



## Danone Brasil

Disclosure Report  
Date Submitted: May 14th, 2025



## Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

### B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

**This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.**



# Disclosure Questionnaire

## Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Energy and Emissions Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Water Intensive Industries</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Consumer Protection</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Litigation or Arbitration</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<a href="#">On-Site Fatality</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



## Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<a href="#">Other</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Environmentally Intensive Industries - Energy and Emissions Intensive Industries

<b>Topic</b>	Energy and Emissions Intensive Industries
<b>Summary of Issue</b>	<p>Danone Brasil is involved in the production and sale of dairy, plant-based, and specialized nutrition products, which according to B Lab can be classified as energy and emission-intensive, meaning that they are more likely to have significant impacts on the environment based on their carbon emissions associated with their operations and their contribution to climate change. Danone Brasil understands its potential negative environmental impact and actively works to mitigate its impact.</p> <p>As per B Lab's rules, manufacturing companies in the food &amp; beverage industry are required to make transparent their involvement in such activities or industries, irrespective of their actual intensity or impact.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	In the previous fiscal year, 100% of Danone Brasil's revenue was earned from the sale of dairy, plant-based, and specialized nutrition products.
<b>Impact on Stakeholders</b>	As defined by B Lab, energy-intensive activities like food and beverage manufacturing can pose an environmental risk due to the emissions produced by such energy use. The extent of environmental impact is dependent on the energy sources utilised and management practices in place to manage energy use.
<b>Implemented Management Practices</b>	<ul style="list-style-type: none"><li>• Danone Brasil is an indirect subsidiary of Danone SA. A, therefore, it abides by <a href="#">Danone's Climate Action</a> and <a href="#">Danone Climate Transition Plan</a>.</li><li>• Danone SA has a global ambition to help lead an industry-wide transition to a low-carbon economy, and Danone US operations play a critical role in that ambition. In 2015, Danone SA started engaging in climate change following the <a href="#">Paris Agreement</a>. The company published the Climate Policy and set 1.5° reduction targets for 2030, <a href="#">officially approved by the</a></li></ul>

	<p><a href="#">Science Based Target Initiative (SBTi)</a> in 2022. Danone SA has committed to reducing emissions through strategic programs and has a global ambition in line with the Science-Based Targets initiative and committing to net-zero emissions by 2050.</p> <ul style="list-style-type: none"> <li>• Energy &amp; Emissions are also a key part of the company's global sustainability strategy, <a href="#">Danone Impact Journey</a>. Danone SA's global targets on climate are: <ul style="list-style-type: none"> <li>○ Reduce its GHG footprint by 2030, in line with what science says is required to limit warming to 1.5°C,</li> <li>○ Achieve a 30% reduction in methane emissions from fresh milk by 2030,</li> <li>○ 30% improvement in energy efficiency by 2025,</li> <li>○ Achieve net zero emissions by 2050.</li> </ul> </li> <li>• As part of the strategies to reach the Danone Impact Journey targets listed above, Danone SA launched a Global Energy Excellence Program, Re-Fuel Danone, in 2022, as an action plan to reduce energy and industrial emissions and transform the energy footprint of its production sites worldwide. The global targets are: <ul style="list-style-type: none"> <li>○ Improve energy efficiency by 30% by 2025,</li> <li>○ Significantly increase its use of renewable energy, such as biogas, biomass, solar, and hydrogen,</li> <li>○ 100% of electricity will be from renewable sources, and half of all energy will come from renewable sources by 2030,</li> <li>○ Reduce the company's scope 1 &amp; 2 emissions by a minimum of 42% by 2030,</li> </ul> </li> <li>• To monitor its progress, Danone SA uses an internal reporting tool for sustainability metrics – Greentrack - deployed in each Business Unit worldwide to track energy consumption and efficiency.</li> </ul> <p>For more details on practices and quantitative data, please refer to the Transparent Assessment on the company's B Corp Profile.</p>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

