



DANONE
ONE PLANET. ONE HEALTH

FIGHT AGAINST FORCED AND CHILD LABOUR REPORT- CANADA

2024 STATEMENT

FOREWARD

WHAT IS FORCED LABOUR?

Forced labour and child labour are a violation of fundamental human rights, and can take many different forms, including:

- Slavery
- Servitude
- Forced and compulsory labour
- Human trafficking

The International Labour Organisation (ILO) defines forced labour as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.” The ILO estimates that there are approximately 27.6 million victims of forced labour worldwide, including 17.3 million in the private economy.

Forced labour and child labour are further defined in section 2 of Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

Danone has a zero-tolerance approach to forced labour. It’s our belief that to make progress businesses, governments and civil society as a whole must work together to challenge and prevent forced labour.

In this statement, we set out what we are doing to prevent forced labour in our business operations and our supply chain.



OUR AMBITIONS

THE DANONE IMPACT JOURNEY

Launched in 2023, The Danone Impact Journey is built around 3 core pillars: Health, Nature and People & Communities. It grounds our priorities as a certified B Corp and as a Société à Mission, as well as helping us to embed impact into our business structure, management practices, and performance indicators.

The Danone Impact Journey builds on 3 key foundational principles:

1. Recognising that the 3 pillars are codependent. Each pillar is important for progress and has a defined set of priorities which are translated into mid to long-term objectives.
2. Embedding sustainability into the business from a strategic, operational and financial perspective.
3. Focussing on our ability to meaningfully impact the food systems and ecosystems we operate in.



THROUGH THE DANONE IMPACT JOURNEY, WE'RE CHAMPIONING A RENEWED SOCIAL CONTRACT – FOSTERING A PROSPEROUS AND INCLUSIVE ECOSYSTEM, UPHOLDING HUMAN RIGHTS AND PURSUING SOCIAL PROGRESS.

As a Société à Mission and Group evolving towards full B Corp certification, it's imperative that our social impact is woven through every aspect of our business. From suppliers to consumers, and across our communities both local and global.

When it comes to our business practices and stakeholder engagement, we hold ourselves to the highest standards. The relationships we foster with our stakeholders are grounded in trust and guided by open dialogue. Through this dialogue, we can renew our Social Contract built on a foundation of human rights, dignity, and shared social progress.

KEY HUMAN RIGHTS ACHIEVEMENTS



The Danone Impact Journey was launched to provide a roadmap to achieve our vision of supporting thriving people and communities. We have committed to championing a renewed social contract, fostering a prosperous and inclusive ecosystem, upholding human rights and pursuing social progress.



As a member of the Consumer Goods Forum (CGF)'s Human Rights Coalition working to end forced labour, we have pledged to develop and deploy Human Rights Due Diligence (HRDD) systems focusing on preventing forced labour in our own operations, with the aim of reaching 100% coverage by 2025. Danone designed a six-step process to implement HRDD, targeting to implement it company wide by the end of 2025.



Following our salient human rights analysis, we further strengthened our approach by publishing our [Human Rights Policy](#). For further information see page 6.



We strengthen our employees' engagement on human rights through the Network of Human Rights Champions, which enables information and best practice sharing.

SSP

In 2024, Danone launched the Sustainable Sourcing Policy (SSP), which will gradually be rolled out in the coming years to Tier 1. The SSP sets the standards for Danone and its suppliers, outlining Danone's commitment to establishing fair, sustainable and ethical relationships. For further information see page 6.



Danone Canada is B Corp certified, demonstrating our commitment to use business as a force for good. As of April 2024, Danone Canada earned an overall B Impact score of 94.8. The median score for ordinary businesses who complete the assessment is currently 50.9.

OUR SUPPLY CHAIN

As one of the world's biggest food and beverage manufacturers, we understand our impact and influence not only on global food systems, but also the people who work in the industry.

It's important to us that our sourcing has a positive impact, creating jobs and opportunities for people around the world, and respecting and promoting human rights.

Our suppliers also have a major role to play in delivering our Danone Impact Journey. This is why we're fostering partnerships and developing mutually beneficial working relationships. Transparency, as well as a mindset of continuous improvement, are key to our supplier engagement, and the promotion of sustainable and inclusive growth.

