



– SHAREHOLDERS’ MEETING 2024 –

25 April 2024

ANSWERS TO WRITTEN QUESTIONS FROM SHAREHOLDERS

In view of the Combined Shareholders’ Meeting of April 25, 2024, Danone received 40 questions from shareholders, pursuant to Articles L.225-108 and R.225-84 of the French Commercial Code. This document, made available on the Company’s website in accordance with applicable law, contains the answers to these 40 questions.

- QUESTIONS FROM FORUM POUR L’INVESTISSEMENT RESPONSABLE -

ENVIRONMENT

Question 1

- a) What are your short-, medium- and long-term decarbonization targets for your three scopes (in absolute terms and in terms of intensity)? For each of your objectives, explain the main actions planned to achieve these objectives (please specify the percentage contribution of each action to the objective). How much of your strategy is devoted to negative emissions (absorption and storage, etc.), avoided emissions, or carbon credits (to be distinguished from your decarbonization objectives)?

Danone's short-term (horizon 2030) greenhouse gas emissions reduction targets, as validated by SBTi, are as follows:

- Reduce absolute greenhouse gas emissions from scopes 1 and 2 (energy and industry) by 46.3% by 2030 compared with the 2020 baseline;
- Reduce by 42% by 2030, compared with the 2020 baseline year, absolute greenhouse gas emissions from scope 3 (energy and industry) from purchased goods and services, upstream energy-related emissions, upstream transport and distribution, waste generated by operations, downstream transport and distribution, and end-of-life treatment of products sold; and
- Reduce absolute greenhouse gas emissions from scopes 1 and 3 FLAG (Forest, Land and Agriculture) by 30.3% by 2030, compared with the 2020 baseline.

As indicated in its 2023 Universal Registration Document, in November 2023, Danone filed to SBTi an update of its short-term targets, in order to take into account the deconsolidation in July 2023 of its EDP Russia activities. This update modifies the absolute greenhouse gas emissions reduction target for scopes 1 and 2 (energy and industry). Following the approval of this update in April 2024, this answer considers the updated target by Danone and validated by SBTi.

Danone's emissions reduction strategy to achieve these scientific objectives in the short term is based on eight programs:

- Increasing energy efficiency and switching to renewable energy (0.5 Mt CO₂e, or around 5%);
- Produce Danone milk sustainably (1.9 Mt CO₂e, approx. 21%);
- Sustainable sourcing of ingredients (2.4 Mt CO₂e, approx. 27%);
- Transforming Danone's packaging in a sustainable manner (1.2 Mt CO₂e, approx. 13%);
- Improving Danone's logistics (0.8 Mt CO₂e, approx. 9%);
- Helping Danone's subcontractors to decarbonize (0.8 Mt CO₂e, approx. 9%);
- Develop sustainable products for consumers (1.4 Mt CO₂e, around 16%); and
- Engage in Danone's value chain (cross-functional).

These 8 programs are presented in summary form on pages 179 and 180 of the 2023 Universal Registration Document, and in detail in Danone's Climate Transition Plan, which can be downloaded [here](#).

The 9 Mt CO₂e of reductions presented above are relative to a reference year of 2030, for which estimated emissions in the absence of decarbonization action plans would be 23.3 Mt CO₂e, as presented in Danone's Climate Transition Plan.

Danone's long-term (2050) net zero greenhouse gas emissions targets, as validated by SBTi in April 2024, are as follows:

- Energy and industry: reduce by 90% by 2050, compared to the 2020 baseline, absolute greenhouse gas emissions from scopes 1, 2 and scope 3 from purchased goods and services, upstream energy-related emissions, upstream transport and distribution, waste generated by operations, downstream transport and distribution, and end-of-life treatment of products sold; and
- FLAG (Forest, Land and Agriculture): to reduce absolute greenhouse gas emissions from scopes 1 and 3 by 72% by 2050, compared with the 2020 baseline.

These targets include the neutralization of residual emissions by 2050. Danone will follow the SBTi guidelines with regard to:

- Emission reductions within the value chain to achieve residual emission levels compatible with a 1.5°C scenario by 2050 at the latest;
- Emissions reductions beyond the value chain to contribute to the global decarbonization effort during the transition period; and
- Neutralization (or "absorption") of all residual emissions from 2050 onwards.

Since 2011, Danone has been a partner of the Livelihoods Funds, which implement offset projects including mangrove restoration, agroforestry, and sustainable supply chains, and has committed to investing a total of €68.8 million. To date, Danone's investments in these projects have captured or avoided 2.1 million tons of CO₂e emissions. Danone will draw on this experience to develop its strategy and trajectory to neutralize its residual emissions by 2050.

b) Could you please indicate the amount of investment required for each of the main actions deployed across the three scopes? Please specify the timeframe covered by these investments.

As of December 31, 2023, the Group has incorporated assumptions related to the impacts of the Danone Impact Journey roadmap, which was communicated on February 22, 2023, into its business plans. The implementation of these effects in impairment tests did not reveal any additional loss of value for the year 2023, as described in Note 11.3 of the Consolidated Financial Statements.

In 2023, the Group did not identify significant effects of the commitments made on the value of its tangible assets. Specifically, the implementation of necessary action plans to adapt production tools does not jeopardize their useful life.

At Danone, and for the moment, we do not specifically disclose the amounts invested in sustainability, particularly in decarbonization initiatives. Our ESG approach is intrinsically linked to our business activities, and therefore, we do not distinguish investment envelopes in this context. As our sustainability efforts are closely tied to the strategies of our brands and operations, we develop integrated plans. For instance, our plans for dairy products category development in Spain highlight the benefits of this category in nutrition (especially in terms of protein intake). In this context, we conducted a study in partnership with public authorities, demonstrating the advantages of dairy products and yogurt, particularly in the context of a healthy diet. Furthermore, we were able to show that yogurt is one of the most efficient sources of protein and calcium in terms of carbon emissions. Investments related to this approach, both opex and capex allow us to enhance the perception of our category and brands. Additionally, they contribute to advancing our decarbonization efforts across our activities, including the deployment of regenerative agriculture practices, to name just one example.

However, there is one exception to this rule. We recently disclosed that Danone France has invested over 40 million euros in agroecological transition since 2016, as part of our commitment to the future of French agriculture. This funding has been allocated to several key initiatives:

- Support for New Farmers: 100% of our milk collection zones in France benefit from “Young Farmers” agreements to facilitate their establishment.
- Regenerative Agriculture: 60% of our French partner farmers are actively transitioning to regenerative agriculture by the end of 2023, with the goal of reaching 100% by 2025.
- Supply Chain Development: Danone continues its pioneering efforts to build sustainable supply chains.

c) On which reference scenario(s) is your decarbonization strategy based (on the three scopes)? Is it aligned with a 1.5°C scenario? Has it been validated by an independent third party (SBTi, ACT-ADEME...)?

Our science-based decarbonization targets to 2030 are aligned with a 1.5°C scenario on scopes 1, 2, 3, both for energy and industry emissions and for FLAG emissions and are validated by SBTi.

Similarly, our science-based net-zero emissions targets for 2050 are aligned with a 1.5°C scenario for scopes 1, 2, 3, both for energy and industrial emissions and for FLAG emissions and have just been validated by SBTi.

Question 2

Biodiversity-related risks, impacts, dependencies and opportunities are still insufficiently taken into account in business activities (internal, supply chain, products, customer services, etc.). But as the context and tools (TNFD, SBTN, GRI...) progress, so do practices. While this subject may appear to be of little relevance to certain sectors, we nonetheless believe that it merits analysis by all.