<b>Topic</b>	Water Intensive Industries
<b>Summary of Issue</b>	As a producer of dairy, plant-based, and specialized nutrition products, Danone Brasil operates in a water-intensive industry, as defined by B Lab, meaning that they are more likely to have significant impacts on the environment based on the water consumption associated with their operations and their potential contribution to water scarcity. Danone Brasil understands its potential negative environmental impact and actively works to mitigate its impact. As per B Lab's rules, manufacturing companies in the food & beverage industry are required to make transparent their involvement in such activities or industries, irrespective of their actual intensity or impact.
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	In the previous fiscal year, 100% of the company's revenue was earned from the sale of dairy, plant-based and specialized nutrition products.
<b>Impact on Stakeholders</b>	As defined by B Lab, water-intensive industries like food and beverage manufacturing can pose risks such as water stress or depletion of local water sources if water use is not appropriately managed.
<b>Implemented Management Practices</b>	<ul style="list-style-type: none"><li>• Danone Brasil is an indirect subsidiary of Danone SA, which works to protect and restore watersheds, reduce its water footprint, and improve access to safe drinking water. The water stewardship at Danone SA includes three scopes – scope 1 of the factory, scope 2 of the operational watershed, and scope 3 of the sourcing watershed. Scope 3 accounts for the major water footprint in Danone, as it includes water usage in agriculture.</li><li>• Water is a key part of the company's global sustainability strategy, <a href="#">Danone Impact Journey</a>. As part of its roadmap, Danone SA has set targets for reducing its water footprint:</li></ul>

	<ul style="list-style-type: none"><li>○ <b>Scope 1</b> – by implementing a 4R approach (reduce, reuse, recycle, reclaim) in 100% of the production sites by 2030,</li><li>○ <b>Scope 2</b> – by implementing in highly water-stressed areas, watershed preservation and restoration plans by 2030,</li><li>○ <b>Scope 3</b> – by driving water footprint reduction across the value chain.</li></ul> <ul style="list-style-type: none"><li>● Danone SA has several tools to measure its water footprint and guide its water preservation action, including Water Risk Assessment, Water Footprint Assessment, WWF Water Risk Filter, and an internal tool called Spring 2030.</li><li>● Danone SA also uses an internal reporting tool for sustainability metrics - Greentrack- deployed in each Business Unit worldwide to track water consumption and efficiency of its water programs. For more details on practices and quantitative data, please refer to the Transparent Assessment on the company's B Corp Profile.</li></ul> <p>More information and details can be found on the company's web page: <a href="#">Water Stewardship</a></p>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Consumer Protection

Topic	Allegations of improper advertising materials
Summary of Issue	<p>In the past 5 years, the company received 3 material notifications/penalties connected to its advertising materials:</p> <ol style="list-style-type: none"><li>1) 2018 - Penalty from the State Department of Consumer Protection and Defense - Paraná State (PROCON/PR) for lack of equality in the consumer relationship, since, unlike adults, children can easily be confused by advertising material on the Danoninho marketing campaign (Mini Dino and Dino Professions, collectible objects),</li><li>2) 2019 - Notification from Rio de Janeiro Health Surveillance - Advertising claim questioning by Health Surveillance Agencies - ANVISA/ MAPA,</li><li>3) 2023 - Notification from Minas Gerais Health Surveillance - Advertising claim questioning by Health Surveillance Agencies - ANVISA/ MAPA.</li></ol> <p>Additionally, the company reported a <a href="#">public civil action</a> (nº 1050911-24.2022.8.26.0100 - <a href="#">São Paulo Court of Law</a>) filed by the Consumer Protection Institute (IDEC) against Danone Brasil and other specialized nutrition manufacturers. IDEC argues that the packaging of infant formula (IFFO) and growing-up milk (GUM ) is similar and that this, according to IDEC, would lead consumers into error, buying milk compounds thinking they are infant formula. IDEC is asking the following to the Court:</p> <ol style="list-style-type: none"><li>I. To recognize the illegality of this commercial practice,</li><li>II. To Condemn the Defendants for changing the labels/packaging in order to make it possible to differentiate infant formulas from growing-up milk,</li><li>III. Order the defendants to refrain from carrying out any other form of abusive and misleading advertising by any means.</li><li>IV. To condemn the Defendants to indemnify the community for collective moral damages caused by failure to comply with the duty of information and by carrying out abusive and misleading advertising, through the payment of compensation in the amount corresponding to sixty million reais (R\$ 60,000,000.00);</li></ol>

