreign listed companies

- President Commissioner (Non-Executive Chairman) of PT UNILEVER INDONESIA TBK (Indonesia)
- Director of DR REDDY'S LABORATORIES LIMITED (India)

##### Foreign unlisted companies

- Independent Director of AIR INDIA LIMITED (India)
- Executive Chairman of L Catterton India (India)
- Non-Executive Chairman of L CATTERTON ASIA

### Terms of office expired over the past five years

- Chief Executive Officer and Managing Director of HINDUSTAN UNILEVER LIMITED (India) and President of UNILEVER SOUTH ASIA (2023)

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate





## Géraldine PICAUD



**Chief Executive Officer of SGS  
Independent Director and Chair of the Audit Committee**

Age 54 – French nationality  
First appointed to the Board: 2022 Shareholders' Meeting  
End of term: 2028 Shareholders' Meeting<sup>(a)</sup>  
DANONE shares: 2,000

### Expertise – Experience – Main activities

With an MBA from the Superior Business School of Reims, Géraldine PICAUD started her career in 1992 as an auditor with Arthur Andersen. In 1994, she joined the French specialty chemicals group Satic Alcan group as Head of Company Controlling and became Chief Financial Officer in 2002. In 2007, she joined ED&F Man, an ingredient and commodity company notably specializing in agricultural products, coffee, sugar and animal feed, first in London as Head of Corporate Finance, responsible for M&A, then in Switzerland as Chief Financial Officer of Vocalfe Holdings, the group's coffee business. In 2011, she was appointed Chief Financial Officer of Essilor International, a CAC 40-listed company, world leader in ophthalmic optics. Between 2018 and 2023, she was Chief Financial Officer of Holcim (formerly LafargeHolcim) and a member of its Executive Committee. On December 1, 2023, she joined the SGS Group, world leader in testing, inspection and certification, as Chief Financial Officer before taking up the position of Chief Executive Officer of the group from March 26, 2024.

### Current terms of office

#### Danone companies

- Director, Chair of the Audit Committee of DANONE SA

#### Other companies

##### Foreign listed companies

- Chief Executive Officer of SGS (Switzerland)

### Terms of office expired over the past five years

- Director of LAFARGEHOLCIM MAROC SA<sup>(b)</sup> (Morocco) (2023), HUAXIN CEMENT CO., LTD.<sup>(b)</sup> (China) (2022), HOLCIM GROUP SERVICES LTD.<sup>(b)</sup> (Switzerland) (2023), HOLCIM TECHNOLOGY LTD.<sup>(b)</sup> (Switzerland) (2023), LAFARGE MAROC SA<sup>(b)</sup> (Morocco) (2023), LAFARGEHOLCIM MAROC AFRIQUE SAS<sup>(b)</sup> (Morocco) (2023)
- Member of the supervisory board of INFINEON TECHNOLOGIES AG (Germany) (2023)

(a) Subject to renewal of her term of office by the Shareholders' Meeting of April 24, 2025.

(b) Holcim group company.

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



**Susan ROBERTS**



**Associate Dean for Foundational Research,  
Professor of Medicine and Epidemiology, Geisel School of Medicine, Dartmouth College, USA  
Independent Director and member of the CSR Committee**

Age 67 – British, Canadian and American nationalities  
First appointed to the Board: 2022 Shareholders' Meeting  
End of term: 2028 Shareholders' Meeting<sup>(a)</sup>  
DANONE shares: 2,000

**Expertise – Experience – Main activities**

Susan ROBERTS, PhD in Nutrition from the University of Cambridge, is Senior Associate Dean for Foundational Research, Professor of Medicine and Professor of Epidemiology, Geisel School of Medicine, Dartmouth College, and Adjunct Professor of Nutrition, Friedman School of Nutrition Science and Policy at Tufts University in the United States. As an internationally recognized nutrition researcher, she has received numerous prestigious awards for her major contributions to research in the field of nutrition. As part of her work, she is co-leading a consortium of scientists to understand the physiology of the weight-reduced state and co-leads the International Weight Control Registry which is collaborating with scientists in 19 countries to identifying successful weight management practices in different cultures. In addition, she co-owns iDiet, a behavioral weight-loss platform. Dr. ROBERTS has published over 300 research papers in research journals including the New England Journal of Medicine and JAMA. In addition, she has sat on national and international committees for dietary recommendations including a recent congress-mandated evaluation by National Academies of Sciences to improve the process of developing Dietary Guidelines for Americans.

**Current terms of office**

**Danone companies**

- Director, member of the CSR Committee of DANONE SA

**Terms of office expired over the past five years**

-

(a) Subject to renewal of her term of office by the Shareholder's Meeting of April 24, 2025.

**Director expertise**



Governance / Leadership



International experience



Audit, accounting and risk management



Strategy / M&A



FMCG / Food & Beverage industry



Brand management / Consumer - customer focus experience



R&D, Health & Innovation



CSR / Climate



## Antoine de SAINT-AFFRIQUE



**Chief Executive Officer of DANONE SA**  
**Non-independent Director**

Age 60 – French nationality  
 First appointed to the Board: 2022 Shareholders' Meeting  
 End of term: 2028 Shareholders' Meeting<sup>(a)</sup>  
 DANONE shares: 7,500

### Expertise – Experience – Main activities

Graduated from ESSEC Business School in 1987, Antoine de SAINT-AFFRIQUE also has a qualification in executive education from Harvard Business School. He served as a reserve Naval Officer between 1987 and 1988. In 1989 he joined Unilever where he held various marketing positions in France and in the United States. In 1997 he returned to France to join, as Marketing Vice-President, the food company Amora Maille, which was acquired from Danone under a leveraged buy-out. In 2000 he moved back to Unilever as Senior Vice-President, Sauces and Condiments Europe and became in 2003 Chairman and Chief Executive Officer of Unilever Hungary, Croatia, Slovenia and then in 2005 Executive Vice-President for Unilever's Central Europe and Eastern region – an area covering 21 countries. In 2009 he was appointed Executive Vice-President of Unilever's Skin category and, in 2011, President of Unilever Foods and member of the group Executive Committee. These various positions led him to live in the United States, Hungary, Russia, the Netherlands, United Kingdom and in Switzerland. From October 2015 to September 2021, he was Chief Executive Officer of Barry Callebaut. Since September 15, 2021, he has been Chief Executive Officer of Danone.

### Current terms of office

#### Danone companies

- Chief Executive Officer and Director of DANONE SA
- Chairman of the Board of Directors of DANONE COMMUNITIES (SICAV)
- Chairman of LIVELIHOODS FUND for FAMILY FARMING SAS

#### Other companies

##### Foreign listed companies

- Director, member of the audit committee and of the nomination committee of BURBERRY GROUP PLC (United Kingdom)

### Terms of office expired over the past five years

- Chief Executive Officer of BARRY CALLEBAUT (Switzerland) (2021)
- Director of BARRY CALLEBAUT SOURCING AG (Switzerland), BARRY CALLEBAUT COCOA AG (Switzerland) (2021)
- Director, member of the nomination and compensation committee of BARRY CALLEBAUT (Switzerland) (2024)

(a) Subject to renewal of his term of office by the Shareholder's Meeting of April 24, 2025.

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Gilles SCHNEPP

Chairman of the Board of Directors of DANONE SA  
Independent Director

Age 66 – French nationality  
First appointed to the Board: Board of Directors of December 2020  
End of term: 2026 Shareholders' Meeting  
DANONE shares: 5,000

### Expertise – Experience – Main activities

Upon graduating from the École des Hautes Études Commerciales (HEC) in 1981, Gilles SCHNEPP started his career in 1983 at Merrill Lynch France where he became Vice-President in 1986. He then joined Legrand in 1989, holding various positions, in particular that of group Chief Financial Officer, before being appointed Chief Operating Officer in 2000. He was appointed to the executive committee and the board of directors in 2001 and Vice-Chairman and Chief Executive Officer in 2004. Between 2006 and 2018, he has been Chairman and Chief Executive Officer of Legrand and then Chairman of its board of directors between 2018 and 2020. From 2018 to 2021, he was also Chairman of MEDEF's Ecological and Economic Transition Commission and a member of its executive committee. He was awarded the titles of *Chevalier de la Légion d'honneur* in 2007 and of *Officier de l'Ordre National du Mérite* in 2012. Since 2020, he has been an operating advisor of Clayton, Dubilier & Rice. Gilles SCHNEPP has been appointed Chairman of Danone's Board of Directors since March 14, 2021.

### Current terms of office

#### Danone companies

- Chairman of the Board of Directors of DANONE SA

#### Other companies

##### French listed companies

- Director, member of the audit and risk committee of COMPAGNIE DE SAINT-GOBAIN

##### French unlisted companies

- Director of SOCOTEC
- Chairman of GS CONSEILS (SAS)

### Terms of office expired over the past five years

- Vice-Chairman and Senior Independent Member of the supervisory board of PEUGEOT S.A (2020)
- Chairman and Chief Executive Officer of LEGRAND (2020)
- Various terms of office within companies of the LEGRAND group (2020)
- Director, member of the strategy and social responsibility Committee of LEGRAND (2022)
- Director, Chairman of the appointments, governance and CSR committee, member of the strategy committee of SANOFI (2024)

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate



## Bettina THEISSIG

Member of the European Works Council of DANONE  
and Chair of the Central Works Council of DANONE DEUTSCHLAND GMBH  
Director representing employees and member of the CSR Committee

Age 62 – German nationality  
First appointed to the Board: 2014  
End of term: 2026  
DANONE shares: 1 <sup>(a)</sup>

### Expertise – Experience – Main activities

Bettina THEISSIG began her career in the industrial sector in 1978 at Milupa GmbH, a baby food and formula manufacturer that has been part of Danone's Specialized Nutrition division since the acquisition of the Numico group in 2007. During this period, she received a training in industrial business. After acquiring her first professional experience in Milupa's advertising department, she held various positions in several departments, including marketing, sales, human resources and medical. In 2002, her unwavering interest in the condition of employees and the protection of their rights prompted her to join the Works Council of Milupa. She is currently Chair of Danone Deutschland/HQ Frankfurt Works Council, Chair of Danone's Deutschland Central Works Council, Health Officer and Representative to the Works Council of Danone's sites in Germany. She is also a member of Danone's European Works Council and of the Steering Committee. She has also represented employees with disabilities since 1998. She has been an accredited Training Business Coach since 2015.

### Current terms of office

#### Danone companies

- Director representing employees, member of the CSR Committee of DANONE SA

### Terms of office expired over the past five years

-

(a) Share granted under the "One Person, One Voice, One Share" program.

#### Director expertise



Governance /  
Leadership



International  
experience



Audit, accounting  
and risk  
management



Strategy / M&A



FMCG /  
Food & Beverage  
industry



Brand  
management /  
Consumer -  
customer focus  
experience



R&D, Health  
& Innovation



CSR / Climate

## 6.3 COMPENSATION AND BENEFITS OF GOVERNANCE BODIES

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### COMPENSATION POLICY FOR EXECUTIVE CORPORATE OFFICERS FOR 2025

The compensation policy for corporate officers is drawn up by the Board of Directors pursuant to Articles L.22-10-8 *et seq.* of the French Commercial Code and subject to approval by the Shareholders' Meeting. It defines all components of the fixed and variable compensation of the corporate officers and the decision-making process followed for its determination, revision and implementation.

This policy:

- complies with Danone's corporate interests: (i) the variable component of this compensation, most of which is paid in the form of DANONE shares, aligns the interests of the executive corporate officers with those of the shareholders, (ii) the performance components taken into consideration include Danone's long-term strategy as well as relevant sustainability criteria, and (iii) the policy is consistent and acceptable from a societal standpoint;
- contributes to the Group's sustainability, as it both encourages talent retention and engagement within the Group and aligns with its long-term vision and performance thanks to its variable component of compensation governed by demanding targets assessed over time;
- forms an integral part of the Group's strategy, thanks to performance objectives aligned with this strategy and based on financial and sustainability indicators such as sales, recurring operating margin or its sustainability commitments and achievements;
- may be derogated by the Board of Directors, in accordance with Article L.22-10-8 of the French Commercial Code, in the event of exceptional circumstances, provided that the derogation applied is temporary, in line with the corporate interests and necessary for its continued existence or viability. In such cases, the Board of Directors may approve an unforeseen compensation component or a change in the compensation structure as defined in the compensation policy previously approved by the Shareholders' Meeting, subject to a duly justified decision and presented in the Universal Registration Document, within the limit of the overall compensation cap for the executive corporate officer as approved by the Shareholders' Meeting.

### General principles

#### Principles for determining the compensation of executive corporate officers

The compensation paid to Danone's executive corporate officers is:

- designed to be incentivizing over several time horizons and aligned with stakeholder interests;
- tied to the Company's public objectives and its financial and non-financial performance;
- balanced and subject to stringent conditions in line with investors' expectations and with the best market practices;
- consistent with the collective principles that Danone applies to approximately 1,950 senior executives worldwide;
- determined by the Board of Directors on the basis of the Nomination, Compensation and Governance Committee's recommendations and in compliance with the AFEP-MEDEF Code;
- fixed by taking into consideration the corporate officer's level of responsibilities;
- determined in a general way, including, where applicable, all types of commitments such as indemnities or benefits due or likely to be due as a result of the officers assuming, terminating or changing their duties or after they perform these duties, such as severance pay and a non-compete indemnity for example;
- fixed by taking into consideration the compensation and employment terms of Danone's employees;
- consistent with the compensation practices observed at comparable companies, in particular CAC 40 companies with comparable market capitalizations and European multinationals in the food and beverage sector.

The application of these principles results in:

- the preponderance of the component of compensation being subject to performance conditions;
- a significant long-term shareholding compensation component in the form of Group performance shares (GPS);

- the obligation requiring executive corporate officers and Executive Committee members to hold a certain number of DANONE shares resulting from the allotment of GPS, thereby aligning their interests with those of shareholders;
- the capping of overall compensation;
- the non-payment of variable compensation if the objectives are not met.

### Role of the Nomination, Compensation and Governance Committee

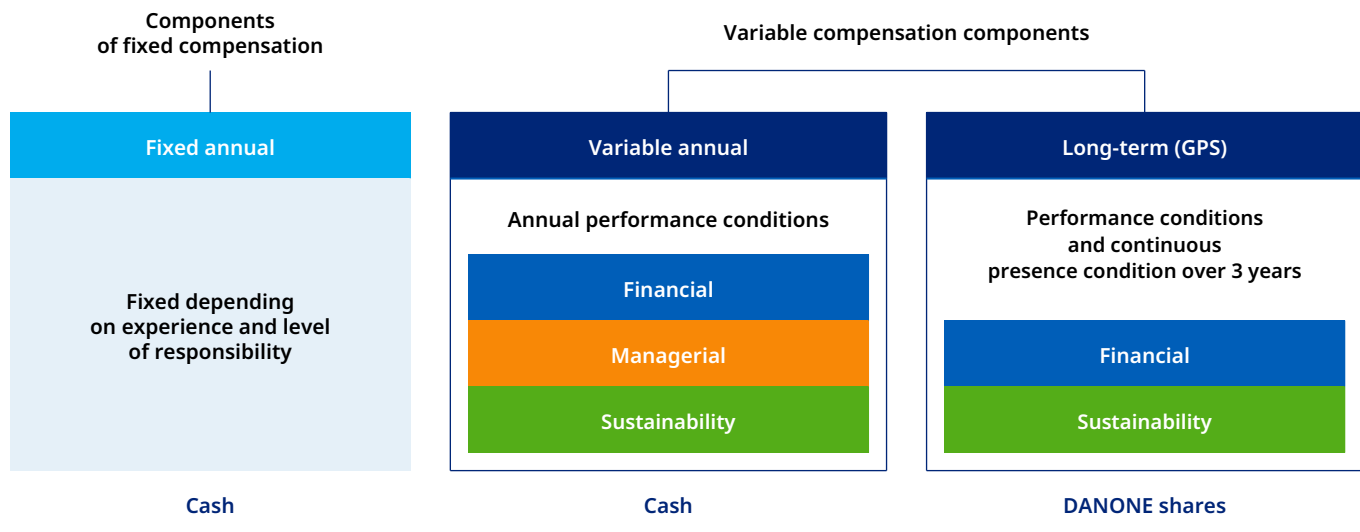
Danone's compensation policy is regularly reviewed by the Nomination, Compensation and Governance Committee, chaired by the Lead Independent Director, and comprising two-thirds independent Directors, and one Director representing employees, in accordance with the recommendations of the AFEP-MEDEF Code.

The Nomination, Compensation and Governance Committee reviews market practices, based on benchmarks prepared by specialized firms whose objectivity it has verified, including (i) large international companies listed in France (CAC 40) and (ii) a Panel of European multinationals in the food and beverage sector, some of which are included in the Stoxx Europe 600 Food & Beverage index.

The Nomination, Compensation and Governance Committee takes particular care to ensure that:

- the compensation is such as to attract, retain and motivate talented individuals while remaining consistent with Danone's employee compensation and employment terms and current market practices;
- long-term performance compensation subject to performance criteria is sufficiently high relative to annual compensation, to encourage corporate officers to achieve high performance over the long-term and to ensure their action in the long-term;
- the performance criteria are stringent and complementary such that they compensate long-term performance and ensure the alignment of shareholders' interests, in line with the targets announced by Danone to the financial markets, with those of the management. In addition, these performance conditions reflect best compensation practices, such as "no payment under guidance" and "no payment below the median";
- all components of the compensation of corporate officers and members of the Executive Committee are taken into account, including in particular, the potential benefit of a supplementary retirement plan, and their balance is ensured.

### Compensation structure summary



As a reminder, components of annual variable or, where applicable, extraordinary compensation granted to the executive corporate officers for the previous year may be paid only after the relevant components have been approved by the Shareholders' Meeting under the conditions set out in Article L.22-10-34, II, of the French Commercial Code.

### Director's compensation

According to Danone's policy on the compensation of Directors (see section *Compensation policy for Directors for 2025* hereinafter), executive corporate officers are not entitled to any compensation for their directorship.

## Fixed compensation and other benefits

<b>Fixed compensation</b>	<ul style="list-style-type: none"> <li>■ compensates the duties incumbent in their office held and the level of responsibility;</li> <li>■ is decided by the Board of Directors on the basis of the Nomination, Compensation and Governance Committee's opinion, in accordance with the principles presented above and taking into account their duties, their experience and market practices, in line with the collective principles that Danone applies to around 1,950 senior executives worldwide;</li> <li>■ is reviewed at relatively long intervals, in accordance with the recommendations of the AFEP-MEDEF Code.</li> </ul> <p>The fixed compensation of the Chief Executive Officer for 2025 is €1.4 million, it had been stable since the appointment of the Chief Executive Officer, Antoine de SAINT-AFFRIQUE, in 2021.</p>
<b>Benefits in kind</b>	<ul style="list-style-type: none"> <li>■ consistent with Danone's compensation practices for its senior executives, grant of benefits in kind, in particular access to a car with driver and to housing.</li> </ul>
<b>Social security benefits</b>	<ul style="list-style-type: none"> <li>■ Group insurance, healthcare and pension benefits identical to those of all of the Company's executives.</li> </ul>

## Variable compensation

<b>Structure</b>	<ul style="list-style-type: none"> <li>■ annual variable compensation;</li> <li>■ long-term variable compensation in shares paid in the form of DANONE shares and subject to performance conditions (GPS).</li> </ul> <p>Long-term compensation in shares represents, at the time of granting, about 50% of the overall compensation in value of executive corporate officers and cannot exceed 60% of this target compensation.</p> <p>In the event of extraordinary circumstances having a significant impact on the fulfillment of one or more performance criteria associated with the variable compensation of the executive corporate officer, including notably (i) a significant change in the Group's scope of consolidation, (ii) a significant change in accounting method, (iii) a significant change in calculation methodology for sustainability data, (iv) a significant regulatory change or (v) a major event affecting the food and beverage sector, Danone's markets and/or its competitors, the Board of Directors acting upon the recommendation of the Nomination, Compensation and Governance Committee, may adjust one or more annual and/or long-term variable compensation criteria, including one or more of the associated indicators (weighting, trigger thresholds, objectives, targets etc.), in order to ensure that the implementation of the compensation policy is in line with the executive corporate officer's performance and with Danone's, either on an absolute basis or relative to its peers. Any adjustment, which may increase or reduce the level of compensation, must remain within the overall cap for such compensation specified in the compensation policy. Any use of this extraordinary adjustment ability will be disclosed to shareholders and duly justified, in particular its alignment with shareholders' interests and the preservation of the stringency of the revised criteria.</p>
<b>Stringent predetermined performance criteria</b>	<ul style="list-style-type: none"> <li>■ directly and indirectly based on the Company's objectives as announced to the market and consistent with its strategic roadmap;</li> <li>■ mainly financial (60% for annual variable compensation, and 70% for long-term variable compensation);</li> <li>■ linked to sustainability (20% for annual variable compensation and 30% for long-term variable compensation);</li> <li>■ and managerial (20% for annual variable compensation).</li> </ul>



## Annual variable compensation

<b>Principles</b>	<ul style="list-style-type: none"> <li>■ is determined by the Board of Directors on the basis of the Nomination, Compensation and Governance Committee's opinion and in accordance with the principles presented above, and is consistent with the issues at stake in the short term;</li> <li>■ is subject to performance conditions including measurable financial, sustainability and managerial criteria determined beforehand, in a precise and objective manner by the Board of Directors further to the Nomination, Compensation and Governance Committee's recommendation;</li> <li>■ has a target amount of up to 100% of the fixed compensation;</li> <li>■ in the event of outperformance, is capped at 200% of the fixed compensation;</li> <li>■ has no minimum or guaranteed amount.</li> </ul>
<b>Structure</b>	<ul style="list-style-type: none"> <li>■ quantifiable financial component based on Danone's main financial targets such as, sales growth, change in volume/mix, recurring operating margin and Free cash flow generation;</li> <li>■ quantifiable sustainability component based on Danone's objectives;</li> <li>■ qualitative managerial component determined on the basis of specific annual criteria that are disclosed retrospectively.</li> </ul>
<b>Performance criteria</b>	<ul style="list-style-type: none"> <li>■ qualitative criteria are precisely defined by the Board of Directors and not made public for confidentiality reasons, in accordance with French Financial Market Authority recommendation DOC-2012-02 of February 9, 2012 (as amended);</li> <li>■ each quantitative criterion is precisely predetermined in terms of its achievement level and not made public for confidentiality reasons, in accordance with this French Financial Market Authority recommendation.</li> </ul>

Details on the annual variable compensation criteria for 2025 can be found below in section *Compensation elements established for 2025*.

In accordance with AFEP-MEDEF Code recommendations, the allocation of this performance-based variable compensation will be specifically disclosed at the close of the 2025 financial year. It will also be detailed in the 2025 Universal Registration Document and will be paid only further to the approval by the 2026 Shareholders' Meeting.

## Long-term variable compensation in shares (Group performance shares)

### Principles

- established in 2010 to strengthen the commitment of beneficiaries (executive corporate officers, Executive Committee members and approximately 1,950 senior executives) to support Danone's development and increase its share price over the long-term;
- approved regularly by the Shareholders' Meeting in a specific extraordinary resolution;
- granted by the Board of Directors upon recommendation of the Nomination, Compensation and Governance Committee;
- subject to complementary performance criteria that are representative of Danone's performance and consistent with the specificity of its activity, assessed over a three-year period. These reflect key indicators monitored by investors and analysts to measure the performance of companies in the food and beverage sector. They may also include one or more sustainability criteria. The achievement of these performance criteria is examined by the Board of Directors further to a prior review by the Nomination, Compensation and Governance Committee;
- definitively granted to all beneficiaries, subject to them being continuously present for three years, with the exceptions specified in the plan rules (including in the event of death or disability) or decided by the Board of Directors.