- a) Have you carried out any work to assess, monitor and reduce your dependencies and risks, on the one hand, and your footprint, on the other, but also your opportunities (investment in projects with a net positive

impact on nature, services in favor of biodiversity, etc.) in relation to biodiversity and nature? Is this assessment up to date and does it cover your entire value chain (direct operations, upstream and downstream)? If it covers only part of your value chain, do you plan to extend the scope of this assessment? If not, why not?

Danone identifies environmental risks as part of its Vigilance Plan. Danone collaborates with stakeholders, enabling it to contribute to debates and issues relating to social, societal and environmental questions. We work with a wide range of multi-sector stakeholders, including agriculture, biodiversity and forestry platforms such as One Planet Business for Biodiversity (OP2B), Science Based Targets for Nature (SBTN) and the Sustainable Agriculture Initiative (SAI). We also work with NGOs such as the Environmental Defense Fund (EDF) and the Global Methane Hub (GMH). Danone participates in a multitude of think tanks and discussion forums, including SBTi, WWF, Ellen MacArthur Foundation, Consumer Goods Forum...

Danone also published its sustainability roadmap, the Danone Impact Journey, and its Climate Transition Plan. Biodiversity is a key element of Danone's sustainability roadmap, built on 3 pillars: (i) health, (ii) nature, (iii) people and communities. Priorities range from the promotion of healthy, flexible diets to the transition to regenerative agricultural models that preserve animal and plant biodiversity, to the protection and preservation of watersheds and our commitment to ending deforestation, which plays a role in preserving biodiversity.

- b) Do you publish the results of this work? If not, do you plan to publish it? Please justify your answer. Do you plan to rely on voluntary frameworks such as TNFD, SBTN, GRI101... to report on nature-related risks and opportunities?

Our commitments to biodiversity are also enshrined in our various policies (our [Water Policy](#), our [Forest Policy](#) or our [Regenerative Agriculture policy](#) for example), in which we publish commitments and actions as well as frameworks relating to biodiversity. We also publish our results in the CDP, which, and for the fifth year in a row, has awarded us an "AAA" rating for our leadership in environmental performance. Among the 21,000 companies evaluated in 2023, Danone is one of only 10 to have achieved an "A" in each of the three environmental areas evaluated by the CDP.

Also, through the Alpro brand, we are one of 17 companies worldwide to pilot the Science Based Targets Network for Nature (SBTN) framework, having supported the development of SBTN methods, tools and guidelines. The SBTN, which brings together leading companies in the food and retail sectors, aims to be a first step in preparing companies to define the first scientific targets for nature.

Finally, Danone has joined the forum of the Task Force on Nature-related Financial Disclosures (TNFD), participating in a pilot study to support the development of the first beta version of TNFD's global framework for nature-related risk management and disclosure.

- c) Do you publish or plan to publish quantitative indicators to report on the risks and opportunities that biodiversity poses or offers your company (value of assets, liabilities, revenues and expenses considered vulnerable to nature-related risks, CAPEX, financing or investments devoted to nature-related opportunities...)? If so, which ones, and do you set targets? Justify your choice of indicators. If not, why not?

The Danone Impact Journey represents a selection of key priorities where we can have the greatest impact through our portfolio. Although biodiversity is not explicitly mentioned, it is clearly a key element in several of the priorities we have defined, from the promotion of healthy eating, but also the transition to regenerative agricultural models that preserve animal and plant biodiversity, to the protection and preservation of water basins, as well as our

commitment to end deforestation, which obviously plays a role in preserving biodiversity. We also support the development of biodiversity and nature conservation standards: Danone is a member of the TNFD (Task Force on Nature-Related Financial Disclosures) forum, and Alpro pioneered the SBTN, a scientific initiative aimed at setting targets for nature conservation.

Our ESG approach is intrinsically linked to our business activities: we do not distinguish currently between investment envelopes. As our sustainability approaches are intimately linked to the strategies of our brands and activities, we develop our plans in an integrated manner.

Question 3

a) What role does the circular economy play in the company's strategy?

Danone has long been committed to promoting a circular packaging economy. This commitment can be seen in the Group's participation in the creation of the first Extended Producer Responsibility system (Eco-Emballages, now Citeo) in France in 1992, as well as in the leadership of evian, which became the first brand to use food-grade recycled PET for natural mineral water in France in 2008. The Group became fully committed to the ambition of packaging circularity when it joined the Ellen MacArthur Foundation's New Plastics Economy initiative in 2017 and signed the 2018 Global Commitment to a New Plastics Economy, led by the EMF. Since then, Danone has been working towards its goals and advocating for a collective global transition to a circular, low-carbon packaging system, with 3 overarching objectives enshrined in its sustainability strategy, the Danone Impact Journey:

- Design packaging to be 100% reusable, recyclable and compostable by 2030;
- Halve the use of virgin packaging derived from fossil resources by 2040, and by 30% by 2030, compared to the 2020 baseline excluding EDP Russia, by accelerating reuse and recycling; and
- Support the development of efficient collection systems to recover as much plastic as Danone uses, by 2040.

Danone shares its packaging ambition and commitments with its Suppliers and Subcontractors, asking them to align their practices with its approach to co-constructing a transparent circular economy for packaging.

In terms of decarbonation, packaging represents 14% of Danone's greenhouse gas emissions and is part of scope 3 NON-FLAG. The main reduction levers to contribute to our SBTi targets for 2030 and our Net Zero ambition by 2050 are:

- The use of recycled materials;
- Optimizing our packaging by eliminating unnecessary elements or lightening;
- Increasing the supply of reusable packaging; and
- Engaging our value chain through our suppliers.

We detail the actions put in place to achieve these goals in point c).

b) What are the resource-related risks identified by the company, the costs incurred and the amount of CAPEX and OPEX in favor of the circular economy?

According to the Ellen MacArthur Foundation, although the circular economy may involve an initial cost of transformation, this circular model represents a major opportunity to create value, generating growth and jobs, while preserving natural resources and reducing environmental impact.

Since 2018, Danone has demonstrated tangible progress in key areas such as virgin plastic reduction, reuse, and recyclability and recycled content rates in its packaging. Technological progress and its scale make us confident that this transformation will be achieved. Nevertheless, Danone has encountered systemic obstacles, ranging from the underdevelopment of reuse, collection and recycling infrastructures to the scarcity of recycled materials. To overcome them, collective action is needed at all levels of the value chain, involving companies, political decision-makers (notably through regulation), retailers, waste collection services and consumers.

A number of elements are needed to speed up the transition:

- Robust and standardized regulation, including Extended Producer Responsibility (EPR) and/or deposit systems for bottles, to eliminate any distortion of competition;
- Subsidies to support companies in their transition to a circular economy;
- The development of collection, reuse and recycling infrastructures, and the creation of supply chains for reuse in certain markets;
- New recycling technologies to be developed to improve the recycling of packaging and materials that are difficult to recycle;
- Aligned market signals in favor of make, reuse and recycling; and
- Solutions to encourage consumer involvement, particularly with regard to reuse and recycling.

This is why, since 2020, Danone has been advocating with the World Wide Fund for Nature (WWF) and the Ellen MacArthur Foundation (EMF) for an ambitious and binding UN Global Plastics Treaty, which would represent a major opportunity to unlock and accelerate progress on plastics circularity. Danone is also one of the signatories of CDP's letter to governments calling for mandatory disclosure of plastics data as part of the Global Treaty. The aim is to drive the industry forward, harmonize the rules of the game for all concerned and ensure an equitable environment.