	<p>V. Generically condemn the Defendants to indemnify individual consumers who suffered damages to their property and off-balance sheet resulting from the Defendants' unlawful conduct.</p> <p>Danone Brazil was surprised by the action filed by IDEC and contests its allegations.</p>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<ul style="list-style-type: none"> <li>The company had to pay penalties for the first 3 cases in which the financial value corresponds to less than 1% of the company's annual revenue in its last fiscal year (2023).</li> <li>Regarding the public civil action, IDEC demands compensation of R\$ 20M from each company involved.</li> </ul>
<b>Impact on Stakeholders</b>	<p>Consumers may face potential risks due to concerns raised about the company's advertising and labeling practices. Allegations suggest that marketing materials targeted at children may cause confusion, and some health claims have been questioned by regulatory authorities. Additionally, there are concerns that the similarity in packaging between infant formula and growing-up milk could lead to consumer misunderstandings, potentially affecting purchasing decisions.</p>
<b>Resolution</b>	<p>All notifications and penalties were already closed after the company's payments.</p> <p>The public civil action is open. The lawsuit is now on the phase of technical expertise.</p>
<b>Implemented Management Practices</b>	<p>Regarding the notifications/penalties:</p> <ul style="list-style-type: none"> <li>The company ceased the marketing campaign related to children. Additionally, it implemented more rigorous criteria for approving marketing campaigns,</li> <li>A Risk Assessment between the approval teams (Regulatory Affairs, Medical Affairs, and Legal) was developed to ensure the accuracy of Health claims and strict compliance with the law and consumer laws in Brazil.</li> </ul> <p>Regarding the claims elevated in the public civil action:</p> <ul style="list-style-type: none"> <li>Danone already has products - IFFO and GUM - with distinctive labels, and Danone Brazil strictly follows Danone's BMS marketing policy.</li> <li>In 2021, Danone made significant changes to the</li> </ul>

	<p>packaging of infant formulas, including changing colors and visual elements, which further differentiate infant formula from dairy compounds. These changes have been available since April 2022 in commercial establishments and direct sales channels, and packaging with old labels is no longer produced and should leave the shelves in the coming months. It is also worth mentioning that the brands of milk formulas and compounds are different, thus offering yet another clear distinction between them.</p>
<b>Report</b>	<p>Media coverage identified:</p> <p><a href="https://oglobo.globo.com/economia/defesa-do-consumidor/noticia/2022/06/parece-mas-nao-e-idec-processa-nestle-johnson-e-danone-por-embalagens-de-produto-infantil-e-pede-indenizacao-de-r-60-milhoes.ghtml">https://oglobo.globo.com/economia/defesa-do-consumidor/noticia/2022/06/parece-mas-nao-e-idec-processa-nestle-johnson-e-danone-por-embalagens-de-produto-infantil-e-pede-indenizacao-de-r-60-milhoes.ghtml</a></p> <p><a href="https://economia.uol.com.br/noticias/redacao/2022/06/03/nestle-danone-e-johnson-sao-processadas-por-rotulos-de-produtos-infantis.htm">https://economia.uol.com.br/noticias/redacao/2022/06/03/nestle-danone-e-johnson-sao-processadas-por-rotulos-de-produtos-infantis.htm</a></p>
<b>Other Management Comments</b>	<p>Regarding the claims elevated in the public civil action:</p> <p><i>"Danone has high standards of ethics and transparency in all practices, acting with integrity with all stakeholders, always acting in accordance with Brazilian legislation.</i></p> <p><i>We support the recommendations of the World Health Organization (WHO) that breastfeeding is the best form of nutrition for babies and should be encouraged and promoted. If breastfeeding is not an option for parents, we provide safe and nutritionally quality products, developed for different needs, always based on the most reliable scientific evidence</i></p> <p><i>We are committed to making it clear in our communications to parents and caregivers that breast milk is the best source of nutrition for babies. But we must not forget that there are circumstances that make breastfeeding not possible. In these cases, always upon medical advice, infant formula is a legitimate, safe, and quality choice that seeks to meet the nutritional needs of babies. Unlike infant formulas, the dairy compound is a different category of products, developed especially to contribute to meeting nutritional deficiencies known to be present in Brazilian children from 3 years of age. Its composition aims to preserve the main and important nutrients of cow's milk, such as calcium, phosphorus and proteins of high</i></p>

