



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 and B Lab deems them to be material, the company must:

- 1) Be transparent about 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 systems are in place to avoid similar issues from arising in the future.

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

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks 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.

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

DISCLOSURE QUESTIONNAIRE

Company Name: Danone GmbH
 Date Submitted: 03/07/2022

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

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		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
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		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration	✓	
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs	✓	
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
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		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other	✓	

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Danone GmbH

UPDATED AS OF:

03/07/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation
ISSUE DATE	Oct 2016 - Dec 2021
TOPIC	Litigation related to termination, warning, strike-breaking bonuses, ban on access, paid breaks, payment of specials shifts and extension of term of labor agreement
SUMMARY OF ISSUE	<p>"Danone GmbH had 22 case: 16 individual cases and 6 works council cases. 7 of the 8 individual cases were settled by settlement agreements. 1 of the 8 individual cases is still pending (Higher Labour Court - claim was dismissed by the Labour Court of First Instance).</p> <p>8 of the cases were because of disputes about paid breaks, but all these lawsuits were withdrawn before the end. The other cases with individuals were because of disputes about terminations. In Germany, the Act Against Unfair Dismissals (Kündigungsschutzgesetz – KSchG) applies to employees who are employed by companies with more than 10 employees and who have been employed for at least 6 months.</p> <p>After Danone GmbH had announced the intended closure of its Rosenheim plant, the union called for strikes. The cases with the work councils were about strike-breaking bonuses, ban on access and payment of specials shifts. In all cases, the company and the works council found a solution and settled.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	"11 cases settled for a total settlement amount of 317,801.87 €, which is approximately .09% of the company's revenue. 9 of these settled cases were individual cases and 2 of these cases were works council cases.
IMPACT ON STAKEHOLDERS	As regards individual cases the involved parties to the cases only. As regards works council cases the respective work force or parts of it, in some cases the union NGG.
IMPLEMENTED MGT PRACTICES	All cases were so specific that it would not bring success implementing special management practices. The company tries to avoid all litigation processes.
RELATED INCIDENTS (YES/NO)	No

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PROVIDED BY:

Danone GmbH

UPDATED AS OF:

03/07/2022

DISCLOSURE QUESTIONNAIRE CATEGORY	Significant layoffs of >20% of workforce
ISSUE DATE	July 2021
TOPIC	Significant layoffs due to closing plant location
SUMMARY OF ISSUE	"After careful review and in light of the steady decline of around 70% in capacity utilization over the last ten years, and the need to adapt to fast-changing consumer trends, Danone GmbH decided to close its plant in Rosenheim in July 2021. This closure was subject to negotiations with the works council.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	160 employees were laid off, representing approximately 27% of the company's employees at that time.
IMPACT ON STAKEHOLDERS	Impact on employees was loss of employment.
IMPLEMENTED MGT PRACTICES	<p>"Danone GmbH created a social plan contract. A social plan is agreed with the works council and mandatory in German labour law. Within the plan, the company provided severance pay based on an employee's age and number of years working with the company. The plan included extra pay for employees with severe disabilities and employees with dependent children. Each employee also received an additional 7,500 €. Employees received prorated holiday pay and christmas bonuses. They also implemented an outsourcing company (Transfergesellschaft) for 12 months to secure the income for their employees and help them with training and support to find a new employment. Relocation benefits are part of the Social Plan. Additionally, the company provided workshops, consulting services and vocational training which were available for all employees. Apprentices at the plant were allowed to finish their training at other plants.</p> <p>Danone knew even before the plant closed that some employees had found new jobs because the employees actively asked for a termination agreement. The company always agreed to this and, despite the earlier departure, the severance payment according to the social plan was paid. Furthermore, the company receives regular reports from the transfer company as to whether employment relationships are suspended. That only happens when an employee has found a new job. To date around 65 employees have found a new job. They offered up to 30 positions for employees at other Danone facilities, only 6 employees accepted.</p> <p>Danone also underlined the importance of supporting the dairy farmers impacted by the plant closure. Specifically, dairy farmers who supplied milk to the plant in Rosenheim were supported in their efforts to find new milk purchasers. Danone continued working, as in the past, with its partner, the Milk Producers' Association, during the transition period. When necessary, the company provided special consultative services to ensure the smooth transition to a new creamery. Specifically, the company supported dairy farmer suppliers as follows:</p> <p>A) The company organized and paid for all related farmer suppliers the VLOG (genetic engineering free) and QM milk certification. Both are standards in the market and was offered to help the producers quickly find new customers.</p> <p>B) The company was in very close contact with MEG (milk producers' community) Rosenheim, with whom the company had as a representative a contract with all producers, to check which dairies were looking for new customers and when, to ensure a transfer that was as smooth and quick as possible.</p> <p>C) After consultation with the legal department, the company supported the administrative processing of the new dairies to make the process as effortless as possible.</p> <p>The positive result of these efforts was that the company was able to let some farmer suppliers go earlier and others only after the closure. One particularly positive point to note is that all of the company's producers have new customers.</p>
OTHER MANAGEMENT COMMENTS	<p>"As Richard Trechman, Regional Managing Director at Danone GmbH, explained: ""Making the decision to close the plant was a difficult step, especially since employees in Rosenheim have shown such a high degree of commitment and engagement over the past few years. It is of major importance to us not only to develop a satisfactory social compensation plan together with the Works Council, but also to assist our employees in their search for new opportunities."" He adds: ""For those employees who are mobile, we are looking into the possibility of offering them employment in one of our other Danone plants; alternatively we will help them apply for jobs with other companies in the region.""</p> <p>As far as the future use of the premises and property in Rosenheim is concerned, Danone will be entering into a constructive dialogue with the City of Rosenheim to decide on the further use of the real estate.</p> <p>The plant in Ochsenfurt will not be affected by these plans. On the contrary, given the portfolio of products that have been and can be produced in Ochsenfurt, Danone is planning a series of investments to create a new strategic focus for its production facility. The plant will then be in a position to respond more speedily and efficiently to the needs of consumers. It will produce traditional chilled yogurts and desserts as well as non-chilled dairy products and plant-based products."</p>