In the case of the executive corporate officers and members of the Executive Committee, the Board of Directors may, only where applicable, decide to partially waive the continuous presence condition on a *pro rata temporis* basis and based on a reasoned opinion. Moreover, in the event of a change of control, for GPS granted to executive corporate officers and members of the Executive Committee, the achievement of the continuous presence condition will be assessed by the Board of Directors on a *pro rata temporis* basis, calculated between the date of the grant and the date of the change of control, compared to the initial delivery date stipulated in the plan. In addition, regarding the fulfillment of the performance conditions, either the Board of Directors will have reached a decision regarding the level of achievement or no such decision will have been reached, in which case the Board, acting upon recommendation of the Nomination, Compensation and Governance Committee, will assess the extent to which each performance condition has been fulfilled on the basis of the available information;

- capped as follows: the number of performance shares granted to executive corporate officers must not exceed 60% of each executive corporate officer's overall target compensation in terms of its accounting valuation (in accordance with IFRS standards) estimated at the grant date;
- granted in the form of DANONE shares that the beneficiary is obliged to hold in accordance with the principles determined by the Board and stated hereafter.

### Performance conditions

More information on the performance conditions applicable in 2025 is provided in section 6.4 *Detailed information on long-term compensation plans*, including the (i) general principles, (ii) performance conditions and (iii) other applicable rules.

## Extraordinary compensation

If a new executive corporate officer is appointed, further to an external hiring, the Board of Directors may, subject to the requirements of the AFEP-MEDEF Code and upon recommendation of the Nomination, Compensation and Governance Committee, decide to grant to this person extraordinary compensation mainly in the form of long-term compensation in cash and/or shares subject to performance conditions, in order to fully or partly offset the potential loss of

compensation resulting from the acceptance of his/her new duties. The allocation of this extraordinary compensation will be (i) duly justified, (ii) subject to approval by the Shareholders' Meeting of the resolution on compensation paid or awarded to the corporate officer in question (*ex post say on pay*), and (iii) subject to the condition precedent of a favorable vote on this resolution with retroactive effect to the date of this grant.

### Other components that may be granted to the executive corporate officers

The Board of Directors includes all components of compensation in its overall assessment of the compensation of executive corporate officers, including, notably, where applicable, the undertakings corresponding to the compensation components, indemnities or benefits due or that could be due as a result of the corporate officers assuming, terminating or changing their duties or after them performing these duties, such as severance pay and a non-compete indemnity, as well as pension commitments, that may be granted to the corporate officers subject to the requirements of the AFEP-MEDEF Code.

It should be noted that, if a new executive corporate officer should be appointed, he/she may be eligible notably for severance pay amounting to up to two years of gross annual compensation (fixed and variable) and subject to stringent performance conditions, as well as other commitments under Article L.22-10-9, paragraph 4 of the French Commercial Code, subject to the requirements of the AFEP-MEDEF Code.

In Antoine de SAINT-AFFRIQUE's case, he is eligible for severance pay, a non-compete indemnity if his non-compete clause is triggered, and a defined contribution pension plan ("*Article 83*"). More information on these components is provided in section *Other compensation and benefits to which the Chief Executive Officer is entitled* hereinafter.

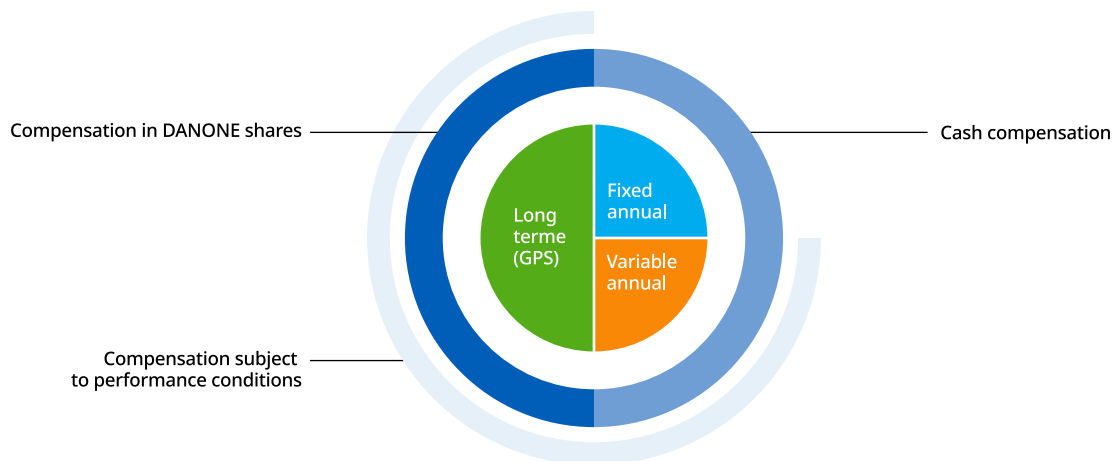
### Compensation elements established for 2025

Upon recommendation of the Nomination, Compensation and Governance Committee, the Board of Directors, at its meeting of February 25, 2025, determined the principles of compensation with respect to fiscal year 2025 for Antoine de SAINT-AFFRIQUE, Chief Executive Officer.

The 2025 compensation policy for the Chief Executive Officer is based on stability. Indeed, as part of the renewal of the Chief Executive Officer's term of office, and following a detailed analysis of all compensation components, only small changes are proposed. Regarding long-term compensation, it is proposed to remove the specific cap of 105% for executive corporate officers, in order to align the maximum number of GPS that may be delivered at the end of the performance period with that of other GPS beneficiaries, thereby also strengthening alignment with shareholders' long-term interests: the maximum number of GPS that may be awarded to executive corporate officers would therefore increase from 105% to 120% of the initially awarded GPS. Furthermore, it is proposed to introduce a provision allowing the Board of Directors to adjust, upwards or downwards, the criteria for long-term variable compensation under exceptional circumstances. Such provision already existed in the compensation policy for the criteria of annual variable compensation (for further details, see section *Variable compensation* above).

Finally, in accordance with Article L.22-10-8 of the French Commercial Code, the compensation policy now explicitly states that under exceptional circumstances, the Board of Directors may derogate from the application of the compensation policy if such derogation is temporary, consistent with the corporate interest, and necessary to ensure the Company's sustainability or viability. Any decision in this regard will be justified and may include an additional element not initially provided for in the policy.

The overall structure and the main components of the proposed target compensation (namely fixed compensation and variable compensation) are as follows (as in previous years):



<b>Fixed compensation</b> €1,400,000	The amount of Antoine de SAINT-AFFRIQUE's fixed compensation for 2025 was set by the Board of Directors at €1.4 million, unchanged amount since his appointment in 2021.		
<b>Annual variable compensation</b> The target amount of the annual variable compensation for 2025, its components and the maximum compensation percentage are the same as for the previous year. <ul style="list-style-type: none"> <li>■ Target amount: €1,400,000</li> <li>■ Cap: €2,800,000</li> <li>■ No floor</li> </ul>	The performance criteria for the annual variable compensation for the year 2025 will be as follows:		
		<b>Proportion of the target amount</b>	<b>Variation based on the weighting</b>
<b>Financial criteria (quantitative)</b>	<b>Performance indicators</b>		
	Like-for-like sales growth	15%	0 to 30%
	Change in volume/mix on a like-for-like basis	15%	0 to 30%
	Recurring operating margin level	15%	0 to 30%
	Free cash flow generation	15%	0 to 30%
	<b>TOTAL</b>	<b>60%</b>	<b>0 to 120%</b>
<b>Sustainability criteria (quantitative)</b>	Like-for-like reduction in greenhouse gas emissions across the entire value chain (scopes 1, 2 and 3) in 2025 vs 2024	5%	0 to 10%
	Forest – Volume of key commodities verified Deforestation & Conversion Free (vDCF)	5%	0 to 10%
	B-Corp™ certification of Danone SA and percentage of employees covered by the certification	5%	0 to 10%
	Fair Wage Network Certification of Danone (decent wage)	5%	0 to 10%
	<b>TOTAL</b>	<b>20%</b>	<b>0 to 40%</b>
<b>Managerial criteria (qualitative)</b>	Managerial objective	20%	0 to 40%
	<b>TOTAL</b>	<b>20%</b>	<b>0 to 40%</b>
<b>TOTAL</b>		<b>100%</b>	<b>0 to 200%</b>
	In accordance with French Financial Market Authority recommendation DOC-2012-02 of February 9, 2012 (as amended), the expected level of fulfillment for each of the quantitative criteria is defined in advance by the Board of Directors, upon recommendation of the Nomination, Compensation and Governance Committee, but is not disclosed publicly for reasons of confidentiality, the nature of these criteria being presented, in accordance with the aforementioned French Financial Market Authority recommendation. Similarly, the assessment elements of the managerial criteria was determined by the Board of Directors but is not made public for reasons of confidentiality reasons.		
	The allocation of this performance-based variable compensation will be specifically disclosed at the close of the 2025 financial year. It will also be presented in the 2025 Universal Registration Document.		
	In addition, pursuant to Article L.22-10-34, II, of the French Commercial Code, the fixed, variable and extraordinary components that make up the total compensation and benefits in kind paid or granted for fiscal year 2025 will be subject to approval by the 2026 Shareholders' Meeting. The components of annual variable or extraordinary compensation granted for fiscal year 2025 will be paid only after such approval.		
<b>Long-term variable compensation</b> <ul style="list-style-type: none"> <li>■ Target amount: €2,800,000</li> <li>■ No floor</li> </ul>	With a target amount of €2,800,000, the Chief Executive Officer's long-term variable compensation corresponds to shares subject to performance conditions (GPS) the terms of which in particular the performance conditions, are described in chapter 6.4 <i>Detailed information on long-term compensation plans of this Universal Registration Document</i> . It is specified that in the event of outperformance of the financial conditions and maximum attainment of the sustainability conditions, the maximum number of GPS that may be delivered will be increased to 120% of the number of GPS allocated, in accordance with the rigorous scale established for all beneficiaries.		

## COMPENSATION POLICY FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS FOR 2025

The compensation policy for the Chairman is set by the Board of Directors upon recommendation of the Nomination, Compensation and Governance Committee and subject to approval by the Shareholders' Meeting. It is drawn up pursuant to the provisions of Article L.22-10-8 of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

### Compensation policy for the Chairman of the Board of Directors (a non-executive corporate officer) for 2025

The principles presented hereafter apply when the duties of the Chairman of the Board and the Chief Executive Officer are separated. They are subject to the approval of the shareholders as part of the vote on the compensation policy.

#### Director's compensation

The Chairman of the Board may receive compensation for his/her directorship if he/she does not receive fixed compensation, in accordance with the terms set out in the compensation policy for Directors described hereafter.

#### Fixed compensation and other benefits

- Fixed compensation**
- decided by the Board of Directors upon the Nomination, Compensation and Governance Committee's recommendation, in accordance with the principles presented above and taking into account the Chairman's duties, in the organization and direction of the Board's works, of its skills and his/her experience and market practices. The Chairman's compensation is in line with the median compensation of non-executive chairmen of CAC 40 companies and slightly below the median compensation of chairmen's compensation of the European Panel of companies in the consumer goods sector, with comparable responsibilities;
  - may be reviewed at relatively long intervals.

The fixed compensation of the Chairman of the Board of Directors for 2025 is €650,000, it is stable since the implementation of dissociated governance in 2021.

- Benefits in kind**
- benefits in kind may be granted in line with Danone's policy (such as access to a car with driver).
- As in 2024, the Chairman of the Board will not receive any benefits in kind.

- Social security benefits**
- Group insurance, healthcare and pension benefits identical to those of all of the Company's executives.
- As in 2024, the Chairman of the Board will not receive any social security benefits.

#### Variable compensation

The Chairman of the Board cannot receive any variable compensation whatsoever, whether annual or in the form of long-term compensation in cash or long-term compensation in shares, in accordance with the recommendations of the AFEP-MEDEF Code.

#### Extraordinary compensation

The Chairman of the Board cannot receive any extraordinary compensation.

#### Other components that may be granted to the Chairman of the Board

As indicated above, the Board of Directors takes all components of compensation into consideration when assessing the overall compensation of the corporate officers. Where applicable, therefore, the determination of the Chairman's compensation would take into account the commitments authorized under Article L.22-10-9, paragraph 4 of the French Commercial Code, subject to the requirements of the AFEP-MEDEF Code.

## COMPENSATION POLICY FOR DIRECTORS FOR 2025

The compensation policy for Directors is set by the Board of Directors on the basis of the Nomination, Compensation and Governance Committee's recommendation and subject to approval by the Shareholders' Meeting. It is drawn up pursuant to the provisions of Article L.22-10-8 of the French Commercial Code and the recommendations of the AFEF-MEDEF Code. In particular, it is adapted to the Directors' level of responsibilities and the time they devote to their duties and encourages their attendance at Board meetings. It takes into account in particular the obligation requiring the Directors to hold a significant level of DANONE shares to ensure their interests align with those of the Company and its shareholders. This compensation policy also seeks to attract experts and promote the international diversity of the Board of Directors by granting a travel bonus to Directors living outside of France.

It provides that:

- the Directors receive Directors' fees; however, the executive corporate officers, the members of the Executive Committee, the Chairman of the Board (if he/she receives fixed compensation) and the Directors representing employees do not receive Directors' fees;

- the Shareholders' Meeting must approve the total maximum amount of Directors' compensation to be divided among the Directors. This compensation must be allocated in accordance with the allocation rules the Board of Directors has decided, upon recommendation of the Nomination, Compensation and Governance Committee;
- the Directors' compensation includes a variable, larger component based on their actual attendance at the Board and Committee meetings. Furthermore, subject to approval at the Annual Shareholders' Meeting of April 24, 2025 of the resolution to amend the by-laws to enable the Board of Directors to make decisions by written consultation, it is specified that participation in this type of decision will not give rise to the allocation of variable component.

The total amount of compensation to be allocated to Directors was set by the Shareholder's Meeting of April 29, 2021, at 1,250,000 euros for each fiscal year. The allocation rules for Directors' compensation remain unchanged compared to 2024.

As a reminder, Directors representing employees have an employment contract.

The rules for the distribution of Directors' compensation are as follows:

<i>(in €)</i>	Annual fixed amount	Per meeting	For travel – residing in Europe (outside of France)	For travel – residing outside of Europe
Lead Independent Director	50,000	-	-	-
Director	25,000	-	-	-
<b>Board meetings</b>				
Director	-	5,000	2,000	8,000
<b>Committee meetings</b>				
Chair	-	8,000	2,000	8,000
Member	-	4,000	2,000	8,000

Directors who are members of the Mission Committee also receive additional compensation, calculated according to the compensation scale of the Mission Committee detailed as follows and deducted from the total compensation amount of €1,250,000 mentioned above.

<i>(in €)</i>	Annual fixed amount	Per meeting	For travel – residing in Europe (outside of France)	For travel – residing outside of Europe
<b>Mission Committee meetings/workshops</b>				
Chair	35,000	10,000	2,000	5,000
Member	15,000	5,000	2,000	5,000

In addition, the Board may, where applicable, allocate extraordinary compensation to a Director for a specific mission entrusted to him/her pursuant to Articles L.225-46 and L.22-10-15 of the French Commercial Code; if such compensation is granted, it is governed by the related party agreements procedure set out by French law.

## REPORT ON THE COMPENSATION OF CORPORATE OFFICERS AND DIRECTORS FOR 2024

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Pursuant to the provisions of Article L.22-10-34, I and II, of the French Commercial Code, the report presented hereafter includes the information referenced in Article L.22-10-9 I of the French Commercial Code that is presented in the 8<sup>th</sup> resolution subject to approval by the Shareholders' Meeting on April 24, 2025.

### Compensation of the Chief Executive Officer

The Board of Directors, at its meeting on February 21, 2024, set the compensation of the Chief Executive Officer for 2024 in accordance with the principles and criteria established by the compensation policy for executive corporate officers for 2024, approved by 92.07% of the Shareholders' Meeting of April 25, 2024 in its 10<sup>th</sup> resolution.

This compensation policy for 2024 is similar to the policy that was approved in 2023.

As a reminder, in 2021 when determining the components of compensation for Antoine de SAINT-AFFRIQUE, who was recruited from outside the Danone Group, the Board of Directors took into consideration his background, international experience and past performance, as well as his previous compensation level and the compensation practices of comparable companies. Accordingly, with assistance from independent advisors, the Board reviewed the compensation practices of a European Panel of companies in the consumer goods sector, and of CAC 40 companies. The European Panel, consisting of European multinationals in the Fast-Moving Consumer Goods (FMCG) sector comparable to Danone in terms of

sales and international reach, appeared to be the most relevant, given Danone's geographic footprint and the Board of Directors' commitment to setting a competitive salary in its search for international executive candidates. This European Panel consists of the following companies: Adidas, Associated British Foods, Diageo, EssilorLuxottica, Heineken, L'Oréal, Nestlé, Pernod Ricard and Unilever. Within this European Panel, in 2021, the median fixed salary was €1.4 million and total annual target compensation was €5.7 million. In 2021, Antoine de SAINT-AFFRIQUE's total annual target compensation (fixed compensation, annual variable compensation, performance shares and benefits in kind) was therefore identical to the median total annual target compensation of this European Panel. For all purposes, it should be noted that the median fixed salary of the European Panel in 2023 is €1.8 million and total annual compensation is €7.2 million.

In accordance with the recommendations of the AFEP-MEDEF Code, Antoine de SAINT-AFFRIQUE does not have an employment contract with Danone.

## Compensation and benefits paid or granted to the Chief Executive Officer in 2024

Pursuant to Article L.22-10-34 II of the French Commercial Code, the fixed, variable and extraordinary compensation that makes up the total compensation and benefits in kind paid or granted to the Chief Executive Officer in 2024 will be subject to approval by the Shareholders' Meeting on April 24, 2025. The annual variable compensation can be paid only after approval by the Shareholders' Meeting.

Components of compensation subject to a vote	Amounts paid during 2024	Amounts granted in respect of 2024 fiscal year	Presentation																																																									
<b>Fixed compensation</b>	€1,400,000	€1,400,000	<p>Antoine de SAINT-AFFRIQUE's fixed annual compensation for 2024 is €1,400,000, unchanged since 2021.</p> <p>This amount was determined on the basis of Antoine de SAINT-AFFRIQUE's international experience and expertise, as well as his previous compensation level and the practices observed at comparable companies, as explained above.</p>																																																									
			<p>The structure, target amount and cap for the annual variable compensation for the Chief Executive Officer were determined in accordance with the compensation policy for executive corporate officers for 2024 approved by the Shareholders' Meeting on April 25, 2024 in its 10<sup>th</sup> resolution.</p>																																																									
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<b>Annual variable compensation</b>	€2,604,000 Compensation approved by the 8 <sup>th</sup> resolution of the Shareholders' Meeting on April 25, 2024	€2,394,000 Payment of this compensation is subject to approval by the Shareholders' Meeting on April 24, 2025 (9 <sup>th</sup> resolution)	<b>REVIEW OF THE ACHIEVEMENT OF PERFORMANCE CONDITIONS BY THE BOARD OF DIRECTORS</b>																																					
			On February 25, 2025, upon the recommendation of the Nomination, Compensation and Governance Committee, the Board of Directors has acknowledged the amount of Antoine de SAINT-AFFRIQUE's annual variable compensation, at €2,394,000. This amount was determined with regard to the level of achievement of the performance conditions, as described below:																																					
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Components of compensation subject to a vote	Amounts paid during 2024	Amounts granted in respect of 2024 fiscal year	Presentation
Annual variable compensation			<p>The Board of Directors determined the level of fulfillment based on the following achievements:</p> <p><b>Financial component</b></p> <ul style="list-style-type: none"> <li>■ like-for-like sales growth of +4.3% in 2024, slightly above the internal target and in line with the guidance announced to the market at the beginning of the year (growth between 3% and 5%), driven by quality growth across all categories;</li> <li>■ volume/mix significantly up by +3.0%, well beyond the internal target, and positive across all categories. Danone made significant progress in rebalancing its growth model in 2024, improving the quality of its growth each quarter and closing the fourth quarter with a volume/mix of +4.2%. This performance reflects the continuous optimization of the portfolio, boosting the winners, driving the core and addressing the underperformers;</li> <li>■ recurring operating margin of 13.0%, well beyond the internal target, up 39 basis points compared to last year, driven by a strong increase in margin from operations, while continuing to significantly reinvest in brands, product superiority, and capabilities;</li> <li>■ record level of free cash flow, reaching €3.0 billion (compared to €2.6 billion in 2023), beyond the internal target, reflecting an improvement in working capital and enabling for reinvestments and deleveraging.</li> </ul>
			<p><b>Sustainability component</b></p> <ul style="list-style-type: none"> <li>■ like-for-like reduction of 3.4% in greenhouse gas emissions across the entire value chain (scopes 1, 2, and 3) in 2024 compared to 2023, beyond the internal target, notably thanks to Regenerative Agriculture Programs, supplier commitment on dairy ingredients and packaging, and the increased share of renewable electricity in Danone's energy mix;</li> <li>■ 93% of volumes of key commodities verified Deforestation &amp; Conversion Free (vDCF) in 2024 (compared to 84% in 2023), beyond the internal target of 87%, notably thanks to a strengthened data collection and data verification providing better visibility;</li> <li>■ 83% of Danone's employees covered by B-Corp™ certification in 2024 (compared to 68% in 2023), beyond the internal target of 82%, notably thanks to the certification of new key Danone entities, particularly in Algeria, Morocco, the Netherlands (Specialized Nutrition), Poland and South Africa.</li> </ul>

Components of compensation subject to a vote	Amounts paid during 2024	Amounts granted in respect of 2024 fiscal year	Presentation
<b>Annual variable compensation</b>			<p><b>Managerial component</b></p> <ul style="list-style-type: none"> <li>■ portfolio rotation: as part of its Renew strategy, Danone continued to strengthen and optimize its portfolio in 2024 through the disposal of certain non-strategic assets and the completion of selected bolt-on value adding acquisitions. Thus, during the year, the Group finalized the sale of EDP in Russia and the sale of Horizon Organic and Wallaby milk and dairy products activities in the United States. It should be noted that between 2022 and 2024, disposals represented approximately 9% of the Group's revenues. Additionally, in 2024, the Group strengthened its Medical Nutrition portfolio by acquiring Functional Formularies, a leading whole foods tube feeding business in the United States;</li> <li>■ implementation of new innovative social projects: 2024 was the year of the launch of Dan'Skill, an innovative global training initiative aimed at empowering employees through lifelong learning programs and transforming Danone into a learning organization. The first objective of this program is acculturation and upskilling in the field of artificial intelligence (AI), supported by a multi-year collaboration with Microsoft to integrate this AI into the Company's operations. This collaboration includes the launch of the Danone Microsoft AI Academy, dedicated to upskilling all Danone employees and equipping them with AI tools. Today, more than 50,000 employees use AI in their daily work;</li> <li>■ Capital Market Event (CME) and strategy: following the Renew Danone strategic plan presented in March 2022, Antoine de SAINT-AFFRIQUE and the management team opened the next chapter of the Renew strategy, presented at the Capital Market Event held in June 2024 in Amsterdam. The event included plenary presentations, on-site visits, interactive sessions, immersive experiences, and informal moments. It brought together around a hundred investors, financial analysts, and employees, and was broadcast on Danone's website, followed live or on-replay by more than 2,500 people. The financial community recognized the work accomplished over the past few years, highlighting notably the improvement in volume/mix, portfolio repositioning, as well as investments made in brands, product superiority, and capabilities. They appreciated the next chapter of the strategic plan, which will be based on science and innovation, operational discipline, and excellence in execution, allowing Danone to project itself towards the future of Health and Nutrition. Danone's share price increased by 10.5% between the Capital Market Event in June and the end of 2024.</li> </ul>
<b>Multi-year variable cash compensation</b>	Non applicable	Non applicable	-

Components of compensation subject to a vote	Amounts paid during 2024	Amounts granted in respect of 2024 fiscal year	Presentation
<b>Long-term compensation in shares (GPS)</b>	Not applicable	€2,304,943 corresponding to 47,880 GPS granted on July 30, 2024	<p>Long-term compensation in shares corresponds to Group performance shares (GPS), <i>i.e.</i>, shares in the Company subject to performance conditions assessed over three years and to a three-year continuous presence condition.</p> <p>The Board of Directors, granted Antoine de SAINT-AFFRIQUE 47,880 GPS in respect of fiscal year 2024, with a book value of €2,304,943. This number of GPS could be increased to 50,274 GPS in case of fulfillment of the continuous presence condition, achievement of all sustainability performance conditions, and outperformance of all financial performance conditions, without guaranteed minimum <b>(for more details on the grants and performance conditions, see section 6.4 Detailed information on long-term compensation plans hereinafter)</b>.</p> <p>This grant represents 0.007% of Danone's share capital and corresponds to 4.7% of the GPS granted made in 2024.</p>
<b>Extraordinary compensation</b>	Not applicable	Not applicable	No extraordinary compensation was granted or paid to Antoine de SAINT-AFFRIQUE in 2024.
<b>Stock options</b>	Not applicable	Not applicable	–
<b>Director's compensation</b>	Not applicable	Not applicable	In accordance with the compensation policy for executive corporate officers, no Director's compensation was paid or granted to Antoine de SAINT-AFFRIQUE.
<b>Benefits in kind</b>		€26,822	The benefits in kind to which Antoine de SAINT-AFFRIQUE is entitled correspond to the benefits of the Group insurance plan, a car with driver and housing.
<b>Severance pay</b>	No amount due for the last fiscal year		Severance pay could be paid if Antoine de SAINT-AFFRIQUE's term of office as Chief Executive Officer is terminated. This measure was not implemented in fiscal year 2024. The implementation and payment conditions are detailed in section <i>Other compensation and benefits to which the Chief Executive Officer is entitled</i> hereinafter.
<b>Non-compete indemnity</b>	No amount due for the last fiscal year		A non-compete obligation, along with a non-compete indemnity, has been set up in 2021 if Antoine de SAINT-AFFRIQUE's term of office as Chief Executive Officer is terminated. This non-compete clause was not implemented in fiscal year 2024. The implementation and payment conditions are detailed in section <i>Other compensation and benefits to which the Chief Executive Officer is entitled</i> hereinafter.
<b>Supplementary pension plan</b>	No amount due for the last fiscal year		The Chief Executive Officer is entitled to the mandatory Group defined-contribution pension plan ("Article 83"). For more details, see section <i>Other compensation and benefits to which the Chief Executive Officer is entitled</i> hereinafter.