*biological value in adequate daily quantities, in addition to 21 vitamins and minerals. It also contains prebiotic fibers - important for regulating intestinal transit and strengthening immunity - fatty acids such as omega 3, omega 6, DHA and EPA, essential for brain and cognitive development; and is sucrose-free. With this, the product seeks to be an ally in children's nutrition, always associated with a healthy diet.*

*It is also important to highlight that Danone always seeks to support parents and caregivers with factual information, including the benefits and superiority of breastfeeding, as well as the need for a prescription from a specialized health professional for the consumption of infant formulas and dairy compounds for children. We believe it is important to contribute to an environment where everyone can be informed and supported about child nutrition, regardless of circumstances or dietary choices.*

*We are working hard to be a successful, socially responsible business that operates sustainably. We constantly listen to our consumers, always seeking to meet their expectations, and health authorities and representatives of civil society so that together we can continue promoting the benefits of healthy eating.*

*Faced with such a scenario, Danone was surprised by a Public Civil Action filed by IDEC - Consumer Protection Institute, against the companies Danone, Nestle, and Mead Johnson.*

*In this action, IDEC alleges illegal commercial practices by the aforementioned companies, consisting of the use of similar packaging and labels between infant formulas and dairy compounds.*

*Specifically regarding Danone, IDEC alleges that the dairy compound packaging (Milnutri) is purposely similar to that of infant formula (Aptamil and Aptanutri), and this would lead parents to purchase dairy compound instead of infant formula.*

*It is important to highlight that the basis of IDEC's allegations is a semiotic report, which contains old labels of the mentioned products, since, as previously mentioned, since 2021, Danone has been making significant changes to the packaging of infant*





# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Litigation and Penalties

<b>Issue Date</b>	Ongoing
<b>Topic</b>	Labor and civil litigations
<b>Summary of Issue</b>	<p>Based on the company's responses to this topic, after conducting B Lab's assessment, those issues were determined to be material and required a public disclosure:</p> <p>Labor lawsuits encompass a variety of claims filed against the company by former employees and third parties, including but not limited to:</p> <ol style="list-style-type: none"><li>1) Discrepancies in compensation for overtime, vacation, holidays, 13th salary, FGTS, INSS, meal vouchers, unemployment insurance, night shift premiums, transport allowances, function accumulation, salary equality, and commissions.</li><li>2) Claims for moral damages,</li><li>3) Issues related to illness or accidents, including allowances for unhealthy or dangerous work conditions, medical assistance, and accident-related benefits.</li></ol> <p>Civil litigations involve the following claims filed by distributors and service providers against Danone Brasil:</p> <ol style="list-style-type: none"><li>1) indemnity,</li><li>2) termination with cause,</li></ol>
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	Danone Brasil reported several labor litigations; some were settled and ruled against the company, while others are still pending and under appeal. The company also reported civil cases; some have been closed and settled, while others remain pending and under appeal.
<b>Impact on Stakeholders</b>	The primary impact related to the litigations is a financial impact on former employees, third parties, distributors, and service providers.
<b>Resolution</b>	Some cases were settled and ruled against or in favor of the company, while others are still pending and under appeal. Danone Brasil remains committed to addressing these issues responsibly.

