

# MODERN SLAVERY STATEMENT

2023-24

## FOREWORD

# WHAT IS MODERN SLAVERY

Modern slavery is a violation of fundamental human rights, and it can take many different forms, including:

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

Modern slavery has two principal components – forced labour and forced marriage. Both refer to situations of exploitation that a person cannot refuse or cannot leave because of threats, violence, coercion, deception, or abuse of power. The International Labour Organisation 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.”

Danone has a zero-tolerance approach to modern slavery. Forced labour, in any form, has no place in our operations or supply chains. It’s our belief that to make progress, businesses, governments and civil society as a whole must work together to challenge and prevent modern slavery.

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



# STATEMENT FROM JAMES MAYER

## PRESIDENT OF DANONE UK & IRELAND

In 2022, we launched our Renew Danone Strategy which reframed our sustainability journey and focussed our efforts around three pillars: “Health”, “Nature” and “People & Communities”. We endeavour to be a business that operates as a force for good. In 2024, our region successfully recertified as a B Corp, reaffirming our dedication to this commitment.

That ethos runs deep in our organisation, its something we believe and have lived for decades. It was articulated by our then CEO, Antoine Riboud in 1972, when he called for a different approach to business. He stated that corporate responsibility doesn’t end at the factory gate or the office door; this paved the way for a new approach to business. Its an ethos we try and reflect in our modern-day business.



At Danone UK & Ireland, we strive to meet that challenge set in 1972. Our purpose is to deliver better health through better nutrition for consumers and patients. We believe that the health of people and the planet are interconnected. It means that we continue to offer healthier and more sustainable choices when it comes to what we eat and drink, all while taking care of our employees, communities and the environment.

So, it follows that, at Danone we are deeply committed to upholding the highest standards of human rights and ethical practices within our operations and supply chains. This includes seeking out and eradicating modern slavery wherever it is found.

We believe that businesses, governments, and civil society must work together on this task. For our part we ground our efforts in our core values and our commitment to fostering a prosperous and inclusive ecosystem.

Specifically, as we look to 2025, Danone is committed to further rolling out the HRDD roadmap, strengthening the RESPECT program for supplier sustainability performance, and engaging stakeholders to strengthen measures against modern slavery.

We are proud of the progress we have made, but we recognize that there is still much work to be done. Our dedication to human rights is unwavering, and we will continue to collaborate with our stakeholders, and others, to ensure that our supply chains are free from forced labour and exploitation.

**Together, we must create a future where everyone is treated with dignity and respect.**

A handwritten signature in black ink, which appears to read 'J. Mayer'.

# 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 and in 2024 we launched our Impact Report demonstrating our progress in the UK & Ireland. In 2024, we also recertified as a B Corp across all of our UK & Ireland operations

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.

# PROGRESS IN THE LAST 12 MONTHS



The Danone Impact Journey was introduced to outline our path towards fulfilling our vision of fostering thriving people and communities. Since its inception, we have shared our priorities with Suppliers and Key Customers and released our UK & Ireland Impact Report, highlighting both the advancements achieved and the ongoing challenges we face.



In collaboration with AIM-PROGRESS and Oxfam Business Advisory Service, Danone piloted a review with a number of European logistic suppliers to utilise a grievance mechanism toolkit, resulting in a direct positive impact on Danone's supply chain workers.



In the UK & Ireland we became an Includability Employer, demonstrating our commitment to fairness and inclusion.



Our Sustainability Sourcing Policy was launched in June 2024, slowly replacing our Danone Sustainability Principles.



As a member of the Consumer Good Forum (CGF)'s Human Rights Coalition working to end forced labour, we have pledged to develop and deploy Human Rights Due Diligence (HRDD) systems. These focus on preventing forced labour in our own operations, with the aim of reaching 100% coverage by 2025. In 2023, Danone created a central governance system, sponsored by the Chief Human Resources Officer with a task force dedicated to building internal human rights expertise, strengthening processes and deploying the HRDD roadmap. The roll out started in 2024



By the end of 2023, 5,750 Danone employees globally had completed the dedicated e-learning training program on human rights and the fight against forced labour. In 2024 Danone developed a new training course on the Human Rights Policy targeting all employees worldwide. It will be translated into 24 languages and will be mandatory for all employees worldwide.



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



B Corps are required to recertify every three years to ensure ongoing improvement. We have recently completed this recertification in the UK & Ireland to uphold our B Corp status and our proud of the progress we have made

OUR STRUCTURE & OPERATIONS

DANONE AT A GLANCE

2023 KEY FIGURES

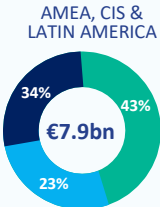
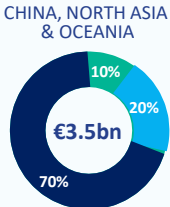
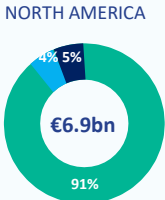
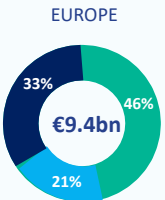
DELIVERING SUSTAINABLE GROWTH  
LEADING POSITIONS



KEY FINANCIAL FIGURES



SALES BY GEOGRAPHIC ZONES



Essential Dairy and Plant-Based (EDP) Specialized Nutrition (SN) Waters

CONTINUING OUR PATH



SOCIÉTÉ À MISSION  
SINCE 2020  
first French listed company  
to adopt the “Société à  
Mission” status.

82.5%  
SALES  
covered by B Corp  
certification.  
(vs. 74.2% in 2022)



FOCUSING ON HEALTH



89.2%  
SALES IN VOLUME OF DAIRY, PLANT-BASED  
AND WATERS PRODUCTS RATED > 3.5 STARS  
BY HEALTH STAR RATING

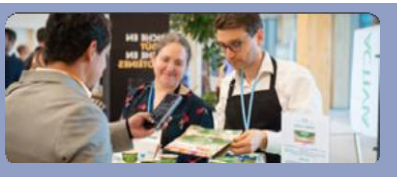
FOCUSING ON NATURE

AAA

AWARDED BY CDP FOR THE 5<sup>TH</sup> YEAR  
IN A ROW  
Score obtained as part of the CDP Climate  
Change, CDP Water security and CDP  
Forests questionnaire



FOCUSING ON PEOPLE & COMMUNITIES



79%  
SCORE OF  
FOR THE INCLUSION INDEX,  
measured through the Danone People  
Survey (+2pts vs peers)

IN 2023 DANONE EMPLOYED NEARLY  
100,000 EMPLOYEES  
IN OVER 55 COUNTRIES



## 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 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, detailed in the key policies section on page 7.
- 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. Raw milk is the simplest, where we work with thousands of farmers directly or have a maximum of one intermediary. Other ingredients, such as 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 11).