RESPECTING THE PEOPLE BEHIND THE FOOD

We know that global and complex agri-food supply chains carry the risk of human rights and environmental violations. Whilst this is more acutely the case upstream at farm or plantation level, it's also a risk at our Company's Tier 1 supply level, as well as in our own entities specifically for the external workforce.

To address these risks, we have:

- Established a set of fundamental sustainability principles.
- Developed due diligence systems tailored to the respective scopes.
- Continued to engage with our suppliers, working together towards more responsible practices.

FROM GROUND TO GROCERY STORE

The suppliers we work with are our principal partners in ensuring ethical sourcing. We're part of the same natural and business ecosystem and share many of the same challenges. To make positive progress, we must build solutions together.

As a foundation, all of our suppliers are required to adhere to Danone's Sustainability Principles for Business Partners. But they're invited to go further. We aim to leverage frameworks like B Corp™, Science Based Targets initiative, and CDP to engage suppliers on this journey. Continuous improvement and collaborative problem-solving are a 'win-win' for us and our suppliers, and the key to sourcing in a way that's good for both consumers and society.



RAW MATERIAL SOURCING

Ingredient supply chains have different structures. Ingredients, such as dairy, fruit, sugar, cocoa, soy or palm oil, are traded and transformed through complex chains that involve several intermediaries. The challenge here is to have visibility of production locations, so that the risks of human rights violations can be assessed and mitigated (see more details on transparency on page 10).

TIER 1 SUPPLIERS

Danone sources from over 50,000 suppliers of processed raw materials, packaging or services around the world. Our RESPECT program provides due diligence for Danone's Tier 1 suppliers (see more details on page 9).

PRODUCTION SITES

The raw materials that go into our food and drink products are processed at one of our 151 production sites around the world. We're strengthening our internal Human Rights Due Diligence (HRDD) process to include on site contractor workers and external workers hired through temporary work agencies.

DISTRIBUTION

Our products are transported direct to retailers both large and small and specialised channels (such as hospitals, clinics and pharmacies). These networks then distribute our products through their own supply chains, before they reach the consumer.

KEY POLICIES

[HUMAN RIGHTS POLICY](#)

Our Human Rights Policy reaffirms our commitment to respect and strengthen human rights both in our own workforce and our value chain. The policy clearly articulates the human rights priorities we're focusing on.

These are:

- Ending exploitation. This involves prohibiting child and forced labour, prohibiting harassment and abuse, and ensuring reasonable working hours.
- Decent work. This means granting a decent wage and at least the applicable legal minimum or standard pay, committing to safe and healthy working conditions, and granting freedom of association and the right to collective bargaining. It also means ensuring that all workers are treated equally with respect and dignity and fostering a positive culture towards diversity and inclusion.
- Respecting people in communities impacted by our activities. This involves respecting the land rights of communities and Indigenous peoples and respecting their right to a healthy environment and healthy nutrition. For example, not negatively impacting their access to water.

The Human Rights Policy also elaborates on our responsibilities as a company, and the expectations we have of our business partners. It sets out our approach for implementing human rights due diligence, with our external workforce identified as a key priority in our own operations scope.

[DANONE SUSTAINABILITY PRINCIPLES \(DSP\)](#)

In 2022, we updated Danone's Sustainability Principles (DSP) for Business Partners and for Danoners which is applicable to our full value chain, including our own operations. The DSP sets out the clear expectations we have of our suppliers and employees on social, environmental and ethical issues.

[DANONE SUSTAINABLE SOURCING POLICY \(SSP\)](#)

In 2024, Danone launched the Sustainable Sourcing Policy (SSP), which will gradually be rolled out in the coming years to Tier 1 suppliers. 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.). 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.

[CODE OF BUSINESS CONDUCT](#) – updated in 2022, this code is based on principles derived from the Universal Declaration of Human Rights, the fundamental conventions of the ILO, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Global Compact on human rights, labour rights, the environment and anti-corruption. Employees are required to commit to the Code of Business Conduct as part of their terms of employment and as part of a wider compliance programme across Danone.