On December 31, 2023, the Group has projected in its business plans the assumptions relating to the impacts of the Danone Impact Journey roadmap. The application of these effects in the impairment tests did not highlight any additional impairment for the year 2023.

Our ESG approach is intrinsically linked to our business activities: we do not distinguish currently between investment envelopes. As our sustainability approaches are intimately linked to the strategies of our brands and activities, we develop our plans in an integrated manner.

- c) What key actions has the company taken to circularize its business model? What proportion of sales does this represent?

Danone implements action plans to achieve its commitments in each country where it operates, following the principles dictated by the waste management hierarchy, supported in particular by the Ellen MacArthur Foundation as part of the New Plastics Economy, the European Directive on Single-Use Plastics, and the forthcoming European Packaging and Packaging Waste Regulation (PPWR). These action plans are based on three main objectives:

1. Reduce the use of plastics;
2. Improve the circularity of plastics that cannot be eliminated; and
3. Recover what is not in circulation, fighting against dumping in nature, while improving the living conditions of workers in the collection and recycling sector.

1. Reducing packaging use

Key result: Absolute reduction of 8% in the use of plastic packaging between 2018 and 2023 (excluding EDP Russia)

- By eliminating problematic or superfluous plastic packaging (e.g.: total elimination of plastic spoons in Europe in 2023, elimination of sleeves on Danacol and Actimel products in Europe, reducing a total of 1,000 tons of plastic);
- Replacing plastic packaging with alternative materials (e.g. mineral water in glass bottles and metal cans); and
- Reducing packaging through an eco-design approach that includes lightening and optimizing product design (e.g. Danone's main water brands in Europe have reduced the weight of their 1.5-liter bottles by more than 10% since 2019).

2. Improving the circulation of packaging that cannot be disposed of

Key results:

- *By 2023, 84% of packaging is reusable, recyclable or compostable.*
- *16% reduction in the use of fossil-based plastic packaging between 2018 and 2023 (excluding EDP Russia) and 3% reduction between 2020 and 2023 (excluding EDP Russia).*
- *14.6% of recycled content in average in its plastic packaging (vs. 11.9% in 2022),*
- *23.8% of recycled PET (rPET) used in average in the Waters category (21% in 2022) and 31.3% in countries where this is authorized (vs. 26.4% in 2022)*
 - By committing to the development of re-use models (e.g. 50% of Danone's water volumes are sold in re-usable packaging mainly reusable jugs bottles from the Bonafont (Mexico), AQUA (Indonesia) and Hayat and Sirma (Turkey) brands);
 - By actively contributing to the co-construction of the future of reuse (e.g. collaboration with CITEO on the ReUse program; the founding of the Défi Vrac Coalition in 2023 with companies such as Bel, Lesieur and Famille Michaud);
 - By designing its packaging to ensure it can be recycled (e.g. applying eco-design criteria to Badoit bottles, changing from green to transparent PET to encourage closed-circuit recycling); and
 - By reducing the use of virgin packaging derived from fossil fuels, by using recycled materials from responsibly managed sources (e.g. since the end of 2021, Danone's main water brands all have at least one format made from 100% recycled materials in countries where this is authorized; launch of jars containing 30% recycled PET in France and Belgium).

3. Recovering what is not in circulation, combating the discharge of waste into nature, while improving the living conditions of workers in the collection and recycling sector.

Key result: In 2023, 58% of the plastic put on the market by the Group will have been recovered (compared with 56% in 2022).

- By co-constructing and co-financing collection systems to recover as much as we use (e.g. co-financing collection through Extended Producer Responsibility fees);
- In markets where there are high levels of environmental discharges, in addition to supporting the Extended Producer Responsibility, Danone has voluntarily invested in impact funds and provided grants to overcome structural barriers during the transition phase and designed projects to provide direct support to workers in the collection and recycling sectors, thereby improving their working and living conditions while reducing waste into the environment (e.g. Danone Ecosystem's

- inclusive recycling projects in partnership with Danone; \$30 million investment in Circulate Capital Ocean Fund for projects in Indonesia and Mexico);
- By using recycled materials to promote an economy geared towards reuse (e.g. an average of 25% recycled PET in water by 2020, and a target of 50% by 2025 in countries where local standards and regulations allow).

SOCIAL

Question 4

In France, the "Climate and Resilience" law of August 22, 2021, and the national interprofessional agreement (ANI) on ecological transition and social dialogue of April 11, 2023 have extended the environmental prerogatives of the CSE and strengthened the role of local representatives.

- a) Over the past twelve months, what initiatives are likely to significantly illustrate a change in the way these bodies operate within your Group as a result of these provisions?

Within the framework of our international and local social dialogue bodies, the topics of environmental risks and Danone's strategy in this area are regularly addressed and discussed with social partners. In particular, in 2023, this was the subject of a presentation and debate at the CIC (Comité d'Information et de Consultation, i.e. Danone's annual global committee for dialogue with trade unions) in connection with the company's Vigilance Plan. Similar dialogues also take place at the Comité de Groupe France, an annual body bringing together Danone's French trade unions. On a more regular basis, the "Danone Impact Journey" and its "Nature" component are presented and discussed as an integral part of Danone's strategy and action plans. Indicators relating to the decarbonization of the company's impact, and to the circular economy, are notably shared with instances.

- b) In the context of these new prerogatives, the training and expertise of social partners are fundamental. Have you recently developed, or do you plan to develop in the near future, programs specifically dedicated to social partners to strengthen their expertise in environmental matters that go beyond legal obligations?

The environmental training effort involves all Danone employees, including social partners. An online training module covering the Danone Impact Journey was rolled out widely in 2023 and is available to all new Danone employees. In 2024, a more in-depth module related to "Sustainability and Human Rights" will be rolled out and mandatory for all Danone employees. It should be noted that the scope of human rights includes rights relating to the environment, such as access to water or air quality. In addition, on March 15, Danone announced the launch of "Danskills", an innovative worldwide training program with two priority objectives: to train all its 100,000 employees in the jobs of the future and to attract talents of tomorrow. In concrete terms, this program:

- Will be implemented in the 55 countries where Danone operates, and will be open to all employees, regardless of qualification, profession or age;
- Will be materialized by Danone's commitment to reallocate 1 million hours of training each year to the jobs of the future from 2024; and
- Is intended to be extended to Danone's key external partners to engage its entire ecosystem in the digital, ecological and food transitions.

In all, Danone estimates that it will have to allocate a budget of 100 million euros to the training of its employees in the jobs of tomorrow, between now and 2030.

- c) International framework agreements reinforce the quality of labor relations within a group. Does your Group have a framework agreement that extends beyond the European Union? If so, how have you integrated the issue of ecological transition and, more broadly, environmental issues? If not, are there any plans for such a project? In any case, in your five main geographic markets outside France, can you list any major initiatives that show a recent strengthening of social partners' involvement in the company's environmental policy?

Danone has a long history of signing international framework agreements with the IUF, the International Federation of Food Trade Unions. Since 1989, Danone has signed 9 international framework agreements with the IUF, and maintains an ongoing dialogue on subjects that feed into social dialogue. Discussions regularly take place on the theme of the environment, particularly with regard to the impact of the climate transition on professions and skills. These discussions are likely to lead to an agreement in the future.

Question 5

- a) For each of the last five years, can you give details of the number of shares bought back (including the number of shares held under liquidity contracts), the number of shares created and the number of treasury shares held at the beginning and end of each year? For each of these years, can you break down: the number of shares cancelled; the number of shares allocated as performance shares (as well as the number of beneficiaries and their proportion in relation to all Group employees); the number of shares distributed as part of employee shareholding operations (as well as the number of eligible employees, the number of actual beneficiaries and their proportion in relation to all Group employees); other uses (giving details)? To help you answer, you can fill in the table in [Appendix 2](#).