### PRODUCTION SITES

The raw materials that go into our food and drink products are processed at one of our 153 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 (for more information see page 10).



### 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.

# OUR APPROACH

In 2022, with the support of Shift, (the leading centre of expertise on the UN Guiding Principles on Business and Human Rights,) we concluded the salient human right impact assessment started in 2021. In 2022, Danone strengthened its human rights approach by publishing its [Human Rights Policy](#) and updating the [Danone Sustainability Principles for Business Partners](#) (DSP) applicable to its value chain, as well as the [Danone Sustainability Principles & Implementation Note for Danone and Employees](#).

## 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 people 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.

## SUSTAINABLE SOURCING POLICY (SSP)

In July 2024, we published our Sustainable Sourcing Policy, [Sustainable Sourcing Policy](#) setting out the standards for Danone and our Suppliers and outlines our Company's commitments to establish fair, sustainable and ethical relationships. Replacing our Danone Sustainability Principles, the SSP enhances our due diligence risk management and there are now 3 components for each Principle: Mandatory requirements, Enabling Management Systems and Advanced Practices, with the aim of preventing and addressing human rights and environmental impacts related to our business activity. One of the Danone Impact Journey KPIs is for the SSP to be deployed to all our Tier 1 suppliers by 2030, with a target roll out of 10% of our total addressable spend by the end of 2024. We acknowledge that such transformation takes time, and Danone will take this journey together with its suppliers.

To guide our operations and employees, we have the [Danone Sustainability Principles & Implementation Note for Danone and Employees](#). This sets out how we relate to our employees, and the things that are required and expected from all of Danone's entities worldwide. It also commits all employees to implement the DSP in their daily work and interactions with business partners, including raising concerns when they deem it appropriate to do so.

[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**



**United Nations Global Compact**  
**Save the Children**



# DUE DILIGENCE AND SUPPLY 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 any non-conformities identified through our audit processes.

## DUTY OF VIGILANCE

The due diligence we implement in our value chain is governed by the Danone Vigilance Plan. In line with France’s 2017 Duty of Vigilance Law, the annual plan seeks to identify risks and prevent severe social and environmental harm that may arise from the Group’s activities or the activities of suppliers and subcontractors with which the Group maintains an established commercial relationship. This includes responsible sourcing and human rights.

As a result, Danone carries out due diligence on its subsidiaries and mainly first tier and milk suppliers. Looking to the future, we’re now also developing due diligence in our extended supply chain through engaging tier 1 suppliers. This involves requesting supply chain transparency, using certifications and in some cases through collaborative projects on the ground.

## IDENTIFYING RISKS


To help us identify any prominent risks, we undertake both materiality and risk-mapping exercises.

In 2023, Danone launched a major project to prepare for the application of the EU Corporate Sustainability Reporting Directive (CSRD) in January 2024, which included the double materiality assessment (both financial and impact materiality), as set out by the CSRD.

In addition to the materiality analysis, Danone conducted a salient human rights impact assessment with the support of Shift, the leading centre 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 approved by the Global Engagement Committee in October. It has been launched in 2024 after a pilot and will gradually replace the Danone Sustainability Principles for direct suppliers who have a contractual relationship with Danone (except for raw material producers and farmers).



AGRICULTURAL SUPPLY CHAIN TRANSPARENCYTABLE

RAW MATERIAL	ADDITIONAL INFORMATION	
Palm Oil	99%	<div>Traceability to mill/plantation level</div> <div>CERTIFICATION: 95% RSPO segregated 2% certified RSPO mass balanced 3% sourced from West Africa</div> <div><ul style="list-style-type: none"><li>Partner with Earthworm Foundation to ensure traceability of palm oil.</li><li>Direct and mill-level suppliers available on our <a href="#">website</a>.</li></ul></div>
Soybeans	100%	<div>of soybeans come from areas with little or no risk of deforestation and land conversion</div>
Cocoa	75-80%	<div>Certified with one or more programmes (Rainforest Alliance, Organic, Fairtrade, Fair For Life).</div>
Paper and Board	95%	<div> of paper and board packaging made of recycled fibres or virgin certified (FSC, PEFC, SFI) fibres.</div>

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 16)
- 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 our 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).

We piloted Human Rights Due Diligence (HRDD) systems in Poland and Brazil in 2022. Danone set up a new governance structure in 2023 under which the Chief Human Resources Officer leads a team dedicated to internal human rights expertise building. The team is tasked with accelerating the roll-out of the Human Rights Due Diligence (HRDD) roadmap across Danone's operations worldwide.

## WHISTLEBLOWING SYSTEM

Danone has a clear whistleblowing policy as part of its Compliance Framework policy which encourages all employees, anonymously, if necessary, to speak up and raise concerns about any wrongdoing. The whistleblowing statement is also available on Danone.com and on the front page of Danone's whistleblowing system called the Danone Ethics Line.

Since 2017, the Danone Ethics Line has enabled whistleblowers to report suspected human rights and environmental violations. The reporting process was developed in consultation with employee representatives and ensures that whistleblowers are protected.

The Danone Ethics Line was upgraded in 2022. Anyone can access it via the internet or via a phone line and it's available in 52 languages. Suppliers and any other third party can also use the Danone Ethics Line to report their concerns, anonymously if they wish so. All cases are investigated and, where breaches are found, appropriate actions will be taken. Danone has a zero-tolerance approach to attacks on human rights defenders and expects their business partners and their suppliers to do the same.

