

## Danone's commitments to the EU Code of Conduct

At Danone, we believe that each time we eat and drink, we can vote for the world we want to live in. Our 'One Planet. One Health.' framework of actions encapsulates our strong belief that the health of people and that of the planet are deeply interconnected. Healthy food contributes to our general health, and healthy food depends on a healthy planet. This will explain why Danone strongly supports the Green Deal and the Farm to Fork Strategy objectives to combat climate change, to restore biodiversity and to transform our food systems to make healthy and sustainable food accessible to all – as laid out in our [EU Call to Action for a Common Food Policy](#). There is no other option than to continue on our path towards sustainable food systems.

Convinced that each actor in the supply chain has a responsibility and a role to play in the sustainable transition, Danone is hence submitting the following commitments that cover key parts of its impact under the three pillars of the Code<sup>1</sup>.

### Improving the sustainability of food processing's internal processes

- Tackling our GHG emissions, direct and indirect, is central and the foundation guiding all our efforts to reduce our impact on the environment.
  - **We commit to net zero-carbon emissions by 2050 across our full supply chain.**
    - As part of this commitment, we have set Science Based Targets for 2030, which we are currently updating to be in line with 1,5° C. Indeed, Danone is working with the Science Based Targets initiative to define the pathway for 1,5 °C for Forests, Land and Agriculture, which is expected to be finalized by end of 2021.
- Packaging is fundamental to our ability to provide people with nutritious, high-quality food and drinks. However, the current packaging system creates important challenges (loss of valuable resources, pollution, etc.) and is an important part of our environmental footprint (9.6%).
  - We therefore commit to **make our packaging 100% reusable, recyclable or compostable by 2025.**
  - In addition, **by 2025, we aim to reach 50% of recycled material** on average in our plastic packaging, going up to **100% r-PET for our water business** in Europe.

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<sup>1</sup> The present commitments under this code were all taken prior to the Code launch. However, several of them are in the process of being updated (climate commitment, nutrition and health commitment and forest policy). Where appropriate those might be submitted for the next update of the Code.

- Danone’s ambition is to **reduce the use of virgin plastic in packaging by 33% by 2025** (baseline 2019).

### **Promoting food consumption patterns (for healthy and sustainable diets)**

- We aim to support consumers to shift their consumption habits towards more sustainable diets, in particular towards more plant-based products, ensuring they can access a broad and attractive offer of products. Therefore, we commit to:
  - **promote a shift to flexitarian diets through increased sales of our plant-based products.** By 2025 we aim to triple the sales revenue from our plant-based products to reach €5 billion (baseline 2018).
  - **help consumers make informed choice for a healthy, balanced diet.** In Europe, we will continue implementing Nutri-Score on our essential dairy and plant based alternatives portfolio wherever possible. To date, we have managed to use Nutri Score in 15 European countries<sup>2</sup> and have plans to continue expanding its use in new European countries in the years to come.
  - The nutritional profile of its brands’ portfolio has always been a priority for Danone.
    - We are defining as we speak our next level of ambition for 2025, which we will announce by the end of 2021. We will aim to include these as new commitments under this Code.
    - In the meantime, the 2016-2020 five-year cycle was marked by substantial progress in our target to reduce added sugars, salt and saturated fats across all the categories. End 2020, 90% of Danone portfolio in volumes is in healthy categories while 82% of Danone portfolio (medical nutrition excluded) is without added sugars.
- With our infant formula portfolio, we are proud to provide a safe high quality nutrition option for parents who cannot, or choose not, to breastfeed. We will continue to be at the forefront of industry in adopting robust and ethical marketing policies<sup>3</sup>. Indeed, the weight of science and the latest Codex developments recognize an important distinction between BMS products and supplementary nutritional products after 12 months, and we believe 0-12 months is the right priority for imminent regulation. Listening to concerns about marketing which may be perceived to blur the boundaries of products for different age categories, we have committed to differentiate our products for these different age categories. This means that we will revise our packaging designs to help parents and caregivers better distinguish between BMS (as defined by local law or by our BMS policy, where this goes beyond local legislation) and other product categories.
  - **Starting in 2021, Danone will review and develop new packaging principles, and we will make progressive moves towards full implementation globally at the latest by**

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<sup>2</sup> France, Germany, Austria, Belgium, Spain, Latvia, Luxembourg, Poland, Portugal, Romania, Slovenia, Switzerland, Hungary, Czech Republic, Slovakia.

<sup>3</sup> We have taken the opportunity of our response to the [global Call to Action on breastmilk substitutes](#) by UNICEF, WHO and civil society organizations to outline several new voluntary initiatives, reinforcing our commitment to support the health of babies and mothers worldwide.