[CODE OF CONDUCT FOR BUSINESS PARTNERS](#) – updated in 2022, ensures that Danone's business partners comply with applicable laws on bribery and corruption, money laundering, unfair competition and international trade sanctions.

[STATEMENT ON FORCED LABOUR](#) - As a member of the CGF, we recognize our role as a responsible business to respect and promote human rights and decent working conditions worldwide. We commit to working together with our peers across the industry and with other key stakeholders to help eradicate forced labour.

[GLOBAL EXTERNAL WORKFORCE POLICY](#) - In 2018, Danone issued an internal Global External Workforce Policy, which focused on labour agency workers and prohibiting the payment of recruitment fees by workers.



Danone's human rights due diligence is founded upon a commitment to upholding human rights as established in the following internationally recognized standards and guidelines:

- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business & Human Rights
- International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- The ten principles of United Nations Global Compact
- UN Women's Empowerment Principles
- The Children's Rights and Business Principles
- The Global LGBTI Standards for Business
- The FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT)

Where local law and international human rights standards differ, we will follow the higher standard. Where they are in conflict, we will adhere to local law, while seeking ways to respect international human rights to the greatest extent possible.



International
Labour
Organization



DUE DILIGENCE AND VALUE CHAIN MANAGEMENT

To achieve our commitments, and ensure that our standards are upheld, implementing our policies is critical. This begins by identifying and assessing risks across the supply chain and responding swiftly and effectively to issues identified.



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.

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.

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

SALIENT HUMAN RIGHTS ASSESSMENT

In 2022 Danone conducted a salient human rights impact assessment with the support of Shift, the leading center of expertise on the UN guiding principles of business and human rights (UNGPs). In 2023, the assessment was used to develop the Sustainable Sourcing Policy (SSP) approved by the Global Engagement Committee and launched in 2024. The Danone Vigilance Plan was built on this salient human rights assessment.

HUMAN RIGHTS DUE DILIGENCE IN DANONE'S OWN OPERATIONS

In 2016, Danone joined the Consumer Goods Forum's (CGF) collective effort to eradicate forced labour from its global supply chain. To this end, in 2017 we incorporated the three Priority Industry Principles set by the CGF into our Fundamental Social Principles. In 2018, we formalised this commitment in our statement on forced labour.

CGF Three Priority Principles:

EVERY WORKER
SHOULD HAVE >>>>
FREEDOM OF MOVEMENT

NO WORKER
SHOULD PAY
FOR A JOB

NO WORKER SHOULD
BE INDEBTED OR
COERCED TO WORK

HUMAN RIGHTS DUE DILIGENCE

As a member of the Consumer Goods Forum (CGF) Human Rights Coalition, Danone pledged to develop and deploy Human Rights Due Diligence (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.

AGRICULTURAL SUPPLY CHAIN TRANSPARENCY TABLE

RAW MATERIAL	ADDITIONAL INFORMATION
Palm Oil	<p>99%</p> <p>Traceability to mill/plantation level</p> <p>CERTIFICATION: 99.2% RSPO certified 97% RSPO segregated 2.2% certified RSPO mass balanced</p> <ul style="list-style-type: none"> Partner with Earthworm Foundation to ensure traceability of palm oil. Direct and mill-level suppliers available on our website.
Cocoa	<p>71%</p> <p>Certified with one or more programmes (Rainforest Alliance, Organic, Fairtrade, Fair For Life).</p>
Paper and Board	<p>99%</p> <p>of paper and board packaging made of recycled fibres or virgin certified (FSC, PEFC, SFI) fibres.</p>
Raw Milk 	<p>The dairy supply management system in Canada is a national agricultural policy framework that controls the supply of dairy products through production and import mechanisms, which are managed by provincial and federal organizations and dairy processors. As such, labour laws applicable to the Canadian dairy farmers fall under provincial jurisdiction. As board members of the Dairy Processors Association of Canada (DPAC) and the Conseil des Industriels laitiers du Québec (CilQ), Danone Canada actively engages with partner organizations that share its commitment to ethical and responsible business practices. Leveraging our influence and expertise, we have advocated for carbon reduction efforts and the implementation of regenerative agriculture practices across the Dairy sector.</p>

FORCED LABOUR RISK

To identify the risk for forced labour, we use a number of data sources. These include:

- Detailed mapping of supply chains and operations
- External risk indices
- Insights from across the business, from internal subject matter experts to local experts and those in country teams
- Supplier engagement
- Supplier self-assessments and category data
- Audit non-conformities (see page 13)
- Grievances raised on the Danone Ethics line and results from worker engagement surveys
- Insights from external stakeholders, in particular trade unions and civil society, as well as collaborative initiatives with our peers

As part of Danone's saliency assessment in 2022, we looked to understand where vulnerable workers - women, migrant, seasonal/contract and young workers - were more likely to be employed. We know that migrant workers are at higher risk of forced labour, as their movement and recruitment are often poorly regulated and informal. This leaves them more vulnerable to risks such as limited freedom of movement, deception and debt bondage (through the payment of recruitment fees).

WHISTLEBLOWING SYSTEM

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. 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. 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 labour, prohibiting harassment and abuse, and ensuring reasonable working hours
- **Decent work** - granting a decent wage and at least the applicable legal minimum or standard pay, committing to safe and healthy working conditions, granting freedom of association and the right to collective bargaining, and ensuring all workers are treated equally with respect and dignity, with a positive culture towards diversity and inclusion

GRIEVANCE MECHANISM

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 nonconformities 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.

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, 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.

MANAGING GRIEVANCES AND CONCERNS RELATED TO RAW MATERIALS

Danone also has investigation and remediation process in place to manage grievances that come through other channels than Danone Ethics Line, in particular related to raw material supply. Since 2019, Danone has implemented a grievance mechanism for palm oil, with the support of the Earthworm Foundation. Currently this mechanism is also being used for other commodities. Danone is working to adapt the process to track and manage more effectively all commodity alerts.

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 Tier 1 suppliers. If a low-risk non-conformity has been confirmed, Danone asks the producers to develop an action plan to resolve 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 towards its commitments. Danone informs all of its active suppliers about the suspension decisions and the suspended producer is only allowed to enter the Group's supply chain after demonstrating progress and, ultimately, with Danone's consent.

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.

RESPECT PROGRAM FOR RESPONSIBLE SOURCING WITH TIER 1 SUPPLIERS

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 moved the RESPECT program towards a more comprehensive due diligence approach and stepped up its human rights requirements. Such an approach endorses the principles enshrined in the United Nations Guiding Principles on Business and Human Rights (UNGP).

The RESPECT program streamlines evaluation procedures for Tier 1 suppliers and is structured on 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 onsite 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.

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.

TRACKING AND ASSESSING THE EFFECTIVENESS OF SUPPLIER PROGRAMS

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 indicators:

KEY PERFORMANCE INDICATOR

RESULT

PERCENTAGE OF THE EXPENDITURE COVERED BY THE RESPECT PROGRAM

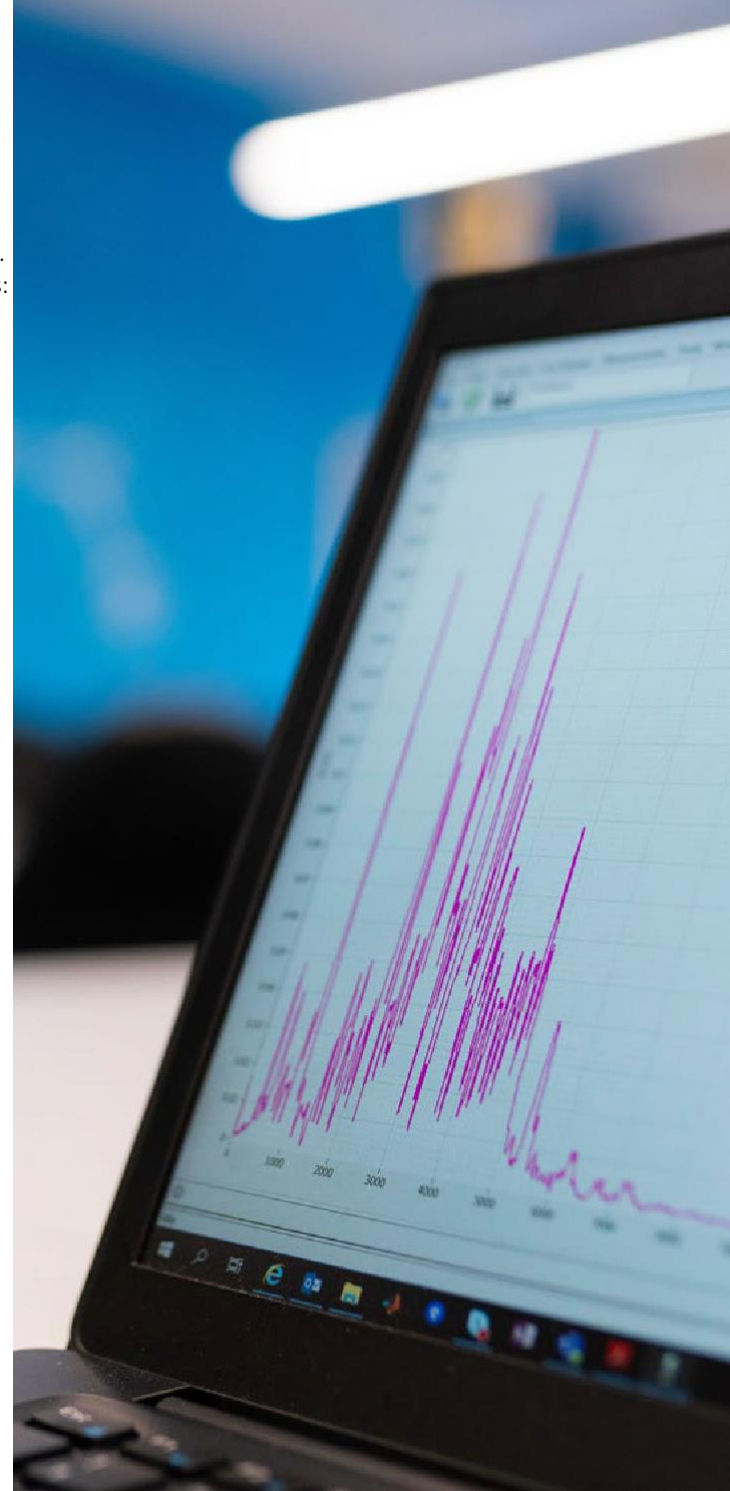
- 70.8% of Danone's in-scope expenditure was covered by the RESPECT program, excluding raw milk, real estate, and tax services in 2024.

ANNUAL AUDIT PLAN COMPLETION

- 90.2% of SMETA audits planned were completed in 2024.