## Other compensation and benefits to which the Chief Executive Officer is entitled

### Benefits: Group insurance and healthcare coverage

Antoine de SAINT-AFFRIQUE is entitled to the same Group insurance and healthcare benefits offered to all Danone SA managers, as well as to the same life and disability insurance applicable to all Danone employees.

### Mandatory Group pension plan

Antoine de SAINT-AFFRIQUE is entitled only to a mandatory Group defined-contribution pension plan ("Article 83") available to Danone employees who are affiliated with the AGIRC pension fund pursuant to Articles 4 and 4b of the collective bargaining agreement of March 14, 1947 and whose annual compensation exceeds three times the French social security ceiling. This plan was established pursuant to Article L.242-1, paragraphs 6 and 7 of the French Social Security Code and benefits Danone's French Senior executive under the same conditions as the rest of the employees concerned.

Pension entitlements under this plan are funded through quarterly contributions paid exclusively by Danone to an insurance company at a rate of 6% of brackets B and C of the compensation paid to plan beneficiaries. They may be claimed no earlier than the pension entitlement date of a compulsory pension plan or the minimum age stipulated under Article L.351-1 of the French Social Security Code. The contributions paid by Danone for 2024 amounted to €21,329.

### Severance pay

Upon the recommendation of the Nomination, Compensation and Governance Committee, the Board of Directors decided at its meeting on May 17, 2021 to grant Antoine de SAINT-AFFRIQUE severance pay (the "Severance Payment") capped at 200% of the gross annual compensation (annual fixed and variable compensation actually paid) he received during the last 12 months before the termination of his position as Chief Executive Officer (the "Maximum Amount") in the event of forced departure, regardless of the form that termination of office took (a "Forced Departure"). The amount of the Severance Payment will be subject to the achievement of the performance conditions detailed below.

It is specified that the removal of the Chief Executive Officer from his position due to gross negligence or willful misconduct on the part of the latter will not constitute a Forced Departure.

No Severance Payment will be due in the event of a voluntary departure (therefore excluding a Forced Departure) or a change of position (corporate officer or employee) within Danone at the initiative of the Chief Executive Officer, or if Antoine de SAINT-AFFRIQUE has the possibility of claiming his pension entitlement shortly after a Forced Departure. Furthermore, no Severance Payment will be due if his position is terminated because he has reached the age limit provided for in the Company's by-laws.

The benefit of the Severance Payment will be subject to, and its amount will be adjusted in accordance with, the level of achievement of the financial performance indicators provided for the Chief Executive Officer's annual variable compensation in the last three fiscal years preceding the date of termination of his office, calculated on the basis of their arithmetical average:

- achievement of less than 75% of the financial performance indicators: no payment will be made;
- achievement of 75% of the financial performance indicators: the Chief Executive Officer will receive 75% of the Maximum Amount;
- achievement of between 75% and 100% of the financial performance indicators: the Chief Executive Officer will receive between 75% and 100% of the Maximum Amount, calculated on a linear basis depending on the rate of achievement;

- achievement of 100% or more of the financial performance indicators: the Chief Executive Officer will receive 100% of the Maximum Amount.

The Severance Payment can only happen after acknowledgement by the Board of Directors, upon recommendation of the Nomination, Compensation and Governance Committee, that the financial performance conditions have been achieved; such achievement will be assessed at the time of termination of the Chief Executive Officer's office and duly proved and communicated to the shareholders. The amount of the Severance Payment will be paid within 30 days of the date on which the Board of Directors determined that the performance indicators on which the payment was conditional have been achieved.

Furthermore, the cumulative amount of the (i) Severance Payment and (ii) Non-Compete Indemnity shall not exceed twice the amount of the gross annual compensation (annual fixed and variable compensation actually paid) received by Antoine de SAINT-AFFRIQUE during the last 12 months before the termination of his position, in compliance with the AFEP-MEDEF Code's recommendations.

Assuming that the amount of the Severance Payment and the amount of the Non-Compete Indemnity exceed this ceiling of twice the gross annual compensation and in order to ensure strict compliance with this ceiling, the amount paid to Antoine de SAINT-AFFRIQUE will first be for the Non-Compete Indemnity, and the remainder will be paid for the Severance Payment after it is reduced to comply with the ceiling of twice the amount of the gross annual compensation.

### Non-compete indemnity

Given the profile of the Chief Executive Officer, Antoine de SAINT-AFFRIQUE, and in order to protect the interests of the Company and its shareholders, he will be bound, upon decision of the Board of Directors by a non-compete obligation for a period of 18 months from the termination of his position as Chief Executive Officer. The purpose of this non-compete obligation is to protect Danone in view of the sensitive information about the Group to which he has access as a result of his position.

The terms of this non-compete obligation, in line with the compensation practices for members of Danone's Executive Committee, are as follows:

### Scope of the non-compete obligation

This non-compete obligation concerns:

- in terms of positions: directly or indirectly (i) any salaried positions, as an executive or non-executive Director or corporate officer, and in particular any participation in a governance body (board of directors or supervisory board), in any form; and (ii) any provision of services or consultancy role for the benefit of the companies in the business sector described hereafter, in any form, and in particular as an adviser to the Chairman;
- in terms of business sector: any company (and any other entity belonging to the group of the said companies or taking over their rights) operating in the food and beverage sector and manufacturing, distributing or selling products competing with those of Danone on the date his position is terminated as Chief Executive Officer. In addition, Antoine de SAINT-AFFRIQUE will also commit not to form his own company operating in this business sector.

**Geographic scope of the non-compete obligation**

The non-compete obligation applies in the following regions:

- Europe: European Union countries, Norway, Russia, Switzerland, United Kingdom;
- Asia-Pacific: Australia, China, Hong Kong, Indonesia, Japan, New Zealand, Singapore;
- North America: Canada, Mexico, United States of America;
- Middle East: Bahrain, Cyprus, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen.

**Duration of the non-compete obligation**

The duration of the non-compete obligation applicable to Antoine de SAINT-AFFRIQUE is 18 months from the termination of his position as Chief Executive Officer.

**Amount of the non-compete indemnity**

If the non-compete obligation is triggered by the Board of Directors, Antoine de SAINT-AFFRIQUE will receive, as compensation, a non-compete indemnity in an amount equal to 50% of one-twelfth of his annual gross (annual fixed and variable target) compensation, payable each month for 18 months on the Company's usual salary payment date.

In accordance with the recommendations of the AFEP-MEDEF Code:

- this non-compete indemnity will not be paid if the Chief Executive Officer claims his retirement pension entitlement and no indemnity will be paid beyond the age of 65;
- the Board of Directors can freely waive the application of this non-compete obligation at the time of the Chief Executive Officer's departure. In that case, no non-compete indemnity will be due to the Chief Executive Officer.

**Compensation of the Chairman of the Board of Directors****Compensation and benefits paid or granted to the Chairman of the Board of Directors in 2024**

Pursuant to Article L.22-10-34, II, of the French Commercial Code, the fixed, variable and extraordinary compensation that makes up the total compensation and benefits in kind paid or granted to the Chairman of the Board of Directors in 2024 will be subject to approval by the Shareholders' Meeting of April 24, 2025.

Components of compensation subject to a vote	Amounts paid during 2023	Amounts granted in respect of 2023 fiscal year	Presentation
<b>Fixed compensation</b>	€650,000	€650,000	Gilles SCHNEPP's annual fixed compensation for 2024 is €650,000, unchanged since his appointment in 2021.  This annual fixed compensation of €650,000 was determined in line with the Chairman's responsibilities, his experience, market practices, and is in line with the median compensation of non-executive chairmen of CAC 40 companies and slightly below the median compensation of chairmen of the European Panel of consumer goods companies, with comparable responsibilities.
<b>Annual variable compensation</b>	Not applicable	Not applicable	-
<b>Multi-year variable cash compensation</b>	Not applicable	Not applicable	-
<b>Long-term compensation in shares (GPS)</b>	Not applicable	Not applicable	-
<b>Stock options</b>	Not applicable	Not applicable	-
<b>Director's compensation</b>	Not applicable	Not applicable	-
<b>Extraordinary compensation</b>	Not applicable	Not applicable	-
<b>Benefits in kind</b>	Not applicable	Not applicable	-
<b>Severance pay</b>	Not applicable	Not applicable	-
<b>Non-compete indemnity</b>	Not applicable	Not applicable	-
<b>Supplementary pension plan</b>	Not applicable	Not applicable	-

### Summary of the compensation of corporate officers

**Table summarizing the compensation, options and shares granted to each corporate officer  
(Table 1 of Appendix 4 of the AFEP-MEDEF Code)**

	Year ended December 31	
	2023	2024
<i>(in € unless otherwise indicated)</i>		
<b>Antoine de SAINT-AFFRIQUE – Chief Executive Officer</b>		
Compensation granted in respect of the fiscal year (detailed in Table 2)	4,053,340	3,820,822
Valuation of options granted during the fiscal year	–	–
Valuation of performance shares granted during the fiscal year (detailed in Table 6) <sup>(a)</sup>	2,300,070	2,304,943
Valuation of other long-term compensation plans	–	–
<b>TOTAL</b>	<b>6,353,410</b>	<b>6,125,765</b>

(a) Estimated book value as of the grant date in accordance with IFRS 2, assuming the performance conditions will be fulfilled (see Note 9.4 of the Notes to the consolidated financial statements).

**Table summarizing the compensation of executive corporate officers  
(Table 2 of Appendix 4 of the AFEP-MEDEF Code)**

	Year ended December 31			
	2023		2024	
	Compensation granted	Compensation paid	Compensation granted	Compensation paid
<i>(in € unless otherwise indicated)</i>				
<b>ANTOINE DE SAINT-AFFRIQUE – CHIEF EXECUTIVE OFFICER</b>				
Fixed compensation <sup>(a)</sup>	1,400,000	1,400,000	1,400,000	1,400,000
Annual variable compensation <sup>(a)</sup>	2,604,000	2,121,000	2,394,000	2,604,000
Extraordinary compensation	–	–	–	–
Long-term compensation in shares (GPS) <sup>(b)</sup>	2,300,070	–	2 304 943	–
Director's compensation	–	–	–	–
Benefits in kind <sup>(c)</sup>	49,340	49,340	26,822	26,822
<b>TOTAL</b>	<b>6,353,410</b>	<b>3,570,340</b>	<b>6,125,765</b>	<b>4,030,822</b>

(a) Gross amount.

(b) Value of GPS delivered (for "paid" compensation) and maximum value of GPS granted (for "granted" compensation) for the year, estimated on the grant date in accordance with IFRS 2, assuming the performance conditions have been fulfilled (see Note 9.4 of the Notes to the consolidated financial statements).

(c) Corresponds to the benefits of the Group insurance plan, a car and driver pool, and housing.

**Table summarizing compensation of non-executive corporate officers  
(Table 3 of Appendix 4 of the AFEP-MEDEF Code)**

	Year ended December 31			
	2023		2024	
	Compensation granted	Compensation paid	Compensation granted	Compensation paid
<i>(in € unless otherwise indicated)</i>				
<b>GILLES SCHNEPP – CHAIRMAN OF THE BOARD OF DIRECTORS</b>				
Fixed compensation <sup>(a)</sup>	650,000	650,000	650,000	650,000
Other compensation	–	–	–	–
<b>TOTAL</b>	<b>650,000</b>	<b>650,000</b>	<b>650,000</b>	<b>650,000</b>

(a) Gross amount.

### Performance shares granted during the fiscal year to executive corporate officers (Table 6 of Appendix 4 of the AFEP-MEDEF Code)

	Plan date	Number of shares <sup>(a)</sup>	Valuation of the shares according to the method used for the consolidated financial statements <sup>(b)</sup>	Vesting date	Availability date	Performance conditions
						See section 6.4 Detailed information on long-term compensation plans hereinafter
<b>Antoine de SAINT-AFFRIQUE</b>	07/30/2024	47,880	€2,304,943	07/31/2027	07/31/2027	

(a) This number of GPS could be increased to 50,274 GPS if the continuous presence condition is fulfilled, achievement of all sustainability performance conditions, and outperformance of all financial performance conditions.

(b) Estimated book value as of the grant date in accordance with IFRS 2, assuming the performance conditions will be fulfilled (see Note 9.4 of the Notes to the consolidated financial statements).

### Performance shares that became available during the fiscal year for each executive corporate officer (Table 7 of Appendix 4 of the AFEP-MEDEF Code)

Not applicable. Antoine de SAINT-AFFRIQUE, Chief Executive Officer since September 15, 2021, was granted Group performance shares (GPS) for the first time in 2021. The first delivery of GPS to the Chief Executive Officer should take place in 2025.

### Table summarizing the multi-year variable compensation paid to each executive corporate officer (Table 10 of Appendix 4 of the AFEP-MEDEF Code)

Not applicable, as Antoine de SAINT-AFFRIQUE is not entitled to multi-year variable compensation.

### Summary of contracts, plans and indemnities applicable in 2024 to executive corporate officers (Table 11 of Appendix 4 of the AFEP-MEDEF Code)

Name	Employment contract		Supplementary pension plan		Indemnities or benefits due or likely to be due as a result of termination or change in function		Indemnities related to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
<b>Antoine de SAINT-AFFRIQUE</b>		<b>x</b>	<b>x</b>		<b>x</b>		<b>x</b>	
Chief Executive Officer								
First appointment: September 15, 2021								
End of current term of office: end of the 2025 Shareholders' Meeting*								

(\*) On February 25, 2025, upon recommendation of the Nomination, Compensation and Governance Committee, the Board of Directors decided to renew Antoine de SAINT-AFFRIQUE's term of office as Chief Executive Officer, subject to approval of the renewal of his directorship by the Annual Shareholders' Meeting, for the duration of his directorship, in accordance with the by-laws.



## Evolution of compensation, pay ratios and Company's performance over the last five years

In accordance with Article L.22-10-9 of the French Commercial Code, the ratios used to measure differences between the compensation of corporate officers and that of the Company's employees are presented in the table below.

### Methodology

The ratios have been established by applying the method proposed by the AFEP in its guidelines on compensation multiples. These ratios have been calculated by taking into consideration the compensation of employees of 80% of the Danone companies registered in France on a full-time equivalent basis. The number of employees taken into account are those present at December 31 of year N and December 31 of the previous fiscal year, thus ensuring stability over time of the reference sample.

The corporate officers in question are the Chief Executive Officer, the Chairman of the Board of Directors and the Chairman and Chief Executive Officer, positions that have existed within the Group over the last five years. In accordance with the AFEP's guidelines, the compensation presented is associated with the officers' position and not their person, so that a change in officer for the same position does not affect the presentation of the information. The table thus reflects the change in Danone's governance over the course of 2021.

For 2021, the compensation of the Chairman and Chief Executive Officer (from January 1 to March 14) has been annualized, as was the compensation of the Chief Executive Officer calculated on the basis of the compensation of Véronique PENCHIENATI-BOSETTA for her corporate appointment from March 14 to September 14, 2021 and that of Antoine de SAINT-AFFRIQUE for the period from September 15 to December 31, 2021.

### Compensation components considered

The components of corporate officer compensation taken into account are:

- the fixed compensation paid in year N;
- the annual variable compensation paid in year N for the previous fiscal year;
- the valuation on the grant date of the performance shares granted during the fiscal year, in accordance with IFRS 2;
- the GPUs paid in year N.

This compensation was taken into account on a gross basis, including employer contributions and excluding profit-sharing.

The amounts corresponding to these compensation components are presented above and, for fiscal years 2020 to 2023, in the corresponding Universal Registration Documents in section 6.3 *Compensation and benefits of governance bodies*. Benefits in kind are not taken into account in the components of corporate officers' compensation, given that their amounts are not material.

The components of employee (full-time-equivalent) compensation taken into account are:

- the fixed salary paid in year N;
- the annual variable compensation paid in year N for the previous fiscal year;
- GPUs delivered in year N;
- the valuation on the grant date of the performance shares (GPS) and of the Fidelity Shares (FS) granted during the fiscal year, in accordance with IFRS.

### Definition of employees

The ratios presented below were calculated taking into account only those employees who have entered into a permanent or fixed-term employment contract with Danone companies registered in France and who were continuously employed by these companies from January 1 to December 31 of the fiscal year in question. Employees who have entered into a part-time employment contract with these companies, as well as expatriate employees, were not included for the purposes of these calculations.

### Company performance

The table below also shows, in accordance with the provisions of Article L.22-10-9 of the French Commercial Code, the annual evolution of the Company's performance over the last five fiscal years, according to the additional criterion: a financial criterion, which is recurring earnings per share, corresponding to the ratio of recurring net income – Group share adjusted for hybrid financing over diluted number of shares.

## Results

	Year ended December 31				
	2020	2021	2022	2023	2024
<b>DANONE EMPLOYEES IN FRANCE</b>					
Annual average compensation (Change/previous year)	64,731 +1.2%	65,891 +1.8%	67,618 +2.6%	72,951 +7.9%	76,668 +5.1%
Annual median compensation (Change/previous year)	41,605 +4.2%	43,610 +4.8%	40,522 (7.1)%	44,499 +9.8%	45,487 +2.2%
<b>CHIEF EXECUTIVE OFFICER <sup>(a)</sup></b>					
Annual compensation (Change/previous year)	-	4,692,156 N/A	3,940,904 (16)%	5,870,410 +49%	6,335,765 +7.9%
Ratio/average employee compensation (Change/previous year)	-	71 N/A	59 (17)%	80 +35.6%	83 +3.75%
Ratio/median employee compensation (Change/previous year)	-	108 N/A	97 (10.2)%	132 +36%	139 +5.3%
<b>CHAIRMAN AND CHIEF EXECUTIVE OFFICER <sup>(b)</sup></b>					
Annual compensation (Change/previous year)	3,869,625 (16.8)%	1,500,000 (61)%	N/A	N/A	N/A
Ratio/average employee compensation (Change/previous year)	60 (19)%	23 (60.9)%	N/A	N/A	N/A
Ratio/median employee compensation (Change/previous year)	93 (19.8)%	34 (63.4)%	N/A	N/A	N/A
<b>CHAIRMAN OF THE BOARD OF DIRECTORS <sup>(c)</sup></b>					
Annual compensation (Change/previous year)	-	650,000 N/A	650,000 0%	650,000 0%	650,000 0%
Ratio/average employee compensation (Change/previous year)	-	10 N/A	10 0%	9 (9)%	8.5 (5.5)%
Ratio/median employee compensation (Change/previous year)	-	15 N/A	16 +6.7%	15 (6.3)%	14 (6.7)%
<b>COMPANY PERFORMANCE</b>					
Recurring EPS (in euros) (Change/previous year)	3.34 (13.2)%	3.31 (0.9)%	3.43 +3.6%	3.54 +3.2%	3.63 +2.5%

(a) In 2021, the position of Chief Executive Officer was held by Véronique PENCHIENATI-BOSETTA, interim Chief Executive Officer from March 14 to September 14, 2021, and by Antoine de SAINT-AFFRIQUE, appointed Chief Executive Officer effective September 15, 2021.

(b) Emmanuel FABER was Chairman and Chief Executive Officer from December 1, 2017 to March 14, 2021. The fixed compensation he received in 2021 and the variable compensation he received in 2021 in respect of fiscal year 2020 were taken into account for 2021, in accordance with the methodology presented above. It should be noted that he was not granted any performance shares in 2021, given his departure date.

(c) In 2021, after the roles of Chairman of the Board of Directors and Chief Executive Officer were separated, Gilles SCHNEPP was appointed Chairman of the Board effective March 14, 2021.

## Directors' compensation

It should be noted that, with regard to Directors' compensation, the amounts paid during a fiscal year correspond to the amounts granted for the second half of the previous fiscal year (paid in February) and for the first half of the fiscal year in question (paid in August).

### Annual compensation paid or granted and benefits in kind paid or granted in 2023 and 2024 to the non-executive Board members (Table 3 of Appendix 4 of the AFEP-MEDEF Code)

(in €)	2023				2024			
	Compensation for directorship <sup>(a)</sup>		Other compensation		Compensation for directorship <sup>(a)</sup>		Other compensation	
	Amounts paid	Amounts granted	Amounts paid	Amounts granted	Amounts paid	Amounts granted	Amounts paid	Amounts granted
Valérie CHAPOULAUD-FLOQUET	162,000	157,000	-	-	147,000	154,000	-	-
Gilbert GHOSTINE	75,000	110,000	-	-	118,000	116,000	-	-
Lise KINGO	65,000	106,000	-	-	148,000	149,000	-	-
Michel LANDEL <sup>(b)</sup>	114,000	47,500	-	-	-	-	-	-
Patrice LOUVET	129,000	134,000	-	-	130,000	127,000	-	-
Sanjiv MEHTA	-	68,500	-	-	125,000	122,000	-	-
Géraldine PICAUD	127,000	126,000	-	-	124,000	118,000	-	-
Susan ROBERTS	135,000	130,000	-	-	130,000	131,000	-	-
Serpil TIMURAY <sup>(b)</sup>	116,000	48,500	-	-	-	-	-	-
<b>TOTAL</b>	<b>923,000</b>	<b>927,500</b>	<b>-</b>	<b>-</b>	<b>922,000</b>	<b>917,000</b>	<b>-</b>	<b>-</b>

(a) Gross amount due in the fiscal year before the withholding tax/social levies.

(b) The term as Director ended following the Shareholders' Meeting on April 27, 2023.

The Directors representing employees have an employment contract with Danone and therefore, in that capacity, receive compensation that is unrelated to their duties on the Board and so is not disclosed. In accordance with the compensation policy for Directors, they do not receive any compensation for their directorship. Also, Antoine de SAINT-AFFRIQUE, Chief Executive Officer and Director and Gilles SCHNEPP, Chairman of the Board of Directors, do not receive any compensation in their capacities as Director.

## 6.4 DETAILED INFORMATION ON LONG-TERM COMPENSATION PLANS

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Until 2021, long-term variable compensation was made up of two components: Group performance shares (GPS), presented below, and Group performance units (GPU). GPU were a form of long-term cash compensation subject to performance conditions assessed over three years. The last GPU plan was approved by the Board of Directors on July 28, 2021 and was paid in 2024. The 2023 Universal Registration Document (pages 387 and 388) presents the details of the last GPU plans.