In 2023, a total of 388 alerts were reported in the human rights category. These originated from 31 countries, versus 273 alerts from 25 countries in 2022. This increase in the number of alerts is mainly due to the global awareness campaign led in 2023 regarding the Danone Ethics Line & How to raise a concern.

Danone continued to refine its scope definition approach during 2022, and reported "human rights" alerts more precisely under the following categories:

- **Ending exploitation-** prohibiting child and forced labour, prohibiting harassment and abuse, and ensuring reasonable working hours: 149 alerts (mostly harassment related issues)
- **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: 123 alerts (mostly misconduct and discrimination issues)

In summary, over 86% of alerts received are related to harassment, misconduct and discrimination. All alerts are initially reviewed by the Global Human Resources Compliance and Labor Law Director, who then appoints an independent internal or external investigator. At year end, out of the 388 alerts created in 2023, 309 alerts had been closed, and 79 are still under investigation. Among the 309 alerts closed in 2023, 38% turned out to be substantiated or partially substantiated.

If serious violations are identified, they're handled in collaboration with the Human Rights team in order to determine the appropriate approach and action plans. We are working collaboratively to further strengthen our grievance mechanism for stakeholders beyond employees.

Danone also has investigation and remediation processes 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.

## SUSTAINABLE SOURCING

### SUPPORTING OUR FARMERS

As a business, Danone favours local sourcing of raw milk, and we do this from more than 58,000 farms in approximately 16 countries, both directly and indirectly.

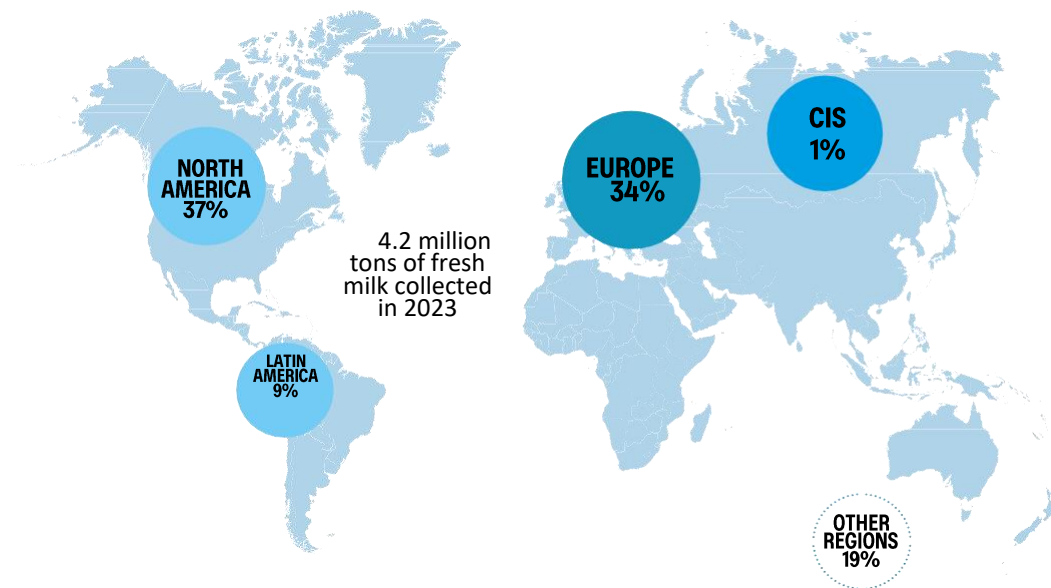
Most of the milk we source comes from family farms, with around 90% of the partner producers owning small family farms with fewer than 25 cows. These farms are primarily located in emerging countries in Africa and Latin America, and supply approximately 14% of Danone's total milk volume.

Danone also works with larger family farms (with herds ranging from a few dozen to thousands of cows), which represent about 1% of the Group's fresh milk suppliers and nearly 74% of milk volumes, the latter being generally collected directly by the Group.

Supporting dairy farmers is a priority for us. At Danone, we support the dairy farmers we work with by providing them with training and technical support to help them transform their farming practices, whilst at the same time ensuring the viability of their business models.

Through the Sustainable Dairy Partnership, Danone continues to work towards a more sustainable dairy industry. This means supporting the prevention of deforestation, the protection of human rights and animal welfare, as well as compliance with local legislation.

Looking to the future, we're also working to empower generations of farmers by developing sustainable relationships and supporting them in the transition of their practices via funding and training. Our Regenerative Agriculture Social Survey is aimed at assessing farmers and workers livelihoods and working conditions in order to develop appropriate and enhanced human rights due diligence.



## RESPECT PROGRAM FOR RESPONSIBLE SOURCING

Danone also implements responsible sourcing due diligence towards its Tier 1 suppliers of other materials, i.e., processed raw materials such as fruit preparations and powdered milk, packaging, production machinery, transport and other services. We do this through our RESPECT program.

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 (UNGPR). The RESPECT program streamlines evaluation procedures for Tier 1 suppliers and is structured on three main pillars:

1. Danone requires in scope Tier 1 suppliers to complete a self-assessment questionnaire. The purpose of this is to evaluate their sustainability performance. As part of this process, they must register on the Sedex (Supplier Ethical Data Exchange) platform (direct procurement categories, as well as third party manufacturers, and producers of promotional items), or the Ecovadis platform (indirect procurement categories). As a result, a scorecard is generated. Both scorecards evaluate labour standards, health and safety, and environment and business ethics dimensions. At the end of 2023, 3,511 supplier entities were registered on the Sedex or Ecovadis platform compared to 3,189 in 2022, and 90% had completed the Sedex self-assessment or obtained an Ecovadis scorecard. These 3,511 entities represent 2,759 suppliers.
2. Danone identifies high risk or high priority suppliers that should undergo an on-site assessment (audit). Since 2020, we've used a risk analysis approach that combines risks and spend levels for suppliers of our operating units and global categories. We have developed an in-house human rights risk evaluation for suppliers based on:  
(i) the inherent country social risk index as identified by Sedex risk tool;  
(ii) the spend level; and  
(iii) the purchase category risk
3. Based on its analysis, the RESPECT team worked with purchasing departments around the world to co-develop the 2023 audit plan, selecting 84 high risk or high priority sites. Among them, 65 sites have 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. As a result, in 2023, Danone had access to 541 SMETA audits carried out on its suppliers, either by the Group itself or by its peers.