<b>Implemented Management Practices</b>	<p>Danone Brasil shared the following practices implemented to address the labor issues:</p> <ul style="list-style-type: none"> <li>• Training against harassment of any kind,</li> <li>• Management training for leadership positions,</li> <li>• Audit and system change in the management of personal protective equipment sheets,</li> <li>• Restructuring of merchandising promoters' roles (Back to Core Project).</li> </ul>
<b>Management Comments</b>	<p><i>"It is worth mentioning that Danone Brasil is committed to creating a supportive and inclusive workplace that prioritizes the well-being and rights of its employees. The company offers comprehensive health and well-being programs, financial security benefits, family care support, and continuous learning opportunities.</i></p> <p><i>These initiatives ensure that employees can thrive both personally and professionally, fostering a positive work environment that promotes holistic well-being.</i></p> <p><i>Additionally, Danone upholds human rights and dignity at work and promotes inclusive business practices. The company's human rights policy aligns with international standards, reflecting its dedication to ethical and responsible business conduct."</i></p>



# Disclosure Questionnaire Statement

## Disclosure Questionnaire Category: Job Fatality

<b>Issue Date</b>	June 2022
<b>Topic</b>	Employee fatality due to a traffic accident
<b>Summary of Issue</b>	An employee (merchandiser) was involved in a fatal road accident while traveling by motorcycle, from his home to a client (a store). The fatality was reported to the Brazilian social security agency (INSS). No investigation was conducted by the local authorities
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	In the last 5 years, this was the sole employee fatality in the company.
<b>Impact on Stakeholders</b>	The main impact was the employee fatality. In addition, fatalities and accidents have emotional, mental, and financial implications for family members, friends, and colleagues of the people involved in the occurrence.
<b>Resolution</b>	<p>The company provided full support to the family through our social assistance program and health team. Also, Danone held meetings with all teams at different times, including team managers and sales representatives. In addition, the company implemented the following measures:</p> <ol style="list-style-type: none"><li>1. Root cause analysis of the accident and implementation of action plans,</li><li>2. Risk analysis of routes and identification of critical routes,</li><li>3. Mitigation plan for reducing critical routes,</li><li>4. Behavior audit – Mode of transport (motorcycle) and application of the consequence policy (if necessary),</li><li>5. Awareness campaigns and safety stops,</li><li>6. Weekly monitoring of safety scores for vehicle usage,</li><li>7. Review of route management,</li><li>8. Implementation of a travel survey (home-to-work route) to map complementary influence actions.</li></ol>
<b>Implemented Management Practices</b>	The use of motorcycles is prohibited by Danone for any type of transportation due to the high risk associated with this mode of travel. The company has intensified the monitoring of behavioral

	<p>deviations by field promoters through on-site checks with leadership and has reinforced the enforcement of the company's consequence policy.</p> <p>In 2004, Danone launched WISE, a program to develop a health and safety culture in the company, which over the years has evolved into WISE<sup>2</sup> (adding wellbeing aspects). Since its launch, the program has prevented over 10,000 injuries while maintaining the clear goal of achieving ZERO accidents in and around the workplace. The program is articulated around four steps:</p> <ol style="list-style-type: none"> <li>1. Know the hazards to identify the risks,</li> <li>2. Assess the risks,</li> <li>3. Eliminate or control the risks,</li> <li>4. Check controls are applied.</li> </ol> <p>WISE<sup>2</sup> is deployed in each Business Unit worldwide, including Danone Brasil, through regular employees' training and annual audits. At Danone Brasil, like in all Danone Business Units, a dedicated committee is in charge of local implementation and monitoring of WISE<sup>2</sup> - members are several health &amp; safety representatives, all reporting to a senior-level position.</p>
<b>Related Incidents (Yes/No)</b>	No

# Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other - Disclosure practices

