

Danone ANZ

Disclosure Report
Date Submitted: May 12th, 2025

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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:

- 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.

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 of or trade in any of the following. Select Yes for all options that **Animal Products or Services** $\boxed{}$ **Biodiversity Impacts** \square Chemicals \square **Disclosure Alcohol** \square **Disclosure Firearms Weapons** $\boxed{}$ **Disclosure Mining** $\boxed{}$ **Disclosure Pornography** $\boxed{}$ **Disclosure Tobacco** $\boxed{}$ **Energy and Emissions Intensive** $\overline{\mathbf{A}}$ <u>Industries</u> Gambling \square **Genetically Modified Organisms** \square Illegal Products or Subject to \square **Phase Out** Industries at Risk of Human $\overline{\mathbf{A}}$ **Rights Violations Monoculture Agriculture Nuclear Power or Hazardous** \square **Materials** Payday, Short Term, or High $\overline{\mathbf{A}}$ **Interest Lending** Water Intensive Industries \square **Tax Advisory Services** \square

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		\checkmark
Breaches of Confidential Information		N.
Bribery, Fraud, or Corruption		N.
Company has filed for bankruptcy		\checkmark
Consumer Protection		V
Financial Reporting, Taxes, Investments, or Loans		\searrow
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		V
Labor Issues		\checkmark
Large Scale Land Conversion, Acquisition, or Relocation		N
Litigation or Arbitration		\vee
On-Site Fatality		V
Penalties Assessed For Environmental Issues	V	
Political Contributions or International Affairs		Y
Recalls		\checkmark
Significant Layoffs		V
Violation of Indigenous Peoples Rights		V
Other		\checkmark



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		\checkmark
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		\checkmark
Company prohibits freedom of association/collective bargaining		V
Company workers are prisoners		\checkmark
Conduct Business in Conflict Zones		\checkmark
Confirmation of Right to Work		\vee
Does not transparently report corporate financials to government		\vee
Employs Individuals on Zero-Hour Contracts		\vee
Facilities located in sensitive ecosystems		V
ID Cards Withheld or Penalties for Resignation		V
No formal Registration Under Domestic Regulations		\vee
No signed employment contracts for all workers		∀
Overtime For Hourly Workers Is Compulsory		\checkmark
Payslips not provided to show wage calculation and deductions		\vee

	Yes	No
Sale of Data		\checkmark
Tax Reduction Through Corporate Shells		N
Workers cannot leave site during non-working hours		N
Workers not Provided Clean Drinking Water or Toilets		N
Workers paid below minimum wage		S
Workers Under Bond		✓
Other	\checkmark	

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		\checkmark
Child or Forced Labor		\checkmark
Negative Environmental Impact		\vee
Negative Social Impact		\checkmark
Other		\checkmark



Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	This disclosure documentation includes the following entities: Danone Nutricia New Zealand Ltd (DNNZ), Nutricia Limited and Nutricia Australia Pty Ltd (collectively, Nutricia ANZ). Together, DNNZ and Nutricia ANZ are Danone ANZ.
	DNNZ is involved in the production, and Nutricia ANZ is involved in the sale of Specialised Nutrition products. They are part of an industry that can potentially be classified as water intensive, 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. DNNZ and Nutricia acknowledge their potential negative environmental impact and actively work to mitigate their 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.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of DNNZ and Nutricia ANZ revenues come from manufacturing (local production and imports from Danone factories globally). At the Baclutha production site, the water intensity is 15 m3/ton (the water is obtained from bore water). At the Aintree site, the minimal usage is 0.09m3/ton and is obtained from municipal supply. The production site operates in compliance with Relevant legislation, Water uptake consent, Otago Regional consent RM 15.286.01
Impact on Stakeholder(s)	As defined by B Lab, water-intensive industries like food and beverage manufacturing pose risks such as water stress or depletion of local water sources if water use is not appropriately managed.
	By using municipal water supply for its manufacturing processes, the main stakeholders affected are other water users in the regions of operation, such as local water authorities & regulators, residents, other industrial plants, farmers, and the local biodiversity.



Implemented Management Practices

Danone ANZ is a subsidiary of Danone SA. Under the 'One Planet. One Health' signature, Danone embraces the responsibilities and leverages the reach as a force for good – determining to preserve water resources, drive water circularity, and provide safe drinking water. The water stewardship at Danone includes three scopes – scope 1 of factory, scope 2 of operational watershed, and scope 3 of sourcing watershed. Scope 3 accounts for the major water footprint in Danone, as it includes water usage in agriculture.