4. Once an audit is conducted, it's our goal to establish regular dialogue with our Tier 1 suppliers. This dialogue puts a focus on their responsible business practices and monitoring the delivery of critical non-conformances identified by audits - including when audits of shared suppliers are conducted by peer companies. In order to increase the robustness of the supplier remediation plans, the RESPECT team has dedicated resources located in Asia and Latin America. They support suppliers in developing their corrective action plans by providing expert advice, resources and regular engagements, the chief aim being to close audits according to the SMETA methodology.

## RESPONSIBLE SOURCING IN THE EXTENDED SUPPLY CHAIN: DUE DILIGENCE RELATED TO RAW MATERIALS SOURCING

Building on the work we have already done towards gaining greater transparency across our full supply chain, Danone is mitigating risks and preventing serious human rights violations beyond our tier 1 suppliers in three main ways:

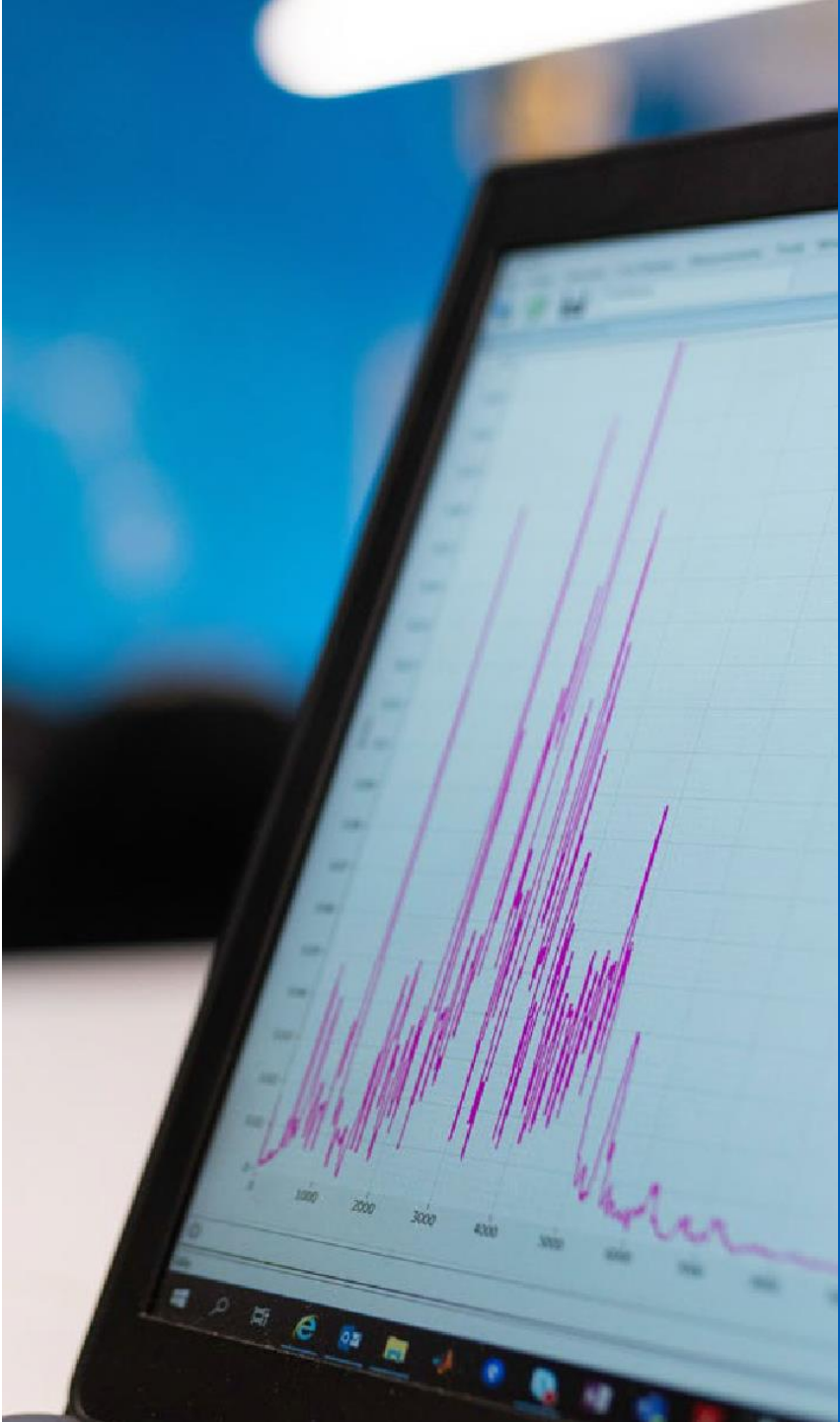
- Engaging with Tier 1 suppliers and in some cases traders to increase our knowledge of their supply chains up to upstream producers.
- Using certifications such as RSPO for palm oil; Rainforest Alliance (UTZ), Organic, Fair Trade, or Fair For Life for cocoa and for Danone North America's coffee; FSC, PEFC and SFI for paper; Bonsucro and Organic for cane sugar, and RTRS or Proterra for soy.
- Leading or supporting collaborative impact projects on the ground to help producers address environmental and labour issues in a holistic manner. As an example, a vanilla plantation project in Madagascar supported by the Livelihoods Fund for Family Farming involves 3,000 family farms. The aim is to develop solutions that improve the quality and traceability of vanilla production, preserve biodiversity and boost food security for farmers.

