



DANONE sp. z o.o.

Disclosure Report

Date Submitted: August 25th, 2024



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.

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 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"/>
Energy and Emissions Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" 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"/>
Consumer Protection	<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"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" 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"/>
Other	<input type="checkbox"/>	<input checked="" 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

Topic	Energy and Emissions Intensive Industries
Summary of Issue	Danone Poland includes Danone sp. z o.o. Żywiec - Zdrój S.A., Nutricia Polska sp. z o.o., Nutricia Zakłady Produkcyjne sp. z o.o., Nutrimed sp. z o.o., Promedica sp. z o.o.. Some of these subsidiaries are involved in the production and sale of dairy, plant-based, specialized nutrition & bottled water & beverages products, therefore, according to B Lab's standards, they are part of an industry that 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. 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)	Within the scope of DANONE Poland there are 7 factories: 1 dairy factory (in Białystok), 4 Waters factories (In Radziejewo-Wieprz, Jeleśnia, Rzeniszów and Mirosławiec) and 2 specialised nutrition factories (in Opole and Krotoszyn).
Impact on Stakeholders	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 companies in Poland are legal entities of Danone SA. As such, they are 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. More information can be found here on Danone Climate Transition Plan .

	<p>Energy & Emissions are also a key topic of the company sustainability strategy, Danone Impact Journey. Danone's global targets on climate are:</p> <ul style="list-style-type: none"> • 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. <p>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:</p> <ul style="list-style-type: none"> • 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 47,2% by 2030. <p>To monitor its progress, Danone uses an internal reporting tool for sustainability metrics – Greentrack - deployed in each Business Unit worldwide, including DANONE companies in Poland to track energy consumption and efficiency.</p> <p>Energy and emissions targets – at CBU level; progress, initiatives, key practices</p> <ul style="list-style-type: none"> - All 7 factories operating in Poland participate in the global Re-Fuel program, which aims to continuously reduce greenhouse gas emissions related to the consumption of electricity and heat. Additionally, we are looking for an optimal solution for the use of renewable energy sources. Since 2018, all factories in Poland have been using certified renewable electricity sources, initially confirmed only by "green certificates", and from 2021 mostly thanks to a PPA agreement with the wind farm in Jóźwin. Thanks to these initiatives and projects, over the years 2015-2023, we reduced our scope 1 and 2 greenhouse gas emissions by 79%. <p>DANONE ENERGY & CO2 REDUCTION PROJECTS:</p> <ul style="list-style-type: none"> - Due to the specificity of the production process (aseptic technology), the factory in Bieruń is a large source of consumption of thermal energy. This energy is produced from
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	<p>natural gas, which is why several activities, projects and optimization initiatives were (and are) focused on this area. The effects of these initiatives are visible in the form of the thermal energy consumption rate, which was reduced by 6.2% in years 2020-2023; translating this result into a reduction in greenhouse gas emissions in scope 1 and 2, it means a reduction of 15.8% (2023 vs. 2020).</p> <p>ŻYWIEC ZDRÓJ ENERGY & CO2 REDUCTION PROJECTS:</p> <p>- In the case of the Żywiec Zdrój water factories, there is focus on increasing energy efficiency and reducing energy consumption, thus contributing to Danone's overall decarbonization goals. However, in this case, the structure of energy consumption is slightly different - electricity consumption dominates, while thermal energy has a relatively smaller share in greenhouse gas emissions (except for the factory in Radziechowy, where beverages are produced using aseptic technology - natural gas consumption). Also, in the case of the Żywiec Zdrój water factories, a significant decrease in consumption rates of both types of energy can be observed, which also translates into lower greenhouse gas emissions: in 2020-2023, emissions from scope 1 and 2 decreased by 14%.</p> <p>NUTRICIA ZAKŁADY PRODUKCYJNE ENERGY & CO2 REDUCTION PROJECTS:</p> <p>- The efficiency programs introduced in-between 2021-2023 aimed to improve the plant's energy efficiency by reducing the amount of gas burned to produce steam for technological processes. The implemented solutions not only contributed to the reduction of heat and electricity consumption by approximately 19%, but also to the reduction of carbon dioxide emissions by nearly 20% and the reduction of water consumption in production by nearly 24% between 2021 and 2023. The reduction program implemented at Nutricia's production facilities in Opole was recognized by the jury of the Energy Transformation Leader 2024 competition.</p>
Report	<p>More information and details can be found on the following webpages:</p> <p>Danone's Climate Action</p> <p>Danone Climate Transition Plan</p>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Consumer protection