In 2022, Group performance units (GPU) were replaced by Fidelity Shares (FS) a long-term compensation in shares which involves the allocation of DANONE shares subject only to a condition of continuous presence within the Group for a period of three years. This compensation tool was approved at 94.5% by the Shareholders' Meeting of April 26, 2022 in its 23<sup>rd</sup> resolution and is again submitted this year to the approval of the shareholders. It only benefits certain senior executives, it being specified that the executive corporate officers and members of the Executive Committee are not eligible for Fidelity Shares.

### GROUP PERFORMANCE SHARES (GPS)

#### Principal rules

##### General principles

##### Authorization by the Shareholders' Meeting

Group performance shares (GPS) were introduced in 2010. The grant of GPS must be authorized by the Shareholders' Meeting. The authorization granted on April 27, 2023 was granted for a period of 38 months, *i.e.* until June, 27, 2026.

A new authorization will be submitted to the approval of the shareholders during the Shareholders' Meeting of April 24, 2025.

##### Cap on the number of GPS granted

GPS have always had a limited impact on both capital dilution and share ownership. GPS grants are subject to a double cap approved by the Shareholders' Meeting that limits both (i) the total number of GPS that may be granted and (ii) the number of GPS that may be granted to corporate officers.

##### LIMITATIONS FOR GPS NOT YET DELIVERED

Shareholders' Meeting that approved the GPS	04/29/2021	04/26/2022	04/27/2023	04/25/2025
Maximum number of GPS that may be granted <sup>(a)</sup>	0.2%	0.5%	0.5%	0.5% <sup>(b)</sup>
Total number of GPS granted during the fiscal year in question <sup>(a)</sup>	0.1%	0.2%	0.2%	0.2%
Of which the maximum number of GPS that may be granted to executive corporate officers <sup>(a)</sup>	0.03%	0.03%	0.03%	0.03% <sup>(b)</sup>
Of which total number of GPS granted to executive corporate officers during the fiscal year in question <sup>(a)</sup>	0.01%	0.01%	0.01%	0.01%

(a) Expressed as a percentage of that year's share capital subsequent to the Shareholders' Meeting that authorized the plans. This number of shares does not reflect any adjustments that may be made pursuant to legal requirements or any contractual provisions that may require other adjustments in order to maintain the rights of shareholders and other rights-holders.

(b) Per calendar year.

### Grant by the Board of Directors

GPS are granted annually by the Board of Directors upon the recommendation of the Nomination, Compensation and Governance Committee, at the same times each year. In principle, they are granted at the end of July and, if necessary, a supplementary grant is made to certain new employees at the end of the year.

### Review of the achievement of performance conditions by the Board of Directors

After an initial review by the Nomination, Compensation and Governance Committee, the Board of Directors determines whether performance conditions have been achieved.

### Valuation and accounting in the consolidated financial statements

Long-term compensation in the form of GPS is valued and accounted for in Danone's consolidated financial statements pursuant to IFRS 2 *Share-based payments* (see Note 9.4 of the Notes to the consolidated financial statements).

### Performance conditions

The performance conditions for GPS are determined at the beginning of the year by the Board of Directors, upon the recommendation of the Nomination, Compensation and Governance Committee, and are indicated in this chapter 6.4 of the Universal Registration Document. They apply to 100% of grants.

Performance conditions are stringent and consistent with Danone's current context. They include complementary financial and sustainability criteria that are representative of Danone's performance and adapted to the specific nature of its business.

These criteria reflect the key indicators monitored by investors and analysts to measure the performance of companies in the food and beverage sector. Some are internal and others are external.

All performance conditions related to current GPS are subject to a three-year reference period.

Under the 23<sup>rd</sup> resolution concerning the authorization to grant GPS, the Board of Directors will be granted an adjustment possibility. Accordingly, in the event of exceptional circumstances having a significant impact on the achievement of one or more GPS performance criteria, such as in particular (i) a significant change in the Group's scope of consolidation, (ii) a significant change in accounting

method, (iii) a significant change in the methods used to calculate sustainability data, (iv) a significant regulatory change or (v) a major event affecting the food and beverage industry, Danone's markets and/or its competitors, the Board, acting on the recommendation of the Nomination, Compensation and Governance Committee, could adjust one or more of the GPS performance criteria. Any use of this exceptional adjustment possibility would be communicated to shareholders and duly justified, especially in terms of alignment with shareholders' interests and maintaining the demanding nature of the criteria thus revised.

### Continuous presence condition

Since the approval by the Shareholders' Meeting of April 27, 2023, the definitive grant of GPS is subject to a continuous presence condition of three years. These periods apply to all beneficiaries. Therefore, a beneficiary of a share grant who leaves Danone before the end of the vesting period cannot retain his or her shares except in the cases allowed by law (including death and disability), and exceptions decided by the Board of Directors based on a reasoned opinion.

In the specific case where an employee retires at the legal age (or prior to this as allowed by law), the GPS granted in the 12 months preceding the retirement date are cancelled with no exceptions.

Regarding the executive corporate officers, the Board of Directors may only decide to make an exception to the continuous presence condition, where applicable, in part and on a *prorata* basis.

Finally, as a reminder, the GPS plans allow beneficiaries to be exempt from the continuous presence and performance conditions in the event of a change of control of the Company, with the exception of executive corporate officers and Executive Committee members for whom, in such case, the achievement of the continuous presence condition will be reviewed by the Board of Directors on a *prorata* basis, calculated between the date of the grant and the date of change of control, relative to the initial delivery date stipulated in the plan. Moreover, regarding the fulfillment of the performance conditions, either the Board of Directors will have reached a decision regarding the level of achievement or no such decision will have been reached, in which case the Board, acting on the recommendation of the Nomination, Compensation and Governance Committee, will assess the extent to which each performance condition has been fulfilled on the basis of the available information.

**Definitive grant**

The grants of GPS become final and DANONE shares are delivered to their beneficiaries at the end of the vesting period set by the Board of Directors. This vesting period is three years since the 2023 GPS plans. This period is consistent with market practices and ensures alignment with shareholders' interests and with the Company's long-term strategy.

**Other applicable rules**

The rules that govern GPS plans prohibit beneficiaries from hedging in any manner their position with respect to (i) their right to receive GPS or (ii) shares which they have already received and which are still subject to a holding requirement (applicable to executive corporate officers and Executive Committee members – see below). For executive corporate officers, the prohibition of hedging extends to all DANONE shares or financial instruments related to DANONE shares which they own or may be in a position to own. In addition, each beneficiary of GPS has personally agreed not to use hedging instruments. In particular, Antoine de SAINT-AFFRIQUE has made a formal commitment not to use hedging instruments to hedge his risk exposure, in particular regarding GPS that he has received or will receive until such time as he ceases to exercise his functions. To the Company's knowledge, no hedging instrument has been set up by Antoine de SAINT-AFFRIQUE.

In addition, an obligation to hold DANONE shares resulting from GPS applies to executive corporate officers and other Executive Committee members, who must hold, in registered form, a number of shares resulting from GPS equivalent to 35% of the gain on exercise, net of tax and social security contributions, that they would be able to realize if they sold all the shares resulting from GPS granted to them under the respective plan, until the shares represent the equivalent of four years of fixed compensation for executive corporate officers and two years of fixed compensation for Executive Committee members, and until termination of their duties.

Given the significant level of the holding obligation applicable to executive corporate officers and Executive Committee members, on the the recommendation of the Nomination, Compensation and Governance Committee, the Board of Directors decided that it was not necessary to require them to purchase a minimum number of DANONE shares.

The Board of Directors confirmed this holding obligation at the time of the grants of GPS approved in 2024.

## Summary of GPS plans as of December 31, 2024

### Key terms of outstanding GPS plans as of December 31, 2024 and grants and changes under these plans in 2024 (information required pursuant to table 9 of appendix 4 of the AFEP-MEDEF Code)

Outstanding GPS plans												Total
Date of Shareholders' Meeting that approved the GPS	06/26/2020	06/26/2020	04/29/2021	04/29/2021	04/29/2021	04/26/2022	04/26/2022	04/27/2023	04/27/2023	04/25/2024	04/25/2024	-
Date of Board meeting that granted the GPS	07/29/2020	12/10/2020	07/28/2021	10/13/2021	12/10/2021	07/26/2022	12/08/2022	07/25/2023	12/14/2023	7/30/2024	12/12/2024	-
<b>Number of GPS granted</b>	<b>697,679</b>	<b>17,031</b>	<b>718,979</b>	<b>48,320</b>	<b>29,339</b>	<b>1,001,890</b>	<b>28,268</b>	<b>1,018,785</b>	<b>23,278</b>	<b>1,001,557</b>	<b>22,506</b>	<b>4,607,632</b>
<i>Of which GPS granted to executive corporate officers</i>	37,500	-	29,331	48,320	-	51,900	-	49,742	-	47,880	-	264,673
Maximum number of GPS that may be granted <sup>(a)</sup>	732,603	17,881	754,923	50,736	30,809	1,194,681	33,921	1,215,081	27,934	1,194,686	27,007	5,280,262
<i>Of which maximum number of GPS that may be granted to executive corporate officers <sup>(a)</sup></i>	39,375	-	30,798	50,736	-	54,495	-	52,229	-	50,274	-	277,907
Number of beneficiaries for each plan	1,550	20	1,473	1	23	1,740	25	1,923	29	1,927	25	-
GPS characteristics												
Share delivery date	07/30/2024	12/11/2024	07/29/2025	10/14/2025	12/11/2025	07/27/2026	12/09/2026	07/26/2026	12/15/2026	07/31/2027	12/13/2027	-
End date of holding period	-	-	-	-	-	-	-	-	-	-	-	-
	<ul style="list-style-type: none"> <li>■ weighted by 50%, average sales growth greater than or equal to that of the Panel over the years 2020, 2021 and 2022;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 50%, average sales growth greater than or equal to that of the Panel over the years 2021, 2022 and 2023;</li> </ul>			<ul style="list-style-type: none"> <li>■ weighted by 35% (maximum 45%), average recurring EPS growth greater than average sales growth over the years 2022, 2023 and 2024;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 20% (maximum 25%), average recurring EPS growth greater than average sales growth over the years 2023, 2024 and 2025;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 20% (maximum 25%), average recurring EPS growth over the years 2024, 2025 and 2026;</li> </ul>		
	<ul style="list-style-type: none"> <li>■ weighted by 30%, free cash flow level of more than €6.2 billion over the years 2020, 2021 and 2022;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 30%: <ul style="list-style-type: none"> <li>• for executive corporate officers and other Executive Committee members, TSR exceeding or equal to the Median Panel TSR over the years 2021, 2022 and 2023;</li> <li>• for the other beneficiaries, free cash flow level of more than €6.3 billion over the years 2021, 2022 and 2023;</li> </ul> </li> </ul>			<ul style="list-style-type: none"> <li>■ weighted by 35% (maximum 45%), TSR exceeding or equal to the Median Panel TSR over the years 2022, 2023 and 2024;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 25% (maximum 30%), comparison of the TSR of Danone with TSR of the Stoxx Europe 600 Food &amp; Beverage over 2023, 2024 and 2025;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 25% (maximum 30%), comparison of the TSR of Danone with TSR of the Stoxx Europe 600 Food &amp; Beverage index over 2024, 2025 and 2026;</li> </ul>		
Performance conditions	<ul style="list-style-type: none"> <li>■ weighted by 20%, "Leadership" level and Score of A assigned each year to Danone by CDP under its Climate Change program for the years 2020, 2021 and 2022.</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 20%, Score of A assigned each year to Danone by CDP under its three programs (Climate Change, Water and Forests) for the years 2021, 2022 and 2023.</li> </ul>			<ul style="list-style-type: none"> <li>■ weighted by 30%, Score of A assigned each year to Danone by CDP under its three programs (Climate Change, Water and Forests) for the years 2022, 2023 and 2024.</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 25% (maximum 35%), level of return on capital employed (ROIC) of Danone in 2025;</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 25% (maximum 35%), level of return on capital employed (ROIC) of Danone in 2026;</li> </ul>		
	<ul style="list-style-type: none"> <li>■ weighted by 20%, "Leadership" level and Score of A assigned each year to Danone by CDP under its Climate Change program for the years 2020, 2021 and 2022.</li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 20%, Score of A assigned each year to Danone by CDP under its three programs (Climate Change, Water and Forests) for the years 2021, 2022 and 2023.</li> </ul>			<ul style="list-style-type: none"> <li>■ weighted by 30%, sustainability performance conditions: <ul style="list-style-type: none"> <li>• health (10%): sugar level in EDP products intended for children, sold in 2025;</li> <li>• nature (10%): reduction of greenhouse gas emissions in 2025 vs 2022;</li> <li>• social (10%): engagement level of Danone employees, compared to a Panel from the FMCG sector in 2023, 2024 and 2025.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>■ weighted by 30%, sustainability performance conditions: <ul style="list-style-type: none"> <li>• health/nutrition: sugar level in EDP products intended for adults, sold in 2026 (10%);</li> <li>• greenhouse gas emissions reduction in 2026 vs 2023 (10%);</li> <li>• water consumption intensity reduction in Danone production sites in 2026 vs 2023 (10%).</li> </ul> </li> </ul>				

Outstanding GPS plans											Total		
Date of Shareholders' Meeting that approved the GPS	06/26/2020	06/26/2020	04/29/2021	04/29/2021	04/29/2021		04/26/2022	04/26/2022	04/27/2023	04/27/2023	04/25/2024	04/25/2024	-
Date of Board meeting that granted the GPS	07/29/2020	12/10/2020	07/28/2021	10/13/2021	12/10/2021		07/26/2022	12/08/2022	07/25/2023	12/14/2023	7/30/2024	12/12/2024	-
Assessment of achievement of performance conditions	<ul style="list-style-type: none"> <li>■ Sales growth target: not achieved.</li> <li>■ Free cash flow objective: 100% achieved.</li> <li>■ Danone's environmental performance objective: 100% achieved.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sales growth target: not achieved.</li> <li>■ TSR objective: achieved at 77.1% and free cash flow objective: achieved at 100%.</li> <li>■ The Board of Directors will assess the achievement of Danone's environmental performance criterion in the first half of 2025.</li> </ul>	<ul style="list-style-type: none"> <li>■ Recurring EPS growth target: not achieved.</li> <li>■ TSR objective: achieved to the maximum at 45%.</li> <li>■ The Board of Directors will assess the achievement of Danone's environmental performance criterion in the first half of 2026.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Board of Directors will assess the achievement of the performance conditions in 2026.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Board of Directors will assess the achievement of the performance conditions in 2027.</li> </ul>								
<b>Overall achievement rate: 50%</b>													

#### Changes in 2024 and situation as of December 31, 2024

Number of GPS as of December 31, 2023	195,984	5,085	248,715	24,161	9,577		878,143	27,971	1,003,820	23,278	-	-	2,416,734
GPS granted in 2024	-	-	-	-	-		-	-	-	-	1,001,557	22,506	1,024,063
Maximum number of GPS that may be granted <sup>(a)</sup>	-	-	-	-	-		-	-	-	-	1,194,686	27,007	1,221,693
<i>Of which GPS granted to executive corporate officers</i>	-	-	-	-	-		-	-	-	-	47,880	-	47,880
Maximum number of GPS that may be granted to executive corporate officers <sup>(a)</sup>	-	-	-	-	-		-	-	-	-	50,274	-	50,274
GPS void or canceled in 2024	6,531	-	20,893	-	934		346,561	13,859	62,091	2,442	15,737	-	469,048
<i>Of which GPS canceled in 2024 due to non-fulfillment of some performance conditions <sup>(b)</sup></i>	-	-	-	-	-		286,236	7,598	-	-	-	-	293,834
Shares delivered in 2024	189,453	5,085	-	-	-		-	-	-	-	-	-	194,538
<i>Of which shares delivered to executive corporate officers</i>	-	-	-	-	-		-	-	-	-	-	-	-
Number of GPS not yet vested as of December 31, 2024	-	-	227,822	24,161	8,643		531,582	14,112	941,729	20,836	985,820	22,506	2,777,211
Total number of GPS void or canceled for each plan as of December 31, 2024	508,226	11,946	491,157	24,159	20,696		470,308	14,156	77,056	2,442	15,737	-	1,620,918

(a) Maximum number of GPS that may be granted if the continuous presence condition is satisfied, achievement of all sustainability performance conditions, and outperformance of all financial performance conditions.

(b) The number of 2022 GPS that became void during the year includes the GPS that are likely to be void due to the non-fulfillment of performance conditions, based on information known as of the date of this Universal Registration Document (even if this lapse of shares has not yet been acknowledged by the Board).



## Presentation of 2025 GPS

### General rules

The Shareholders' Meeting of April 24, 2025 is asked to vote under its 23<sup>rd</sup> resolution on the establishment of a new GPS plan under which all beneficiaries would receive GPS from a single "3+0" plan, *i.e.* with a three-year vesting period and no holding period.

### Performance conditions

The 2025 GPS will be subject to performance conditions based on complementary criteria, assessed over three years, that are representative of Danone's performance and contribute to Danone's medium-to-long-term value creation model:

- weighted by 20%, an internal performance condition related to recurring EPS growth;
- weighted by 25%, an external performance condition related to growth in the Total Shareholder Return of the DANONE share ("TSR") compared to an index;
- weighted by 25%, an internal performance condition related to the return on invested capital (ROIC);
- weighted by 30%, internal sustainability performance conditions, regarding the reduction of: (i) sugar level (10%), (ii) GHG emissions (10%) and (iii) water consumption intensity (10%);

according to the terms detailed hereinafter.

It is specified that in the event of outperformance of the financial conditions and the maximum achievement of the sustainability conditions, the maximum number of GPS that may be delivered could reach 120% of the number of GPS granted for all beneficiaries.

The financial performance and sustainability conditions are unchanged compared to the 2024 GPS Plan. Moreover, in the event of extraordinary circumstances having a significant impact on the fulfillment of one or more performance conditions, including namely (i) a significant change in the Group's scope of consolidation, (ii) a significant change in accounting method, (iii) a significant change in calculation methods for sustainability data, (iv) a significant regulatory change or (v) a major event affecting the food and beverage sector, Danone's markets and/or its competitors, the Board of Directors acting upon the recommendation of the Nomination, Compensation and Governance Committee, may adjust one or more performance conditions, including one or more of the associated indicators (weighting, trigger thresholds, objectives, targets etc.). Any use of this extraordinary adjustment ability will be disclosed to shareholders and duly justified, in particular its alignment with shareholders' interests and the preservation of the stringency of the revised conditions.

### Performance condition related to recurring EPS growth, weighted by 20% (maximum: 25%)

#### Principle

Average growth of the recurring EPS ("Recurring EPS Growth") over a three-year period, *i.e.* 2025, 2026 and 2027

- no delivery of the shares subject to this performance condition if the Recurring EPS Growth is strictly less than the minimum threshold;
- between 10% and 17.5% of the performance shares granted if the Recurring EPS Growth is between (i) the minimum threshold and (ii) the intermediate threshold, based on a linear progressive scale;
- between 17.5% and 25% of the performance shares granted if the Recurring EPS Growth is between (i) the intermediate threshold and (ii) 150% of the intermediate threshold, based on a linear progressive scale;
- 25% of the performance shares granted if the Recurring EPS Growth is greater than or equal to 150% of the intermediate threshold.

The minimum and intermediate thresholds were determined by the Board of Directors in February 2025. For reasons of confidentiality, the Company does not disclose in advance the target levels for this criterion. However, Danone will publish the intermediate threshold level and the rate of achievement of this criterion at the end of the performance cycle, in the 2027 Universal Registration Document.

#### Definitions

Recurring EPS Growth

Arithmetic average growth in Danone's recurring EPS in 2025, 2026 and 2027 (compared to previous year), it being specified that "Recurring EPS" is a financial indicator used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 *Financial indicators not defined in IFRS*).

#### Other applicable rules

Percentage of GPS subject to this performance condition

20% of the GPS granted will be subject to this performance condition, it being specified that, in the event of outperformance, the maximum number of GPS that may be delivered could reach 25%.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, through a duly justified decision and disclosed in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2028.

**Performance condition related to the TSR, weighted by 25% (maximum: 30%)****Principle**

Comparison of the relative Total Shareholder Return of the DANONE share ("Danone's TSR") with the total return rate of the Stoxx Europe 600 Food & Beverage index over a three-year period, <i>i.e.</i> over fiscal years 2025, 2026 and 2027	<ul style="list-style-type: none"> <li>■ no delivery of the shares subject to this performance condition if Danone's TSR is strictly less than the total return rate of the index;</li> <li>■ between 20% and 30% of the performance shares granted if Danone's TSR is between 100% and 120% of the total return rate of the index, based on a linear progressive scale;</li> <li>■ 30% of the performance shares granted if Danone's TSR is greater than or equal to 120% of the total return rate of the index.</li> </ul>
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**Definitions**

Danone's TSR	Total Shareholder Return of the DANONE share, dividends reinvested, over the years 2025, 2026 and 2027.
Total return rate of the index	Euro Gross Return Index of the Stoxx Europe 600 Food & Beverage index.
Stoxx Europe 600 Food & Beverage index	European index composed of European groups with global operations in the Food & Beverage sector.

**Other applicable rules**

Unavailability of the Stoxx Europe 600 Food & Beverage index	The Board of Directors may, through a duly justified decision and disclosed in the Board of Directors' report to the Shareholders' Meeting, decide to use another benchmark index.
Percentage of GPS subject to this performance condition	25% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could reach 30%.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2028.

**Performance condition related to the ROIC, weighted by 25% (maximum: 35%)****Principle**

Arithmetic average of the level of return on invested capital (ROIC) of Danone in fiscal years 2025, 2026 and 2027

- no delivery of the shares subject to this performance condition if the average ROIC is strictly less than the minimum threshold;
- between 5% and 20% of the performance shares granted if the average ROIC is between (i) the minimum threshold and (ii) the intermediate threshold (minimum threshold +60 basis points) based on a linear progressive scale;
- between 20% and 35% of the performance shares granted if the average ROIC is between (i) the intermediate threshold (minimum threshold +60 basis points) and (ii) the maximum threshold (minimum threshold +120 basis points), based on a linear progressive scale;
- 35% of the performance shares granted if the average ROIC is greater than or equal to the maximum threshold (minimum threshold +120 basis points).

The minimum, intermediate and maximum thresholds have been decided by the Board of Directors in February 2025. For reasons of confidentiality, the Company does not disclose in advance the target levels for this criterion. However, Danone will publish the intermediate threshold and the rate of achievement of this criterion at the end of the performance cycle, in the 2027 Universal Registration Document.

**Definitions**

Return on invested capital (ROIC)	Ratio of net operating income for the year under review to the average invested capital for the year under review and for the previous year, as published by Danone in its Universal Registration Document (see also section 3.4 <i>Balance Sheet and Financial Security review</i> ).
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**Other applicable rules**

Percentage of GPS subject to this performance condition	25% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could reach 35%.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, through a duly justified decision and disclosed in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2028.

**Sustainability performance conditions, weighted by 30%**

The indicators corresponding to the criteria below will be described and published in the Universal Registration Document.

**1- HEALTH/NUTRITION (10%)****Principle**

Volume (as a percentage) of EDP everyday adults and/or family products, sold in 2027, that contain 10g or less of total sugars per 100g of product

- no delivery of the shares subject to this performance condition if this percentage is less than 76%;
- between 0% and 5% of the performance shares granted if this percentage is between 76% and 77%, based on a linear progressive scale;
- 5% of the performance shares granted if this percentage is equal to 77%;
- between 5% and 10% of the performance shares granted if this percentage is between 77% and 78%, based on a linear progressive scale;
- 10% of the performance shares granted if this percentage is equal or greater than 78%.