# TRACKING AND ASSESSING THE EFFECTIVENESS OF SUPPLIER PROGRAMS

Danone tracks its RESPECT program using the following three indicators:

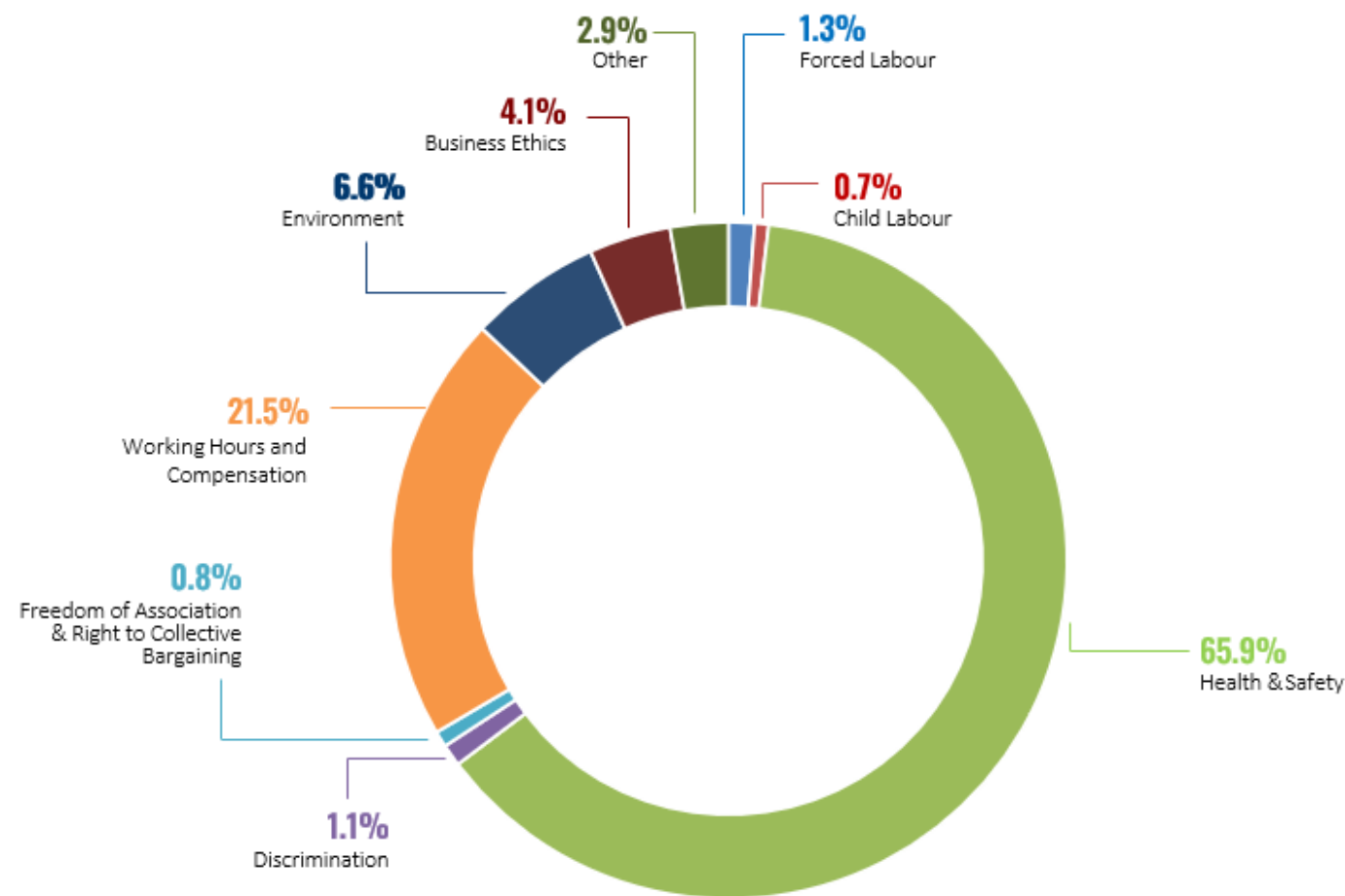
KEY PERFORMANCE INDICATOR	RESULT
PERCENTAGE OF THE EXPENDITURE COVERED BY THE RESPECT PROGRAM	<ul style="list-style-type: none"><li>69% of Danone's expenditure was covered by the sustainable sourcing program, excluding raw milk, real estate, and tax services in 2023.</li></ul>
ANNUAL AUDIT PLAN COMPLETION	<ul style="list-style-type: none"><li>77% of SMETA audits planned were completed in 2023.</li></ul>
AUDIT CLOSURE RATE	<ul style="list-style-type: none"><li>84% of audits that identified critical non-conformities (being commissioned by Danone or by peers on common suppliers) have been closed in the expected timeframe. Adults that have not been closed continued to be monitored.</li></ul>

These RESPECT indicators are included in the calculation of the variable compensation of some procurement teams and the RESPECT team, including for their managers.



# BREAKDOWN OF CRITICAL NON-CONFORMITIES IDENTIFIED

Globally, we conducted an analysis on the 452 critical non-conformities identified through the SMETA audits conducted in 2023 (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 221 : [URDdanone2023interactive.pdf](#)



## WORKING COLLABORATIVELY

**To positively change the way food is grown, produced, marketed, distributed, sold and consumed, we need to create solutions collectively with others, and learn from each other's knowledge and expertise.**

In order to do this, we're building on decades of partnership experience, and working hand-in-hand with Danone employees, farmers, suppliers, retailers, consumers and partners, as well as civil society, governments and public health professionals.

We support a level playing field for corporate accountability and believe this can drive better outcomes for people and the planet across global value chains. Since 2020, we, together with our peers, have supported the shaping of an EU legislative proposal on mandatory human rights and environmental due diligence.

In April 2024, the European Parliament adopted the Corporate Sustainability Due Diligence Directive. The aim of this Directive is to foster sustainable and responsible corporate behaviour and to anchor human rights and environmental considerations in companies' operations and corporate governance. The new rules will ensure that businesses address adverse impacts of their actions, including in their value chains inside and outside Europe.

# CGF HUMAN RIGHTS COALITION

In 2016, Danone joined the CGF’s 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.

Together with 28 peer members of the CGF’s ‘Human Rights Coalition – Working to end forced labour’, we pledged to develop and implement Human Rights Due Diligence (HRDD) systems that focus on forced labour in our operations. Our goal is to achieve 100% coverage by 2025, including third-party contractors and regular/on-going agency workers.

In 2021 the coalition launched the [Maturity Journey Framework](#) for Human Rights Due Diligence (HRDD) Systems Focused on Forced Labour in Own Operations. Danone participated in the core group which drafted the HRDD Maturity Journey Framework, ensuring alignment with the AIM Progress Maturity Journey Framework. The Coalition is supported by the Fair Labor Association (FLA) and the International Organization for Migration (IOM).