You will find below details of share capital transactions over the last five years, as well as the share capital at December 31, 2023.

Transactions on the share capital in the last five years and share capital as of december 31, 2023

Effective date of the transactions	Shares created / (canceled) by the transaction (number of shares)	Type of transaction	Nominal amount of the transaction (in €)	Amount of share capital after the transaction (in €)	Shares making up the share capital after the transaction (number of shares)
May 16, 2019	1 018 400,00	Capital increase reserved for employee members of a Company Saving Plan	254 600,00	171 518 400,00	686 073 600,00
July 24, 2019	27 355,00	Capital increase reserved for employees of foreign companies	6 838,75	171 525 238,75	686 100 955,00
September 26, 2019	19 851,00	Capital increase reserved for employees of foreign companies	4 962,75	171 530 201,50	686 120 806,00
July 22, 2020	508 794,00	Capital increase reserved for employee members of a Company Saving Plan	127 198,50	171 657 400,00	686 629 600,00
May 18, 2021	1 010 400,00	Capital increase reserved for employee members of a Company Saving Plan	256 000,00	171 910 000,00	687 640 000,00
September 23, 2021	42 489,00	Capital increase reserved for employees of foreign companies	10 622,25	171 920 622,25	687 682 489,00
April 28, 2022	-13 158 315,00	Capital decrease by cancellation of shares	3 289 578,75	168 631 043,50	674 524 174,00
May 17, 2022	1 263 426,00	Capital increase reserved for employee members of a Company Saving Plan	315 856,50	168 946 900,00	675 787 600,00
September 22, 2022	50 332,00	Capital increase reserved for employees of foreign companies	12 583,00	168 959 483,00	675 837 932,00
May 12, 2023	1 582 068,00	Capital increase reserved for employee members of a Company Saving Plan	385 517,00	169 355 000,00	677 420 000,00
June 13, 2023	353 128,00	Capital increase reserved for employees of foreign companies	88 282,00	169 443 282,00	677 773 128,00
Share capital as of December 31, 2023				169 443 282,00	677 773 128,00

You will find below details of the share buybacks and allocations of performance shares and shares conditional on continued presence (Fidelity Shares).

	2023	2022	2021	2020	2019
Number of shares bought back	-	-	13,158,315	-	-
Number of shares bought back under liquidity contracts	-	-	-	-	-
Number of shares created (in connection with capital increases reserved for employees)	1,935,196	1,313,758	1,052,889	508,794	1,065,606
Number of treasury shares at year-end	35,901,246	36,230,001	49,591,599	36,833,690	37,249,539
Number of shares cancelled	-	13,158,315	-	-	-
Shares allocated as performance shares (Group Performance Shares)					
Number of shares allocated	1,243,015	1,228,602	836,468	750,484	578,923
Number of beneficiaries	1,952	1,765	1,497	1,570	1,450
Fidelity Shares allocated on the basis of attendance conditions					
Number of shares allocated	556,379	522,916	-	-	-
Number of beneficiaries	1,900	1,700	-	-	-

(*) for more information about these operations, see below the answer to question c).

Moreover, and as part of the "One Person, One Voice, One Share" program, Danone has allocated one free share to all its employees worldwide who have been on the payroll for one year at the allocation date, i.e. 84,588 employees in 2019. Since 2021, an additional allocation has been made each year for the benefit of new employees.

Finally, with regard to shares subscribed as part of capital increases reserved for employees:

- Danone carries out annual capital increases reserved for Danone employees in France who are members of a Company Savings Plan (via a Fonds Relais subsequently merged into the Fonds Commun de Placement d'Entreprise "Fonds Danone"). In 2023, the capital increase reserved for Danone employees in France who are members of a Company Savings Plan represented 1,582,068 shares and a total amount of 56,052,669.24 euros (including a par value of 395,517 euros).
 - Danone also regularly carries out capital increases reserved for employees of foreign Group companies. In 2023, a capital increase was carried out for the benefit of employees in 49 countries in which Danone operates, representing 353,128 shares and a total amount of 12,511,325.04 euros (including a nominal amount of 88,282 euros).
- b) In the case of performance share plans, and where relevant, how do you "neutralize" the effects of treasury shares or cancelled shares when calculating target attainment?

Treasury shares are not eligible for dividends and the performance criteria applicable to performance shares are not sensitive to the stock of treasury shares.

- c) How much have you invested (R&D and capex) over the past 5 years (year by year)? How much capital have you repurchased and cancelled over the same period? To help you answer these questions, please complete the table in Appendix 3. As part of the overall approach to value sharing, do you scale the amount allocated to share buy-backs in relation to the amount of investments - in particular those dedicated to the ecological transition - made by the company (an essential element in the creation of value and the company's sustainability)? If so, do you have any rules in this area? If not, can you explain why you do not take investments into account when setting share buyback amounts?

In 2023, capital expenditure (Capex) amounted to €847 million. 5-year history:

- 2023: 847 million euros
- 2022: 873 million euros
- 2021: 1,043 million euros
- 2020: 962 million euros
- 2019: 951 million euros

At the same time, Research & Development costs amounted to 398 million euros in 2023 (isolated from costs of goods sold, expenses on sales and overheads). 5-year history:

- 2023: 398 million euros
- 2022: 339 million euros
- 2021: 338 million euros
- 2020: 323 million euros
- 2019: 351 million euros

Share buybacks are one of the options available to Danone to optimize capital allocation and create value for all our stakeholders. The Annual General Meeting of April 27, 2023 authorized the Board of Directors, for a period of 18 months, to buy back a maximum of 10% of the total number of shares comprising the Company's share capital, at a maximum purchase price of 85 euros per share. This authorization cancels and replaces the one previously granted by the Annual General Meeting of April 26, 2022.

In May 2021, Danone finalized the strategic disposal of its approximately 9.8% stake in Mengniu. Most of the proceeds from the transaction were returned to shareholders through a share buyback program. In the second half of 2021, Danone bought back its own shares for a total of 800 million euros. These shares were cancelled in April 2022.

This authorization was not used in 2022 and 2023. Indeed, in the context of the roll-out of its new Renew strategy, Danone has focused on other capital allocation opportunities that also create value and leverage returns for its shareholders, such as investments in growth (advertising and promotion, core capabilities, research & innovation, product superiority...), productivity, portfolio management, sustainability roadmap, debt reduction (particularly in a context of rising interest rates) and dividends.

Question 6

A living wage can be defined as: "The remuneration received for a normal working week by a worker in a given location, sufficient to ensure a decent standard of living for the worker and his/her family. The elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing and other basic needs, including provision for unforeseen events", as defined by the Global Living Wage coalition. The living wage is quite distinct from the local legal minimum wage.

- a) Have you adopted a definition of living wage such as the one above or equivalent? If so, which one? Have you developed a policy/commitment on the issue of living wages (public commitments, accreditation as a Living Wage Employer, etc.)?

The Human Rights Policy (2022) and Danone's Sustainable Development Principles (DSP) incorporate Danone's commitment to promoting decent work by providing fair wages, including at least the legal or applicable standard minimum wage, both within its operations and throughout its supply chain.