**Definitions**

Volume sold worldwide	Volume sold in countries included in the scope of Danone's health and nutrition indicators, as defined in the section 5.4.4 <i>Consumers and patients</i> for the year under review.
EDP everyday adult and/or family products	Dairy and Plant-Based products that are reported as (a) being part of the adult and/or family portfolio, and (b) included in the following sub-categories: Dairy and Plant-Based Everyday & Functional yogurts, fermented milks, milks, plant-based drinks, dairy and plant-based cheeses. It excludes all dairy and plant-based indulgent sub-categories (desserts, ice creams, creamers, ready to drink coffees) and traditional products/cooking aids (butter, margarine, creams).
Total sugars	Value as reported in Danone's health and nutrition indicators, as defined in the section 5.4.4 <i>Consumers and patients</i> .

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision disclosed in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2028.

**2- GREENHOUSE GAS EMISSIONS REDUCTION (10%)****Principle**

Reduction (as a percentage), on a comparable scope and methodology, in greenhouse gas emissions across Danone's entire value chain (scopes 1, 2 and 3) in 2027 vs 2024 emissions	<ul style="list-style-type: none"> <li>■ no delivery of the shares subject to this performance condition if this reduction is strictly less than 7.5%;</li> <li>■ 5% of the performance shares granted if this reduction is equal to 7.5%;</li> <li>■ between 5% and 10% of the performance shares granted if this reduction is between 7.5% and 9%, based on a linear progressive scale;</li> <li>■ 10% of the performance shares granted if this reduction is greater than or equal to 9%.</li> </ul>
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**Definitions**

Greenhouse gas (GHG) emissions across Danone's entire value chain (scopes 1, 2 and 3)	Danone's greenhouse gas (GHG) emissions in all three categories (scopes 1, 2 and 3), within the scope of its confirmed 1.5°C Science Based Targets ("SBT Scope"), as defined in the section 5.3.1 <i>Climate change</i> .
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**Other applicable rules**

Significant change	In case of a significant change in the consolidation scope or in the methods used to calculate greenhouse gas emissions, Danone will apply the recalculation rules defined by the GHG Protocol and the Science Based Targets Initiative. This performance condition will therefore be assessed for the "SBT Scope" applicable in 2027.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision disclosed in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2028.

**3 – WATER CONSUMPTION INTENSITY REDUCTION (10%)****Principle**

Average water consumption intensity reduction (as a percentage), on a comparable scope, in Danone production sites, in 2027 vs 2024	■ no delivery of the shares subject to this performance condition if the average reduction rate is strictly less than 2.5%;
	■ 5% of the performance shares granted if the average reduction rate is equal to 2.5%;
	■ between 5% and 10% of the performance shares granted if the average reduction rate is between 2.5% and 5%, based on a linear progressive scale;
	■ 10% of the performance shares granted if the average reduction rate is greater than or equal to 5%.

**Definitions**

Water consumption intensity	Intensity of water consumption related to the production process (in m <sup>3</sup> of processed water consumed per metric ton of product), as defined in the section 5.3.3 <i>Water</i> .
Average water consumption intensity reduction	Arithmetic average of the water consumption intensities reductions for Danone production sites of each category (i) Essential Dairy and Plant-Based, (ii) Specialized Nutrition and (iii), Waters, in 2027 vs 2024.
Danone production sites	Danone production sites included in the "Production Site Environment" scope both in 2024 and in 2027, as this scope is as defined in the section 5.3.3 <i>Water</i> .

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision disclosed in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2028.

## Review of the conditions related to GPS not yet delivered

### GPS granted in 2024

The 2024 GPS are subject to the performance conditions described hereinafter and a continuous presence condition of three years.

#### Performance condition related to recurring EPS growth, weighted by 20% (maximum: 25%)

##### Principle

Average growth of the recurring EPS ("Recurring EPS Growth") over a three-year period, *i.e.* 2024, 2025 and 2026

- no grant of the shares subject to this performance condition if the Recurring EPS Growth is strictly less than the minimum threshold;
- between 10% and 20% of the performance shares granted if the Recurring EPS Growth is between (i) the minimum threshold and (ii) the target, based on a linear progressive scale;
- between 20% and 25% of the performance shares granted if the Recurring EPS Growth is between (i) the target and (ii) 150% of the target, based on a linear progressive scale;
- 25% of the performance shares granted if the Recurring EPS Growth is greater than or equal to 150% of the target.

It should be noted that the minimum threshold and the target were determined by the Board of Directors in February 2024. For reasons of confidentiality, the Company does not disclose in advance the target levels for this criterion. However, Danone will publish the target level and the rate of achievement of this criterion at the end of the performance cycle, in the 2026 Universal Registration Document.

##### Definitions

Recurring EPS Growth

Arithmetic average growth in Danone's recurring EPS in 2024, 2025 and 2026 (compared to previous year), it being specified that "Recurring EPS" is a financial indicator used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 *Financial indicators not defined in IFRS*).

##### Other applicable rules

Percentage of GPS subject to this performance condition

20% of the GPS granted will be subject to this performance condition, it being specified that, in the event of outperformance, the maximum number of GPS that may be delivered could reach 25%.

##### Assessment of achievement of the performance condition

The Board of Directors' procedure for determining that this performance condition has been met

The Board of Directors must state whether this performance condition was met, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.

Date of assessment of achievement of the performance condition

Early 2027.

#### Performance condition related to the TSR, weighted by 25% (maximum: 30%)

##### Principle

Comparison of the relative Total Shareholder Return of the DANONE share ("Danone's TSR") with the total return rate of the Stoxx Europe 600 Food & Beverage index over a three-year period, *i.e.* over fiscal years 2024, 2025 and 2026

- if Danone's TSR is strictly less than the total return rate of the index, the definitive grant will be 0% of the GPS subject to this performance condition;
- if Danone's TSR is between 100% and 120% of the total return rate of the index, the definitive grant will be between 20% and 30% of the GPS granted, based on a linear progressive scale;
- if Danone's TSR is greater than or equal to 120% of the total return rate of the index, the definitive grant will be 30% of the GPS granted.

**Definitions**

Danone's TSR	Total Shareholder Return of the DANONE share, dividends reinvested, over the years 2024, 2025 and 2026.
Total return rate of the index	Euro Gross Return Index of the Stoxx Europe 600 Food & Beverage index.
Stoxx Europe 600 Food & Beverage index	European index composed of European groups with global operations in the Food & Beverage sector.

**Other applicable rules**

Unavailability of the Stoxx Europe 600 Food & Beverage index	The Board of Directors may, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, decide to use another benchmark index.
Percentage of GPS subject to this performance condition	25% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could reach 30%.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2027.

**Performance condition related to the ROIC, weighted by 25% (maximum: 35%)****Principle**

Danone's return on invested capital (ROIC) in 2026	<ul style="list-style-type: none"> <li>■ no grant of the shares subject to this performance condition if the ROIC is strictly less than the target;</li> <li>■ between 20% and 35% of the performance shares granted if the ROIC is between (i) the target and (ii) the target +50 basis points, based on a linear progressive scale;</li> <li>■ 35% of the performance shares granted if the ROIC is greater than or equal to the target +50 basis points.</li> </ul> <p>It should be noted that the target was determined by the Board of Directors in February 2024. For reasons of confidentiality, the Company does not disclose in advance the target level for this criterion. However, Danone will publish the target level and the rate of achievement of this criterion at the end of the performance cycle, in the 2026 Universal Registration Document.</p>
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**Definitions**

Return on invested capital (ROIC)	Ratio of net operating income for the year under review to the average invested capital for the year under review and for the previous year, as published by Danone in its Universal Registration Document (see also section 3.4 <i>Balance Sheet and Financial Security review</i> )
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**Other applicable rules**

Percentage of GPS subject to this performance condition	25% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could reach 35%.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met or not, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2027.

**Sustainability performance conditions, weighted by 30%**

The indicators corresponding to the criteria below will be described and published in the Universal Registration Document.

**1- HEALTH/NUTRITION (10%)****Principle**

Volume (as a percentage) of EDP everyday adults products, sold in 2026, that contain 10g of sugar or less per 100g of product	<ul style="list-style-type: none"> <li>■ 0% of the shares subject to this performance condition if this percentage is less than 76.5%;</li> <li>■ 5% of the performance shares if this percentage is equal to 76.5%;</li> <li>■ between 5% and 10% of the performance shares if this percentage is between 76.5% and 77%, based on a linear progressive scale;</li> <li>■ 10% of the performance shares if this percentage is equal or greater than 77%.</li> </ul>
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**Definitions**

Volume sold worldwide	Volume sold in countries included in the scope of the One Health Scorecard, as reported in the methodology note in the sustainability reporting section of the Universal Registration Document for the year under review.
EDP everyday adult products	Dairy and Plant-Based products that are reported as (a) being part of the adult and/or family portfolio, and (b) included in the following sub-categories: Dairy and Plant-Based Everyday & Functional yogurts, fermented milks, milks, plant-based drinks, dairy and plant-based cheeses. It excludes all dairy and plant-based indulgent sub-categories (desserts, ice creams, creamers, ready to drink coffees) and traditional products/cooking aids (butter, margarine, creams).
Total amount of sugar	Value as reported in the One Health Scorecard, as defined in the methodology note in the sustainability reporting section of the Universal Registration Document for the year under review.

**Other applicable rules**

Significant change	In case of a significant change in the consolidation scope of the Group, any significant regulatory change or any other external event significantly impacting this condition, the Board of Directors may decide, where applicable, which other performance condition(s) will apply, in whole or in part, instead of this condition. The Board of Directors must take a duly justified decision, following the recommendation of the Nomination, Compensation and Governance Committee, and explain it in the relevant Universal Registration Document.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision indicated in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2027.



**2- GREENHOUSE GAS EMISSIONS REDUCTION (10%)****Principle**

Reduction (as a percentage), on a comparable scope and methodology, in greenhouse gas emissions across Danone's entire value chain (scopes 1, 2 and 3) in 2026 vs 2023 emissions

- 0% of the shares subject to this performance condition if this reduction is strictly less than 7%;
- 5% of the performance shares if this reduction is equal to 7%;
- between 5% and 10% of the performance shares if this reduction is between 7% and 8.5%, based on a linear progressive scale;
- 10% of the performance shares if this reduction is greater than or equal to 8.5%.

**Definitions**

Greenhouse gas (GHG) emissions across Danone's entire value chain (scopes 1, 2 and 3)

Danone's greenhouse gas (GHG) emissions in all three categories (scopes 1, 2 and 3), within the scope of its confirmed 1.5°C Science Based Targets ("SBT Scope"), as defined in the methodology note in the sustainability reporting section of the Universal Registration Document.

**Other applicable rules**

Significant change

In case of a significant change in the consolidation scope or in the methods used to calculate greenhouse gas emissions, Danone will apply the recalculation rules defined by the GHG Protocol and the Science Based Targets Initiative.

This performance condition will therefore be assessed for the "SBT Scope" applicable in 2026. In case of a significant regulatory change or any other external event significantly impacting this condition, the Board of Directors may decide, where applicable, which other performance condition(s) will apply, in whole or in part, instead of this condition.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met

The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision indicated in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.

Date of assessment of achievement of the performance condition

Early 2027.

**3 – WATER CONSUMPTION INTENSITY REDUCTION (10%)****Principle**

Average water consumption intensity reduction (as a percentage), on a comparable scope, in Danone production sites, in 2026 vs 2023

- 0% of the performance shares subject to this performance condition if the average reduction rate is strictly less than 3%;
- 5% of the performance shares if the average reduction rate is equal to 3%;
- between 5% and 10% of the performance shares if the average reduction rate is between 3% and 6%, based on a linear progressive scale;
- 10% of the performance shares if the average reduction rate is greater than or equal to 6%.

**Definitions**

Water consumption intensity	Intensity of water consumption related to the production process (in m <sup>3</sup> of processed water consumed per metric ton of product), as defined in the methodology note in the sustainability reporting section of the Universal Registration Document.
Average water consumption intensity reduction	Arithmetic average of the water consumption intensities reductions for Danone production sites of each category (i) Essential Dairy and Plant-Based, (ii) Specialized Nutrition and (iii), Waters, in 2026 vs 2023.
Danone production sites	Danone production sites included in the "Production Site Environment" scope both in 2023 and in 2026, as this scope is as defined in the methodology note in the sustainability reporting section of the Universal Registration Document.

**Other applicable rules**

Significant change	In case of any significant methodology or regulatory change or any other external event significantly impacting this condition, the Board of Directors may decide, where applicable, which other performance condition(s) will apply, in whole or in part, instead of this condition. The Board of Directors must take a duly justified decision, following the recommendation of the Nomination, Compensation and Governance Committee, and explain it in the relevant Universal Registration Document.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision indicated in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2027.

**GPS granted in 2023**

The 2023 GPS are subject to the performance conditions described hereinafter and a continuous presence condition of three years.

**Performance condition related to compared recurring EPS growth, weighted by 20% (maximum: 25%)****Principle**

Comparison of the arithmetic average growth of the recurring EPS ("Recurring EPS Growth") with the arithmetic average growth in Danone's consolidated sales on a like-for-like basis ("Sales Growth") over a three-year period, <i>i.e.</i> 2023, 2024 and 2025.	<ul style="list-style-type: none"> <li>■ if the Recurring EPS Growth is less than or equal to Sales Growth, the definitive grant will be 0% of the GPS subject to this performance condition, pursuant to the "no payment under the guidance" principle;</li> <li>■ if the Recurring EPS Growth is strictly higher than Sales Growth, and if the ratio between these two indicators (Recurring EPS Growth/Sales Growth) is between 100% and 125%, the definitive grant will be between 20% and 25% of the GPS granted, based on a linear progressive scale;</li> <li>■ if the Recurring EPS Growth is higher than Sales Growth, and if the ratio between these two indicators (Recurring EPS Growth/Sales Growth) is more than 125%, the definitive grant will be 25% of the GPS granted.</li> </ul>
	it being specified that the definitive grant will be 20% of the GPS granted if Recurring EPS Growth is strictly higher than Sales Growth and if one or both of these indicators are negative.

**Definitions**

Recurring EPS Growth	Arithmetic average growth in Danone's recurring EPS in 2023, 2024 and 2025, it being specified that "Recurring EPS" is a financial indicator used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined in IFRS</i> ).
Sales growth	Arithmetic average growth in Danone's consolidated sales on a like-for-like basis, in 2023, 2024 and 2025, it being specified that changes on a like-for-like basis correspond to financial indicators used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined in IFRS</i> ).

**Other applicable rules**

Percentage of GPS subject to this performance condition	20% of the GPS granted will be subject to this performance condition, it being specified that, in the event of outperformance the maximum number of GPS that may be delivered could be reach 25%.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

**Performance condition related to the TSR, weighted by 25% (maximum: 30%)****Principle**

Comparison of the relative Total Shareholder Return of the DANONE share ("Danone's TSR") with the total return rate of the Stoxx Europe 600 Food & Beverage index over a three-year period, <i>i.e.</i> over fiscal years 2023, 2024 and 2025.	<ul style="list-style-type: none"> <li>■ if Danone's TSR is strictly less than the total return rate of the index, the definitive grant will be 0% of the GPS subject to this performance condition;</li> <li>■ if Danone's TSR is between 100% and 120% of the total return rate of the index, the definitive grant will be between 20% and 30% of the GPS granted, based on a linear progressive scale;</li> <li>■ if Danone's TSR is greater than or equal to 120% of the total return rate of the index, the definitive grant will be 30% of the GPS granted.</li> </ul>
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**Definitions**

Danone's TSR	Total Shareholder Return of the DANONE share, dividends reinvested, over the years 2023, 2024 and 2025.
Total return rate of the index	"Euro Gross Return Index" of the Stoxx Europe 600 Food & Beverage index.
Stoxx Europe 600 Food & Beverage index	European index composed of European groups with global operations in the Food & Beverage sector.

**Other applicable rules**

Unavailability of the Stoxx Europe 600 Food & Beverage index	The Board of Directors may, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, decide to use another benchmark index.
Percentage of GPS subject to this performance condition	25% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could be reach 30%.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

**Performance condition related to the ROIC, weighted by 25% (maximum 35%)****Principle**

Danone's return on invested capital (ROIC) in 2025	<ul style="list-style-type: none"> <li>■ no grant of the shares subject to this performance condition if the ROIC is strictly less than the target;</li> <li>■ between 20% and 35% of the performance shares granted if the ROIC is between (i) the target and (ii) the target +50 basis points, based on a linear progressive scale;</li> <li>■ 35% of the performance shares granted if the ROIC is greater than or equal to the target +50 basis points.</li> </ul> <p>It should be noted that the target was determined by the Board of Directors in February 2023. For reasons of confidentiality, the Company does not disclose in advance the target level for this criterion. However, Danone will publish the target level and the rate of achievement of this criterion at the end of the performance cycle, in the 2025 Universal Registration Document.</p>
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**Definitions**

Return on invested capital (ROIC)	Ratio of net operating income for the year under review to the average invested capital for the year under review and for the previous year, as published by Danone in its Universal Registration Document (see also section 3.4 <i>Balance Sheet and Financial Security review</i> ).
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**Other applicable rules**

Percentage of GPS subject to this performance condition	25% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could be reach 35%.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

**Social and environmental performance conditions, weighted by 30%**

The indicators corresponding to the criteria below will be described and reported in the Universal Registration Document.

**1- HEALTH (10%)****Principle**

Volume (as a percentage) of EDP products intended for children, sold in 2025, that contain less than 10g of sugar per 100g of product (in line with the current recommendations of the WHO).

- 0% of the performance shares granted if this percentage is less than 95%;
- 10% of the performance shares granted if this percentage is greater than or equal to 95%.

**Definitions**

Volume sold worldwide	Volume sold in countries included in the scope of the One Health Scorecard, as reported in the methodology note in the section of the Universal Registration Document entitled Social, Societal and Environmental responsibility (including imports/excluding exports) for the year under review.
EDP products intended for children	All Danone products in the dairy and plant-based products portfolio, specifically designed for and/or aimed mainly at children (3-12 years).
Designed and/or aimed mainly at children	Featured in children's sections (physically or via e-commerce); making one or more claims aimed at parents, for their children (for example "for school snacks", "nutrient needed for a child's growth"); with childish characters/licenses/mascots, playful design; games/toys; and/or advertised directly to children in communications (physical or digital)
Total amount of sugar	Value indicated on the label, according to local regulatory definitions.

**Other applicable rules**

Significant change	In case of a significant change in the consolidation scope of Danone Group, any significant regulatory change or any other external event significantly impacting this condition, the Board of Directors will decide, where applicable, which other social or environmental performance condition(s) (nature and/or people) will apply, in whole or in part, instead of this condition. The Board of Directors must take a duly justified decision, following the recommendation of the Nomination, Compensation and Governance Committee, and explain it in the relevant Universal Registration Document.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision indicated in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

**2- NATURE (10%)****Principle**

Reduction (as a percentage), on a comparable scope and methodology, in greenhouse gas emissions across Danone's entire value chain (scopes 1, 2 and 3) in 2025 vs 2022 emissions

- 0% of the performance shares granted if this reduction is strictly less than 8%;
- 5% of the performance shares granted if this reduction is equal to 8%;
- between 5% and 10% of the performance shares granted if this reduction is between 8% and 9.5%, based on a linear progressive scale;
- 10% of the performance shares granted if this reduction is greater than or equal to 9.5%.

**Definitions**

Greenhouse gas (GHG) emissions across Danone's entire value chain (scopes 1, 2 and 3)	Danone's greenhouse gas (GHG) emissions in all three categories (scopes 1, 2 and 3), within the scope of its confirmed 1.5°C Science Based Targets ("SBT Scope"), as defined in the methodology note in the section of the Universal Registration Document entitled Social, Societal and Environmental Responsibility.
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**Other applicable rules**

Significant change	<p>In case of a significant change in the consolidation scope or in the methods used to calculate greenhouse gas emissions, Danone will apply the recalculation rules defined by the GHG Protocol and the Science Based Targets Initiative.</p> <p>This performance condition will therefore be assessed for the "SBT Scope" applicable in 2026. In case of a significant regulatory change or any other external event significantly impacting this condition, the Board of Directors will decide, where applicable, which other social or environmental performance condition(s) (health and/or people) will apply, in whole or in part, instead of this condition.</p>
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision indicated in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

**3- PEOPLE (10%)****Principle**

Engagement level of Danone employees, measured annually through a survey of Danone employees worldwide and compared to a Panel from the FMCG sector in 2023, 2024 and 2025	<ul style="list-style-type: none"> <li>■ 10% of the performance shares granted if the employee engagement level is higher than the FMCG external benchmark for all three years;</li> <li>■ 5% of the performance shares granted if the employee engagement level is higher than the FMCG external benchmark for two years;</li> <li>■ 0% of the performance shares granted if the employee engagement level is higher than the FMCG external benchmark for only one or none of the three years.</li> </ul> <p>This measurement of Danone employees' long-term engagement is essential against the backdrop of a new management team and the implementation of a reorganization plan.</p>
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**Definitions**

Survey of Danone employees worldwide	Survey of Danone employees worldwide, conducted by a world-renowned specialized consulting firm, that measures, among other things, the level of employees' long-term engagement through numerous questions during the year under review. In 2022, the response rate was 90%.
Comparison with a Panel from the FMCG sector	Comparison by the consulting firm conducting the survey to a Panel from the FMCG sector in 2022.

**Other applicable rules**

Measurement of employee engagement against the FMCG external benchmark over the period for two years only.	<p>If the level of employee engagement is measured only twice between 2023 and 2025 through a worldwide employee survey and compared to the FMCG external benchmark, the following rules would apply:</p> <ul style="list-style-type: none"> <li>■ level of employee engagement higher than the FMCG external benchmark for two years: 10% of the GPS will be granted;</li> <li>■ in all other cases, 0% of the GPS will be granted.</li> </ul>
Other cases	<p>If employee engagement is measured and compared to the FMCG external benchmark only one year between 2023 and 2025, or not at all, the Board of Directors will decide which other social and environmental performance condition(s) (health and/or nature) will apply, in whole or in part, instead of this condition. The Board of Directors must take a duly justified decision, following the recommendation of the Nomination, Compensation and Governance Committee, and present it in the Universal Registration Document.</p>

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this performance condition, through a duly justified decision indicated in the Universal Registration Document, following the recommendation of the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

**GPS granted in 2022**

The 2022 GPS are subject to the three performance conditions described hereinafter and a continuous presence condition of four years.

**Performance condition related to compared recurring EPS growth, weighted by 35% (maximum: 45%)****Principle**

Comparison of the arithmetic average growth of the Recurring EPS ("Recurring EPS Growth") with the arithmetic average growth in Danone's consolidated sales on a like-for-like basis ("Sales Growth") over a three-year period, <i>i.e.</i> 2022, 2023 and 2024	<ul style="list-style-type: none"> <li>■ if Recurring EPS Growth is less than or equal to Sales Growth, the definitive grant will be 0% of the GPS subject to this performance condition, pursuant to the "no payment under the guidance" principle;</li> <li>■ if Recurring EPS Growth is strictly higher than Sales Growth, and if the ratio between these two elements (Recurring EPS Growth/Sales Growth) is between 100% and 125%, the definitive grant will be between 35% and 45% of the GPS granted, based on a linear progressive scale;</li> <li>■ if Recurring EPS Growth is strictly higher than Sales Growth, and if the ratio between these two elements (Recurring EPS Growth/Sales Growth) is more than 125%, the definitive grant will be 45% of the GPS granted;</li> </ul> <p>it being specified that the definitive grant will be 35% of the GPS granted if Recurring EPS Growth is strictly higher than Sales Growth and if one or both of these indicators are negative.</p>
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**Definitions**

Recurring EPS Growth	Arithmetic average growth in Danone's recurring EPS in 2022, 2023 and 2024, it being specified that "Recurring EPS" is a financial indicator used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined in IFRS</i> ).
Sales growth	Arithmetic average growth in Danone's consolidated sales on a like-for-like basis, in 2022, 2023 and 2024, it being specified that changes on a like-for-like basis correspond to financial indicators used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined in IFRS</i> ).