In 2022, we piloted the first steps of the Coalition due diligence framework in our Poland and Brazil Business Units. In these locations, local cross functional task forces were selected (Human Resources, Procurement, and Legal /Compliance) and trained by the FLA to increase their capabilities. They mapped the business units’ workforce and ran the human rights self-assessment questionnaire on the highest risk categories, i.e. external workers. The findings did not identify significant violations, but did show the need to reinforce policies and processes, and to strengthen understanding and awareness through education and communication. This will be addressed through local follow up Action Plans.



## CGF COALITION FOCUS AREAS:

- HRDD systems focused on forced labour in CGF Members’ own operations
- Implementation of HRDD systems in palm oil supply chains in Malaysia
- Supporting the development of responsible recruitment markets through capacity building and government advocacy

## THE CGF THREE PRIORITY INDUSTRY PRINCIPLES:



In 2022, we continued our contribution to the Business for Inclusive Growth Coalition, which aims to scale up actions on economic inclusion, particularly with regards to human rights across the value chains. As of 2024, this coalition has been merged with the World Business Council for Sustainable Development (WBCSD).

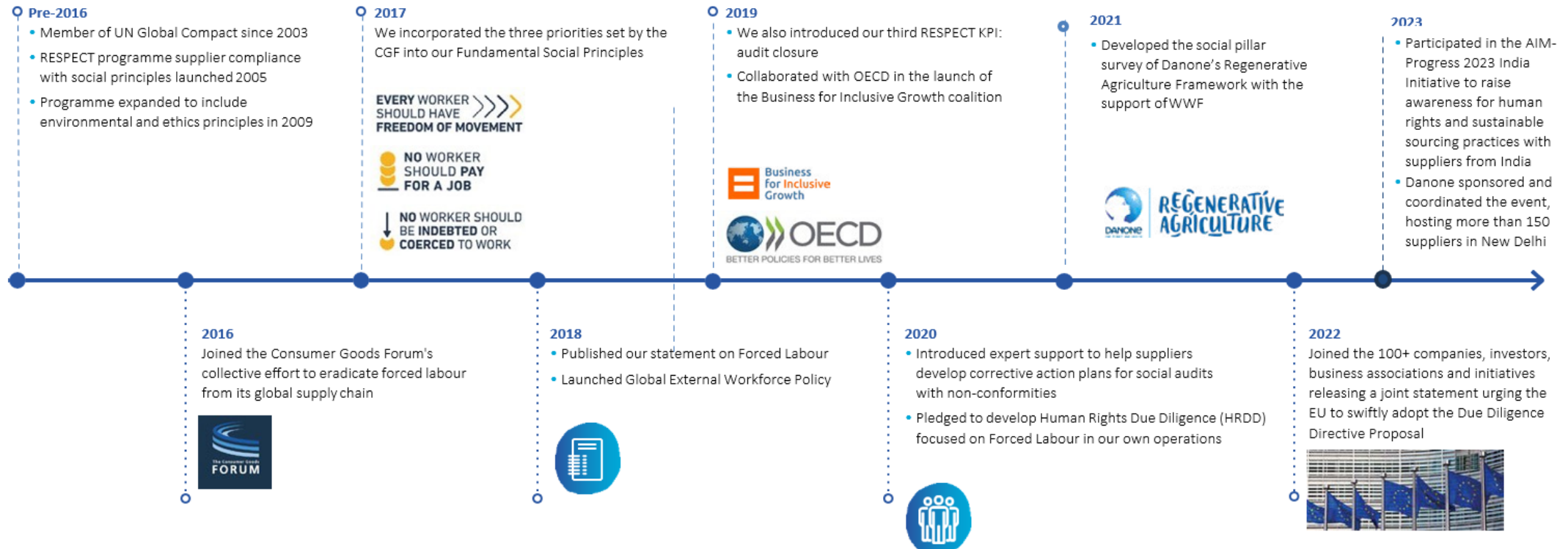
# PARTNERSHIPS & COMMITMENTS

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

In 2023, Danone participated in a pilot project to support a group of European logistic suppliers to improve their grievance mechanisms. The pilot was developed and co-ordinated by AIM-PROGRESS and supported by the Oxfam Business Advisory Service, the purpose was for the suppliers' workers (in this case, 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 carriers to navigate and utilise a grievance mechanism toolkit. The pilot was positively received by the suppliers, who successfully started the implementation of the toolkit, resulting in a direct positive impact on Danone's supply chain workers.



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

**'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.'** **Franck RIBOUD, Former Danone CEO.**

When the financial crisis hit the global economy and impacted unemployment rates worldwide in 2009, Danone's CEO at the time, Franck Riboud, announced that it was time for Danone to make a major investment in its local 'ecosystems'

In response, Danone shareholders agreed to invest €100 million of the company's 2009 profits into the newly created Danone Ecosystem.

Together with Danone employees and local partners, Danone Ecosystem creates fresh and innovative business models. Business models that strengthen inclusion and environmental sustainability, provide organisational know-how, technical expertise, and financing support. From 2009 to 2023, Danone Ecosystem has co-created 100+ projects, with 89 Non-Profit Organizations as partners, covering the following topics:

1. Nature
  - Regenerative Agriculture
  - Inclusive Waste Management
  - Watershed Protection
2. Healthy food and diet:
  - Breastfeeding Support
  - Ageing well
  - Iron Efficiency and Anemia Eradication

Through those 100+ projects, Danone Ecosystem aims to positively impact the health of the planet and its people:

- 76,000 professionals (more than half of whom are women) working in Danone's ecosystems have been empowered through various initiatives to boost their employability, support their social inclusion, and help secure their revenues. As a starting point, priority was given to the most vulnerable: family farmers, waste- pickers, caregivers and street vendors.
- 5.5M people's lives have been impacted positively within local communities since the inception of the Danone Ecosystem. (Based on the 2022 Danone Ecosystem annual report)
- At the end of 2023, Danone Ecosystem was supporting 32 active projects across Europe, Asia, Africa and Latin America.