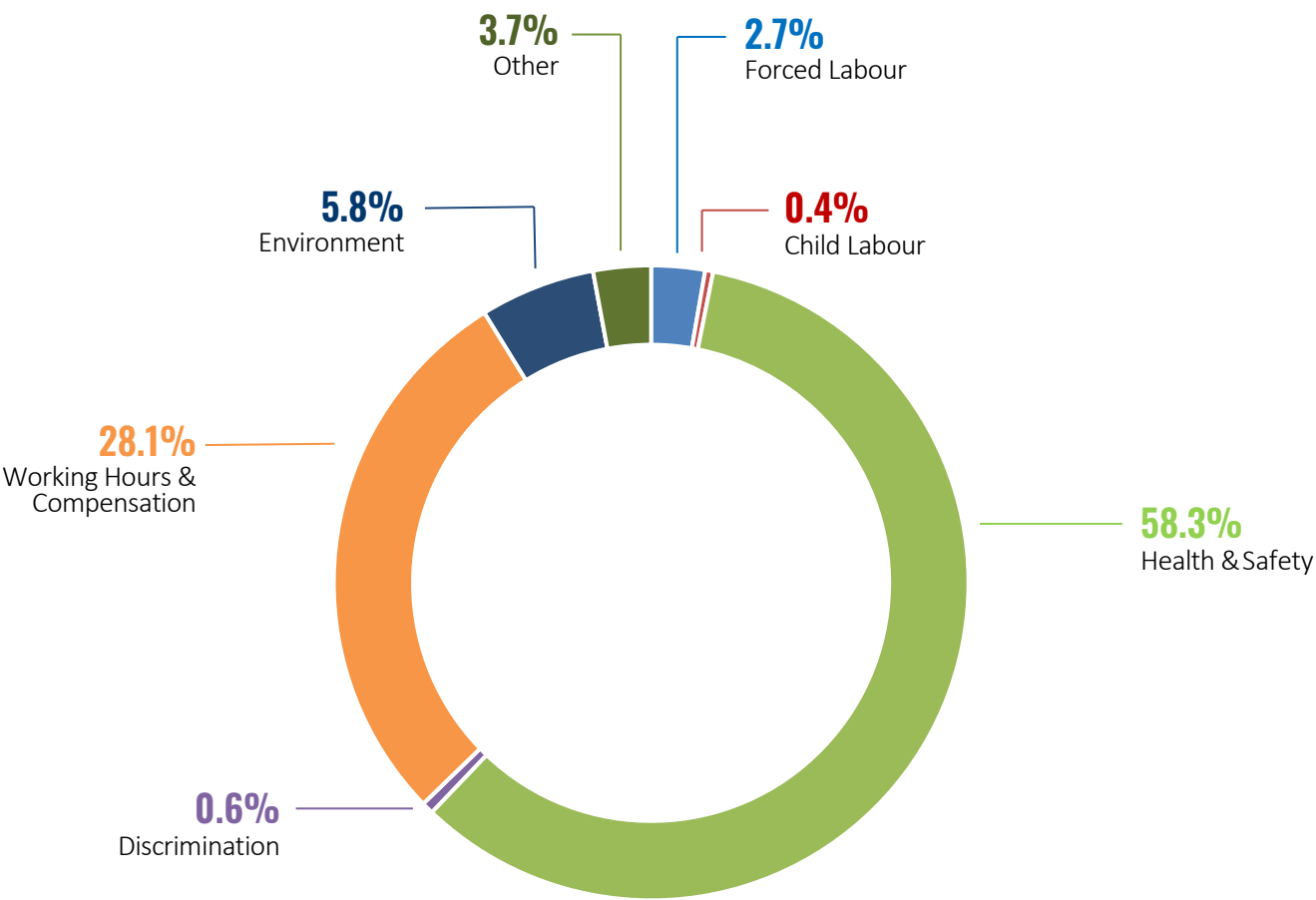
AUDIT CLOSURE RATE

- 80.9% of audits that identified critical non-conformities (being commissioned by Danone or by peers on common suppliers) have been closed in the expected timeframe. Audits that have not been closed continue to be monitored. 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.



BREAKDOWN OF CRITICAL NON-CONFORMITIES IDENTIFIED

Globally, we conducted an analysis on the 480 critical non-conformities identified through the SMETA audits conducted in 2024 (or those conducted using a similar methodology) and work with the suppliers to ensure they are resolved and remedied. All the critical non-conformities reported here have either been resolved or are being remedied with the suppliers.