**Other applicable rules**

Percentage of GPS subject to this performance condition	35% of the GPS granted will be subject to this performance condition, it being specified that in the event of outperformance the maximum number of GPS that may be delivered could be reach 45%. Moreover, this percentage may be increased to 50%, through a duly justified decision by the Board of Directors, particularly in case of no publication of the scores related to the environmental performance condition defined below.
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Assessment of achievement of the performance condition	<b>Upon the recommendation of the Nomination, Compensation and Governance Committee, on February 25, 2025, the Board of Directors acknowledged the non-achievement of the performance condition linked to growth in Recurring EPS compared with growth in sales on a like-for-like basis (arithmetic averages over three years, i.e. 2022, 2023 and 2024). It should be noted that Recurring EPS for 2023 has been calculated excluding the EDP Russia's activities, given their deconsolidation on July 16, 2023.</b>

**Performance condition related to the TSR, weighted by 35% (maximum: 45%)****Principle**

Comparison of the relative Total Shareholder Return of the DANONE share ("Danone's TSR") with the median relative Total Shareholder Return of the share of a benchmark Panel ("Median Panel TSR") over a three-year period, <i>i.e.</i> 2022, 2023 and 2024	<ul style="list-style-type: none"> <li>■ if Danone's TSR is less than the Median Panel TSR, the definitive grant will be 0% of the GPS subject to this performance condition, pursuant to the "no payment under the median" principle;</li> <li>■ if Danone's TSR is between the Median Panel TSR and 110% of the Median Panel TSR, the definitive grant will be between 26% and 35% of the GPS granted, based on a linear progressive scale;</li> <li>■ if Danone's TSR is between 110% and 120% of the Median Panel TSR, the definitive grant will be between 35% and 45% of the GPS granted, based on a linear progressive scale;</li> <li>■ if Danone's TSR is greater than 120% of the Median Panel TSR, the definitive grant will be 45% of the GPS granted.</li> </ul>
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**Definitions**

TSR	Total Shareholder Return.
Danone's TSR	Total Shareholder Return of the DANONE share, dividends reinvested, over the years 2022, 2023 and 2024.
Each Panel member's TSR	Total Shareholder Return of the Panel member's share, dividends reinvested, over the years 2022, 2023 and 2024.
Panel TSR	The TSR of all Panel members.
Median Panel TSR	Value of the Panel member TSR that half of the Panel members exceed ( <i>i.e.</i> there are as many Panel members with TSR exceeding or equal to the Median as there are with TSR less than or equal to the Median). If there is an even number of Panel members, the Median Panel TSR will be the arithmetic average of the two central Panel TSR.
Panel	Eight leading international groups in the food and beverage sector: Unilever, Nestlé, PepsiCo, The Coca-Cola Company, The Kraft Heinz Company, Mondelez International, General Mills and Kellogg Company (replaced by Kellonova since October 2, 2023). The Board of Directors having noted, in February 2024, that following the spin-off of Kellogg Company, Kellonova kept around 80% of the former Kellogg Company business, the Board of Directors decided that Kellonova should replace the Kellogg Company in the Panel.



**Other applicable rules**

The acquisition, absorption, dissolution, spin-off, merger or change in the business activity of one or more Panel members	The Board of Directors may, by a duly justified decision indicated in the Board of Directors' report to the Shareholders' Meeting, change the composition of the Panel, provided that it maintains the overall consistency of the Panel.
Percentage of GPS subject to this performance condition	35% of the GPS granted will be subject to this performance condition, it being specified that, if this condition is exceeded, the maximum number of GPS that may be delivered could be as high as 45%.  Moreover, this percentage may be increased to 50%, through a duly justified decision by the Board of Directors, particularly in case of no publication of the Scores related to the environmental performance condition defined hereinafter.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this second performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee, and based on a financial advisor's report.
Assessment of achievement of the performance condition	<b>Upon the recommendation of the Nomination, Compensation and Governance Committee, on February 25, 2025, the Board of Directors acknowledged that Danone's TSR was well above 120% of the Median Panel TSR, and that this performance condition had therefore been met to the maximum, representing a weighted percentage of 45%.</b>

**Environmental performance condition, weighted by 30%****Principle**

Scores assigned to Danone by CDP under the Climate Change, Water and Forests programs, taking into account Danone's environmental performance in 2022, 2023 and 2024	<p>If Danone's Scores for these programs are published by CDP for all three years:</p> <ul style="list-style-type: none"> <li>■ and (i) a Score of A is assigned to Danone for the Climate Change program for the three years and (ii) a Score of A is assigned to Danone for at least two years for both the Water program and the Forests program, the definitive grant will be 30% of the GPS granted;</li> <li>■ or (i) a Score of A is assigned to Danone for the Climate Change program for the three years and (ii) a Score of A is assigned to Danone for at least one year for both the Water program and the Forests program, the definitive grant will be 15% of the GPS granted;</li> <li>■ in all other cases, and in particular if a Score of A is not assigned to Danone for the Climate Change program for the three years, the definitive grant will be 0% of the GPS subject to this performance condition.</li> </ul> <p>If Danone's Scores are published by CDP for two out of three years:</p> <ul style="list-style-type: none"> <li>■ and (i) a Score of A is assigned to Danone for the Climate Change program for both years and (ii) a Score of A is assigned to Danone for at least one year for both the Water program and the Forests program, the definitive grant will be 30% of the GPS granted;</li> <li>■ or (i) a Score of A is assigned to Danone for the Climate Change program for both years and (ii) a Score of A is not assigned for the Water and Forests programs for both years, the definitive grant will be 15% of the GPS granted;</li> <li>■ in all other cases, and in particular if a Score of A is not assigned to Danone for the Climate Change program for both years, the definitive grant will be 0% of the GPS subject to this performance condition.</li> </ul>
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**Definitions**

CDP	CDP, a not-for-profit organization that runs a global disclosure system for investors, companies, cities, states and regions to help them assess and manage their environmental impacts.
Scores	Scores assigned to Danone each year by CDP under its Climate Change, Water and Forests programs based on Danone's environmental performance in 2022, 2023 and 2024.
Score A	Score assigned by CDP based on environmental performance for a given year, corresponding to the highest ranking under its Climate Change, Water and Forests programs or, in case of a change in the range of scores used by CDP for these programs, any other score representing the upper eighth of the range of scores assigned by CDP, or the highest score if this new range of scores assigned by CDP includes fewer than eight scores.

**Other applicable rules**

Many scores during the same year	If, in a single year, CDP publishes two different scores, the lower score will be taken into account.
Change in the name of CDP or the Climate Change, Water and Forests programs	If the name of CDP or the Climate Change, Water and Forests programs changes without a change in their scoring methods, the publications of the entity or program whose name was changed will, for the purposes of this grant of shares, be considered the publications produced by CDP or for the Climate Change, Water and Forests programs.
No publication or late publication of a score or other cases	If no Score was published by CDP or if the Scores were published by CDP only for one out of three years, and/or if one of the three CDP programs no longer existed, and/or in case of late publication of one or more of the Scores, and/or in case of a significant change in CDP's scoring methods, and/or in all other cases not specified in this document, the Board of Directors will meet to decide on the conditions to be taken into account to assess achievement of the environmental performance condition and may, where applicable, decide to apply, instead of this performance condition, the conditions related to recurring EPS growth and the relative Total Shareholder Return of the DANONE share (TSR); in this case, the weightings of both these performance conditions would be increased from 35% to 50% and the outperformance levels from 45% to 60% (with a corresponding adjustment of the grant scales), such that the maximum number of shares that may be delivered remains equal to 120% of the target number of GPS granted. The Board of Directors must make a duly justified decision, at the recommendation of the Nomination, Compensation and Governance Committee, which must be mentioned in its report to the Shareholders' Meeting.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this third performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	Early 2026.

## Review of the rules relating to the GPS granted in 2021 and to be delivered in 2025

The 2021 GPS are subject to the three performance conditions described hereinafter and a continuous presence condition of four years.

### Sales growth performance condition, weighted by 50%

#### Principle

The average growth in Danone's consolidated sales ("CA") is compared, on a like-for-like basis, with that of a benchmark Panel over a three-year period, *i.e.* 2021, 2022 and 2023

- if Danone's CA is less than the Median Panel CA, the definitive grant will be 0% of the shares subject to the sales-related performance condition, pursuant to the "no payment under the median" principle;
- if Danone's CA is equal to the Median Panel CA, the definitive grant will be 75% of the shares subject to the sales-related performance condition;
- if Danone's CA is between the Median Panel CA and 120% of the Median Panel CA, the definitive grant will be between 75% and 110% of the shares subject to the sales-related performance condition based on a linear progressive scale between 100% and 120% of the Median Panel CA;
- if Danone's CA is greater than or equal to 120% of the Median Panel CA, the definitive grant will be 110% of the shares subject to the sales-related performance condition.

#### Definitions

Danone's CA	Average growth in Danone's sales (on a consolidated and like-for-like basis) in 2021, 2022 and 2023, it being specified that "sales" and changes "on a like-for-like basis" correspond to financial indicators used by Danone and not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined in IFRS</i> ).
Each Panel member's CA	Average growth in sales generated by a given Panel member in 2021, 2022 and 2023 (on a consolidated and like-for-like basis).
Panel CA	The CA of all Panel members.
Median Panel CA	Value of the Panel member CA that half of the Panel members exceed ( <i>i.e.</i> there are as many Panel members with CA exceeding or equal to the Median as there are with CA less than or equal to the Median). If there is an even number of Panel members, the Median Panel CA will be the arithmetic average of the two central Panel CA.
Panel	Eight leading international groups in the food and beverage sector: Unilever, Nestlé, PepsiCo, The Coca-Cola Company, The Kraft Heinz Company, Mondelez International, General Mills and Kellogg Company (replaced by Kellonova since October 2, 2023).

#### Other applicable rules

Ensure the consistency of the calculation method for the CA of all Panel members and Danone's CA over the entire period under review	Restatements (mainly adjustments for changes in scope and/or exchange rates) may be made only to the extent strictly necessary to ensure that the method of calculating the CA of all Panel members and Danone's CA is consistent over the entire period under review.
No publication or late publication of audited accounting or financial data	The Board of Directors may, exceptionally and through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, exclude one or more members from the Panel.
The acquisition, absorption, dissolution, spin-off, merger or change in the business activity of one or more Panel members	The Board of Directors may, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, change the composition of the Panel, provided that it maintains the overall consistency of the Panel.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must state whether this performance condition was met, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee, and based on a financial advisor's report.
Assessment of achievement of the performance condition	<b>Upon the recommendation of the Nomination, Compensation and Governance Committee, on April 25, 2024, the Board of Directors acknowledged that the sales growth performance condition was not achieved.</b>

**Danone's TSR performance condition, weighted by 30%:  
applicable to the executive corporate officers and other Executive Committee members**  
**Principle**

The relative Total Shareholder Return of the DANONE share (TSR) compared with that of a benchmark Panel over three years, <i>i.e.</i> 2021, 2022 and 2023	<ul style="list-style-type: none"> <li>■ if Danone's TSR is less than the Median Panel TSR, the definitive grant will be 0% of the shares subject to the TSR performance condition, pursuant to the "no payment under the median" principle;</li> <li>■ if Danone's TSR is equal to the Median Panel TSR, the definitive grant will be 75% of the shares subject to the TSR performance condition;</li> <li>■ if Danone's TSR is between the Median Panel TSR and 110% of the Median Panel TSR, the definitive grant will be between 75% and 100% of the shares subject to the TSR performance condition based on a linear progressive scale;</li> <li>■ if Danone's TSR is greater than 110% of the Median Panel TSR, the definitive grant will be 100% of the shares subject to the TSR performance condition.</li> </ul>
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**Definitions**

Danone's TSR (Total Shareholder Return)	Total Shareholder Return of the DANONE share, dividends reinvested, over the years 2021, 2022 and 2023.
Each Panel member's TSR	Total Shareholder Return of the Panel member's share, dividends reinvested, over the years 2021, 2022 and 2023.
Panel TSR	The TSR of all Panel members.
Median Panel TSR	Value of the Panel member TSR that half of the Panel members exceed ( <i>i.e.</i> there are as many Panel members with TSR exceeding or equal to the Median as there are with TSR less than or equal to the Median). If there is an even number of Panel members, the Median Panel TSR will be the arithmetic average of the two central Panel TSR.
Panel	Eight leading international groups in the food and beverage sector: Unilever, Nestlé, PepsiCo, The Coca-Cola Company, The Kraft Heinz Company, Mondelez International, General Mills and Kellogg Company (replaced by Kellonova since October 2, 2023).

**Other applicable rules**

Percentage of shares subject to this performance condition	<p>30% of the shares subject to performance conditions granted to the executive corporate officers and other Executive Committee members will be subject to this performance condition.</p> <p>However, this percentage may be increased to 50%, particularly in case of no publication of the Scores related to the environmental performance condition defined hereinafter.</p>
The acquisition, absorption, dissolution, spin-off, merger or change in the business activity of one or more Panel members	The Board of Directors may, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, change the composition of the Panel, provided that it maintains the overall consistency of the Panel.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this second performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee, and based on a financial advisor's report.
Assessment of achievement of the performance condition	<b>Upon the recommendation of the Nomination, Compensation and Governance Committee, on February 21, 2024 the Board of Directors acknowledged that the performance condition relative to Danone's TSR was achieved at 77.1%, representing a weighted percentage of 23.1%.</b>

**Free cash flow performance condition, weighted by 30%: applicable to other beneficiaries****Principle**

Attainment of a total Free Cash Flow ("FCF") level of more than €6.3 billion over a three-year period, i.e. for 2021, 2022 and 2023	<p>If the sum of the FCF is:</p> <ul style="list-style-type: none"> <li>■ less than or equal to €6.3 billion, the definitive grant will be 0% of the shares subject to the FCF performance condition;</li> <li>■ between €6.3 and €6.7 billion, the definitive grant will be between 0% and 80% of the shares subject to the FCF performance condition, based on a linear progressive scale between €6.3 and €6.7 billion;</li> <li>■ between €6.7 and €6.8 billion, the definitive grant will be between 80% and 90% of the shares subject to the FCF performance condition, based on a linear progressive scale between €6.7 and €6.8 billion;</li> <li>■ between €6.8 and €7 billion, the definitive grant will be between 90% and 100% of the shares subject to the FCF performance condition, based on a linear progressive scale between €6.8 and €7 billion;</li> <li>■ greater than or equal to €7 billion, the definitive grant will be 100% of the shares subject to the FCF performance condition.</li> </ul>
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**Definitions**

Sum of the "FCF"	<p>Sum of the amounts of free cash flow for 2021, 2022 and 2023, it being specified that:</p> <ul style="list-style-type: none"> <li>■ free cash flow is a financial indicator not defined by IFRS, the calculation of which is indicated in the financial press releases published by the Company (see also section 3.6 <i>Financial indicators not defined in IFRS</i>).</li> <li>■ for the purposes of assessing this performance condition, the total amount of free cash flow over three years will be restated for the cash impact of non-recurring costs related to implementation of the Local First project.</li> </ul>
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**Other applicable rules**

Percentage of shares subject to this performance condition	<p>30% of the shares granted subject to performance conditions will be subject to this performance condition related to the attainment of a free cash flow level over three years.</p> <p>However, this percentage may be increased to 50%, particularly in case of no publication of the Scores related to the environmental performance condition defined hereinafter.</p>
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**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this second performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Assessment of achievement of the performance condition	<b>Upon the recommendation of the Nomination, Compensation and Governance Committee, on February 21, 2024, the Board of Directors acknowledged that the free cash flow condition was achieved at 100%, representing a weighted percentage of 30%.</b>

**Environmental performance condition, weighted by 20%****Principle**

Scores assigned to Danone by CDP under the Climate Change, Water and Forests programs, taking into account Danone's environmental performance in 2021, 2022 and 2023

If Danone's Scores for these programs are published by CDP for all three years:

- and (i) a Score of A is assigned to Danone for the Climate Change program for the three years and (ii) a Score of A is assigned to Danone for at least two years for both the Water program and the Forests program, the definitive grant will be 100% of the shares subject to the environmental performance condition;
- or (i) a Score of A is assigned to Danone for the Climate Change program for the three years and (ii) a Score of A is assigned to Danone for at least one year for both the Water program and the Forests program, the definitive grant will be 50% of the shares subject to the environmental performance condition;
- in all other cases, and in particular if a Score of A is not assigned to Danone for the Climate Change program for the three years, the definitive grant will be 0% of the shares subject to the environmental performance condition.

If Danone's Scores are published by CDP for two out of three years:

- and (i) a Score of A is assigned to Danone for the Climate Change program for both years and (ii) a Score of A is assigned to Danone for at least one year for both the Water program and the Forests program, the definitive grant will be 100% of the shares subject to the environmental performance condition;
- or (i) a Score of A is assigned to Danone for the Climate Change program for both years and (ii) a Score of A is not assigned for the Water and Forests programs for both years, the definitive grant will be 50% of the shares subject to the environmental performance condition;
- in all other cases, and in particular if a Score of A is not assigned to Danone for the Climate Change program for both years, the definitive grant will be 0% of the shares subject to the environmental performance condition.

**Definitions**

CDP	CDP, a not-for-profit organization that runs a global disclosure system for investors, companies, cities, states and regions to help them assess and manage their environmental impacts.
Scores	Scores assigned to Danone each year by CDP under its Climate Change, Water and Forests programs based on Danone's environmental performance in 2021, 2022 and 2023.
Score A	Score assigned by CDP based on environmental performance for a given year, corresponding to the highest ranking under its Climate Change, Water and Forests programs or, in case of a change in the range of scores used by CDP for these programs, any other score representing the upper eighth of the range of scores assigned by CDP, or the highest score if this new range of scores assigned by CDP includes fewer than eight scores.

**Other applicable rules**

Many scores during the same year	If, in a single year, CDP publishes two different scores, the lower score will be taken into account.
Change in the name of CDP or the Climate Change, Water and Forests programs	If the name of CDP or the Climate Change, Water and Forests programs changes without a change in their scoring methods, the publications of the entity or program whose name was changed will, for the purposes of this grant of shares, be considered the publications produced by CDP or for the Climate Change, Water and Forests programs.
No publication or late publication of a score or other cases	If no Score was published by CDP or if the Scores were published by CDP only for one out of three years, and/or if one of the three CDP programs no longer existed, and/or in case of late publication of one or more of the Scores, and/or in case of a significant change in CDP's scoring methods, and/or in all other cases not specified in this document, the Board of Directors will meet to decide on the conditions to be taken into account to assess achievement of the environmental performance condition and may, where applicable, decide to apply, in whole or in part, instead of this performance condition, the condition related to the relative Total Shareholder Return of the DANONE share (TSR) for the executive corporate officers and other Executive Committee members, or the condition related to the achievement of a free cash flow level for the other beneficiaries. The Board of Directors must make a duly justified decision, at the recommendation of the Nomination, Compensation and Governance Committee, which must be mentioned in its report to the Shareholders' Meeting.

**Assessment of achievement of the performance condition**

The Board of Directors' procedure for determining that this performance condition has been met	The Board of Directors must determine the level of achievement of this third performance condition, through a duly justified decision taken at a later date and mentioned in the Board of Directors' report to the Shareholders' Meeting, following a recommendation by the Nomination, Compensation and Governance Committee.
Date of assessment of achievement of the performance condition	<b>First half of 2025.</b>

## 6.5 DANONE SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

### NUMBER OF DANONE SHARES HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE

As of December 31, 2024

BOARD OF DIRECTORS		
Antoine de SAINT-AFFRIQUE		7,500
Gilles SCHNEPP		5,000
Frédéric BOUTEBBA		1 <sup>(a)</sup>
Valérie CHAPOULAUD-FLOQUET		2,000
Gilbert GHOSTINE		3,000
Lise KINGO		2,000
Patrice LOUVET		2,000
Sanjiv MEHTA		1,000
Géraldine PICAUD		2,000
Susan ROBERTS		2,000
Bettina THEISSIG		1 <sup>(a)</sup>
<b>Executive Committee (excluding Antoine de SAINT-AFFRIQUE)</b>		138,683
<b>TOTAL NUMBER OF SHARES</b>		165,185
<b>TOTAL AS A PERCENTAGE OF THE COMPANY'S SHARE CAPITAL</b>		0.02%

(a) Share granted under the "One Person, One Voice, One Share" program.

### TRANSACTIONS ON DANONE SHARES

#### Transactions on DANONE shares completed in 2024 by individuals with managerial responsibilities

Name	Title	Type of security	Type of transaction	Date of transaction	Gross unit price	Number of shares	Total gross amount
Susan ROBERTS	Director	Shares	Acquisition	01/09/2024	USD67.40	1,000	USD67,400.00
Antoine de SAINT-AFFRIQUE	Director and Member of the Executive Committee	Shares	Acquisition	03/01/2024	€59.05	1,500	€88,573.20
Véronique PENCHIENATI-BOSETTA	Member of the Executive Committee	Shares	Delivery of shares <sup>(a)</sup>	07/30/2024	€0.00	6,915	€0.00
Juergen ESSER	Member of the Executive Committee	Shares	Delivery of shares <sup>(a)</sup>	07/30/2024	€0.00	1,130	€0.00
Shane GRANT	Member of the Executive Committee	Shares	Delivery of shares <sup>(a)</sup>	07/30/2024	€0.00	5,836	€0.00

(a) These shares were delivered pursuant to the grant of Group performance shares (GPS) on July 29, 2020, in accordance with the conditions set by the Board of Directors for the 2020 GPS plan.

Executive corporate officers and Executive Committee members are required to hold their DANONE shares resulting from Group performance shares. This requirement is described in the above section 6.4 Detailed information on long-term compensation plans, paragraph Group performance shares, Other applicable rules.



## 6.6 RELATED PARTY AGREEMENTS

### STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS

This is a free translation into English of the statutory auditors' special report on related party agreements of the company issued in French and is provided solely for the convenience of English-speaking users.

This special report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Annual General Meeting of Danone,

In our capacity as Statutory Auditors of your Company, we hereby present to you our special report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R.225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

Where applicable, it is also our responsibility to provide you with the information required by Article R.225-31 of the French Commercial Code (*Code de commerce*) in relation to the implementation during the year of agreements already approved by the General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this type of engagement. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it is derived.

### AGREEMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been notified of any agreement authorized and concluded during the past year to be submitted for approval to the Annual General Meeting in accordance with Article L.225-38 of the French Commercial Code (*Code de commerce*).

### AGREEMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

In accordance with Article R.225-30 of the French Commercial Code (*Code de commerce*), we have been informed that the following agreements, already approved by the Shareholders' Meeting in previous years, remained in force during the year under review.

#### With the Danone.Communities mutual investment fund (SICAV)

##### Persons concerned

Mr. Antoine de SAINT-AFFRIQUE, Chief Executive Officer of your company since September 15, 2021, director since April 26, 2022 and Chairman of the Board of the Danone.Communities mutual investment fund (SICAV) since April 29, 2022 – Previously Mr. Emmanuel Faber, Chairman and Chief Executive Officer of your company from December 1, 2017 until March 14, 2021, director from April 25, 2022 until April 29, 2021 and Chairman of the Board of the Danone.Communities mutual investment fund (SICAV) from December 8, 2018 until April 29, 2022.

#### 1) Memorandum of understanding

##### Nature, purpose and conditions

On June 25, 2020, as part of the Danone Communities project, your Board of Directors voted unanimously, Mr. Emmanuel Faber abstaining from voting, to authorize the signing of a memorandum of understanding established between your company, the SICAV Danone.Communities, the FPS Danone.Communities, Amundi Asset Management and Omnes Capital, respectively management companies for the SICAV and the FPS. The purpose of this agreement is (i) to organize the subscription by your company to new shares of the FPS Danone.Communities up to €5 million and thus to give additional financial support to the FPS to carry out its actions in the benefit of social businesses and (ii) to adjust certain contractual agreements.

## 2) Cooperation agreement

### Nature, purpose and conditions

On June 25, 2020, as part of the Danone Communities project, your Board of Directors voted unanimously, Mr. Emmanuel Faber abstaining from voting, to authorize the signing of a new cooperation agreement established between your company, the SICAV Danone.Communities, the FPS Danone.Communities, the company Amundi Asset Management and the company Omnes Capital.

This agreement replaces the cooperation agreement previously entered into on May 4, 2007 (authorized by your Board of Directors on April 26, 2007 and approved by your Shareholders' Meeting of April 29, 2008) and amended in 2012 and 2013, aimed at organizing the terms and conditions of the cooperation between the parties for the realization of the Danone Communities project.