**DANONE**  
**ECOSYSTEM**

To learn more about Danone Ecosystem impact and the models they develop visit

<https://www.linkedin.com/company/danone-ecosystem-fund>

## FREZNA

The Frezna project is a Danone Ecosystem initiative which aims to develop a sustainable farm model to produce strawberries. It does so by ensuring robust income for the farms while deploying sustainable agricultural practices and ensuring social requirements are met.

To date (2023), the project has helped to empower over 142 strawberry farmers and their ecosystems by:

- (1) Ensuring farmers have access to social security benefits
- (2) Ensuring 100% of field workers have access to social security benefits and medical visits
- (3) Guiding farmers on how to limit the environmental impact of strawberry farming
- (4) Training farmers on finance and entrepreneurial skills to improve their farming model therefore securing their revenues and livelihoods

Frezna is a cross-sector initiative co-created along with Danone Ecosystem, DIRA, GIZ, Messemer, and DanTrade.

## INCLUSIVE RECYCLING INDONESIA

The “Inclusive Recycling Indonesia” project Indonesia (IRI) aims to tackle the problem of packaging waste in Indonesia by helping recycling circuits to organize themselves, and by supporting their main stakeholders. To achieve this goal, IRI empowered 2,500+ waste management’s front-line workers so they can have a better livelihood, access to training and better working conditions. As a result:

- 65% of waste pickers report actively being able to save money, helping to provide higher education for their children.
- 75% of them declare benefiting from new social recognition by the population thanks to uniforms provided by the project.
- All waste pickers must undergo training to prevent child labour. This is important given that child labour is prevalent in Indonesia, with children working to support their families.

IRI is a cross-sector initiative co-created with Danone Ecosystem, Danone-AQUA, Veolia and YPCII.





## GOVERNANCE

At Danone, governance is not solely about monitoring and regulating behaviour. We hold ourselves to the highest standards and look to align with internationally recognised frameworks such as the United Nations Global Compact and B Corp™.

We have a series of policies and governance processes that underpin our efforts to respect internationally recognised human rights principles and guidance

## BOARD AND CSR COMMITTEE

The Board determines the strategic orientations of Danone’s activity and ensures their implementation. Furthermore, it seeks to promote and support the creation of long-term value, while taking into account the social and environmental challenges of Danone’s activities.

A Board Corporate Social Responsibility (CSR) committee is in place. This committee oversees the strategic priorities and associated medium/long term objectives in the social, societal and environmental fields (Danone Impact Journey).

An update on the progress of the “human rights” pillar of the duty of care plan was presented to the Board of Directors’ CSR Committee in November 2023, including the upcoming Sustainable Sourcing Policy. This policy was approved by the Global Engagement Committee in October 2023, piloted and launched in 2024. It will be gradually deployed over the years with the aim of reaching 100% Tier 1 suppliers by 2030.

## SOCIÉTÉ À MISSION

In June 2020, and with the support of more than 99% of shareholders Danone became the first publicly listed company to adopt the French 'Société à Mission' status. A 'Société à Mission' is defined as a company whose objectives in the social, societal and environmental fields are aligned with its purpose, and set out in its by-laws.

The same year saw us select four of our 2030 Company Goals as our Mission Objectives and integrate them into our by-laws. The Mission Objective that relates to human rights is:

**'FOSTER INCLUSIVE GROWTH BY ENSURING EQUAL OPPORTUNITIES WITHIN THE COMPANY, SUPPORTING THE MOST VULNERABLE PARTNERS IN ITS ECOSYSTEM, AND DEVELOPING EVERYDAY PRODUCTS ACCESSIBLE TO AS MANY PEOPLE AS POSSIBLE'.**

The Mission Committee monitors our progress toward these objectives by:

- Assessing the effectiveness of the actions carried out by Danone within the context of the roadmap defined by the Company to accomplish the mission
- Examining the relevance of the actions and key performance indicators (KPIs) of the roadmap to accomplishing the mission, in particular with regard to their impact on various stakeholders and changes in the Company's ecosystem
- Presenting an annual report, attached to the management report submitted to the Shareholders' Meeting, on the monitoring of the Company's execution of social and environmental objectives
- Using an independent third party, from which it hears at least once a year.

In 2022, we progressed in our Société à Mission journey by setting measurable KPIs to 2025, as well as annual trajectories to ensure consistent progress. This process was overseen by the Mission Committee. The 2025 KPIs are reflected in the Danone Impact Journey.

## EXECUTIVE LEADERSHIP

In 2022, Danone appointed its Chief Sustainability and Strategic Business Development Officer, Henri Bruxelles who sits on our Global Executive Committee. He is tasked with putting our sustainability agenda at the heart of Danone's business delivery and performance, as a key driver of our competitiveness. Under his leadership, Nathalie Alquier, Danone Chief Sustainability Officer, is responsible for leading our sustainability strategy, the Danone Impact Journey, ensuring delivery against all key priorities and developing partnerships to support this. Internal governance at a functional and country level drives, monitors and makes decisions on the roll-out of the Danone Impact Journey, including human rights as part of our priorities in this journey.



## DANONE WAY

We continue to monitor the human rights performance of our subsidiaries through our Danone Way programme. It's how we ensure that all entities, at all levels, progress toward our goals. This involves tracking and supporting sustainability performance through a set of qualitative practices. Reliability is reinforced by external audits, which are performed by an independent third party.