Water is also a key topic of the company's sustainability strategy, Danone Impact Journey. As part its roadmap, Danone set targets and committed to reducing its water footprint for:
- Scope 1 – by implementing a 4R approach (reduce, reuse, recycle, reclaim) in 100% of the production sites by 2030.
- Scope 2 – by implementing in highly water-stressed areas, watershed preservation and restoration plans by 2030.
- Scope 3 – by driving water footprint reduction across the value chain

Danone 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. Danone also uses an internal reporting tool for sustainability metrics - Greentrack-deployed in each Business Unit worldwide, including Danone Nutricia New Zealand DNNZ to track water consumption and efficiency of its water programs.

At Danone ANZ, practices on water management include conducting regular water risk assessments and implementing 4R programmes as part of a water roadmap (with projects identified and implemented to reduce water usage). A significant project was the Cow Water recovery project, which reduced the factory's water usage by one third. This project involves re-using the liquid extracted during the dehydration of milk for other applications - eg inside heating or cooling pipes. The water meter is calibrated once every 5 years as per local consent authority requirements. Bore water quality is tested annually. For more details on practices and quantitative data, please refer to the Transparent Assessment on the company's B Corp Profile.



Report	Water Stewardship



Disclosure Questionnaire Category: Environmentally Intensive Industries

Topic	Energy and Emissions Intensive Industries
Summary of Issue	Danone Nutricia New Zealand Ltd (DNNZ) is involved in the production, and Nutricia Ltd and Nutricia Australia Pty Ltd (Nutricia) is involved in the sale of Specialised Nutrition products. DNNZ and Nutricia (together, Danone ANZ) are part of an industry that can potentially 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 ANZ acknowledges 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.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	 - 100 % of Danone ANZ sales come from manufacturing (local production) and imports from global Danone Manufacturing facilities. The energy intensity of the DNNZ manufacturing site is 4807 kWh/t. The company uses 100% Renewable electricity (REC) and has an on-site renewable energy source biomass boiler. - Danone SA's (the parent company) main contributor to the carbon footprint is milk, which accounts for 36% of the overall emissions. The energy and industrial operations account for 5% of Danone SA's total emissions.
Impact on Stakeholder(s)	As defined by B Lab, Energy intensive activities like food and beverage manufacturing, 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.
Implemented Management Practices	Danone ANZ is a subsidiary of Danone SA. As such, it is fully in line with the group's ambition to help lead an industry-wide transition to a low-carbon economy. In 2015, Danone started engaging in climate change following the Paris Agreement. The company published the Climate Policy and set 1.5° reduction targets for 2030, officially approved by SBTi in 2022.



Danone's main contributor to the carbon footprint is milk, which accounts for 36% of the overall emissions. Energy and industrial operations account only for 5% of the total. Nevertheless, Danone commits 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.

Energy & Emissions are also a key topic of the company sustainability strategy, <u>Danone Impact Journey</u>. Danone's global targets on climate are:

- Reduce its GHG footprint by 2030, in line with what science says is required to limit warming 1.5°C,
- Achieve 30% reduction in methane emissions from fresh milk by 2030,
- 30% improvement in energy efficiency by 2025,
- Achieve net Zero emissions by 2050,

As part of the strategies to reach the Danone Impact Journey targets listed above, Danone 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:

- Improve energy efficiency by 30% by 2025,
- Significantly increase its use of renewable energy, such as biogas, biomass, solar and hydrogen,
- 100% of electricity will be from renewable sources, and half of all energy will come from renewable sources by 2030,
- Reduce the company's scope 1 & 2 emissions by a minimum of 42% by 2030.

To monitor its progress, Danone uses an internal reporting tool for sustainability metrics – Greentrack - deployed in each Business Unit worldwide, including Danone ANZ to track energy consumption and efficiency. In Danone ANZ, roadmaps to improve energy efficiency are developed and actioned, projects to reduce CO2 emissions identified and actioned. Notably, Danone ANZ significantly increased its use of renewable energy at the factory, by installing a biomass boiler and ensuring that 100% of electricity used is from renewable sources (REC). For more details on practices and quantitative data, please refer to the Transparent Assessment on the company's B Corp Profile.

