

DANONE POSITION ON CLIMATE ADVOCACY



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Climate change is one of the biggest challenges we face as a society and as a business. Danone is committed to bold climate action, drastically reducing emissions across our full value chain in line with 1.5°C pathways. We are also working with others, through multi-stakeholder coalitions and platforms, to drive collective action and decarbonize our food systems. Recognizing the importance of robust climate policy, and the potential of partnerships to drive systemic change, we are committed to conducting all advocacy on climate in line with the 2015 Paris Agreement goals.

Our climate commitments

In 2015, as part of our Climate Policy, we committed to achieving Net-Zero emissions across our full value chain (scopes 1, 2 and 3) by 2050, from the farms where we source our ingredients to the end of life of our products.

In 2017, we set science-based targets aligned with 2°C pathways. In 2019, we strengthened our commitments by signing the Business Ambition for 1.5°C pledge at the UN Climate Summit. We supported the project launched by the Science Based Targets initiative (SBTi) in 2020 to provide the Forest, Land and Agriculture (FLAG) sector with 1.5°C pathways and sectoral guidance. In 2022, we updated our reduction targets in line with 1.5°C pathways and became one of the first two companies in the world to set an SBTi-approved near-term 1.5°C FLAG target versus our 2020 baseline.

In 2023, we replaced our Climate Policy (2016) with a standalone [Climate Transition Plan](#), publicly available on Danone's corporate website, in which we disclose:

- our reduction strategy to meet our 2030 near-term science-based targets, relying on eight programs including direct operations, milk, ingredients, packaging, logistics, co-manufacturing, supplier engagement, as well as low-carbon by design and portfolio management;
- the solutions we are exploring to reduce our emissions in line with 1.5°C pathways between 2030 and 2050;
- our strategy to offset our residual emissions by 2050;
- our actions to mitigate emissions beyond our value chain.

Supporting robust climate policy

While voluntary action from the private sector is paramount, we strongly believe in the need for robust public policy that can accelerate action and innovation, drive accountability and create a level playing field across all economic sectors.

At Danone, we support and are actively engaging government authorities around the following policy principles – in line with our climate ambitions and the Paris Agreement 1.5°C long-term temperature goal, as expressed in relevant IPCC reports, in particular the IPCC Sixth Assessment Report (AR6) and the IPCC Special Report on Global Warming of 1.5°C (SR1.5).

Our engagement aims to:

- Drive more transparency and accountability in the private sector by mandating climate-related disclosures (building on the Task Force on Climate-related Financial Disclosures guidelines)
- Invest in innovations and accelerate support for farmers to transition to regenerative farming practices that reduce GHG emissions – notably methane – and sequester more carbon while strengthening biodiversity, water protection, animal welfare and farmer resilience
- Invest in and promote new technologies and standards for energy, infrastructure, packaging and transportation
- Support a carbon pricing system that can create a level playing field and drive economy-wide GHG reduction
- Drive equity and a just transition across our societies
- Advance financing and reporting models
- Advocate against climate-negative policies such as continued reliance on fossil fuels

Our climate advocacy

To realize our commitments, and to drive collective action required to address climate change, we engage in advocacy, either as a company or industry member. Our advocacy supports the objectives laid out in our sustainability strategy, the [Danone Impact Journey](#), as well as our commitments under our status as a *Société à Mission* and a growing B Corp.

When Danone engages in advocacy activities, we follow the principles set out in our Advocacy Policy and Integrity Policy¹. We work with governments, regulators, scientific societies, trade associations, experts, consumers, NGOs and other businesses on the development of regulations, policies, procedures and related programs that balance continued innovation and development, improve outcomes for consumers and recognize the central role of governments in policymaking.

When it comes to climate advocacy, we are committed to conducting our advocacy in line with the Paris Agreement and with our policy principles outlined above, notably to restrict global temperature rise to 1.5°C. This includes both direct and indirect advocacy through trade associations and other coalitions we are a member of.

Advancing climate advocacy with partners

We work on climate-related issues with a number of different partners – including trade associations – to have a greater impact through collective action. We recognize that such groups can be a strong catalyst for positive climate action, but also risk being a barrier to ambitious positions and commitments. As such, we are committed to encouraging trade associations, as well as their members, to take a more proactive stance to support the Paris Agreement and to limit warming to 1.5°C.

We are currently putting in place guidelines and training to help ensure alignment between our advocacy and the Paris Agreement 1.5°C long-term temperature goal. This includes indirect advocacy through the trade associations, coalitions and platforms we are a member of, at global, regional and local levels. Our internal guidance and training highlight the importance of ensuring alignment and how to address misalignment if it does occur. As part of our annual disclosure to the CDP, we already

¹ Policies available under ‘People’ on the [Commitments, Policies & Positions section of Danone’s website](#).

evaluate alignment between the Paris Agreement, our own advocacy and the advocacy of the trade associations and coalitions with the greatest influence over climate policy.