## TRAINING & ENGAGEMENT

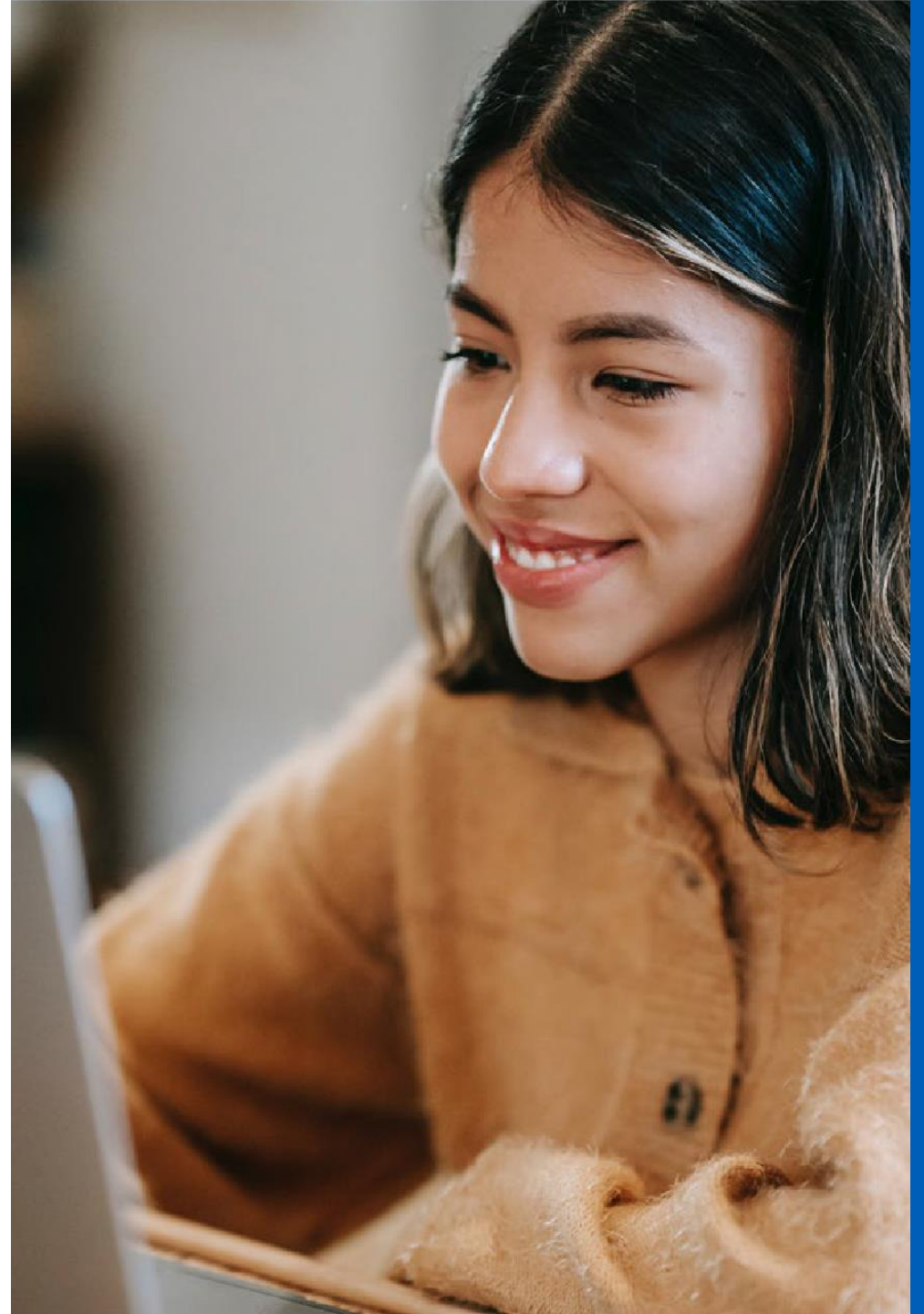
The Danone dedicated e-learning training program on human rights and the fight against forced labour is available on the Group training platform for the Procurement, Human Resources and General Secretary functions.

Employee engagement on human rights was further strengthened in 2022 with the launch of Human Rights Community Networking Calls. Gathering the local Human Rights Champions (Human Resources), RESPECT Champions, and local Sustainability Managers, these quarterly calls enable information and best practice sharing and aim to progressively build local awareness and capabilities.

Our RESPECT Champions are local representatives who ensure that the RESPECT program is embedded and rolled out at a local level. Ultimately, they play a vital role in the implementation of our policies among our suppliers. Danone trains its RESPECT champions and buyers on the RESPECT program, ensuring that they're aware of the risks related to forced labour and the CGF's three priorities.

The RESPECT team developed a 4-module e-learning course covering the fundamentals of the program, which was included in the learning journey for the procurement team. In 2023, 98 buyers, champions or purchasing managers completed at least one module and close to 2/3rd of them the whole course. The RESPECT e-learning course complements the training module on human rights and forced labour already offered online. At the end of 2023, more than 5,750 Danone employees had completed the human rights and forced labour training.

In addition, following the publication of Danone's Human Rights Policy in 2022, a global target has been set for 100% of Danoners to be trained on the policy by 2025. This is incorporated into the Danone Impact Journey. The training will be deployed in 2025.



# 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 throughout 2024/25, focusing on the following action areas:

- We recognize the importance of continued training and development for all Danone employees and will build deployment plans for both digitally connected and manufacturing employees. In the UK we will also implement masterclasses for our UK management teams
- Human rights Policy
- Further roll out of the Human Rights Due Diligence (HRDD) roadmap across Danone operations worldwide to meet the commitment of deployment over 100% scope by the end of 2025.
- The Danone Sustainable Sourcing Policy, building upon the Danone Sustainability Principles, will gradually replace them as it is rolled out to suppliers, driving continuous improvement in implementing sustainability and human rights due diligence.
- In parallel, we will strengthen the RESPECT program aimed at monitoring suppliers' sustainability performance and the implementation of the policy.

We continue to engage with our stakeholders on this important topic to improve upon our measures. Frezna is a cross-sector initiative co-created along with Danone Ecosystem, DIRA, GIZ, MesseM, and DanTrade.



**THIS STATEMENT HAS BEEN PUBLISHED IN ACCORDANCE WITH THE MODERN SLAVERY ACT 2015. IT OUTLINES THE MEASURES TAKEN BY THE DANONE COMPANY & ITS UK BUSINESSES DURING 2023-24 TO PREVENT SLAVERY, SERVITUDE, FORCED OR COMPULSORY LABOUR AND HUMAN TRAFFICKING ACROSS OUR BUSINESS AND SUPPLY CHAIN.**

## **CONTACTS**

If you have any comments or queries, please contact:

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<http://www.danone.co.uk/media/contact.html>

Danone's in-scope UK businesses are:  
Nutricia Ltd, SHS International Ltd, Alpro UK Ltd

Danone UK financial year end runs from 1st January – 31st December