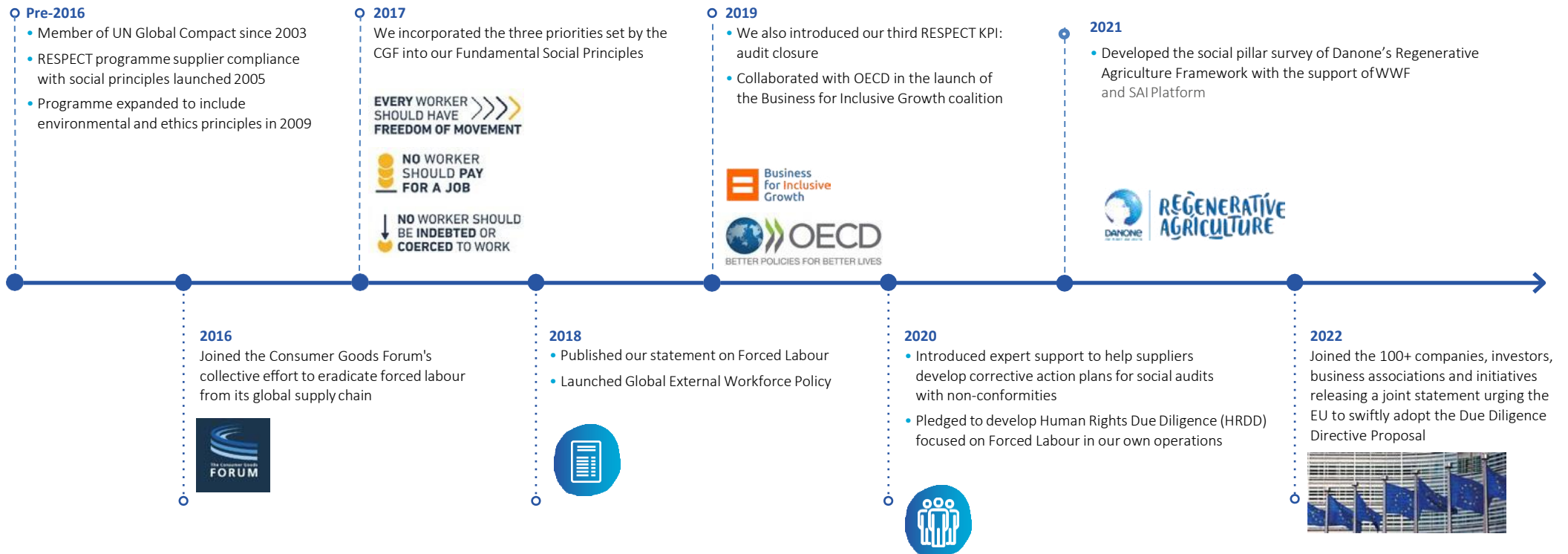
Source: Danone’s Universal Registration Document, page 281 : [URDdanone2024interactive.pdf](#)

PARTNERSHIPS & COMMITMENTS

By engaging in partnerships and making specific public commitments, Danone is working with its partners towards more responsible practices.



We're also members of a forum AIM-PROGRESS where we collaborate to share best practice around responsible sourcing and human rights amongst other Fast Moving Consumer Goods (FMCG) manufacturers and peers.



IN THIS TOGETHER: FOSTERING DECENT WORK AND INCLUSIVE GROWTH THROUGH OUR SOCIAL INNOVATION ENTITIES

DANONE ECOSYSTEM

In 1972, Danone's CEO at the time, Antoine Riboud, announced that it was time for the company to make a major investment in its local 'ecosystems'. He said:

'IT'S IN A COMPANY'S BEST INTERESTS TO TAKE GOOD CARE OF ITS ECONOMIC AND SOCIAL ENVIRONMENT, MEANING ITS SUPPLIERS, ITS EMPLOYEES, ITS CUSTOMERS OR THE PLACES WHERE IT OPERATES. THAT'S WHAT I CALL ITS 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.



To learn more about Danone Ecosystem impact and the models they develop visit <https://www.linkedin.com/company/danone-ecosystem-fund>

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.

TRAINING & ENGAGEMENT

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
- 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, cocreate solutions, and foster stronger connections between local leaders and the global team.
- 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