A list of the civil society and industry platforms we partner with to drive climate action can be found in Chapter 10. 'Advocating in support of global climate action' of our [Climate Transition Plan](#).

Examples of our climate advocacy

Global

- Danone participates in the annual United Nations Climate Change Conference. In 2023, we attended COP28 and highlighted the need to transform our food systems:
 - We signed the Non-State Actors' "Call to Action for Transforming Food Systems for People, Nature, and Climate," which asks governments to strengthen their Nationally Determined Contributions (NDCs) and develop a specific food and agriculture plan. This is in line with what we called for at COP27 in our [Business Call to Action](#).
 - Together with other global dairy companies and under the leadership of the Environmental Defense Fund (EDF), we announced the launch of the Dairy Methane Action Alliance (DMAA). DMAA aims to mobilize others in the dairy industry, drive pre-competitive collaboration and send a clear market signal that the future of dairy is low-methane.
 - Danone became the first Group to join Global Methane Hub's Enteric Fermentation R&D Accelerator which aims to create new scalable and practical solutions for dairy farmers to reduce methane emissions. The Accelerator, which had already raised \$200M in funding, will invest in breakthrough research and innovation to create new scalable and practical solutions for livestock farmers.
 - We joined COP28 Action Agenda on Regenerative Landscapes, an alliance of 25 organizations which aims to aggregate, accelerate, and amplify existing efforts and commitments to accelerate the transition to regenerative agriculture. Danone also joined USAID's PREPARE initiative to provide insights and learnings on how our work with farming suppliers to adopt regenerative agriculture can build climate resilience.

Regional

- In April 2023, Danone [intervened at a European Parliament event](#) on financing the transition for farmers to achieve carbon neutrality, presenting our commitments on regenerative agriculture and calling for additional and new financing mechanisms in the EU to ensure the scale-up of regenerative agriculture models.

National

- In January 2022, Danone North America, with other fifteen leading companies, [filed a legal brief](#) in support of corporate and Environmental Protection Agency regulation to reduce greenhouse gas emissions at the rate necessary to avoid the worst impacts of climate change.
- In July 2022, Danone North America, along with other companies, [called on the US Congress](#) to pass a critical climate and clean energy package.

- In France, in 2022, Danone signed up to the [Government's energy efficiency pledge](#), outlining its own engagements as well as its support for collective efforts towards greater energy efficiency and sustainability.
- Danone in Belgium advocated to create [BACA, the Belgian Alliance for Climate Action](#). Since its launch in Q3 2020 by The Shift & WWF Belgium, the alliance and its 100+ member companies have advocated for more corporate actors to align their climate reduction targets in line with SBTi, encouraged them to accelerate action on climate change and advocated for authorities to adopt ambitious reduction targets.

Governance of climate advocacy and action

The CEO and the Chief Sustainability and Strategic Business Development Officer sponsor the company's climate strategy. The review and implementation of the climate strategy are, as for other sustainability topics, among the responsibilities of the governance bodies involved on all sustainability topics: Corporate Governance bodies (Board of Directors and CSR committee); Internal Governance bodies (Executive Committee, Global Engagement Committee, Risk Committee). In particular, an update on our policies on health, environment and social issues is presented annually at the CSR Committee, which is a specialized Committee of the Board. In 2023, Danone's Climate Transition Plan was presented to the CSR Committee and the Board of Directors. An independent Mission Committee is also responsible for reviewing progress on health, social and environmental goals set out in the by-laws of the Company.

Danone's climate advocacy is developed in cooperation between the sustainability team (reporting to the Chief Sustainability and Strategic Business Development Officer) and the Public Affairs team (reporting to the General Secretary). Any new climate advocacy engagements or partnerships are reviewed and validated by the Global Engagement Committee, which brings together representatives of investor relations, sustainable finance, communications, public affairs, legal and sustainability on a bi-monthly basis. All policies and positions on climate change and related topics are validated by the Corporate Policies & Positions Committee, co-chaired by Danone's General Secretary and Chief Research, Innovation, Quality and Food Safety Officer. This Committee is responsible for overseeing all existing policies and positions within the company, coordinating their updates, and facilitating their distribution to Danoners and externally.

Danone's Corporate Affairs and Compliance Departments are co-responsible for overseeing the worldwide implementation of our company's advocacy policies and priorities. Local Public Affairs managers are also held accountable of their advocacy activities. Regular trainings are rolled-out by both the compliance and public affairs teams to ensure professionals are trained on the practice of advocacy, and that they understand our advocacy goals and positions on specific topics.