

Danone de México

Disclosure Report Date Submitted: September 16th, 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.

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 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> Fossil fuels \square Gambling **Genetically Modified Organisms** $\overline{\mathbf{A}}$ Illegal Products or Subject to $\overline{\mathbf{A}}$ **Phase Out** Industries at Risk of Human \square **Rights Violations Monoculture Agriculture** \square **Nuclear Power or Hazardous** \square **Materials** Payday, Short Term, or High **Interest Lending** Water Intensive Industries \square **Tax Advisory Services**

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		\triangleright
Consumer Protection	V	
Financial Reporting, Taxes, Investments, or Loans		\searrow
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		\searrow
<u>Labor Issues</u>	V	
Large Scale Land Conversion, Acquisition, or Relocation		K
Litigation or Arbitration		
On-Site Fatality	V	
Penalties Assessed For Environmental Issues		V
Political Contributions or International Affairs		\searrow
Recalls		V
Significant Layoffs		V
Violation of Indigenous Peoples Rights		Y
Other		\vee



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

	Yes	No
Sale of Data		V
Tax Reduction Through Corporate Shells		V
Workers cannot leave site during non-working hours		Ŋ
Workers not Provided Clean Drinking Water or Toilets		\supset
Workers paid below minimum wage		N
Workers Under Bond		\checkmark
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		\vee
Child or Forced Labor		\vee
Negative Environmental Impact		\checkmark
Negative Social Impact		\vee
Other		\checkmark



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

Topic	Energy and Emissions Intensive Industries
Summary of Issue	Danone México includes several legal entities involved in the production of plant-based, dairy, and water products, or is 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 México 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.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of Danone México's sales come from the manufacturing of dairy, plant-based, and water products, including imported goods. The average energy intensity (kWh) per unit of product produced for its standard manufacturing processes is BFT PET 52.1 kWh/m3 (Bonafont water bottles), Irapuato 346.7 kWh/m3 (dairy), BEC HOD 12.8 kWh/m3 (Bonafont water jugs), and SLP 301.9 kWh/m3 (plant-based). The sources of energy used by Danone México's production facilities include conventional energy (natural gas, butane, and propane) and green energy (wind).
Impact on Stakeholders	Energy-intensive activities, such as food & beverage manufacturing, pose an environmental risk due to the related emissions derived from energy use. The extent of environmental impact depends on the energy sources utilised and the management practices in place to manage energy use.
Global Implemented Management Practices	Danone México is an indirect 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 for only 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 is committing to net-zero emissions by 2050.

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

- Reduce its GHG footprint by 2030, in line with what science says is required to limit warming to 1.5°C
- Achieve a 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 47.2% by 2030.

To monitor its progress, Danone uses an internal reporting tool for sustainability metrics – Greentrack - deployed in each Business Unit worldwide, including Danone México, to track energy consumption and efficiency.

Local Implemented Management Practices

Danone México is in line with Danone's global targets to reduce its energy consumption and industrial emissions. By 2023, this subsidiary reduced CO2 emissions in SCOPE 1 & 2 by 23kT CO2e compared to its baseline year of 2020, thanks to the use



	of renewable electricity in its factories. In 2020, 63% of its electricity was sourced from wind energy, and by 2023, this increased to 100%. This improvement is due to a Power Purchase Agreement (PPA) with a major supplier and the acquisition of International Renewable Energy Certificates (I-RECs). For more details on practices and quantitative data, please refer to the Transparent Assessment.
Report	 Danone's Climate Action Danone Climate Transition Plan https://www.danone.com/sustainability/our-approach/p olicies-and-positions/climate-action.html https://www.danone.com/content/dam/corp/global/dan onecom/about-us-impact/policies-and-commitments/en /danone-climate-transition-plan-2023.pdf https://www.danone.com/content/dam/corp/global/dan onecom/about-us-impact/policies-and-commitments/en /unique-link/danone-climate-advocacy-position.pdf https://www.grupodanone.com.mx/sostenibilidad/ruta-d e-impacto-danone.aspx



Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	Danone México includes several legal entities involved in the production of plant-based, dairy, and water products, or is 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. Danone México 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.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	100% of Danone México's sales come from manufacturing, including imported goods. The average water intensity per unit of product produced for its standard manufacturing processes is [0.45 m3/Ton for water products and 2.5 m3/Ton for dairy products]. Water used in Danone México's production facilities is sourced from groundwater, for which limits align with local regulations.
Impact on Stakeholders	As a water-intensive industry, the manufacturing of food & beverage products poses risks such as water stress or depletion of local water sources if water used is not appropriately managed. By using groundwater 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.
Global Implemented Management Practices	Danone México is an indirect subsidiary of Danone SA. Danone works to protect and restore watersheds, reduce its water footprint, and improve access to safe drinking water. Water



stewardship at Danone 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. 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 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 - Greentrackdeployed in each Business Unit worldwide, including Danone México ,to track water consumption and efficiency of its water programs. **Local Implemented** Danone México is committed to Danone's global targets to reduce its water footprint. As of 2023, Danone de México **Management Practices** achieved a reduction of 800k m3 over the last 4 years. Key practices implemented at Danone México to achieve this reduction include water optimization on Clean-in-Place (CIP)-an automated method of cleaning equipment without dismantling it-- reduced rinsing time, water recovery for internal reuse, water reuse for services, cooling towers, irrigation of green areas, overfill reduction, valve standardization, and industrial spills reduction. For more information on practices and quantitative data, please refer to the Transparent Assessment. Water Stewardship, Report BONAFONT - Community and Planet Commitments



Disclosure Questionnaire Category: Outcomes & Penalties

Topic	Consumer Protection
Summary of Issue	Over the past five years, Bonafont SA de CV has been subject to one official action, while Danone de México S.A. de C.V. has faced nine official actions, all related to alleged non-conformities in labeling and advertising. The action against Bonafont SA de CV was initiated by the Ministry of Health (COFEPRIS), while the nine actions against Danone de México SA de CV were brought by both the Ministry of Health (COFEPRIS) and the Federal Consumer Protection Agency (PROFECO) in Mexico.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The case related to BONAFONT SA de CV has been closed without a fine. Regarding cases related to Danone de México SA de CV, out of the nine cases, 3 were closed without a fine, 2 were closed with a fine, and 4 are still pending. Both fines were paid in 2021 and represented less than 0.0002% of Danone Mexico's revenues that year.
Impact on Stakeholders	For consumers, labeling and advertising non-compliance can lead to misinformation about product contents, health impacts, or undermine trust in the brand. Among all the issues reported, the company reported no direct impact on stakeholders.
Resolution	The case against BONAFONT SA de CV has been closed. As for the cases related to Danone de México SA de CV, five were closed, and four are still pending.
Implemented Management Practices	 Danone de México SA de CV & Bonafont SA de CV implemented a strict reading and application of NOM 051 and its amendments to avoid any future issues. As an indirect subsidiary of Danone, Danone de México follows Danone's global policies regarding responsible communication, including marketing practices and claims. The company is committed to engaging with consumers, patients, carers, and stakeholders across society in a transparent way to encourage and promote a positive attitude towards nutrition and healthier dietary habits. The company states that it does so by



supporting healthier choices through responsible communication with its stakeholders.

The company shared that its health and nutrition claims are based on scientific evidence and must comply with the local nutrition and health claims regulations or the CODEX Alimentarius standards, whichever are the strictest. Furthermore, the company is committed to only making nutrition and health claims on products that score ≥2.5 stars by the Health Star Rating (HSR). This criterion is also closely monitored during new product development. More information can be found the Danone.com on webpage: https://www.danone.com/sustainability/our-approach/policies-a nd-positions/responsible-communication.html

Related Incidents (Yes/No)

No related additional incidents.



Disclosure Questionnaire Category: On-site Fatality

Issue Date	August 2023 and March 2024
Topic	Fatalities involving employees
Summary of Issue	 In August 2023, an accident occurred during vehicle maneuvering in the exit yard of a Danone de México distribution center, resulting in a fatal injury to an employee. In March 2024, an accident involving two Bonafont En Tu Casa employees occurred due to improper brake use on a sloped road, causing the vehicle to leave the roadway and collide with trees, resulting in a fatal injury to one of the two employees.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In the last 5 years, there were 2 employee fatalities in the company.
Impact on Stakeholders	In both cases, 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.
Implemented Management Practices	 The company provided full support to the family through its social assistance program and health team. Also, Danone held meetings with all teams at different times, including team managers and sales representatives. In response to this incident, Danone México implemented a series of measures across all its operations, extending beyond the distribution center directly involved in the event: Safety review of the yards at all Danone México distribution sites, Establishment of a new Safe Yard standard, with specific safety considerations related to the buildings' infrastructure. Investments to meet these criteria include lighting, paving, and pedestrian walkways. Definition of routines and responsibilities for the chain of command during route departures and



returns.