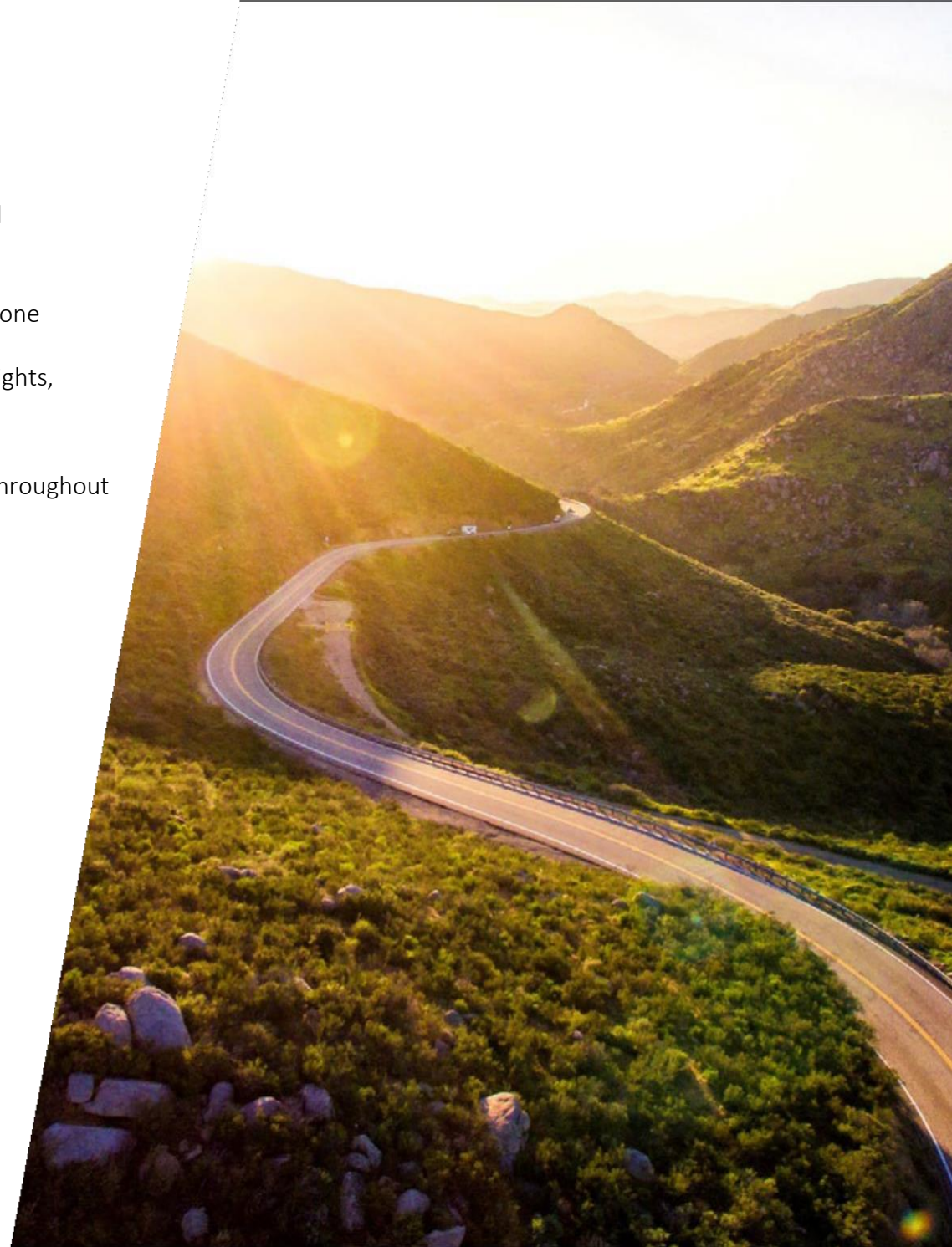


LOOKING AHEAD

At Danone, we're committed to protecting human rights in our value chain and combating forced labour.

We acknowledge that while progress has been made, there's still much to be done in order to ensure that we meet our goal of supporting thriving communities- including fostering an inclusive and prosperous ecosystem, upholding human rights, and pursuing social progress.

We will continue this important work, in collaboration with our stakeholders, throughout 2025 to improve upon our measures.



THIS STATEMENT HAS BEEN PUBLISHED IN ACCORDANCE WITH BILL S-211, *AN ACT TO ENACT THE FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT AND TO AMEND THE CUSTOMS TARIFF*. IT OUTLINES THE MEASURES TAKEN BY THE DANONE COMPANY AND ITS CANADIAN BUSINESSES DURING 2023-24 TO PREVENT FORCED LABOUR AND CHILD LABOUR ACROSS OUR BUSINESS AND SUPPLY CHAIN.

CONTACTS

If you have any comments or queries, please contact:

DANONE CANADA Media Relations: mediarelations@danone.com

Danone's in-scope Canadian businesses are:
Danone Inc. and Nutricia North America Inc.

Both Danone Inc, and Nutricia North America, Inc.'s financial year end runs from 1st January – 31st December



DANONE
ONE PLANET. ONE HEALTH

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Pascal Lachance
Director Sustainability, Danone Inc.
May 29, 2025

A handwritten signature in cursive script, reading "Pascal Lachance". The signature is written in dark ink and is positioned below the printed name and title.

I have the authority to bind Danone Inc. and Nutricia North America, Inc.