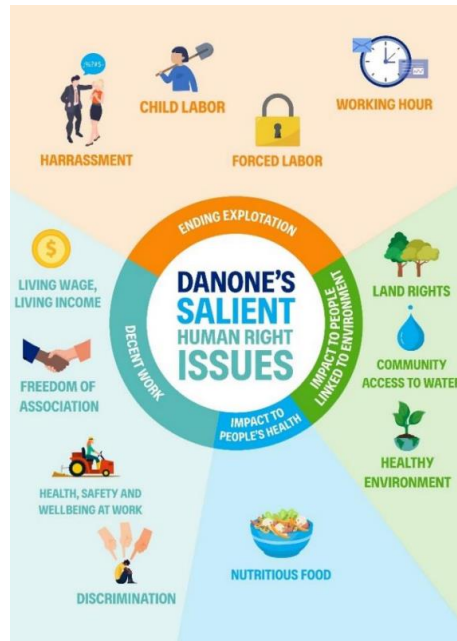
In line with our dual mission, which has been in place for over 50 years, we consider the topic of the Living Wage to be a critical element of our responsible development strategy. In 2022, we partnered with the NGO 'FairWage Network,' which also works with other major companies like Michelin and Schneider Electric. The goal was to analyze Danone's compensation practices in relation to the level of a decent wage. The concept of a decent wage corresponds to the income necessary for a family to live decently in their place of residence, taking into account housing, education, food, healthcare expenses, and the establishment of emergency savings (often higher than the legal minimum wage, where applicable).

We have also made a commitment on this issue through a pledge at the United Nations in New York in September 2023, as part of the EPIC (Equal Pay International Coalition) initiative.

This complements our commitment to Dan'Care, which was launched in 2009 to provide all Danone employees with a minimum standard in terms of hospitalization, healthcare access, and maternity support. In 2023, a fourth pillar focused on workplace well-being was added. By 2030, we have committed to implementing Dan'Care for all our employees (with 98% coverage in 2023).

In March 2024, Danone shared its 12 key human rights issues, among which decent wages and income are included. Defending human dignity at work and fighting against forced labor in our own operations and supply chains is fundamental to our commitment to do business in a sustainable manner. The environmental, social and health consequences of climate change, which disproportionately affect low-income countries and poor people in high-income countries, are already profoundly affecting human rights and social justice.

At Danone, we are committed to respecting and improving human rights throughout our value chain, aiming to foster a culture of awareness and continuous improvement. As part of this approach, we are sharing our 12 salient human rights issues, identified with the support of Shift, the leading center of expertise in the UN Guiding Principles on Business and Human Rights (UNGP):



This identification exercise has helped strengthen Danone's overall approach to human rights due diligence. For instance, it formed the basis for our Human Rights Policy and sharpened our messaging with internal stakeholders. We recognize acting with due diligence is a journey and our approach will evolve as we mature our practices together with our business partners and stakeholders. We will continue to regularly report on our progress in our annual reporting.

- b) Please note that for the remaining questions, we are specifically looking for elements related to decent wage, which we distinguish from the local legal minimum wage. If you have not made any commitments so far, please proceed to question 7.

Question 7

- a) France: How many funds are offered to your employees in your employee savings plans? How many and which of the funds offered to your employees have a responsible label (please mention their name as well as the name of the associated label)? What is the amount of labelled assets per fund? Can you also mention the total assets and the amount of assets excluding non-labelled shareholders? To help you answer these questions, please complete the table in Appendix 4.
On average, are the matching contributions offered to your employees for your label funds higher than those offered for your other non-shareholder label funds?

In addition to the employee share ownership plan, all Danone employees in France have access to the Group Savings Plan (PEG), which offers 4 out of 5 SRI (Socially Responsible Investment) funds:

- **Dan'Dynamique Environnement Fund:** comprising up to 95% European equities, is invested at a minimum of 80% in the 'Mirova Europe Environmental Equity Fund' (Part M) of the 'MIROVA FUNDS' SICAV. The Dan'Dynamique Environnement Fund is classified as Article 9 under the European Sustainable Finance Disclosure Regulation ('SFDR'), which concerns financial products with sustainable investment objective.
- **Dan'Equilibre Fund:** composed of 50% bonds and 50% equities, it is classified as Article 8 under the SFDR, focusing on financial products with sustainable investment objectives.

- **Danone Communities Solidaire Fund:** primarily invested in European Union bonds and socially oriented enterprises, it is also classified as Article 8 under the SFDR, which concerns financial products with a sustainable investment objective.
- **Natixis ES Monétaire Fund:** since November 2023, it has been classified as Article 8 under the SFDR, aligning with sustainable investment objectives.

In total, the mentioned funds above represent 92% of the total PEG assets (excluding employee share ownership). Regarding label acquisition:

- The underlying fund of the **Dan'Dynamique Environnement Fund**, the 'Mirova Europe Environmental Equity Fund,' holds the GREENFIN, ISR, and FEBELFIN labels.
- The **Natixis ES Monétaire** Financial Support is currently undergoing labelling for the ISR Label.

Together, the two funds mentioned above constitute 50% of the total PEG assets (excluding employee share ownership).

- b) If certain funds are not labelled but include ESG criteria, explain how these criteria attest to a robust and selective ESG approach (please indicate the selectivity rate and/or theme of these funds)? Do you plan to work with the social partners to increase the number of label funds over the next three years?
- The **Dan'Dynamique Environnement** Fund follows an SRI (Socially Responsible Investment) management approach by selecting securities issued by issuers that satisfactorily address environmental, social, and governance (ESG) challenges through underlying funds adhering to an SRI process. As a result, this Fund is composed of a minimum of 90% of its assets in units or shares of OPCs (collective investment undertakings) that hold the ISR (SRI) label or comply with constraints applicable to SRI funds. To date, the FCPE (Employee Savings Plan) does not have the French ISR label.
 - The **DAN'EQUILIBRE** fund and the SICAV (investment company) that feeds the Danone Communities fund utilize the same AMF (French Financial Markets Authority) approach known as 'central communication improvement.' This approach involves normative exclusions defined by Amundi (rules excluding certain activities and sectors) and the enhancement of the ESG score of the portfolio compared to that of the investment universe, calculated after eliminating the 20% lowest-rated values, with an analysis rate exceeding 90%.

Danone is attentive to regulations regarding the establishment of financial instruments that have obtained labels. The company will evolve the proposed mechanisms in consultation with its trade unions if necessary.

- c) How do you involve your social partners in the choice of responsible funds (e.g.: training courses, an expert to provide educational support for employees, time given to social partners to question the choice of responsible funds)? How do you involve your social partners in monitoring the responsible commitment of funds (training of supervisory board members beyond the statutory 3 days, setting up a company savings commission, etc.)?

Except for the Natixis ES Monétaire fund, the funds within Danone's Employee Savings Plan are dedicated funds and therefore undergo Supervisory Board meetings where social partners from Danone participate as representatives of the shareholders.

In addition to these meetings, Danone has established a French Employee Savings Commission where topics related to employee savings, including financial instruments, are discussed annually with trade unions. An expert

participates in the commission to provide members with the necessary information for a clear understanding of the mechanisms.

GOVERNANCE

Question 8

- a) Do you publish a detailed charter describing your commitments in terms of fiscal responsibility (unacceptable tax practices, tax havens)? How often is it reviewed and approved by the Board? How does the Board ensure that the charter is applied?

In line with its “dual economic and social project”, Danone commits to managing its tax policy in a responsible and transparent manner. This commitment aligns with the ‘B Corp’ certification in certain countries, which adheres to the highest standards of social and environmental performance, transparency, and accountability. As part of its tax policy, published since 2016, Danone pledges not to use tax havens and to avoid implementing optimization schemes disconnected from operational reality.