<b>Issue Date</b>	January 2024
<b>Topic</b>	Allegations of disrespect to Animal Welfare concerning a former Danone Brazilian milk supplier
<b>Summary of Issue</b>	Danone Brasil is a dairy product manufacturer that sources milk from suppliers. In 2024, NGO's claims of mistreatment of animals have circulated news outlets claiming Danone's suppliers supposedly have abused cows. More information on the claims can be found <a href="#">here</a> and <a href="#">here</a> .
<b>Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)</b>	<p>The supplier accused in June 2023 had already ended the supply of milk to Danone in August 2022. With the end of the contract, the farm started to negotiate the milk with another dairy. Therefore, Danone's spend with this supplier in 2023 was zero.</p> <p>100% of Danone Brasil's dairy portfolio relies on fresh milk. In 2023, Danone Brasil sourced from 209 farms, distributed in 60 municipalities in the south of Minas Gerais, of which the company has registered the geographic location by GPS.</p>
<b>Impact on Stakeholders</b>	If animal welfare practices are not properly documented, implemented, and monitored, animal farms may present a risk of causing cows physical pain, psychological distress, suffering, reduction of animals' quality of life in other ways, and/or death
<b>Resolution</b>	<p>According to Danone Brasil, in August 2023, the company was informed that the NGO behind the allegations had filed a complaint with the Public Prosecutor's Office of the State of Minas Gerais. Following investigations and inspections of the farm, the claims were not substantiated. As a result, the case was dismissed.</p> <p>Danone, upon becoming aware of the news article, revisited the result of the homologation of MilQSat (set of criteria used by the company to determine the quality of the farms' practices) suppliers and concluded that it was a farm with high compliance scores. As the farm no longer supplied milk to the company on the date of publication, Danone Brasil established</p>

	<p>contacts by telephone and a subsequent face-to-face visit. The company understood that no investigation would be necessary since the farm no longer had a commercial relationship with Danone.</p> <p>There are no other closed/ ongoing investigations/ complaints/ penalties brought against the company in relation to these allegations.</p>
<p><b>Implemented Management Practices</b></p>	<p><b>Selection and Approval of Suppliers</b></p> <ul style="list-style-type: none"> <li>• To start supplying milk to Danone Brasil, the producer goes through a global diagnosis called MilQSaT, which evaluates criteria of quality, traceability, management of inputs and waste, fertilization, and animal welfare.</li> <li>• Danone Brasil conducts annual audits of all milk supplier farms, verifying items such as animal welfare, milk quality, sustainable agriculture, traceability, water management, and respect for social practices. The purpose of the audit is to assess whether the handling of the animals and the farm's facilities are in accordance with the standards that ensure the necessary welfare of the animals throughout their life cycle. If any farm is identified with opportunities for improvement or practices that do not comply with the animal welfare protocols established by the company, an action plan is developed in collaboration with the farm and implemented alongside Danone Brasil. -- The specific diagnosis for Farm Animal Welfare is based on the five domains of animal welfare (nutrition, environment, health, behavior, and mental state of animals). This diagnosis was implemented in 100% of the farms and is reassessed annually, with all field staff trained and qualified to implement good well-being practices.</li> <li>• The indicators monitored in each animal farm may differ, as management practices often vary depending on the size of the farm.</li> <li>• If a specific supplier is identified as underperforming, Danone Brasil requests the farm to participate in development projects for producers. These projects require a commitment and the establishment of action</li> </ul>

