

2024 COMPENSATION FOR CORPORATE OFFICERS OF DANONE

At its February 21, 2024, meeting, the Board of Directors, acting on the recommendation of the Nomination, Compensation and Governance Committee, determined the annual variable compensation payable to Danone's Chief Executive Officer for 2023, as well as all elements of the compensation of the Chief Executive Officer and the Chairman of the Board of Directors for 2024.

1. COMPENSATION OF ANTOINE DE SAINT-AFFRIQUE, CHIEF EXECUTIVE OFFICER

1.1 Compensation of Antoine de SAINT-AFFRIQUE for fiscal year 2023

It is recalled that the 2023 compensation policy for the Chief Executive Officer was approved at 93.80% by the Shareholders' Meeting of April 27, 2023, under the 11th resolution on the compensation policy for executive corporate officers. The compensation of Antoine de SAINT-AFFRIQUE for fiscal year 2023, defined in accordance with this compensation policy, is detailed below.

- **Fixed compensation for 2023**

The amount of Antoine de SAINT-AFFRIQUE's fixed compensation was €1,400,000 for 2023, unchanged since his appointment in 2021.

- **Annual variable compensation for 2023, payable in 2024**

The annual variable compensation of Antoine de SAINT-AFFRIQUE, for fiscal year 2023, amounts to €2,604,000.

The Board of Directors, upon recommendation of the Nomination, Compensation and Governance Committee, has acknowledged this amount with regard to the level of fulfillment of the financial, sustainability and managerial components as described below:

Financial criteria

Financial Criteria	Weighting	Percentage fulfillments	Weighted result
Sales growth on a like-for-like basis	15%	200%	30%
Recurring operating margin	15%	200%	30%
Free cash-flow	15%	173.2%	26%
Volume/mix on a like-for-like basis	15%	200%	30%
Total	60%	193.3%	116%

The Board of Directors has acknowledged the fulfillment level of the objectives as presented above for the following reasons:

- Over-achievement of the like-for-like sales growth objective, given that like-for-like sales growth was +7.0% in 2023, above the objective initially set at the beginning of the year (growth between 3% and 5%) and at the top of the range of the updated guidance announced in October 2023 (growth between +6 and +7%), driven by all geographical zones and categories;
- Achievement beyond the internal target of the criteria related to the change in volume/mix, that stood at -0.4% in 2023. Danone progressed along the year in rebalancing its growth model, closing the fourth quarter of 2023 with positive volume/mix, at +0.8%;
- Achievement beyond the target of the recurring operating margin objective, based on margin from operations expansion, enabled by record level of productivity, while continuing to significantly reinvest in A&P, product superiority and capabilities. In 2023, the recurring operating margin stood at 12.6%, up +40 bps vs. last year;
- Over-achievement of the free cash flow generation objective, with free cash flow reaching a record level of €2.6 billion in 2023 (vs 2.1 billion in 2022), reflecting a significant increase in cash-flow from operating activities, and enabling investments and deleverage.

Sustainability criteria

The specific fulfillment percentages of the sustainability component are described below:

Sustainability Criteria	Weighting	Percentage fulfillment	Weighted result
Reduction in greenhouse gas emissions across the value chain (scopes 1, 2 and 3) in 2023 vs 2022	10%	200%	20%
Percentage of Danone sales in 2023 covered by B-Corp certification	10%	200%	20%
Total	20%	200%	40%

The Board of Directors has determined the fulfillment level of the objectives as presented above for the following reasons:

- Reduction, on a like-for-like basis, of greenhouse gas emission across the Science Based Targets (SBT) scope, by - 3.9% versus 2022 (excluding EDP Russia), notably thanks to suppliers' engagement and volume effect; and
- Achievement of 82.5% of Danone's sales covered by B-Corp certification well above the target of 80% notably thanks to the certification of key new Danone entities in particular in Central Eastern Europe, Argentina (EDP), Middle East, Iberia (Specialized Nutrition), India, Malaysia & Cambodia.

Managerial criteria

The achievement of the managerial, qualitative element is assessed according to specific criteria determined by the Board of directors in February 2023: portfolio rotation and new innovative social project.

In the particularly difficult external context of 2023, the Board of Directors has noted the effective delivery of the portfolio review and asset rotation criteria, notably with the sale of Horizon Organic and Wallaby businesses as well as the sale of Michel & Augustin. Moreover, an important initiative to revamp the social ambition has been launched and implemented during the year: a detailed diagnosis has been conducted leading to the definition of key priorities aiming at differentiating the Company in the future, notably in terms of culture, learning strategy, diversity and inclusion. Steps taken in 2023 also included the establishment of an action plan under the sponsorship of Comex members, which lead to the design and delivery of the new Danone behaviors framework and its roll out worldwide. Based on this assessment, the Board of Directors therefore considered that this objective was **150% achieved**.