On February 21, 2024, your Board of Directors voted to set your company's annual financial contribution for 2024 at a maximum of €3.6 million. The total amount of financial contributions provided by your company to the Danone Communities project for the fiscal year 2024 totaled €3.54 million.

## 3) Amendment to the agreement for the provision of additional services

### Nature, purpose and conditions

On June 25, 2020, as part of the Danone Communities project, your Board of Directors voted unanimously, Mr. Emmanuel Faber abstaining from voting, to authorize the signing of an amendment to the agreement for the provision of additional services dated as of May 4, 2007, between your company, the SICAV Danone.Communities and the company Amundi Asset Management. The purpose of the amendment is to specify the conditions for the marketing of the SICAV by the company Amundi Asset Management and the regular reporting by the latter to your company.

## 4) New governance charter

### Nature, purpose and conditions

On June 25, 2020, as part of the Danone Communities project, your Board of Directors voted unanimously, Mr. Emmanuel Faber abstaining from voting, to authorize the signing of a new governance charter established between your company, the SICAV Danone.Communities, the FPS Danone.Communities, the company Amundi Asset Management and the company Omnes Capital, replacing the previous governance charter established in 2007 and updated by amendments in 2012 and 2015, the purpose of which is mainly to define the investment areas of the FPS Danone.Communities and the relations between Danone and the FPS Danone.Communities, along with the prevention of conflicts of interests.

Courbevoie and Paris-La Défense, March 5, 2025

The Statutory Auditors

French original signed by

#### FORVIS MAZARS & ASSOCIÉS

Achour Messas

Gonzague Senlis

#### ERNST & YOUNG Audit

Gilles Cohen

Alexandre Chrétien

# 7

## SHARE CAPITAL AND OWNERSHIP

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## 7.1 SHARE CAPITAL OF THE COMPANY

### TRANSACTIONS ON THE SHARE CAPITAL IN THE LAST THREE YEARS AND SHARE CAPITAL AS OF DECEMBER 31, 2024

<b>Effective date of the transaction</b>	<b>Shares created / (canceled) by the transaction</b>	<b>Type of transaction</b>	<b>Nominal amount of the transaction</b>	<b>Amount of share capital after the transaction</b>	<b>Shares making up the share capital after the transaction</b>
	<i>(number of shares)</i>		<i>(in €)</i>	<i>(in €)</i>	<i>(number of shares)</i>
April 28, 2022	(13,158,315)	Capital decrease by cancellation of shares	(3,289,578.75)	168,631,043.50	674,524,174
May 17, 2022	1,263,426	Capital increase reserved for employee members of a Company Savings Plan	315,856.50	168,946,900.00	675,787,600
September 22, 2022	50,332	Capital increase reserved for employees of foreign companies	12,583.00	168,959,483.00	675,837,932
May 12, 2023	1,582,068	Capital increase reserved for employee members of a Company Savings Plan	395,517.00	169,355,000.00	677,420,000
June 13, 2023	353,128	Capital increase reserved for employees of foreign companies	88,282.00	169,443,282.00	677,773,128
May 16, 2024	1,487,672	Capital increase reserved for employee members of a Company Savings Plan	371,918.00	169,815,200.00	679,260,800
June 17, 2024	293,191	Capital increase reserved for employees of foreign companies	73,297.75	169,888,497.75	679,553,991
<b>SHARE CAPITAL AS OF DECEMBER 31, 2024</b>				<b>169,888,497.75</b>	<b>679,553,991</b>

### SHARES CONSTITUTING THE SHARE CAPITAL

Shares are fully paid-up, are all of the same class and have a nominal value of €0.25. Each share gives the right to ownership of a proportion of the Company's assets, profits and liquidation surplus, based on the percentage of share capital that it represents.

## 7.2 TREASURY SHARES HELD BY THE COMPANY AND ITS SUBSIDIARIES

This section 7.2 forms the description of the share buyback program set up in accordance with Articles 241-2 *et seq.* of the General Regulations of the French Financial Markets Authority.

### AUTHORIZATION GRANTED TO THE COMPANY TO BUY BACK ITS OWN SHARES

#### Existing authorization

The Shareholders' Meeting of April 25, 2024 authorized the Board of Directors, for an 18-month period, to buy back a number of shares representing a maximum of 10% of the Company's share capital at a maximum purchase price of €85 per share. This authorization superseded the authorization previously granted by the Shareholders' Meeting of April 27, 2023.

This authorization was not used during fiscal year 2024 (see section *Transactions on Company shares in 2024 and situation as of December 31, 2024* hereinafter).

#### Authorization subject to approval by the Shareholders' Meeting

The Board of Directors will submit a new authorization, valid for 18 months, to the Shareholders' Meeting to be held on April 24, 2025 to buy back up to 10% of the total number of shares comprising the share capital of the Company (*i.e.*, for information purposes, 67,955,399 shares as of December 31, 2024, representing a maximum potential purchase amount – excluding transaction fees – of approximately €5.8 billion) at a maximum purchase price of €85 per share.

Subject to the authorization being approved by the Shareholders' Meeting of April 24, 2025, the Company's buyback of its own shares would be executed for the purpose of:

- the delivery of shares with respect to the exercise of stock-options by employees and/or corporate officers of the Company and of companies or economic interest groups related to it, pursuant to applicable legal and regulatory provisions;

- the implementation of any plan for the allocation of shares, with a continuous presence condition and/or with performance conditions, to employees and/or corporate officers of the Company and of companies or economic interest groups related to it, pursuant to applicable statutory and regulatory provisions, either directly or through entities acting on their behalf;
- the sale of shares to employees (either directly or through an employee savings mutual fund) within the context of employee shareholding plans or Company Savings Plans;
- the delivery of shares upon the exercise of rights attached to securities giving access to the Company's share capital;
- the later delivery of shares as payment or for exchange in the context of external growth transactions;
- the cancellation of shares within the maximum legal limit; and/or
- the animation of the stock market in connection with a liquidity contract entered into with an investment service provider, in accordance with the market practice permitted by the French Financial Markets Authority.

Share buybacks may be carried out, in whole or in part, by acquisition, sale, exchange or transfer, on one or more occasions, by any means on any stock markets, including multilateral trading facilities (MTF), through a systematic internalizer or over the counter, including by acquisition or disposal of blocks of shares (without limiting the portion of the share repurchase program that may be completed this way). These means include the use of any financial contract or derivative instrument (including in particular any future or any option), except the sale of put options, in accordance with applicable regulations.

These transactions may be carried out at any time during an 18-month period beginning April 24, 2025 (with the exception of periods of public tender offers on the Company's shares) within the limits allowed by the applicable regulations.

### AUTHORIZATION TO CANCEL SHARES AND REDUCE THE SHARE CAPITAL FOLLOWING THE BUYBACK BY THE COMPANY OF ITS OWN SHARES

The Shareholders' Meeting of April 27, 2023 authorized the Board of Directors, for a period of 24 months, to cancel shares acquired in the context of a share buyback program, within a limit of 10% of the existing share capital as of the day of the Meeting. This authorization was not used in 2024.

## TRANSACTIONS ON COMPANY SHARES IN 2024 AND SITUATION AS OF DECEMBER 31, 2024

In 2024, the Company carried out the following transactions involving DANONE shares:

- delivery of 0.5 million shares in the framework of the delivery of performance shares (GPS) and shares subject to a condition of continuous presence (Fidelity Shares) to approximately 1,600 beneficiaries as well as the grant of a free share to eligible employees (One Share for all program).

Transactions on Company treasury shares during fiscal year 2024 presented by type of objective were as follows:

<i>(in number of shares)</i>	Situation as of December 31, 2023	Changes during the period				As of December 31, 2024
		Buybacks	Sales/ Transfers	Delivery of shares	Cancellation	
Shares allocated to external growth transaction	30,059,360	-	(1,500,000)	-	-	28,559,360
Shares allocated to employee shareholding plans	61,881	-	1,500,000	(504,578)	-	1,057,303
Shares allocated to cancellation	-	-	-	-	-	-
<b>Shares held by the Company</b>	<b>30,121,241</b>	<b>-</b>	<b>-</b>	<b>(504,578)</b>	<b>-</b>	<b>29,616,663</b>
Shares held by Danone Spain	5,780,005	-	-	-	-	5,780,005
<b>TOTAL SHARES HELD BY THE GROUP</b>	<b>35,901,246</b>	<b>-</b>	<b>-</b>	<b>(504,578)</b>	<b>-</b>	<b>35,396,668</b>

### Treasury shares held by the Company as of December 31, 2024

	As of December 31, 2024
Number of DANONE shares	29,616,663
Percentage of share capital	4.36%
<b>VALUE OF DANONE SHARES HELD BY THE COMPANY (in euros)</b>	
Nominal value	7,404,166
Gross purchasing value	1,484,386,436

### Market value of DANONE shares held by Danone and its consolidated subsidiaries

	As of December 31, 2024
Number of DANONE shares	35,396,668
Closing price (in euros)	65.12
<b>VALUE OF DANONE SHARES HELD BY THE GROUP (in euros)</b>	
At the closing price	2,305,031,020

## 7.3 AUTHORIZATIONS TO ISSUE SECURITIES GIVING ACCESS TO THE SHARE CAPITAL

### SUMMARY OF FINANCIAL AUTHORISATION IN EFFECT AS OF DECEMBER 31, 2024

Maximum amounts of share capital authorized (nominal issuance amount)	Authorization type	Individual maximum amounts authorized (nominal amount or percentage)	Use in 2024	Available balance as of December 31, 2024 (nominal amount or percentage)	
Maximum amount applicable to all dilutive and non-dilutive issuances: €50 million (approx. 30% <sup>(a)</sup> of the share capital)	Maximum amount applicable to dilutive issuances: €16.9 million (or approx. 10% <sup>(a)</sup> of the share capital)	Capital increase with preferential subscription right for shareholders	€50 million (approx. 30% <sup>(a)</sup> of the share capital) <sup>(b)</sup>	-	€50 million
		Capital increase without preferential subscription right but with a priority period for shareholders	€16.9 million (approx. 10% <sup>(a)</sup> of the share capital) <sup>(b)</sup>	-	€16.9 million
		Over allotment (as a % of initial issuance)	15% <sup>(b)</sup>	-	-
		Public exchange offer initiated by the Company	€16.9 million (approx. 10% <sup>(a)</sup> of the share capital) <sup>(b)</sup>	-	€16.9 million
		Contributions in kind	10% of the share capital	-	10% of the share capital
		Capital increase reserved for employee members of a Company Savings Plan	€3.3 million (approx. 2% <sup>(a)</sup> of the share capital)	€371,918	€3 million
		Capital increase reserved for employees of foreign companies	€1.6 million (approx. 1% <sup>(a)</sup> of the share capital) attributable to the 2% maximum limit authorized for capital increases reserved for employees participating in a Company Savings Plan	€73,297.75	€1.6 million
		Grant of Group performance shares (GPS)	0.5% of the share capital (per year) at the close of the Shareholders' Meeting	1,221,693 shares granted (approx. 0.2% of the share capital)	0.3% of the share capital at the close of the Shareholders' Meeting
		Grant of shares with a continued presence condition (Fidelity Shares)	0.2% of the share capital (per year) at the close of the Shareholders' Meeting	568,601 shares granted (approx. 0.08% of the share capital) <sup>(c)</sup>	0.1% of the share capital at the close of the Shareholders' Meeting
		-	Incorporation of reserves, earnings, additional paid-in capital and other amounts	€42 million (approx. 25% <sup>(a)</sup> of the share capital)	-

(a) The percentage of share capital is calculated for indicative purposes only, based on share capital as of December 31, 2024.

(b) All issuances of securities representing debts pursuant to these authorizations (i) capital increase with preferential subscription right; (ii) capital increase without preferential right but with priority right for shareholders; (iii) over allotment option and (iv) public exchange offer initiated by the Company) may not exceed a maximum principal amount of €2 billion (or equivalent value).

(c) Among these Fidelity Shares distributed, 69,184 were distributed outside the conditions defined in articles L.225-197-1 to L.225-197-5, L.22-10-59 and L.22-10-60 of the French Commercial Code.



# 7 SHARE CAPITAL AND OWNERSHIP

## 7.3 Authorizations to issue securities giving access to the share capital

These authorizations were approved by the Shareholders' Meeting of April 27, 2023, for a period of 26 months, *i.e.*, until June 27, 2025, with the exceptions of (i) the grant of Group performance shares, also approved by the Shareholders' Meeting of April 27, 2023 for a period of 38 months, *i.e.* until June 27, 2026 (ii) the authorization to implement

capital increases reserved for employees of foreign companies granted by the Shareholders' Meeting of April 25, 2024 for a period of 18 months, *i.e.*, until October 27, 2024 and (iii) the grant of shares with a continued presence condition granted by the Shareholders' Meeting of April 26, 2022 for a period of 38 months, *i.e.*, until June 26, 2025.

## CAPITAL INCREASES RESERVED FOR EMPLOYEES

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Danone regularly carries out capital increases reserved for Danone employees in France participating in a Company Savings Plan (through a temporary fund later merged into the "Fonds Danone" company investment fund). The decision to carry out these capital increases is made in principle annually and under the authorization granted by the Shareholders' Meeting, by the Board of Directors or by the Chief Executive Officer on sub-delegation granted by the Board of Directors in February and are effectively carried out in May or June. In 2024 the capital increase reserved for Danone employees in France participating in a Company Savings Plan represented a total amount of €63,092,169.52 (and a nominal amount of €371,918).

Danone also carries out capital increases reserved for employees of foreign companies, under the authorization granted by the Shareholders' Meeting. In 2024 a capital increase was implemented for the benefit of employees in 48 countries in which Danone operates, representing a total amount of €12,434,230.31 (and a nominal amount of €73,297.75).

The Board of Directors of February 25, 2025, approved the principle of a new capital increase reserved for employee members of a Company Savings Plan and for employees of foreign companies (for a maximum nominal amount of subscription of €200,000).

## FINANCIAL AUTHORIZATION SUBJECT TO APPROVAL BY THE SHAREHOLDERS' MEETING

The Shareholders' Meeting of April 24, 2025 will be asked to approve the following financial authorizations:

	<b>Authorized limits</b>		
	<b>Expiration date</b>	<b>Ordinary shares (nominal amount of ordinary shares issuance)</b>	<b>Debt securities</b>
Capital increase with preferential subscription right for shareholders	June 24, 2027	€51 million (approx. 30% <sup>(a)</sup> of the share capital)	
Capital increase without preferential subscription right for shareholders	June 24, 2027	€17 million (approx. 10% <sup>(a)</sup> of the share capital)	
Overallotment (as a % of initial issuance)	June 24, 2027	15%	Common limit of €2 billion
Public exchange offer initiated by the Company	June 24, 2027	€17 million (approx. 10% <sup>(a)</sup> of the share capital)	
Contribution in kind	June 24, 2027	10% of the share capital	
Capital increase by incorporation of reserves, earnings, additional paid-in capital and other amounts	June 24, 2027	€43 million (approx. 25% <sup>(a)</sup> of the share capital)	-
Capital increase reserved for employee members of a Company Savings Plan	June 24, 2027	€3.4 million (approx. 2% <sup>(a)</sup> of the share capital) deducted from the €17 million maximum limit common to the aforementioned dilutive issuances	-
Capital increase reserved for employees of foreign companies	October 25, 2025	€1.7 million (approx. 1% <sup>(a)</sup> of the share capital) deducted from the 2% maximum limit authorized for capital increases reserved for employees participating in a Company Savings Plan	-
Grant of shares subject to performance conditions (GPS)	June 24, 2028	0.5% of the share capital (per year) at the close of the Shareholders' Meeting deducted from the €17 million maximum limit common to the aforementioned dilutive issuances	-
Grant of shares subject to continuous presence condition (Fidelity Shares)	June 24, 2028	0.2% of the share capital at the close of the Shareholders' Meeting deducted from the €17 million maximum limit common to the aforementioned dilutive issuances	-

(a) The percentage of share capital is calculated for indicative purposes only, based on the share capital as of December 31, 2024.

## CHANGES TO SHARE CAPITAL AND RIGHTS ATTACHED TO SHARES

Any changes to share capital or rights attached to shares constituting the share capital are subject to legal provisions, as the by-laws contain no specific provisions.

## 7.4 FINANCIAL INSTRUMENTS NOT REPRESENTING SHARE CAPITAL

The Board of Directors, competent to decide bond issuances, decided at its meeting of February 25, 2025, to renew, for one year, the authorization granted to General Management to issue, in France or abroad (including, in particular, in the United States of America by means of private placements to institutional investors), any type of bonds or debt securities, including ordinary bonds, subordinated debt securities or complex securities (whether fixed-term or perpetual) or any other type of negotiable debt instrument for up to a maximum

outstanding principal amount at any time of €18 billion (or the equivalent amount in any other currency or unit of account).

As of December 31, 2024, the total outstanding principal amount of the bonds issued by the Company (Danone's only bond issuer) was €11,299 million (amount recognized in the consolidated financial statements).

## 7.5 DIVIDENDS PAID BY THE COMPANY

### DIVIDEND PAY-OUT POLICY

#### Rules set by French law and the Company's by-laws

In accordance with law, the following amounts are withheld from earnings from which any past losses have already been deducted: (i) at least 5% for the creation of the legal reserve, a deduction that will cease to be mandatory when the legal reserve has reached one-tenth of the share capital, but that will be reinstated if, for any reason whatsoever, the legal reserve falls below this amount; and (ii) any sums to be allocated to reserves in accordance with the law. The balance, to which are added retained earnings, represents the distributable earnings.

Under the terms of the by-laws, the amount necessary to constitute a first dividend payment to shareholders is deducted from the distributable earnings. This amount corresponds to interest of 6% per annum on the amount of their shares that has been paid up and not reimbursed, it being specified that if in a given fiscal year earnings are not sufficient to make this payment, the shortfall may be paid by deduction from the earnings of subsequent fiscal years.

Any remaining balance is available for allocation by the Annual Shareholders' Meeting, in accordance with a proposal by the Board of Directors, to shares as dividends or, in full or in part, to any reserve accounts or to retained earnings.

The reserves available to the Shareholders' Meeting can be used, if it so decides, to pay a dividend.

#### Company's pay-out policy

The Board of Directors implements a measured and balanced dividend pay-out policy, which is based on an analysis that takes into account the history of dividend payments, the Company's financial position and results, the outlook as well as the dividend pay-out practices of Danone's business sector.

At the Capital Market Event on June 20, 2024, Danone has reaffirmed its commitment to pursue the objective announced in 2022, with the objective of maintaining a trajectory of profitable growth, reflected in a gradual increase in the dividend over the years.

### DIVIDEND PAID IN RESPECT OF 2024 FISCAL YEAR

A dividend of €2.15 per share will be proposed to the Shareholders' Meeting of April 24, 2025 on shares eligible to receive the dividend as of January 1, 2024. If this dividend is approved, the ex-dividend date will be May 5, 2025 and the payment date will be May 7, 2025.

### DIVIDENDS PAID IN RESPECT OF THE THREE FISCAL YEARS PRIOR TO 2024

Dividend relating to the fiscal year	Dividend per share (in € per share)	Dividend approved (in € millions)	Dividend paid <sup>(a)</sup> (in € millions)
2021	1.94	1,334	1,249
2022	2.00	1,352	1,291
2023	2.10	1,423	1,360

(a) Treasury shares directly held by the Company do not carry the right to receive a dividend. However, the Company's shares held by its Spanish subsidiary carry the right to receive a dividend.

## DIVIDENDS FORFEITED TO THE FRENCH STATE

By law, dividends that have not been claimed within five years revert to the French State.

## 7.6 SHAREHOLDERS' MEETING, VOTING RIGHTS

### PARTICIPATION IN SHAREHOLDERS' MEETINGS

Shareholders' Meetings are convened and deliberate in the conditions set out by law. They are held at in the city where the registered office is located or at any other place specified in the notice of meeting.

The Shareholders' Meeting is composed of all shareholders, regardless of the number of shares owned, except in the case of forfeiture in accordance with applicable laws and regulations, and upon presentation of proof of identity and ownership of the shares on the terms stipulated by regulations.

Shareholders may choose one of the following four methods to participate in Shareholders' Meetings:

- attend the meeting in person by requesting an admission card;
- vote by correspondence;
- give a proxy to the Chairman of the Shareholders' Meeting; or
- give a proxy to any individual or legal entity of their choice.

The details concerning the participation at Shareholders' Meetings as provided by laws and regulations can be found in the notice of meeting available on Danone's website: [www.danone.com](http://www.danone.com) (Section Investors/Shareholders/Shareholders' meeting).

The Company's by-laws permit shareholders to participate in Shareholders' Meetings using electronic means, and a dedicated website has been specially created to that effect.

Moreover, the Board of Directors may decide that the vote occurring during the Shareholders' Meeting may be expressed by videoconference or any telecommunications method that makes it possible to identify the shareholders, subject to applicable legal and regulatory provisions.

### VOTING RIGHTS

The Extraordinary Shareholders' Meeting of September 30, 1992 had decided to include in Danone's by-laws a voting rights cap clause at 6% (12% in the case of double voting rights). In light of the evolving context, especially the continuing increase of the quorum at Danone Shareholders' Meetings, the Shareholders' Meeting of April 25, 2024 approved the removal of this limitation on voting rights.

#### Double voting rights

The Extraordinary Shareholders' Meeting of October 18, 1935 decided to include in the Company's by-laws, the grant of double voting rights, under the conditions provided by law, in relation to the portion of the share capital that they represent, to all fully paid-up shares for which evidence is provided that they have been registered in the name of the same shareholder for at least two years, as well as – in the event of a capital increase through capitalization of reserves, earnings or additional paid-in capital – to registered bonus shares granted to a shareholder in consideration of existing shares in respect of which he enjoys said rights. This statutory double voting right has been maintained since its creation in 1935 and coexists, in the same conditions, with the one created by the law 2014-384 of March 29, 2014, known as the "Florange Act", since neither Danone's Board of

Directors nor its shareholders proposed its elimination when the legal double voting right was instituted for companies whose shares are admitted for trading on a regulated market.

Double voting rights cease in the event of a transfer or conversion into bearer shares, unless otherwise provided for by law. A double voting right may moreover be terminated by an Extraordinary Shareholders' Meeting's decision and after ratification by the special Shareholders' Meeting gathering all double voting right beneficiaries. A merger with another company shall not affect double voting rights, which can be exercised within the absorbing company if its by-laws have instituted this procedure.

## 7.7 CROSSING OF THRESHOLDS, SHARES AND SHARE SALES

### CROSSING OF THRESHOLDS

A shareholder is legally required to inform the Company and the French Financial Markets Authority whenever any of the following thresholds are crossed in either direction, within four trading days of when the threshold is crossed: 5%, 10%, 15%, 20%, 25%, 30%, one-third, 50%, two-thirds, 90% or 95% of the Company's share capital or voting rights (Article L.233-7 of the French Commercial Code). In addition, any individual or legal entity that comes to acquire or ceases to hold in any manner whatsoever, within the meaning of Articles L.233-7 *et seq.* of the French Commercial Code, a fraction equivalent to 0.5% of the voting rights or a multiple thereof must, within five trading days of crossing such threshold, notify the Company of the total number of shares or securities giving future access to the capital and the total number of voting rights that said individual or entity holds

alone, or indirectly, or in concert, by registered mail with return receipt to the Company's registered office. If the threshold is crossed as a result of a purchase or sale in the open market, the notification period of five trading days begins with the date of trade and not the date of delivery.

In the event of failure to comply with this notification requirement, at the request of any holder or holders of 5% or more of the voting rights, the voting rights in excess of the fraction that should have been reported may not be exercised or delegated by the non-complying shareholder at any Shareholders' Meeting held during a period of two years as from the date on which the shareholder makes the corrective notification.

### PURCHASES AND SALES OF COMPANY SHARES

There is no clause in the Company's by-laws giving preferential rights for the purchase or sale of Company shares.