	<p>plans to address the issues. If the producer chooses to act independently, Danone Brasil closely monitors their progress. In very rare cases, the company may even discontinue the partnership if the supplier fails to meet the required standards.</p> <p><b>Danone Brasil's Public Animal Welfare Commitment</b></p> <p>In November 2023, Danone pioneered the "Tudo de Bem Farm" program in Brazil, which is part of the company's Public Animal Welfare Commitment. With an investment of R\$ 3 million, the program aims to promote animal welfare in the breeding and handling of dairy cattle. The first phase of investigation and diagnosis is already underway to ensure that all necessary improvements are implemented. The Commitment and the program were developed in partnership with <a href="#">BE. Animal</a> (technical and implementation partner), <a href="#">F&amp;S Consulting</a> (consulting partner), and <a href="#">Embrapa Dairy Cattle</a> (institutional and scientific support), in addition to having the global partnership of Compassion in World Farming (CIWF). The project is based on the five domains of animal welfare, implementing good practices on dairy farms through the training of 100% of the technical staff and the implementation of consultancy to support producers in the execution of actions. The company has already carried out a diagnosis on 100% of the farms to map the needs and act quickly where there are more challenges.</p> <p>Objectives of Danone Brasil's Animal Welfare Pledge:</p> <ul style="list-style-type: none"> <li>• Invest R\$ 3 million dedicated to animal welfare by 2025,</li> <li>• Develop and implement specialized animal welfare training for dairy farmers who are business partners starting in 2024.</li> <li>• Extend specialized training to 100% of Danone Brasil's technical staff who work directly with the teams of the milk supplier farms in 2024,</li> <li>• Produce technical materials (handouts and tutorials) related to good practices in breeding and management of dairy cattle.</li> <li>• Standardize the self-control of animal welfare practices on partner farms, based on the highest nationally and internationally recognized standards.</li> <li>• Initiate a pilot project to implement best animal welfare practices in collaboration with a specialized technical</li> </ul>
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	<p>partner on 20% of partner properties by the end of 2024.</p> <ul style="list-style-type: none"> <li>• Scale up the project to implement self-control of best animal welfare practices with a specialized technical partner from 2025.</li> <li>• Publish the results of this initiative and the investments made by Danone Brasil and its partners annually in the company's 2024 Annual Sustainability Report.</li> <li>• Promote, starting in 2026, the sustainable development of the dairy sector in Brazil by sharing the technical materials developed in the project with all dairy industries interested in implementing the best animal welfare practices in Brazil.</li> <li>• Promote a genetic improvement program focused on animal welfare, in partnership with companies specializing in genetics.</li> </ul>
	<p>Danone Brasil shared the following initiatives that would contribute to animal welfare:</p> <ul style="list-style-type: none"> <li>• <b>The Educampo Project</b> The Educampo Project, which began in 2005 in partnership with the Brazilian Micro and Small Business Support Service (SEBRAE), promotes animal welfare directly on Danone Brasil's milk supplier farms through technical and managerial assistance (AT&amp;G). The project aims to improve nutritional and comfort indices for animals while also enhancing management and profitability for producers. Currently, Educampo serves more than 110 farms in partnership with Danone Brasil, supported by 7 field technicians who are veterinary medicine and animal husbandry professionals. The 110 farms represent 57% of the milk volume and 53% of the number of producers. Educampo is available to 100% of the farms; however, there are two main reasons why some producers choose not to participate: either they already receive private technical assistance, or they do not meet the program's target profile and therefore decline to join. The technical assistance provided helps producers better manage their farms, with a key focus on ensuring the health and well-being of the animals. Among the main practices promoted by Educampo for animal welfare are: the establishment of systems providing greater thermal comfort and health,</li> </ul>

