

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 Argentina
 Date Submitted: 5/15/2023

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 Argentina

UPDATED AS OF:

05/15/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration and Penalties
ISSUE DATE	October 2021 and November 2022
TOPIC	Environmental Penalties
SUMMARY OF ISSUE	In the last five years, Danone Argentina has received two environmental penalties. The company was fined, according to local authorities, for not having installed carbon monoxide detectors in the boiler room and for not having three drums in the special waste deposit, allegedly not labeled, visible due to the position in which they had been placed.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	The total value claimed in the penalty that is currently pending judgment is ARS \$1,859,817.14. The total amount paid in the closed case is ARS \$718,516.00.
IMPACT ON STAKEHOLDERS	The primary impacts related to environmental law breaches are air/soil/water pollution and threats to biodiversity.
RESOLUTION	The penalty involving carbon monoxide detectors is pending after the company's appeal. The company has paid the fine for the breaches involving special waste deposit and the case is closed.
IMPLEMENTED MGT PRACTICES	Danone had the carbon monoxide detectors placed and they are currently calibrated annually. As for the drums, it was a one-off situation, but currently they are labeled according to the flow of waste in the place where they are generated and then they are taken to the special deposit according to the law.

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UPDATED AS OF:

05/15/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration and Penalties
ISSUE DATE	Jun, August, Sept, Nov 2018, Nov 2019, Feb 2020
TOPIC	Litigation related to damages and collection of sums of money.
SUMMARY OF ISSUE	<p>The company currently has had the following material open cases:</p> <p>Damages The company had 1 material litigation case (August, 2020 initiated) related to alleged long term damages experienced by a child which consumed the product "NUTRILON PREMATURE 400GR" for medical purposes. The child experienced infections and multiple neurological and organ damages. The company carried out an investigation and concluded the damages to the child could not be attributed to the product as the child did not consume the product. A settlement was reached in Oct 2022.</p> <p>Collection of sums of money In addition, the company has 7 pending cases in relation to collections of sums of money by plaintiff a service provider of Danone Argentina. These litigations arose as a result of an affiliation contract the company had with the plaintiff, for possible accidents that its workers had. In these cases the plaintiff claims to have paid the total amount due plus interest and costs.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>The damages case represented a claim of for \$719.886.111 ARS (3.204.213,08 USD). In October 2022 all the parties involved reached an agreement for the amount of \$42.000.000 ARS (\$186.858 USD).</p> <p>The Collections of sums of money cases represent a total of \$4,941,492 ARS (\$22,700 USD) in claims, but are still pending.</p>
IMPACT ON STAKEHOLDERS	The damages case represents long term health risks to a child. The Collection of sums of money cases represent financial impact for suppliers.
RESOLUTION	The seven Collections of sums of money cases are still pending and the Damages case was settled and full payment has been made. Danone is covered under the insurance policy contracted by Civil Liability (D&O) for the Collection of Sums of Money cases, however all cases are still pending.
IMPLEMENTED MGT PRACTICES	<p>Damages: In relation to the damages case, since this claim was notified, the company's crisis committee was activated and an investigation of the case was carried out. As the result of the investigation did not attribute the damages to the company's milk product, were no the company did not implement new practices nor policies and Danone Argentina continues with the same Quality Control Policies and Manufacturing practices.</p> <p>Collection of sums of money: No new practices were implemented to avoid Collection of sums of money cases.</p>
RELATED INCIDENTS (YES/NO)	The company currently has 3 open cases related to Damages, Breach of contract an appeal for an administrative fine and Collection of sums of money, that have not been considered material.