Danone Southern Africa

Disclosure Report
Date Submitted: October 4th, 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.

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 apply.		
Animal Products or Services	☐	☑
Biodiversity Impacts	☐	☑
Chemicals	☐	☑
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	☐	☑

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	☐	☑
Breaches of Confidential Information	☐	☑
Bribery, Fraud, or Corruption	☐	☑
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

	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	☐	☑
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	☐	☑
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	☐	☑

	Yes	No
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	☐	☑

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	☐	☑

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Energy Intensive Industries

Topic	Energy Intensive Industries
Summary of Issue	Danone Southern Africa's production and sale of dairy 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 Southern Africa 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. Danone Southern Africa is a legal entity of Danone. As such, it is fully in line with the group's ambition to help lead an industry-wide transition to a low-carbon economy.
Size/Scope of Issue *(e.g. $ financial implication, # of individuals affected)*	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.
Impact on Stakeholders	Energy-intensive activities, such as dairy production manufacturing, pose an environmental risk due to the related emissions derived from energy use. The extent of environmental impact is dependent on the energy sources utilized and the management practices in place to manage energy use.
Implemented Management Practices	Energy & Emissions are also key topics 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 by 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 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 Southern Africa to track energy consumption and efficiency.

In Danone Southern Africa the following global guidelines were implemented in terms of Energy and Carbon emission KPI's localized to the Southern African business:

- 15% reduction in Scope 1 and 2 carbon emissions vs 2020 baseline,
- 9% of electrical energy from renewable sources (Solar),
- Feasibility studies in progress to introduce Biofuels to decrease the reliance on fossil fuels and a roadmap to Net Zero,
- Danone Southern Africa has also embarked on the Re-fuel Danone program, applying global energy efficiency best practices as well as conducting energy audits to drive efficiency in manufacturing,
- Reduction in methane emissions through regenerative agriculture practices, feed improvement, and feed reduction as well as product formulation optimization,

	• The logistics team has landed a new project that optimizes the delivery network, increasing direct deliveries and cross docks. These benefits will be reported at the end of 2024.
Report	More information and details can be found on the following webpages: Danone's Climate Action Danone Climate Transition Plan

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

Topic	Water Intensive Industries
Summary of Issue	Danone Southern Africa is involved in the (production and sale) of dairy 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 Southern Africa 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. Danone Southern Africa is a legal entity 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.
Size/Scope of Issue *(e.g. $ financial implication, # of individuals affected)*	Danone's water stewardship encompasses three key areas: Scope 1, which focuses on factory operations; Scope 2, which addresses the operational watershed; and Scope 3, which pertains to sourcing watersheds. 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.

Impact on Stakeholders	As a water-intensive industry, the dairy industry poses risks such as water stress or depletion of local water sources if water use is not appropriately managed.
Implemented Management Practices	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 Southern Africa, to track water consumption and efficiency of its water programs, In Danone Southern Africa, the following initiatives were developed to contribute to Danone's global targets on Water: • Following the 4R approach, Danone Southern Africa has reduced its water intensity in operations. Utilizing best practices and the latest technology to improve water efficiency, • Southern Africa operations have reduced their reliance on municipal water supply through sustainable groundwater sourcing, • Through regen agriculture, water intensity has improved at a farm level. More information and details can be found on the company's web page: Water Stewardship.