To this end, Danone has established an internal Tax Code of Conduct that ensures its tax practices align with this tax policy. On March 25, 2021, Danone also endorsed the responsible tax principles of the B-Team, using them as a model to evolve its own tax policies and practices while advocating for a fair and sustainable global tax system.

- b) Do you make your country-by-country tax reporting public for all countries of operation, i.e. going beyond the requirements of the EU directive, which is limited to reporting for EU member countries and countries on the list of non-cooperative jurisdictions? If not, please justify your choice? Is the breakdown of taxes country by country discussed by the Board?

Danone embarked on its tax transparency journey in 2016 with the publication of its tax policy. Since 2019, Danone has been disclosing the global amount of taxes and mandatory levies paid by the group on a worldwide basis, along with the breakdown of these amounts by major regions.

Additionally, Danone has been publishing an annual tax transparency report since 2022. These elements are presented once a year to Danone’s Audit Committee, with the reminder that each Audit Committee meeting includes a report presentation during the subsequent Board of Directors meeting, ensuring that all Directors are fully informed.

Furthermore, in compliance with legal obligations established in France, Danone submits its country-by-country tax data (referred to as ‘Country by Country Reporting’ or ‘CbCR’) to the French tax authorities each year. Danone is committed to adhering to the legal requirements stemming from the European Directive on CbCR, which has been transposed into French law.

- c) Can you explain your effective tax rate for 2023? How is it consistent with your commitment to fiscal responsibility? Will particular attention be paid to companies with a particularly low tax rate (equal to or below 20%) or a particularly high one (around 30%)?

The current effective tax rate for the year 2023 remains stable around 27%, while the published rate, including non-recurring income, is 45.6%.

This rate exceeds the corporate income tax rate for companies in France, where Danone has its headquarters. The difference between Danone's consolidated effective tax rate and the French corporate income tax rate (which stands at 25.8% for the fiscal year 2023, including corporate income tax surcharges) is reconciled in Danone's Universal Registration Document (Note 10 in the Consolidated Financial Statements) as shown in the table below. In this context, Danone's effective tax rate reflects the statutory corporate income tax rates in the countries where we operate and is also impacted by the depreciation of deferred tax assets related to tax losses in France.

Difference between the effective tax rate and the 25.83% country tax rate in France

(in percentage)	Notes	Year ended December 31	
		2022	2023
Country tax rate in France		25.8%	25.8%
Difference between French and foreign tax rates ^{(a) (b)}		(3.6%)	(1.8%)
Tax on dividends and royalties		3.6%	4.4%
Permanent differences		3.3%	1.7%
Tax loss carryforwards ^(c)	10.3	9.0%	4.9%
Tax rate adjustments and unallocated taxes		(1.3%)	0.6%
Impact of capital gains and losses on disposal and asset impairment ^(d)		6.1%	11.3%
Other differences		(0.4%)	(1.3%)
EFFECTIVE TAX RATE		42.4%	45.6%

(a) Foreign tax rates corresponds to various countries, none of which generates a significant difference with the country tax rate in France.

(b) Includes the impact of differences between French and foreign tax rates on capital gains and losses on disposal and asset impairment.

(c) This comprised the impacts of the non-recognition and impairment of deferred tax assets in certain Latin American countries and France in 2023, as well as in 2022.

(d) In 2023, this mainly relates to the non-deductibility of goodwill impairment and the recycling of the cumulative translation adjustments related to EDP Russia following the deconsolidation (see Notes 3, 4 and 11.2 to the consolidated financial statements).

Question 9

- a) What are the main lobbying activities (e.g. top 3) that you prioritize in relation to your ESG material issues? Can you specify all the jurisdictions where you carry out these lobbying activities?

As detailed in our [Policy on Advocacy](#), all key topics we engage on are captured in our materiality assessment. Our participation in policy discussions is varied, covering macro-topics like agriculture, circular economy or climate change, through to more detailed topics such as information to consumers, nutritional care as part of cancer care or product quality and safety standards. We proactively publish many of our policies and external positions on topics on our advocacy agenda, as well as consultation inputs to authorities or policymakers, made available on Danone's website.

As a global company with products sold in more than 120 markets, we engage in advocacy in a number of countries, always in accordance with the principles and rules outlined in our Policy on Advocacy, our Code of Business Conduct, and Integrity Policy, and with the lobbying legal frameworks and codes of conducts of the countries we operate in.

- **Sustainability and Climate:** we are committed to conducting our advocacy in line with Paris Agreement and in line with our climate policy goals outlined in [our Position on Climate Advocacy](#), notably to restrict global temperature rise to 1.5C.
- **Nutrition and Health:** we are committed to lobbying only in support of measures to improve health and nutrition, consistent with the public interest and nutrition. We want to and can have a positive impact on nutrition and health, helping to meet public health goals (including tackling obesity, mal- or undernutrition).

- **Circular Economy:** Danone has, for several years, advocated for a global treaty on plastics. We are part of The Business Coalition for a Global Plastics Treaty, led by Ellen MacArthur Foundation and the World Wide Fund for Nature (WWF), which brings together businesses and financial institutions committed to supporting the development of an ambitious, effective, and legally binding UN treaty to end plastic pollution.
- b) How do you ensure alignment between your ESG objectives and the positions of professional associations? How do you manage potential divergences? (Examples: attempts to realign the positioning of associations with your own ESG objectives, or reflections on the possibility of leaving a professional association that is definitely not aligned with your ESG strategy). What do you publish on the subject of alignment and/or divergence?

We are working with several partners – including trade associations – to have a greater impact through collective action. We recognize that such groups can be a strong catalyst for positive collective action, but also risk being a barrier to ambitious positions and commitments.

As noted in our [Policy on Advocacy](#), we are putting in place internal guidelines and training to help ensure alignment between our advocacy on key topics and those of our trade associations. This will cover internal guidance on governance of our trade association membership, rules governing our participation, and best practice to ensure alignment (for example, for a topic like climate change, ensuring there is alignment between the Paris Agreement, Danone’s advocacy position and the trade association’s position).

Our guidelines also advise on how to address any misalignment including: verbalizing our position, ensuring any disagreement is noted in the official minutes of the meeting, sending a formal letter to the Secretariat of the trade association outlining our position and the point of disagreement, and – if applicable – considering our own submission to a public consultation. We are also persuaded that continued dialogue and engagement with misaligned parties is fundamental in order to improve trade associations’ positions and to create a positive movement to achieve positive policy outcomes.

As part of our annual disclosure to the CDP, we already 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.

- c) What role does the Board of Directors play in implementing your interest representation policy (e.g. activities, budget, meetings)?

Advocacy is under the governance of Danone’s General Secretary, part of Danone’s leadership team and member of the Executive Committee.

All group policies and positions, including on topics around health, environment and social, are reviewed by the Corporate Policies and Positions Committee, which meets bi-monthly under the leadership of the General Secretary and the Chief Research, Innovation, Quality and Food Safety Officer.

Advocacy and engagement activities are reviewed by the Global Engagement Committee, which brings together representatives of investor relations, sustainable finance, communications, public affairs, legal and sustainability bi-monthly.

An update on all of our policies on health, environment and social issues is presented annually at the CSR Committee, which is a specialized Committee of the Board. In addition, in 2023, Danone’s public affairs team gave a presentation to the CSR Committee detailing the company’s advocacy approach and our most relevant memberships of global and regional trade associations.

- d) Do you train people internally or externally (e.g. firms) in responsible lobbying? If so, what criteria do you apply when selecting the firms you work with?