**2025 in order to increase product packaging differentiation to avoid cross-promotion.**

### **Improving the sustainability of the food value chain**

- For Danone, agriculture is the biggest source of greenhouse gas emissions (representing 61% of total emissions in 2020), and the main source of its water use. Given the importance of agriculture in addressing climate change, Danone is firmly committed to regenerative agriculture<sup>4</sup>. It promotes farming practices that protect the soil and biodiversity, as well as animal welfare, while also supporting farmers in the transition towards these practices.
  - **Danone commits to purchase 15% of its volume of agricultural ingredients directly from farms actively committed to a regenerative agriculture approach by the end of 2021.** Our regenerative agriculture scorecard will serve as a guide for this commitment.
  - For ingredients grown in highly water stressed areas, **Danone commits to the following by 2030:**
    - **Reduce total water use 25% ;**
    - **Optimize fertilizer usage at the farm level for 75% of volumes of milk, fruit, almond & soy;**
    - **Increase Buffer zones of at least 15%,** to decrease run offs.
- Our ambition has always been to support our farmers in their search for more local feed sourcing which will provide them with more protein autonomy.
  - In this respect, Danone France has just launched a pilot project aiming to support our farmers in order to have 100% French animal feed solutions through technical and financial support. The ultimate objective is to enable them to achieve this autonomy by working on the environmental and economic performance of farms.
  - We will share the outcome of this pilot and assess to what extent the key learnings could be used for an implementation across in other countries across Europe.
- As a food company we strongly support SDG 12.3 objective to reduce food waste by half by 2030. We recognize that we have a role to play in eliminating food waste in our own operations and supply chains.
  - We commit to achieve SDG 12.3—**reduce food waste within our operations and supply chain by half by 2030.**
  - Because expiry dates are responsible for 10% of food waste across the value chain in Europe, **we commit to selecting the most appropriate date label for each product and shift to a best before date wherever possible** as well as to encouraging consumers to use their senses before throwing out products passed the date.

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<sup>4</sup> See our [regenerative agriculture score card](#) - just released in June 2021. Created with leading experts and in close partnership with WWF France, the scorecard provides a detailed roadmap for farmers and other stakeholders in the transition to regenerative practices, across beginner, intermediate and advanced levels.

- Danone is committed to sourcing responsibly, in a way that upholds human rights and protects natural resources.
  - This means eliminating deforestation and protecting high-value ecosystems. To help eliminate deforestation, our existing commitments (laid out below as per our Forest policy) are currently being updated and will be included in this code once finalised:
    - **100% recycled or certified virgin paper (FSC, PEFC or equivalent)**
    - **100% traceable soy for our plant-based products; and**
    - **100% RSPO Segregated palm oil.**
  - It also means building and strengthening Due Diligence systems for our own operations and supply chains. As part of this effort:
    - **We have committed to deploy Human Rights Due Diligence (HRDD), focused on forced labor, in 100% of our operations by 2025**, including external workers hired by temporary work agencies or subcontractors to carry out regular and continuous work at its entities.
    - For our supply chain due diligence programme, we commit to have 98% of our suppliers above pre-defined spend level registered and (self-) assessed against four criteria (labour standards, health & safety, environment and business practices) on industry leading platform (Sedex or EcoVadis)

## ABOUT DANONE

*Danone is a leading multi-local food and beverage company building on health-focused and fast-growing categories in 3 businesses: Essential Dairy & Plant-Based products, Waters and Specialized Nutrition. With its 'One Planet. One Health' frame of action, which considers the health of people and the planet as intimately interconnected, Danone aims to inspire healthier and more sustainable eating and drinking practices. To accelerate this food revolution and create superior, sustainable, profitable value for all its stakeholders, Danone has defined nine 2030 Goals, and paved the way as the first listed company to adopt the "Entreprise à Mission" status in France. With a purpose to bring health through food to as many people as possible, and corresponding social, societal and environmental objectives set out in its articles of association, Danone commits to operating in an efficient, responsible and inclusive manner, in line with the Sustainable Development Goals (SDGs) of the United Nations. By 2025, Danone aims to become one of the first multinational companies to obtain B Corp™ certification. With more than 100,000 employees, and products sold in over 120 markets, Danone generated €23.6 billion in sales in 2020. Danone's portfolio includes leading international brands (Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic, among others) as well as strong local and regional brands (including AQUA, Blédina, Bonafont, Cow & Gate, Horizon Organic, Mizone, Oikos, Prostokvashino, Silk, Vega). Listed on Euronext Paris and present on the OTCQX market via an ADR (American Depositary Receipt) program, Danone is a component stock of leading sustainability indexes including the ones managed by Vigeo Eiris and Sustainalytics, as well as the Ethibel Sustainability Index, the MSCI ESG Indexes, the FTSE4Good Index Series, Bloomberg Gender Equality Index, and the Access to Nutrition Index.*