	<p>improvements in breeding and rearing practices, enhancements to facilities and management, nutritional balance for quality feed, and veterinary recommendations to ensure the overall health of the animals and the farm. The farms served by Educampo have monthly visits, but the other farms can ask for help at any time.</p> <ul style="list-style-type: none"> <li> <b>Comquali Project</b>  The Comquali project currently serves 47 farms and provides technical consultancy to improve milk quality, with a particular focus on Somatic Cell Count (SCC), an indicator directly related to the health of the herd. These farms represent 26% of the milk volume and 22% of the number of suppliers. The project emphasizes training for milkers, enhancing milking processes, animal management, performing cultures to reduce and rationally use antibiotics, and providing assertive technical recommendations for the use of medications. As a result, producers gain benefits such as reduced milk losses, improved animal health, and enhanced food safety. </li> <li> <b>Sustainable Agriculture Project</b>  As part of its initiatives to promote animal welfare, Danone Brasil also supports the Sustainable Agriculture Project, which currently serves 53 farms. These farms represent 32% of the milk volume and 25% of the number of suppliers. Since 2019, the company has invested in promoting regenerative practices in milk production, aimed at benefiting animals through better quality feed, unlimited access to water, ecosystem biodiversity, training for milk suppliers, and, ultimately, the quality of the company's products. The provision of high-quality food and water to the herd plays a critical role in animal welfare, addressing key domains such as nutrition, environment, and health, and ensuring the animals are in favorable welfare conditions. </li> <li> <b>Agro+Lean (MDA – Master Dairy Administration)</b>  Since 2021, Danone Brasil has offered the free MDA (Master Dairy Administration) course to train partner producers in the supply of milk, in collaboration with the </li> </ul>
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	<p>Milk Clinic. The MDA Production System, developed specifically for application on dairy farms, adapts the Lean philosophy successfully used in industrial management to agricultural businesses. The 40-hour course not only focuses on farm management but also on the continuous improvement of farm processes, with a particular emphasis on animal welfare, aiming to improve the health and development of animals, especially during the young phase. The farms participating in the MDA were 24 farms representing 35% of the milk volume. Danone monitors indicators of some participating farms, and we noticed very low mortality rates in young animals, high levels of management and standardization of processes, a high level of training of the work team, among others.</p> <ul style="list-style-type: none"> <li> <b>OnFarm</b>            Danone Brasil also invests in technology to assist all partner producers in identifying and treating common health conditions, such as mastitis, a common disease characterized by inflammation of the mammary gland in adult dairy cows. To manage mastitis within the herd, the company has partnered with OnFarm, a startup that provides a digital solution to train and enable producers to use technology to identify the causes of mastitis. This partnership has helped reduce the rate of antibiotic application and its prophylactic use by up to 55%, leading to improved health and well-being for the animals. In 2023, funded by Danone Brasil, the initiative, in collaboration with OnFarm, operated in 76 laboratories on the farms, resulting in a 55% reduction in antibiotic consumption.         </li> </ul> <p><b>Whistleblowing mechanisms</b>            Danone's <a href="#">anonymous whistle-blowing line (Danone Ethics Line)</a> is open and accessible to all internal and external parties, including suppliers, with procedures to address any alert raised and a special committee (cross-functional team) to remediate in case of a material alert. Danone also seeks external advice on remediation from a legal firm specialised in integrity. The scope of the Danone Ethics Line include any alleged violations of Danone Code of Business Conduct, the Integrity Policy, any of Danone other Compliance Policies or any non-ethical conduct,</p>
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	any concern regarding actual or potential adverse impacts on human rights or fundamental freedoms, on the health and safety of people or on the environment, with respect to Danone's own operations, the operations of its subsidiaries or the operations of its Subcontractors or Suppliers.
<b>Report</b>	<p>Press links:</p> <p><a href="https://www.intercept.com.br/2024/01/26/o-iogurte-da-danone-que-voce-bebe-vem-de-uma-vaca-que-sofre-maus-tratos/">https://www.intercept.com.br/2024/01/26/o-iogurte-da-danone-que-voce-bebe-vem-de-uma-vaca-que-sofre-maus-tratos/</a></p> <p><a href="https://jornalvozativa.com/brasil-mundo/ativistas-pedem-danon-e-posicionar-sobre-descarte-bezerros/">https://jornalvozativa.com/brasil-mundo/ativistas-pedem-danon-e-posicionar-sobre-descarte-bezerros/</a></p> <p><a href="#">2023 Danone Brasil Sustainability Report</a></p>
<b>Other Management Comments</b>	<p><i>"Danone believes that the debate among all parties is fundamental to improving processes throughout the sector. The company remains open to dialogue with any stakeholder committed to co-constructing long-lasting solutions for the industry, considering the three pillars of sustainability, as we believe that only in this way will we have an effective impact."</i></p> <p><i>"It is only possible to improve the practices of our production chain in a sustainable way, considering milk supplier producers as key actors in the sustainable development of milk production, whether small, medium, or large-scale. Therefore, Danone considers it essential to train and empower these partners for a transition towards better animal welfare practices. All the initiatives that have been implemented by the company since 2005 seek to improve animal welfare through human capital dedicated to animal management."</i></p>