- d. Identification and differentiated management for 21 critical yards nationwide,
- e. Rental of additional parking spaces and management of facility changes to sites with increased safety measures.
- 2. The company provided full support to the family through its social assistance program and health team during this unfortunate process. Also, Danone held meetings with all teams at different times, including team managers and sales representatives. In response to this incident, Danone México implemented a series of measures across all its operations, extending beyond the distribution center directly involved in the event:
 - a. Carry out benchmarking that helps identify methodologies that allow the company to anticipate when drivers misuse the brake systems during a trip, using technology and direct observation to intervene and reduce the risks of accidents.
 - Monitor high-risk routes from control towers using GPS and telematics to ensure that drivers follow the recommendations outlined in the route safety maps and take preventive action if deviations from the plan are detected,
 - c. Guarantee that a risk assessment is carried out in each distribution center to identify the level of complexity of each route, so that with this information, the leadership teams assign the driver with experience and skill according to the trip and the appropriate vehicle for it.
 - d. Prepare route maps that incorporate the risks experienced while driving and the controls that must be applied to avoid accidents. Prepare them based on a two-stage plan, on the first night for high-risk routes and on the second, for medium and low-risk routes.
 - e. Establish a reinforcement program with simulators aimed at drivers who travel on high-risk roads with practical driving circuits and braking techniques that incorporate elements of awareness about the consequences of not following safety procedures.



Other Management Comments

"In 2004, Danone launched WISE, a program to develop a health and safety culture in the company, which over the years has evolved into WISE² (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:

- 1. Know the hazards to identify the risks,
- 2. Assess the risks,
- 3. Eliminate or control the risks,
- 4. Check controls are applied.

WISE² is deployed in each Business Unit worldwide, including Danone México, through regular employees' training and annual audits.

At Danone México, like in all Danone Business Units, a dedicated committee is in charge of local implementation and monitoring of WISE² - members are several health & safety representatives, all reporting to a senior-level position.

Related Incidents (Yes/No)

No



Disclosure Questionnaire Category: Labor Issues

Issue Date	Between January 2020 and May 2025
Topic	Litigations related to the terminations of contracts
Summary of Issue	In the past 5 years, Danone de México has faced legal claims from former employees concerning the termination of their employment contracts.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Between January 2020 and May 2025, 1,020 cases related to the termination of contracts were filed against entities in the scope of Danone de México (it being specified that, in 2024, Danone had around 15,400 employees in México). 611 of these cases were closed, and 409 are still open.
Impact on Stakeholders	The primary impact related to the litigation is a financial impact on former employees. Danone de México remains committed to addressing these issues responsibly.
Resolution	The majority of closed cases were resolved through settlement agreements negotiated directly with the employees, with compensation provided according to the agreed terms. In other instances, compensation was issued based on decisions made by the labor authorities.
Implemented Management Practices	In response to these cases, Danone de México has strengthened its HR and management practices to help prevent future termination-related issues. Measures include the implementation of a performance improvement process for underperforming employees, the incorporation of business unit behaviors into a progressive discipline framework, and the launch of a continuous training program for HR teams. This training program features both general sessions and targeted workshops at locations with higher rates of labor incidents.
Other Management Comments	At Danone de México, employment termination can be either voluntary or involuntary: • Voluntary termination occurs when an employee chooses to leave the company for personal, professional, or health-related reasons. The process involves submitting a written resignation, notifying the



supervisor and HR, completing an exit checklist, returning company properties, signing a mutual termination agreement (per Article 53, section I of the LFT), and possibly ratifying the agreement by a labor authority. The employee then receives a final payment (called finiquito), in accordance with applicable labor laws, including proportional benefits and any outstanding entitlements.

Involuntary termination can be initiated by the company due to reasons such as organizational restructuring, employee underperformance, or other justified causes. The process includes formal communication. documentation of the cause (in line with Article 47 of the LFT), signing of a termination agreement or receiving a notice, and potential ratification by a labor authority. The final payment is made in accordance with applicable labor laws and includes all acquired entitlements. Prior to terminations related to underperformance, the company implements structured feedback periods that allow employees to address development areas through customized improvement plans. In cases involving ethical issues, a formal investigation is carried out. If termination is a possible outcome, the employee is given the opportunity to present their side before a final decision is made.

Salary payment procedures for both types of termination involve calculating benefits such as bonuses, unused vacation, and contractual entitlements. In the case of involuntary departures, an additional three months of salary is paid, as required by law. A payment schedule is determined to ensure timely disbursement, and the employee is kept informed of the progress throughout the process. Receipts and documents are delivered to the employee for transparency and record-keeping.

Related Incidents (Yes/No)

No.