Issue Date	Ongoing
Topic	Consumer protection
Summary of Issue	<p>Regulatory authorities have questioned certain elements of product labeling. In administrative proceedings, the company was obliged to correct these labeling elements and/or certain penalties were imposed in accordance with legal regulations. In most of the cases listed below, the company has appealed the decisions issued and the proceedings are in the process of being clarified</p> <p>(1) In 2019, the regulatory authority drew attention to the way in which the presence of soy lecithin was declared in the list of ingredients for one of the products. As a result, the company corrected the labeling by adding the technological function of soy lecithin and paid the imposed financial penalty.</p> <p>(2) In the years 2021–2022, the Trade Quality Inspection of Agricultural and Food Products questioned the use of the word “milk” in the labeling of products from the portfolio of so-called Young Child Formula preparations of all manufacturers in this category. All manufacturers, including the company, were forced by the Inspection to change the regulatory name of the products, but the proceedings in these matters are still ongoing at the administrative courts.</p> <p>(3) In the years 2020-2022, the Trade Quality Inspection of Agricultural and Food Products challenged the entire industry’s use of the phrase: “in line with law requirements without preservatives, flavor enhancers, and colorants” as well as the lack of mandatory detailed information accompanying the name of the foodstuff (i.e. „sterilization process applied”) in the labeling of food for infants and small children in jars. As a result, decisions were issued prohibiting the introduction of such labelled products into the market and decisions imposing financial penalties on all companies producing and selling food for infants and small children in jars. A slogan with a modified wording has been agreed upon with the authority at the level of the Food Producers Federation and is currently used in product labeling as an important educational element for parents/caregivers of infants and small children.</p> <p>(4) In 2023, the sanitary inspection questioned the labeling of 16 products from the Foods For Special Medical Purposes (FSMP) category containing marketing slogans, which, in the opinion of</p>

	<p>the inspection, could be interpreted as health claims, which are not allowed for foods for special medical purposes. As a result of the administrative decision issued, the company was forced to change the labels, but the proceedings are now continued before the administrative courts, as the company disagrees with the inspection's interpretation of the legal provisions.</p> <p>(5) In the years 2022–2023, the sanitary inspection questioned the labeling of the company's product due to the phrases used referring to mother's milk. As a result of the decision issued, the company was forced to change the labeling of some Follow On Formula products, but the proceedings are now continuing before the administrative courts.</p> <p>(6) In 2023, the Provincial Inspectorate of Trade Quality of Agricultural and Food Products in Katowice questioned the labeling of the Alpro oat drink, in particular, the use of the term "milk" in the marketing description emphasizing the fact that the product is "not milk". However, the Administrative Court in Gliwice (WSA) ruled that the product labeling does not violate EU regulations regarding the use of the word "milk" and the entire labeling on the product packaging is sufficiently transparent and does not create a risk of misleading consumers. The case is currently being considered by the Supreme Administrative Court (NSA) because of the authority appealed from the verdict of the court of first instance (WSA).</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The total amount of financial penalties corresponds to less than 1% of the company's annual revenue
Impact on Stakeholders	When a company is fined for consumer protection issues like misleading or non-compliant marketing, consumers face significant risks across various dimensions. They may suffer financial losses from purchasing misrepresented products or services, potentially compromising their health and safety if misled about product efficacy or ingredients. Moreover, deceptive practices erode consumer trust, leading to skepticism towards brands and their marketing claims. This distrust can disrupt consumer behavior and market dynamics, affecting vulnerable groups disproportionately and complicating efforts to seek compensation or redress.
Implemented Management Practices	As a food company, Danone recognizes its critical role in having a positive role towards public health and nutrition issues through its broad product portfolio. Danone believes that its communication and services should help educate consumers about the importance of healthy diets and healthy lifestyles and provide relevant information to healthcare professionals as to the importance of proper nutrition at all ages. Danone is

	<p>committed to responsible advertising in compliance with the International Chamber of Commerce Code for Responsible Food and Beverage Marketing Communications and national and regional standards.</p> <p>Danone's approach to responsible marketing embraces all paid and unpaid communications developed by the company, and especially material used to promote brands or products to consumers.</p> <p>More information on Danone's approach to Responsible Marketing</p>
Other Management Comments	<p><i>"(2) This challenge was faced by the entire YCF (Young Child Formulas) category on the market, not just Danone,</i></p> <p><i>(3) This challenge was faced by the entire category on the market (baby food in jars), not just Danone,</i></p> <p><i>(4) In the FSMP category, it is mandatory to provide a description of the properties or characteristics that make the products useful in managing the specific disease, disorder, or medical condition they are intended for, along with an explanation of their intended use. In Danone's view, the claims questioned by the authorities are mandatory information within this category of products,</i></p> <p><i>(5) This challenge was faced by the entire category on the market (IFFO), not just Danone,</i></p> <p><i>(6) The labelling of some plant-based drink uses the term "milk" in the form of a contradiction in terms (it is not milk (in PL: "to nie mleko") with the letter "o" in the form of a white drop). The court's judgment confirmed the compliance of the alpro product labeling. In its judgment, the Administrative Court in Gliwice emphasized on the fact that legislation should be made from the perspective of a consumer who is at least on average diligent, well-informed and inquisitive. When evaluating a product's labelling, all available information must be assessed together. In the case of Alpro's oat drink, the product labeling provides several indications that it is a plant-based product e.g. the packaging features the food's name ("Oat drink with added calcium and vitamin D"), terms like "plant-based delicious", "oats", "oat-based", and pictures of oats. The product labelling also includes a clear list of ingredients."</i></p>