## 7.8 SHAREHOLDING OF THE COMPANY AS OF DECEMBER 31, 2024 AND SIGNIFICANT CHANGES OVER THE PAST THREE YEARS

### SHAREHOLDING AS OF DECEMBER 31, 2024

It should be noted that double voting rights are granted to all fully paid-up shares held in registered form in the name of the same shareholder for at least two years (see section 7.6 *Shareholders' Meeting, voting rights*).

#### Main shareholders

Shareholders	Number of shares held	% of share capital	Number of gross voting rights	% of gross voting rights <sup>(a)</sup>	Number of net voting rights	% of net voting rights <sup>(b)</sup>
Artisan Partners	44,922,367	6.6%	44,922,367	6.4%	44,922,367	6.8%
BlackRock	44,841,205	6.6%	44,841,205	6.4%	44,841,205	6.8%
The Capital Group Companies <sup>(c)</sup>	35,102,488	5.2%	35,102,488	5.0%	35,102,488	5.3%
Employee shareholding: "Fonds Danone" -Company investment fund	11,372,255	1.7%	21,347,189	3.1%	21,347,189	3.2%
Treasury shares held by the Company	29,616,663	4.4%	29,616,663	4.2%	-	-
Treasury shares held by Danone Spain subsidiary	5,780,005	0.9%	5,780,005	0.8%	-	-
Others	507,919,008	74.7%	517,220,106	74.0%	517,220,106	78.0%
<b>TOTAL</b>	<b>679,553,991</b>	<b>100.0%</b>	<b>698,830,023</b>	<b>100.0%</b>	<b>663,433,355</b>	<b>100.0%</b>

(a) The percentage of gross voting rights is calculated taking into account the treasury shares held by the Company and its subsidiaries, which are deprived of voting rights, as well as the double voting rights attached to shares held in registered form for more than two years.

(b) The number of net voting rights (or voting rights "exercisable in a Shareholders' Meeting") is calculated excluding shares deprived of voting rights.

(c) On June 27, 2022, according to the declaration of crossing of thresholds made to the French Financial Markets Authority (AMF).

**7.8 Shareholding of the company as of December 31, 2024 and significant changes over the past three years**

As of December 31, 2024, a total of 19,276,032 shares had double voting rights, *i.e.* 2.8% of the Company's share capital. It should be noted that the largest holder of double voting rights is the employee savings fund (FCPE "Fonds Danone"), which holds 52% of the shares with double voting rights.

To the Company's knowledge, no shareholder other than Artisan Partners, BlackRock and The Capital Group Companies held more than 5% in the Company's share capital or voting rights as of December 31, 2024.

As of December 31, 2024, the portion of the Company's share capital held by shareholders in registered form on the Company share register (*nominatif pur*) and in registered form on the books of a financial intermediary (*nominatif administré*) and pledged was not material.

**Shares held by members of the Board of Directors and Executive Committee**

See section 6.5 *DANONE shares held by the members of the Board of Directors and the Executive Committee.*

**SIGNIFICANT CHANGES IN THE COMPANY'S SHARE OWNERSHIP DURING THE PAST THREE FISCAL YEARS**

Shareholders	Year ended December 31								
	2024			2023			2022		
	Number of shares	% of total shares	% of net voting rights <sup>(a)</sup>	Number of shares	% of net voting rights	% of net voting rights <sup>(a)</sup>	Number of shares	% of total shares	% of net voting rights <sup>(a)</sup>
Artisan Partners	44,922,367	6.6%	6.8%	46,638,979	6.9%	6.8%	47,556,481	7.0%	6.8%
BlackRock	44,841,205	6.6%	6.8%	37,234,221	5.5%	5.6%	38,462,463	5.7%	5.8%
The Capital Group Companies <sup>(b)</sup>	35,102,488	5.2%	5.3%	35,102,488	5.2%	5.3%	35,102,488	5.2%	5.3%
Employee shareholding: "Fonds Danone" investment fund	11,372,255	1.7%	3.2%	11,115,090	1.6%	3.1%	10,437,763	1.5%	2.9%
Treasury shares held by the Company	29,616,663	4.4%	-	30,121,241	4.4%	-	30,449,996	4.5%	-
Treasury shares held by Danone Spain	5,780,005	0.9%	-	5,780,005	0.9%	-	5,780,005	0.9%	-
Other	507,919,008	74.7%	78.0%	511,781,104	75.5%	79.2%	508,048,736	75.2%	79.2%
<b>TOTAL</b>	<b>679,553,991</b>	<b>100.0%</b>	<b>100.0%</b>	<b>677,773,128</b>	<b>100.0%</b>	<b>100.0%</b>	<b>675,837,932</b>	<b>100.0%</b>	<b>100.0%</b>

(a) This percentage excludes treasury shares held by the Company and its subsidiaries, which have been deprived of voting rights.

(b) On June 27, 2022, according to the declaration of crossing a threshold made to the AMF.

## Significant changes during the past three fiscal years

No disclosures regarding the crossing of legal thresholds pertaining to the Company's share capital or voting rights were published by the French Financial Markets Authority during fiscal year 2024.

To the best of the Company's knowledge, no significant changes in its shareholding structure have taken place during the past three fiscal years.

## Employee shareholding

To the Company's knowledge, the number of Company shares held directly or indirectly by employees of the Company and its affiliates was 13,265,837 shares, *i.e.*, 2% of the share capital (including 11,372,255 shares, *i.e.*, 1.7% of the share capital held by the FCPE "Fonds Danone") as of December 31, 2024.

This number includes (i) shares that are subject to collective management or conditions prohibiting their disposal, either within the framework of a french Company Savings Plan (*Plan d'Épargne Entreprise*) or through french company investment funds (Fonds Communs de Placement d'Entreprise - FCPE - "Fonds Danone" and FCPEs of Danone subsidiaries), (ii) shares held following the delivery of Group performance shares, held in a registered form, (iii) shares granted to employees as part the "One Person, One Voice, One Share" program, and (iv) shares held in the framework of capital increases reserved to employees of the Danone Group's foreign companies.

It is recalled that in 2019, for the first time, as part of the "One Person, One Voice, One Share" program, Danone granted one free share to all its employees worldwide who had been employed by Danone for one year at the date of the grant, *i.e.*, 84,588 employees. Between 2021 and 2024, an additional grant was made each year to new eligible employees.

In addition, pursuant to the authorization granted by the Shareholders' Meeting of April 26, 2022 under its 23<sup>rd</sup> resolution, the Board of Directors of Danone granted, in 2024, to approximately 1,940 employees (excluding members of the Executive Committee) shares not subject to a performance condition but subject to a three-year continued presence condition in the Group, called "Fidelity Shares", for a total number of 568,601 shares (*i.e.*, approximately 0.08% of the share capital). These shares are to be delivered in three tranches, in 2025, 2026 and 2027.

## Identifiable holders of bearer shares

Under the terms of its by-laws and in accordance with the laws and regulations, the Company may, at any time, ask the entity responsible for clearing shares (Euroclear France) for the name or company name, nationality, and address of the holders of shares or other securities conferring immediate or future voting rights at its Shareholders' Meetings, along with the number of securities held by each of them and, if applicable, any restrictions placed upon such securities. Euroclear France obtains the information requested from account-holding custodians affiliated to it, which are obliged to provide such information.

## Distribution of shareholders based on the Company's survey in December 2024 of identifiable holders of bearer shares

As a percentage of the share capital

<b>Institutional investors</b>		<b>77%</b>
<i>of which</i>	<i>United States</i>	39%
	<i>France</i>	11%
	<i>United Kingdom</i>	7%
	<i>Switzerland</i>	4%
	<i>Germany</i>	3%
	<i>Rest of Europe</i>	8%
	<i>Rest of World</i>	3%
<b>Individual investors and "Fonds Danone" FCPE</b>		<b>10%</b>
<b>Treasury shares</b>		<b>5%</b>
<b>Other</b>		<b>8%</b>
<b>TOTAL</b>		<b>100%</b>

## 7.9 MARKET FOR THE COMPANY'S SHARES

The Company's shares are listed on Euronext Paris (Compartment A – Deferred Settlement Service; ISIN Code: FR0000120644; ticker “BN”).

Danone also maintains a sponsored Level 1 program of American Depositary Receipts (ADR), which are traded over-the-counter through the OTCQX platform under the symbol DANOY (each ADR representing one-fifth of a DANONE share). OTCQX is an information platform for

companies already listed on a qualified international stock exchange. It enables international companies to better access U.S. investors and to distribute information in the U.S. markets without the complexity and cost of an U.S. exchange listing.

DANONE shares are included in the CAC 40 and Eurostoxx 50 indexes.

## 7.10 FACTORS THAT MAY HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OFFER

In accordance with Article L.22-10-11 of the French Commercial Code, factors that might have an impact in the event of a tender offer are presented below:

### (i) Structure of the Company's share capital

See section 7.8 *Shareholding of the company as of December 31, 2024 and significant changes over the past three years.*

### (ii) Voting rights restrictions set forth in the by-laws

The Company's by-laws provide for a reporting obligation for anyone who would hold or cease to hold a fraction equal to 0.5% of voting rights or a multiple thereof, beginning when one of the thresholds is crossed. This mechanism is described in section 7.7 *Crossing of thresholds, shares and share sales.*

In the event of failure to comply with this notification requirement and upon the request of any holder or holders of 5% or more of the voting rights, the voting rights in excess of the fraction that should have been disclosed may not be exercised or delegated by the non-complying shareholder at any Shareholders' Meeting held during a period of two years from the date on which the shareholder makes the corrective notification.

As of the publication date of this Universal Registration Document, the Company is not aware of any clause of agreements providing for preferential terms of purchase or sale concerning at least 0.5% of the capital or voting rights of the Company.

### (iii) Direct or indirect holdings in the Company's share capital of which the Company is aware

See section 7.8 *Shareholding of the company as of December 31, 2024 and significant changes over the past three years.*

### (iv) Holders of securities providing special control rights on the Company and description of such rights

None.

### (v) Control mechanisms provided for any employee shareholding program, when such control rights are not exercised by employees

Only the Supervisory Board of the FCPE “Fonds Danone” Company investment fund has the authority to decide how to respond to a possible tender offer with respect to the DANONE shares held by the fund.

As an exception to this principle, holders of shares in the Company investment fund may be consulted directly by referendum if the Supervisory Board has a split vote.

### (vi) Main agreements between shareholders of which the Company is aware and that could impose restrictions on the transfer of shares and the exercise of voting rights

To the Company's knowledge, no agreement exists between shareholders that could impose restrictions on the transfer of the Company's shares and the exercise of voting rights.



### (vii) Rules applicable to the appointment and replacement of members of the Board of Directors or to amendments of the by-laws

With the exception of the rules approved by the shareholders at the Shareholders' Meeting of June 26, 2020, concerning the appointment of the Directors representing employees (see section 6.1 *Governance bodies*), there are no specific rules applicable to the appointment and replacement of members of the Board of Directors or to amendments of the by-laws.

### (viii) Powers of the Board of Directors in the event of a public tender offer

Pursuant to the resolution approved by the Shareholders' Meeting of April 25, 2024, the Board of Directors is prohibited from implementing the Company share buyback program during a public tender offer involving the Company's shares. The Shareholders' Meeting of April 24, 2025 will be asked to renew this prohibition.

Moreover, in accordance with the decision of the Shareholders' Meeting of April 25, 2024, the Board of Directors cannot decide to issue shares and securities with or without preferential subscription rights (other than capital increases reserved for employees and grants of Group performance shares) during periods when the Company's shares are the subject of a public tender offer.

### (ix) Main agreements signed by the Company that are amended or terminated in the event of a change of control of the Company

- Danone granted put options to certain non-controlling shareholders of its subsidiaries relating to their shares, which may be exercised during a public tender offer. The amount of such options is set out in Note 5.6 of the Notes to the consolidated financial statements.
- Certain joint ventures agreements provide that, in the event of a change of control of the Company, the partner may (i) purchase Danone's participation in the joint venture, or (ii) require Danone to purchase the partner's interest in the joint venture. In particular, in 2005, the Company and the Arcor group signed an agreement governing relations between Danone and Arcor within the joint venture named Bagley LatinoAmerica, a Latin American leader in biscuits, in which the Company indirectly holds a 49% equity interest. In the event of a change of control of the Company, the Arcor group will have the right to have Danone repurchase all of its interest held in Bagley LatinoAmerica at its fair value.
- Under the terms of contracts regarding the use of mineral springs, in particular *Volvic* and *evian* in France, Danone has very longstanding and privileged relations with local municipalities in which these springs are located. It is difficult for the Company to assess with certainty the impact on these contracts of any change in its control.
- The Group performance shares (GPS), that were put in place by the Company for the benefit of certain employees and its corporate officers, include specific provisions in the event of a change of control of the Company resulting from a public tender offer on the Company's securities, described in section 6.4 *Detailed information on long-term compensation plans*.
- Danone's syndicated facility agreement includes a change of control provision, which offers the lending banks an early redemption right in the event of a change of control of the Company, if it is accompanied by a downgrade of its rating by the rating agencies to sub-investment grade. It represents a principal amount of €2 billion.
- The Company's EMTN bond issuance program, its U.S. bond issuances in November 2016 and certain bilateral bank credit facility also include a similar mechanism in the event of a change of control of the Company (see Note 12.3 of the Notes to the consolidated financial statements).

### (x) Agreements providing for indemnities to be paid to employees and corporate officers of the Company in the event that they resign, or their employment is terminated without cause or if their employment ends due to a public tender offer

See section 6.3 *Compensation and benefits of governance bodies*.

## 7.11 CHANGE IN CONTROL

To the Company's knowledge, no agreement exists which, if implemented, could, at a future date, lead to a change of control of the Company.



# A

## APPENDIX



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**CROSS-REFERENCE TABLES****480**

Cross-reference table for the Annual Financial Report

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Cross-reference table for the provisions of Annexes 1 and 2 of the 2019/980 Delegated Regulation of the European Commission

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Cross-reference table for the Management Report of the Company and Group

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## CROSS-REFERENCE TABLES

### CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

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In order to facilitate the reading of this Universal Registration Document, the cross-reference table hereafter enables to identify the information, required in accordance with Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the general regulations of the French Financial Markets Authority, which constitute the annual financial report.

<b>Annual Financial Report</b>	<b>Sections</b>
<b>1. Company financial statements</b>	<b>4.2</b>
<b>2. Consolidated financial statements</b>	<b>4.1</b>
<b>3. Management Report</b> <i>See the cross-reference table for the Management Report of the Company and Group hereinafter</i>	
<b>4. Statements of the persons responsible for the Annual Financial Report</b>	<b>1.3</b>
<b>5. Statutory Auditors' report on the Company's financial statements and the consolidated financial statements</b>	<b>4.1, 4.2</b>
<b>6. Report on the corporate governance (Article L.225-37 of the French Commercial Code)</b>	<b>6.1 to 6.5, 7</b>
<b>7. Certification report on sustainability information</b>	<b>5.6</b>

## CROSS-REFERENCE TABLE FOR THE PROVISIONS OF ANNEXES 1 AND 2 OF THE 2019/980 DELEGATED REGULATION OF THE EUROPEAN COMMISSION

This cross-reference table identifies the main information required by Annexes 1 and 2 of the 2019/980 Delegated Regulation of the European Commission dated March 14, 2019. This table refers to the sections of this Universal Registration Document on which the information related to each item is indicated.

<b>Universal Registration Document</b>		<b>Sections</b>
<b>Section 1</b>	<b>Persons responsible, third party information, expert's reports and competent authority approval</b>	
1.1	Identity of the person responsible	1.3
1.2	Statement of the person responsible	1.3
1.3	Identity of the person participating as an expert whose statement or report is included in the Universal Registration Document	N/A
1.4	Statement on the information provided by a third party	N/A
1.5	Statement on the competent authority	Financial Markets Authority insert
<b>Section 2</b>	<b>Statutory Auditors</b>	
2.1	Identity	1.1
2.2	Change	N/A
<b>Section 3</b>	<b>Risk factors</b>	
3.1	Description of the risks	2.6
<b>Section 4</b>	<b>Information about the issuer</b>	
4.1	Legal and commercial name	1.1
4.2	Registration place and number, legal entity identifier (LEI)	1.1
4.3	Incorporation date and term	1.1
4.4	Registered office, legal form, applicable legislation, country of incorporation, address and telephone number of the registered office, website	1.1
<b>Section 5</b>	<b>Business overview</b>	
5.1	Principal activities	
5.1.1	Nature of operations and principal activities	2.1 to 2.4, 3.1
5.1.2	Development of new products and/or services	2.3
5.2	Principal markets	2.1 to 2.3, 3.2
5.3	Important events in the development of the business	2.1 to 2.4, 3.1
5.4	Strategy and objectives	2.2, 2.3
5.5	Dependence of the issuer with regards to patents, licenses, contracts and manufacturing processes	N/A
5.6	Competitive position of the issuer	1.2 (Definition of Danone's market shares and positions), 2.1, 2.3, 2.4
5.7	Investments	
5.7.1	Material investments made	3.1, 3.3, 4.1
5.7.2	Material investments in progress	3.1, 3.3, 5.1.8
5.7.3	Information relating to the joint ventures and undertakings likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	2.5, 4.1
5.7.4	Environmental issues that may affect the use of the tangible fixed assets	5.3

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### Cross-Reference Tables

<b>Universal Registration Document</b>		<b>Sections</b>
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7.1.2	Likely future evolution and activities in the field of research and development	2.2, 2.4, 3.1, 3.5
7.2	Operating results	
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8.2	Sources and amounts of the cash flows	3.3, 4.1
8.3	Borrowing requirements and funding structure	3.4, 4.1
8.4	Restrictions on the use of capital resources	N/A
8.5	Anticipated sources of funds	3.4, 4.1
<b>Section 9</b>	<b>Regulatory environment</b>	
9.1	Description of the regulatory environment and external factors materially influencing the operations	2.4, 2.6
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10.2	Events that are reasonably likely to have a material effect on the issuer's prospects	2.6, 3.5
<b>Section 11</b>	<b>Profit forecasts or estimates</b>	
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11.2	Principal hypothesis underlying the profit forecast or estimate	N/A
11.3	Statement on the preparation of the profit forecast or estimate	N/A
<b>Section 12</b>	<b>Administrative, management and supervisory bodies and senior management</b>	
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## CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT OF THE COMPANY AND GROUP

The cross-reference table hereinafter enables to identify the main information of the Management Report of the Company and the Group required by the French Commercial Code.

Information required	Reference text	Sections
<b>Situation and activity</b>		
Analysis of changes in business, results and the financial situation during the last fiscal year	L.232-1, II of the French Commercial Code	3.1 to 3.4, 4.1, 4.2
Key financial and non-financial performance indicators	L.232-1, II, 4° of the French Commercial Code	Section "Key figures"
Main risks and uncertainties	L.232-1, II, 5° of the French Commercial Code	2.6
Company's objectives, hedging policy and exposure to price, credit, liquidity and cash flows risks	L.232-1, II, 6° of the French Commercial Code	4.1, 4.2
Research and development activities	L.232-1, II, 2° of the French Commercial Code	2.4, 3.1
Major events occurred since the close of the fiscal year	L.232-1, II, 1° of the French Commercial Code	3.5, 4.1
Company and Group foreseeable trends and outlook	L.232-1, II, 1° of the French Commercial Code	3.5
Existing branches	L.232-1, II, 3° of the French Commercial Code	1.1
Acquisition of significant equity interests or control in companies headquartered in France	L.233-6 par. 1 of the French Commercial Code	N/A
Activities of the Company's subsidiaries	L.233-6 par. 2 of the French Commercial Code	2.1 to 2.3, 3.1, 3.2
Table on the Company's financial results over the last five years	R.225-102 of the French Commercial Code	4.2
Information relating to suppliers and clients' terms of payment	L.441-14 and D.441-6 of the French Commercial Code	4.3
Impact of activities on the prevention of tax evasion	L.22-10-35, 1° of the French Commercial Code	5.5
Information on actions to promote the link between the nation and its armed forces	L.22-10-35, 2° of the French Commercial Code	N/A
Information on essential intangible resources	L.232-1, II, 7° of the French Commercial Code	2.2, 2.4, 3.1

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Internal control and risk management procedures	L.22-10-10, 7° of the French Commercial Code	2.6 to 2.8
Compensation policy for corporate officers	L.22-10-8 of the French Commercial Code	6.3
Compensation policy for Directors	L.22-10-8 of the French Commercial Code	6.3
Report on compensation of corporate officers during the last fiscal year	L.22-10-9 of the French Commercial Code	6.3
Positions and responsibilities of the corporate officers	L.225-37-4, 1° of the French Commercial Code	6.2
Agreements entered into between significant shareholders or corporate officers and controlled companies	L.225-37-4, 2° of the French Commercial Code	N/A
Mode of exercise of the executive management and limits on the powers of the Chief Executive Officer	L.225-37-4, 4° and L.22-10-10, 3° of the French Commercial Code	6.1
Composition and work of the Board of Directors	L.22-10-10, 1° of the French Commercial Code	6.1
Diversity policy applied to the members of the Board	L.22-10-10, 2° of the French Commercial Code	6.1
Application of the AFEP-MEDEF Corporate Governance code for listed companies	L.22-10-10, 4° of the French Commercial Code	6.1
Description of the procedure relating to agreements entered into in the ordinary course of business and at arm's length	L.22-10-10, 6° of the French Commercial Code	6.1
Attribution and retention of options by corporate officers	L.225-185 and L.22-10-57 of the French Commercial Code	6.3
Attribution and retention of free shares by corporate officers	L.225-197-1 II and L.22-10-59 of the French Commercial Code	6.3, 6.4
Summary of the Company's shares trading by corporate officers and related persons	223-26 of the general regulations of the French Financial Markets Authority and L.621-18-2 of the French Monetary and Financial Code	6.5
<b>Share ownership and capital</b>		
Information that may have an impact in the event of a takeover bid	L.22-10-11 of the French Commercial Code	7.10
Employees shareholding as of the end of the fiscal year	L.225-102 of the French Commercial Code	7.8
Acquisition and disposal by the Company of treasury shares	L.225-211 of the French Commercial Code	7.2
Delegations of authority relating to a share capital increase currently in force	L.225-37-4, 3° of the French Commercial Code	7.3
Participation in Shareholders' Meeting	L.22-10-10, 5° of the French Commercial Code	7.6
<b>Sustainability information</b>		
Consolidated information on sustainability	L.232-6-3 and L.233-28-4 of the French Commercial Code	5.1 to 5.7 2.1 to 2.4 (business model)
Report on sustainability certification	L.232-6-3 of the French Commercial Code	5.6
Vigilance plan and report on its effective implementation	L.225-102-1 of the French Commercial Code	5.7





## Project team

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## Financial communication calendar 2025

### > February 26, 2025

2024 Full-Year Results

### > April 23, 2025

2025 First-Quarter Sales

### > April 24, 2025

2025 Shareholders' Meeting

### > July 30, 2025

2025 First-Half Results

### > October 28, 2025

2025 Third-Quarter Sale

## About Danone ([www.danone.com](http://www.danone.com))

Danone is a leading global food and beverage company operating in three health-focused, fast-growing and on-trend Categories: Essential Dairy & Plant-Based products, Waters and Specialized Nutrition. With a long-standing mission of bringing health through food to as many people as possible, Danone aims to inspire healthier and more sustainable eating and drinking practices while committing to achieve measurable nutritional, social, societal and environment impact. Danone has defined its Renew strategy to restore growth, competitiveness, and value creation for the long-term. With over 90,000 employees, and products sold in over 120 markets, Danone generated €27.4 billion in sales in 2024. Danone's portfolio includes leading international brands (*Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic*, among others) as well as strong local and regional brands (including *AQUA, Blédina, Bonafont, Cow & Gate, Mizone, Oikos* and *Silk*). Listed on Euronext Paris and present on the OTCQX platform via an ADR (American Depositary Receipt) program, Danone is a component stock of leading sustainability indexes including the ones managed by Moody's and Sustainalytics, as well as MSCI ESG Indexes, FTSE4Good Index Series, Bloomberg Gender Equality Index, and Access to Nutrition Index. Danone's ambition is to be B Corp™ certified at global level in 2025.







**DANONE**  
ONE PLANET. ONE HEALTH

## DANONE

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