Report

Danone's Climate Transition Plan

Danone's climate action



Disclosure Questionnaire Category: Penalties Assessed for Environmental Issues

Issue Date	30 August 2021 (ORC Compliance Report Issued) to Present
Topic	Negotiation of alternative treated wastewater irrigation, as related to Otago Regional Council (ORC) Abatement Notice and Stay Proceedings initiated by Danone Nutricia NZ Limited (DNNZ).
Summary of Issue	In 2014, Danone acquired its New Zealand spray-drying operation from a local farmer, who had previously been running their own operations at the same site.
	With that acquisition, Danone also inherited a resource consent to irrigate treated waste water over 246 hectares. Functionally, the previous operator (who is also the current landowner) was using only 162.2 hectares for irrigation. This is due to geographical infrastructure constraints - ie the need to avoid waterways, trees and undulating pasture. When Danone took over operations at this site, it continued to use the same land area for irrigation, along with existing irrigation infrastructure.
	Wastewater primarily results from the factory cleaning process and consists of residual milk products left in the pipes and chambers, along with cleaning chemicals. The previous plant operator produced whole milk powder, whereas Danone produces base powders that go into infant formula products. These have stricter quality, regulatory, and compliance requirements. Danone also produces multiple SKUs at the plant. The variety of products produced by Danone and the higher quality controls required results in increased frequency of CIP (clean in place), which in turn leads to increased waste water production. Prior to making it available for irrigation, the waste water goes through a waste water treatment plant.
	The resource consent allows the application of treated waste water on the landowner's site for irrigation. The volume of waste water irrigation covered, and other conditions required by the current consent, reflected the operational efficiency of the plant when the landowner operated it. Danone's continued improvements to operational efficiency allowed the company to improve the plant's performance and consequent production, resulting in increases in treated wastewater to be irrigated from



the time it acquired the spray-drying operation.

Foreseeing the need for either a revision to the current consent and/or additional irrigation infrastructure over a greater portion of the consented 246 hectares, Danone began working with the landowner to either amend the existing resource consent and/or to increase the functional area of irrigation included in the current resource consent. This included offering to co-invest in additional equipment that would allow for spray irrigation on uneven ground, which could also be utilised by the landowner for their own uses.

On 30 August 2021, ORC (Otago Regional Council) compliance team issued Danone an abatement notice in relation to technical non-compliance to the current resource consent for wastewater irrigation. In parallel, Danone was in discussions with the landowner about amendments to the existing resource consent and/or the investment required for additional irrigation and this continued from August 2021 to October 2023. Throughout this period, Danone updated the ORC compliance team regularly on wastewater discharge amounts pursuant to the existing resource consent. ORC compliance team provided Danone multiple time extensions to the compliance period, specified in the abatement notice, to enable the discussions with the landowner to progress.

When it became clear the infrastructure improvements could not be agreed, the ORC declined Danone's further request for an extension of the compliance period, as extensions can not be granted indefinitely. Danone also initiated a Stay Proceedings to the Environmental Court to ensure there was adequate time to explore and complete other possible solutions independent of the landowner. Upon the request of Danone and ORC, the Environment Court has granted an extension to enable Danone to action these alternatives. Danone worked with other local landowners and the ORC to successfully apply for a new resource consent that would enable irrigation of an alternative property.

Once infrastructure work is complete on the alternative property and the new consent is exercised, any technical non-compliance to the original resource consent will be resolved. Danone will then seek that ORC cancel its abatement notice. Once cancelled, DNNZ can withdraw its proceedings in the Environment Court.

Size/Scope of Issue (e.g. \$ financial implication, # of

This matter is related to DNNZ's Balclutha operations only. Danone was issued an infringement fee of \$1,000 for the



individuals affected)	contravention of a resource consent, plus an additional infringement fee of \$750 for the abatement notice.
Impact on Stakeholders	Danone has been engaging with the landowner regarding an increase to the functional area for irrigation since August 2021. The ORC has been involved since July 2022. This represents a significant period of time where stakeholders have needed to discuss, negotiate and consider.
Resolution	After receiving further technical details from Danone, and after completing consultation with Aukaha (local lwi or indigenous people), the ORC consenting team granted a new consent to irrigate on an alternative property.
	Danone has indicated to the Environment Court that work to support the new resource consent is anticipated to be completed in mid-2025, subject to the execution of an easement agreement with the relevant landowner. The Environment Court adjourned the matter, and parties will be required to provide a progress report in March 2025.
	Once the works are completed and the new consent is exercised, any alleged technical non-compliance to the original resource consent will be resolved. Danone will then seek that ORC cancel its abatement notice. Once cancelled, Danone can withdraw its proceedings in the Environment Court."
Implemented Management Practices	Danone employs staff specifically responsible for monitoring compliance to applicable resource consents. It also meets regularly with the ORC to discuss its performance. This monitoring includes regular testing of treated wastewater discharges and soil samples. Any findings of concern are routinely discussed with the ORC compliance team and resulting necessary measures agreed; this has previously included changes in water testing methodology, investment in additional infrastructure, negotiations with land owners, and applying for new or varied consents and commercial agreements to ensure regulatory compliance. Danone's continuous improvement programme is in place to meet internal and external policy, legal, and regulatory requirements. The company maintains several channels of communication with stakeholders, including regulatory bodies, neighbours, and the local community.
Other Management Comments	"In New Zealand, dairy cattle are predominantly pasture (grass) fed. This means grazing land requires regular irrigation and fertilisation to retain its nutrient content. It is common practice for treated, industrial wastewater to be discharged as irrigation to provide crops with water on a daily basis, and also to provide