Danone's Public Affairs and Compliance Departments are co-responsible for overseeing the worldwide implementation of our company's advocacy policies. Local Public Affairs managers are held accountable for 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 and apply our advocacy goals and positions on specific topics.

Danone's Advocacy Policy applies equally to all Danone employees of all companies controlled by Danone's affiliates and subsidiaries, as well as to contracted partners who conduct lobbying, influence, or advocacy and who are in contact with authorities, organizations and policymakers worldwide on behalf of Danone.

Any action undertaken in the context of advocacy activities must comply with Danone's Code of Business Conduct, Danone's Code of Conduct for Business Partners, Danone's Integrity Policy, Danone's Policy for the Marketing of Breast-Milk Substitutes, Danone's Health Care Systems (HCS) Policy and other relevant internal policies such as Danone's Competition Policy and Danone's Data Privacy Policy.

Furthermore, any lobbying or advocacy activity conducted by Danone employees, or agencies or consultants working on behalf of Danone, must fully comply with all applicable national and international laws and regulations at all times, and in particular with any and all laws relating to competition and anti-trust behavior. Where local laws and regulations are less stringent than the above policies, the company policies always prevail.

Question 10

- a) How many Board members have CSR skills? Who are they and how did they acquire these skills (studies, training, professional experience)? Are these skills specific to the issues at stake in your sector (biodiversity, energy transition, social and value chain, financial impact of climate, etc.)? Do you publish a matrix of the specific skills of each Board member?

All Directors have Corporate Social Responsibility (CSR) expertise, primarily assessed based on their previous professional experiences and also their roles within other groups.

Every year, Directors must complete a self-assessment questionnaire, which includes completing the matrix of expertise and experience of Directors presented on page 313 of the 2023 Universal Registration Document and displayed below. This matrix was reviewed in 2022 and requires Directors to select only their top 5 areas of expertise. According to the matrix, the Directors with CSR expertise are Gilles SCHNEPP, Valérie CHAPOULAUD-FLOQUET, Gilbert GHOSTINE, and Lise KINGO (representing 36% of the composition of the Board of Directors).

For more information about the Directors, please refer to section 6.2 of the 2023 URD, which provides their biographies on pages 327 to 338.

Below, you'll find the matrix of expertise and experience of the Directors (extracted from the 2023 URD, page 313)

		Antoine de SAINT-AFFRIQUE	Gilles SCHNEPP	Frédéric BOUTEBBA	Valérie CHAPOULAUD-FLOQUET	Gilbert GHOSTINE	Lise KINGO	Patrice LOUVET	Sanjiv MEHTA	Géraldine PICAUD	Susan ROBERTS	Bettina THEISSIG	Total (n numbers)	Total (n %)
Core skills	Governance / Leadership	✓	✓		✓	✓	✓	✓	✓	✓			8	73%
	International experience	✓	✓		✓	✓	✓	✓	✓	✓	✓		9	82%
	Audit, accounting and risk management		✓				✓		✓	✓			4	36%
	Strategy / M&A	✓	✓			✓		✓		✓			5	45%
Sector-specific skills	FMCG / Food & Beverage Industry	✓		✓	✓	✓			✓		✓	✓	7	64%
	Brand management / Customer-consumer focus experience	✓		✓	✓			✓	✓			✓	6	55%
	R&D, Health & Innovation						✓				✓	✓	3	27%
	CSR / Climate		✓		✓	✓	✓						4	36%
	Digital/ New technologies							✓		✓	✓		3	27%
	Audit Committee					•			•	•			3	
Membership on Board Committees	Nomination, Compensation and Governance Committee			•	•			•					3	
	CSR Committee					•	•				•	•	4	

Committee Chairman: C
Committee member: •

- b) How do you ensure that board members' knowledge of CSR issues is kept up to date (internal or external training processes, expert input, updates on regulatory developments or key issues, etc.)? And how often?

Updating the knowledge and training of Board members is an ongoing process, particularly with regard to CSR issues. On one hand, this is reflected in the topics discussed at meetings of the Board of Directors and its CSR Committee: the agenda for these meetings is drawn up annually, and includes in-depth points on strategic issues, particularly in terms of CSR. For example, at the December 2023 Board of Directors' meeting in Spain, Board Members visited a Danone supplying dairy farm and the yogurt factory in Aldaya near Valencia. On the other hand, this update of knowledge is carried out within the framework of the training courses from which Board members benefit throughout their terms.

In fact, the Board of Directors make sure to bring together the skills needed to develop and implement Danone's long-term strategy in all dimensions. It ensures these skills are varied, and they cover environmental and social issues in particular.

- c) How do you assess directors' CSR skills? On what criteria? How often? Is this assessment individual or collective?

Directors' CSR expertise, like any other expertise, is assessed in several ways:

- **During the Director selection process;**

As mentioned above, Directors' expertise, notably in the field of CSR, is assessed on the basis of their background and past or current experience.

By way of example:

- Lise KINGO, Chair of the CSR Committee, was appointed Chief Executive Officer and Executive Director of the United Nations Global Compact, the world's largest sustainable initiative uniting business to create a better world through universal principles and the UN Sustainable Development Goals. She was also Professor in sustainability and innovation at the Vrije University in Amsterdam from 2006 to 2015. She is also a member of Sanofi's Appointments, Governance and CSR Committee and Covestro's sustainability Committee.
- Gilbert GHOSTINE, as Chief Executive Officer of Firmenich, has contributed to Firmenich's leadership in environmental, social and governance issues.
- Gilles SCHNEPP was Chairman of the MEDEF's Ecological and Economic Transition Commission from 2018 to 2021, and is also Chairman of Sanofi's Appointments, Governance and CSR Committee.
- Bettina THEISSIG is an expert in social relations and has been a member of the Works Councils of Danone's German entities since 2002. She is currently Chair of Danone Deutschland/HQ Frankfurt Works Council, Chair of Danone's Deutschland Central Works Council, Health Officer and Representative of the Works Council Danone's sites in Germany. She is also a member of Danone's European Works Council and the Steering Committee. She has represented employees with disabilities since 1998.

- **Through an annual self-assessment questionnaire;**

As a reminder, the matrix of expertise and experience updated annually following this questionnaire (presented on page 313 of the 2023 Universal Registration Document) presents only the 5 main areas of expertise of each Director, although some Directors with CSR expertise have preferred to highlight other areas of expertise.

- **Through their contribution to meetings of the Board of Directors and the CSR Committee.**

d) Do you include a CSR component in the appointment process for new directors?

When selecting directors, the Nomination, Compensation and Governance Committee determines the skills, expertise, and profiles to be added to the Board in line with its diversity policy, Danone's strategy and future challenges, particularly in terms of CSR. The CSR component is obviously taken into consideration in the process of appointing new directors to the Board.

BUSINESS ETHICS

1. Two years after the start of the conflict, according to a press release dated March 22, you will be selling your EDP activities in Russia to Vamin R LLC in the next few weeks. When you took the decision to remain in the Russian Federation, how did you ensure that your activities complied with your own human rights commitments and did not undermine the rights of your employees or other stakeholders? What steps have you taken to ensure that you can identify the human rights risks associated with your activities in Russia and those associated with the Russian-Ukrainian conflict, as well as the human rights impacts of your activities on people and on the conflict?

In September 2022, the State Duma passed a federal law (no. 31-FZ), article 9 of which stipulates that foreign companies operating in Russia must participate in the mobilization. What process have you put in place to control participation in the war effort? In the event of mobilization, how does this comply with your ethical and human rights commitments? In this context, how do you ensure that your company does

not violate international humanitarian law or become complicit in potential war crimes committed by the Russian army in Ukraine?