Aspirational objective as laid out by the EC	Our own objective	Basis of ambition	Target	Baseline	Reporting framework	
<b>Improving the sustainability of food processing's internal processes</b>	Climate neutral food chain in Europe by 2050	Paris Climate agreement	To be carbon neutral by 2050 across our direct and indirect scopes of responsibility; intermediate carbon reduction targets for 2030: <ul style="list-style-type: none"> <li>to reduce scope 1, 2 and 3 emission intensity by 50%.</li> <li>to achieve a 30% absolute reduction of scope 1 and 2 emissions.</li> </ul> <i>NOTE: these science-based targets are currently being updated according to the pathway for 1,5° C</i>	2015 (intermediate 2030 target)	CDP	
	Climate neutral food chain in Europe by 2050	Paris Climate agreement				
	<b>An optimised circular and resource-efficient food chain in Europe</b> Move towards an optimised circular and resource-efficient food chain in Europe		Ellen Mcarthur Foundation New Plastic Economy	To make our packaging 100% reusable, recyclable or compostable by 2025	n.a.	EMF New Plastic Economy Progress Report
				By 2025, we aim to reach 50% of recycled materials on average in all our plastic packaging.	n.a.	EMF reporting
Ambition to reduce the use of virgin plastic in packaging by 33% by 2025				2019	EMF reporting	
<b>Promoting food consumption patterns (for healthy and sustainable diets)</b>	Healthy, balanced and sustainable diets for all European consumers	Dietary guidelines, in combination with Paris agreement / EU Climate Law, EU Biodiversity Strategy	To promote a shift to plant-based diet; by 2025 to triple the sales revenue from our plant-based products to reach €5 billion	2018	Internal data	

	Continue improving consumer information globally	Nutri Score	Continuous expansion of the use of Nutri-Score on our packs of essential dairy and plant based alternatives portfolio wherever authorised/tolerated in Europe.	n.a.	Internal
	Continue providing a safe high quality nutrition option for parents who cannot, or choose not, to breastfeed.	The <a href="#">global Call to Action on breastmilk substitutes</a> by UN	To develop product differentiation guidelines (i.e. a clear differentiation of our products for different age categories) – for global roll out by 2025	n.a.	TBC
<b>Improving the sustainability of the food value chain</b>	Enhancement of regenerative agriculture practices		<b>Sourcing through regenerative agriculture:</b> <ul style="list-style-type: none"> <li>The Danone French subsidiary commits to source 100% of ingredients produced in France from regenerative agriculture by 2025.</li> <li>More globally, Danone commits to purchase 15% of its volume of agricultural ingredients directly from farms actively committed to a regenerative agriculture approach by the end of 2021. Our regenerative agriculture scorecard will serve as a guide for this commitment.</li> </ul>	TBC	Universal registration document
	Better water use		By 2030, Danone commits to the following for ingredients produced in highly water stressed areas: <ul style="list-style-type: none"> <li>- reduce total water use in agriculture by 25% (through drip irrigation, waste water re-use, etc.)</li> <li>- optimize fertilizer usage at the farm level for 75% of volumes of milk, fruit, almond &amp; soy</li> </ul>	2021	CDP and universal registration document

			- Increase Buffer zones of at least 15%, to decrease run offs.		
	<b>Sustainable sourcing in food supply chains</b>		To help eliminate deforestation, our existing commitments (laid out below) are currently being updated and will be included in this code once finalised: <ul style="list-style-type: none"> <li>• 100% recycled or certified virgin paper (FSC, PEFC or equivalent)</li> <li>• 100% traceable soy for our plant-based products;</li> <li>• 100% RSPO Segregated palm oil</li> </ul>		Universal registration document
	To uphold human rights and eliminate forced labour		Danone commits to: <ul style="list-style-type: none"> <li>• Human Rights Due Diligence focused on forced labour deployed for 100% of our operations by 2025.</li> <li>• For our supply chain due diligence programme, 98% of our suppliers above pre-defined spend level registered and (self-) assessed against four criteria (labour standards, health &amp; safety, environment and business practices) on industry leading platform (Sedex or EcoVadis)</li> </ul>		Entreprise à mission KPIs
	<b>Prevention and reduction of food loss and waste</b>	EU Farm to Fork strategy, UN SDG 12.3	50% of food waste reduction within our operations and supply chain by 2030.	Baseline 2020	Internal data