	key nutrients to the soil. Treated industrial water contains Calcium, Potassium, Nitrogen and Phosphorous; thus, farmers can reduce the amount of fertilizer they put onto the land. The land also provides further filtration for wastewater before it reaches surface water (rivers, streams and lakes) and groundwater. It is a fundamental part of local agricultural practices."
Related Incidents (Yes/No)	No.



Disclosure Questionnaire Category: Other disclosures

Issue Date	April 2025
Topic	Media coverage sharing allegations that the industry has lobbied the NZ government in favour of industry exports over public health benefits.
Summary of Issue	New Zealand's decision to withdraw from adopting new infant formula labeling standards has sparked concern among public health experts. The proposed regulations aimed to restrict marketing claims on formula packaging to prioritize breastfeeding. Multinational dairy companies, including Danone ANZ, allegedly lobbied against these changes, arguing that the stricter regulations could harm exports and lead to job losses. The company alleged that, while Danone ANZ agreed with most of this final proposal, supported by evidence and aligned with international standards, some elements raised more questions. For example, restricting the sales channels for Special Medical Purpose Products for Infants (SMPPi) would, in their view, reduce access to specialty formula for rural and remote families and overall reduce informed choice for parents and carers.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	After receiving feedback from companies, New Zealand is updating the proposal and plans to implement its standard over the next five years, a move that some experts view as a setback for infant nutrition standards.
Impact on Stakeholders	Breast milk is considered the healthiest and most beneficial option for infants. While infant formula can be a necessary alternative in some cases, it may carry additional risks compared to breastfeeding. Because of this, there is concern that aggressive or misleading marketing of breast milk substitutes could influence parents' choices in ways that may not always support the best health outcomes for infants.
	Lobbying for standards that do not prioritize infant health can have concerning consequences. When policies are shaped more by commercial interests than by the well-being of infants, it can lead to weakened regulations and practices that put vulnerable populations at risk. Ensuring that health, safety, and evidence-based guidelines remain at the forefront of policy decisions is essential to protect and promote the best outcomes for infants and families.



Implemented Management Practices

According to B Lab Global's Marketing of Breastmilk Substitutes Risk Standards all manufacturers of BMS/CF are required to support legislation fully aligned with the International Code of Marketing of Breast-Milk Substitutes as well as disclose their policies on lobbying, specific lobbying practices as they relate to BMS/CF, and areas of non-compliance with the Responsible Lobbying Framework (RLF). To know more about Danone ANZ's compliance with B Lab's Risk Standards, please check the company's disclosure on Marketing of Breastmilk Substitutes.

Report

Article news

Management Comments

"This article follows the recent updates to baby formula regulations in New Zealand. The baby formula policy and regulatory context in Australia & New Zealand has been evolving quickly these last 18-24 months, with two major texts being under revision. In particular, after 11 years of development, Food Standards Australia and New Zealand (FSANZ) put forward its final proposal for new infant formula standards ('P1028') last year. While Danone agreed with most of this final proposal, supported by evidence and aligned with international standards, some elements raised more questions. For example, restricting the sales channels for Special Medical Purpose Products for Infants (SMPPi) would, in our view, reduce access to specialty formula for rural and remote families and overall reduce informed choice for parents and carers.

In line with our global positioning, <u>Advocacy Policy</u> and <u>Code of Business Conduct</u>, we openly, transparently and consistently communicated these concerns both during the public consultation processes and directly to the Australian and NZ governments. Danone's submissions to the consultation dating back to 2023 are <u>available publicly on the FSANZ website</u> (Please refer to the public consultations section to access Danone ANZ's submissions, which are available for download in the submissions folder for each round of consultation).

In 2024, when the standards came to a vote, the New Zealand Food Safety Minister opted to withdraw from the unmodified P1028 proposal and retain its ability to work on a solution that best serves the interests of New Zealand parents and carers; formula-fed infants; and Kiwi farmers, suppliers and businesses. In line with our newly revised Baby Formula Marketing Standards, we continue to support the protection of breastfeeding; in fact, Danone has one of the strictest internal standards in our market and globally when it comes to ethical marketing practices. We also commit to empowering parents and caregivers to make informed feeding decisions for their babies,



by ensuring information and support is available on breastfeeding, mixed feeding and formula feeding.

If any inquiries from stakeholders arise, Danone will transparently address them."