Therefore, Antoine de SAINT-AFFRIQUE's annual variable compensation of €2,604,000 was established as follows:

Indicators	Weighting	Percentage fulfillments	Weighted percentage	Fulfillment amount (in euros)
Financial	60%	193.3%	116%	1,624,000
Sustainability	20%	200%	40%	560,000
Managerial	20%	150%	30%	420,000
Total annual variable compensation in 2023	100%	-	186%	2,604,000

In accordance with Article L.22-10-34 II of the French Commercial Code, this compensation will only be paid after it has been approved by the Shareholders' Meeting of April 25, 2024.

- **Long-term variable compensation, in the form of GPS**

On July, 25, 2023, 49,742 GPS were granted to the Chief Executive Officer. This nominal grant may vary depending on the level of achievement of the performance conditions and may amount up to 52,229 GPS, with no guaranteed minimum. These GPS represent 50 % of the Chief Executive Officer's overall target nominal compensation for 2023.

- **Other benefits**

For the fiscal year 2023, the benefits in kind represent an amount of € 49,340. These benefits in kind, in line with Danone's policy for senior executives, include a pool of cars and drivers, a housing benefit as well as insurance and healthcare benefits.

1.2 Compensation of Antoine de SAINT-AFFRIQUE for the 2024 fiscal year

The 2024 compensation policy for the Chief Executive Officer, the components of which are detailed below, will be submitted to approval by the Shareholders' Meeting of April 25, 2024.

- **A fixed compensation amounting to €1,400,000**, unchanged from 2023.
- **An annual variable compensation payable in 2025:**

The target amount of the annual variable compensation for 2024 and the maximum compensation percentage are the same as for the previous year. In accordance with the compensation policy for

Danone's executive corporate officers, the Board of Directors, upon recommendation of the Nomination, Compensation and Governance Committee, has indeed set his target annual variable compensation at 100% of his fixed compensation (i.e., €1,400,000). This variable annual compensation target may reach a maximum of 200 % of this amount (i.e., €2,800,000) if objectives are exceeded, with no guaranteed minimum or floor.

It will be composed of three components with the same weightings as in 2023: a quantifiable financial component (60%) based on Danone's objectives, a quantifiable sustainability component (20%) and a qualitative managerial component (20%).

The detailed criteria breakdown for the financial component is presented below:

Financial criteria	Percentage of the target amount	Possible variation according to the weighting
Sales growth on a like-for-like basis	15%	0 to 30%
Recurring operating margin	15%	0 to 30%
Free cash-flow	15%	0 to 30%
Volume/mix on a like-for-like basis	15%	0 to 30%
Total	60%	0 to 120%

The detailed criteria breakdown for the sustainability component is as follows:

Sustainability criteria	Percentage of the target amount	Possible variation according to the weighting
Like-for-like reduction of greenhouse gas emissions across the value chain (scopes 1, 2 and 3) in 2024 vs 2023	10%	0 to 20%
Percentage of Danone employees covered by B-Corp certification	5%	0 to 10%
Forest - Volume of key commodities verified Deforestation & Conversion Free (vDCF)	5%	0 to 10%
Total	20%	0 to 40%

The assessment elements for the managerial criterion have been determined by the Board of Directors but are not made public for confidentiality reasons, in accordance with French Financial Market Authority recommendation DOC-2012-02 of February 9, 2012.

The allocation of the annual variable compensation will be specifically disclosed at the close of the 2024 fiscal year. It will also be detailed in the 2024 Universal Registration Document.

- **Long-term variable compensation in shares, in the form of Group performance shares (GPS)**

The grant of GPS in 2024 will be decided by the Board of Directors in July and will be disclosed in a special publication following the Board's meeting. The GPS granted at such time would represent approximately 50% of the Chief Executive Officer's overall target nominal compensation for 2024.

The performance conditions of these GPS were determined by the Board of Directors on February 21, 2024, and relate to:

- (i) the evolution of the recurring net earning per share (EPS), for 20%,

- (ii) the relative total shareholder return of the Danone share (TSR) compared to the Stoxx Europe 600 Food & Beverage index, for 25%,
- (iii) the return on invested capital (ROIC), for 25% and
- (iv) three sustainability criteria for 10% each, linked to the reduction of (i) sugar level in EDP everyday adults' products, (ii) greenhouse gas emissions across the full value chain and (iii) water consumption intensity in Danone's production sites.

These conditions cover 3 years (2024, 2025 and 2026) and will be described in detail in the 2023 Universal Registration Document (section 6.4).

2. COMPENSATION OF GILLES SCHNEPP, CHAIRMAN OF THE BOARD OF DIRECTORS, FOR THE 2024 FISCAL YEAR

Gilles SCHNEPP's fixed annual compensation for 2024 amounts to €650.000, unchanged from 2023.

This fixed annual compensation is the only element of compensation for the Chairman of the Board of Directors.

The 2024 compensation policy for the Chairman of the Board of Directors will be submitted to approval by the Shareholders' Meeting of April 25, 2024.