First, with respect to the conflict, our first priority has always been for the safety of our employees in Ukraine. We have been closely monitoring the situation with a view to the impacts on people and our mission and have been adapting as the context evolved.

As a reminder, on October 14, 2022, Danone launched a process to transfer the control of its EDP (Essential Dairy & Plant-based) Business in Russia, which was progressing according to the expected schedule. On July 16, 2023, Danone has taken note of the decision of the Russian authorities aiming at placing Danone Russia (EDP) under the temporary external administration of the Russian Federal Agency for State Property Management (Rosimushchestvo). On July 18, 2023, the Russian authorities indicated that the Board of Directors and CEO of Danone Russia (EDP) had been changed. These changes took place without the knowledge of, or approval by, Danone. While Danone no longer retained control of the management of its EDP operations in Russia, it remained their legal owner. On March 22, 2024, Danone obtained the Russian regulatory approvals required for the disposal of its EDP business in Russia to Vamin R LLC. The closing of this disposal is expected in the following weeks. Throughout the disposal process, Danone's first priority was to ensure the safety of its employees.

As a result, and as per applicable accounting standards, Danone has deconsolidated its EDP Russia operations in July 2023. Since the deconsolidation of EDP Russia, revenues derived from Russia, corresponding to our specialized nutrition products for infants and patients, in accordance with our mission and in line with our Human Rights Policy, are less than 1% of our Danone's revenues.

Indeed, as underscored in our Human Rights Policy ([danone-human-rights-policy-2022.pdf](#)) Danone is committed to respecting and strengthening human rights in our value chain, which means acting with due diligence to avoid infringing on the rights of others and address adverse human rights impacts with which we are involved.

2. Has your governance of human rights and human rights risk management in so-called conflict-affected or high-risk areas evolved since the start of Russia's invasion of Ukraine in February 2022? What lessons have you learned from this conflict, and how has it influenced the way you manage these situations?

The conflict highlighted that, more than ever, human rights due diligence is an ongoing process that requires particular attention depending on categories of goods or services, or geographies. Stakeholder dialogue is key to our approach, and we actively engage with our employees, workers and external stakeholders who are or could potentially be impacted by our actions. We are following closely evolutions in standards and best practices for human rights due diligence in conflict zones, in collaboration with stakeholders such as OECD and B-Lab.

3. In the event of a new conflict involving one of your areas of activity around the world, how do you ensure that human rights risks are taken into account in the decision to maintain your operations or not? According to what governance process: consultation with the Board of Directors, senior management, trade unions, exchanges with investors, engagement with local populations and local non-governmental organizations? How do you involve human rights teams in these decisions?

Topics related to human rights have a direct oversight from our Board of Directors. An update on the Human Rights policy, prepared by our human rights team in collaboration with internal and external stakeholders, was presented to the CSR Committee of the Board and to the Board of Directors in December 2022. This policy has been approved by the Executive Committee and officially published in December 2022.

4. What is your policy on developing new activities in high-risk zones? Do you have a reinforced due diligence policy for these areas?

As part of our Human Right policy, Danone is committed to respecting and strengthening human rights in our value chain, which means acting with due diligence to avoid infringing on the rights of others and address adverse human rights impacts with which we are involved.

QUESTION FROM INITIATIVE POUR UN ACTIONNARIAT CITOYEN (IPAC)

What is the current state of our Group's mineral water sources worldwide? How do you see the future of this resource, given the increase in droughts and conflicts over use?

Water is essential for all life on this planet and yet, billions of people do not have access to safe water. As a global food and beverage company, Danone is determined to address the challenges related to water, to foster more sustainable and resilient food systems. We aim to preserve and restore watersheds where we operate and drive water footprint reduction across our value chain, while enhancing access to safe drinking water. We are building on a strong expertise in this domain, in particular in Water category in various countries such as France, Spain, Poland and Indonesia.

Our work to safeguard water resources is built upon a holistic approach based on 3 strategic pillars:

- Drive water efficiency in and around production sites;
- Preserve water resources and the biodiversity of natural ecosystems in watersheds where we have direct operation sites and where we are sourcing our ingredients; and
- Support communities surrounding our production sites and provide access to safe water to vulnerable populations.

This holistic approach is applied to all categories, not only to Water category. Regarding our production sites, and through our Danone Impact Journey, we highlight the importance of our 4R strategy to Reduce, Reuse, Recycle, and Reclaim the water in 100% of our production sites by 2030. To monitor our progress and performance towards our Danone Impact Journey targets, we set the following operational objectives:

- Reduce water consumption intensity by 50% compared to 2015 levels or reach the best-in-class water usage ratio set per category of products following the 4R strategy on production sites at risk; and
- Maximize water reclaim in or around our production sites to reach 100% locally reclaimable water to protect the water cycle.

Among the tools we use to prioritize our intervention, we use the Water Risk Assessment (WRA), which follows a double materiality approach, meaning that it assesses both Danone's impact on water resources and the impact that water resources, or a lack thereof, have on our business. About 40% of watersheds where Danone operates – across all products categories - are identified as watersheds located in high water stressed areas, according to the last assessment carried out with WRF ((c) WWF) in 2023.

At the end of Q1 2024, 78.5% of water intake volume of Water category operation sites located in watersheds in highly water stressed areas have a preservation/restoration plan in place. This is in line with Danone's Impact Journey commitment of having watershed preservation plans for 100% of production sites located in highly water stressed areas by 2030.

To preserve water resources and biodiversity of natural ecosystems, we also have Water Stewardship and Regenerative Agriculture programs, that emphasize nature-based solutions, such as agroforestry, wetlands preservation, resilient agriculture practices, and are built upon the inclusive participation of local stakeholders. Water stewardship program starting at the plant level and then at the watershed level is part of our business.

Climate change we are experiencing requires us to be even more vigilant in the coming years. On top of climate change, anthropogenic pressure also plays a role. It will be more and more important to have collective watershed preservation actions to tackle not only quantity but also quality.

QUESTION FROM MR. DENIS LEONTI

Hello, resolution number 3 proposes a dividend of 2.10 euros per share. If this resolution were to be passed, even though net income is only 881 million euros, this would produce an exorbitant payout ratio (2.1×677 million shares). Isn't the company drawing too heavily on its shareholders' equity to pay the dividend? This seems to be confirmed by shareholders' equity, which fell from 17992 to 16222.

In March 2022, Danone unveiled its new strategic plan Renew Danone. Restoring profitable growth, sustainable value creation, shareholders' returns, and disciplined financial policy are at the hearth of the agenda.

2023 was a year of solid results, and consistent delivery on Renew Danone. Thanks to a strong operational performance, led by net sales growth up +7% on a like-for-like basis, and recurring operating margin up +40bps, Danone's recurring EPS was up +3.4% in 2023.

The net income contributed to a €881 increase of the total equity, while this improvement was offset by the redemption of a €768million hybrid bond which was financed by a bond issuance.

In addition, with a greater focus on cash generation and disciplined working capital management, the company achieved a record free cash flow of €2.6 billion in 2023, representing a €500 million increase compared to 2022.

Thanks to this strong set of results, Danone's Board of Directors will propose at the Annual Shareholders' Meeting on April 25, 2024, a dividend of €2.10 share in respect of the 2023 fiscal year, up +5.0% compared to last year and back to 2019 record-level. This is in line with the target of stable or growing yearly dividend for the 2022-2024 period, announced in the context of Renew Danone.

Overall, this corresponds to a 59% pay-out ratio, of recurring net income, which remains globally in line with last year (58%).