



Nutricia North America

Disclosure Report

Date Submitted: May 9th, 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 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"/> |
| Fossil fuels 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 checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input 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: Animal Testing

| Topic | Nutricia North America produces specialized nutrition products for medical use that are legally required to be tested on animals for sale in certain jurisdictions. |
|---|---|
| Summary of Issue | <p>Research for Nutricia North America, as part of Danone, is conducted through the Netherlands-based Danone Nutricia Research function and in accordance with Danone's applicable policies, who only conduct animal testing in limited circumstances when deemed necessary to ensure the safety and efficacy of products. In some cases, these tests are used to understand the mechanism of action of our innovations or are part of the safety assessments required by national regulatory authorities for premarket approvals. In the case of specialized nutrition for vulnerable populations, animal testing is still sometimes necessary to advance fundamental knowledge. All tests are carried out following international animal welfare standards and when no alternative research models are available. Specifically, animal testing is sometimes required to establish ingredient safety under FDA Generally Recognized as Safe processes or other regulatory requirements.</p> <p>Animal testing may also be required as part of the clinical testing process to establish efficacy. Specifically, in developing a clinical research plan, and similar to pharmaceutical drug development: a theory may be tested first in vitro, followed by a test in animals, followed ultimately by testing in humans. Moreover, Ethical committees often require a certain amount of animal data before starting a clinical trial.</p> |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | Animal research cannot always be avoided in the process to investigate the biological mechanisms behind certain nutrients or the efficacy and safety of nutritional products. Since the whole development process entails the company's own scientific research as well as at academic institutes and suppliers, it is not possible to provide percentages of products that might have at some point used data from animal models. |
| Impact on Stakeholders | Animal testing and experimentation is widely used to develop new medicines and to test the safety of other products. Many of these experiments can cause pain to the animals involved or reduce their quality of life in other ways. |
| Management Practices | Danone always challenges the need to do animal testing and, where possible, uses available approaches based on alternative methods. They consult external experts and ethical committee review, to ensure the |

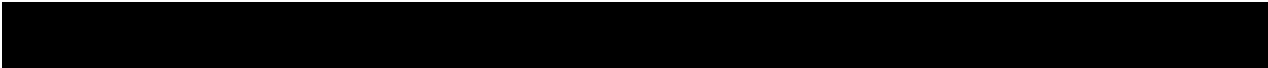
| | |
|---------------|---|
| | <p>right approach. Where no other options are available, animal testing is carried out but only within a very strict framework. All animal tests comply with mandatory guidelines to take into consideration animal welfare and protocols recommended by authorities and NGOs (WHO, OIE, ILSI, etc.). Danone apply the strict existing standards for the protection and care of animals used for scientific purposes, based on the European Union guidelines and compliant to local regulations. They are also extending these standards as referential to all collaborations in other countries.</p> <p>Animal testing is mainly outsourced via academic partnerships, and some CRO-studies for FDA and EFSA. The Animal Welfare Body of Danone Nutricia Research reviews proposals to conduct animal testing, and screens for 3R (Replacement, Reduction and Refinement) opportunities, refinement of procedures, Humane End Points etc. The Research Agreements of studies that involve animals, contain a specific Animal Welfare clause where compliance to regulations, guidelines, and animal welfare standards is described, as well as mandatory reporting and evaluation of animal welfare. Additionally, under Danone policy, vendors must be evaluated through Danone third party vetting procedures and contracts require vendors to agree to Danone’s Sustainability Principles and Code of Conduct for business partners.</p> <p>Only a few studies per year are conducted under the Ethical License of Danone Nutricia Research (NL). The Ethical License is obtained from the national competent authority, after independent Ethical Review, and is fully compliant to the EU- Directive for the protection of animals used for scientific purposes (Directive 2010/63/EU). The Animal Welfare Body reviews the experimental design, 3R opportunities, refinement of housing, care and procedures, and only approves the detailed protocols if a statistical analysis plan is in place that is approved by a biostatistician. However, the company actively seeks alternative methods to limit the use of animal models. To this end, they apply the internationally recognized “Triple R” principle (Replace animal testing, Reduce the number of animals being used, and Refine the procedures; also known as ‘3Rs’). They are involved in multiple 3R-initiatives that are aimed to reduce and replace animal testing)</p> |
| Report | https://www.danone.com/content/dam/corp/global/danonecom/about-us-impact/policies-and-commitments/en/danone-policy-on-animal-research-october-2022.pdf |



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

| Topic | Water Intensive Industries |
|---|--|
| Summary of Issue | As a producer of specialized nutrition products, Nutricia North America operates in a water intensive industry, as defined by B Lab. Aspects of the industry as defined by B Lab that make it water intensive include the heating, cooling, washing, and cleaning activities during the production process. |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | In the previous fiscal year, 100% of the company's revenue was earned from the sale specialized nutrition products |
| Impact on Stakeholders | As defined by B Lab, water-intensive industries like specialized nutrition manufacturing poses risks such as water stress or depletion of local water sources if water use is not appropriately managed. |
| Management Practices | <ul style="list-style-type: none">- Nutricia North America is an indirect subsidiary of global parent company, Danone SA. Under Danone SA's 'One Planet. One Health' signature, Danone SA embraces the responsibilities and leverages its reach as a force for good – working towards preserving water resources, driving water circularity, and providing safe drinking water. The water stewardship at Danone SA 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 a key part of the company's global sustainability strategy, Danone Impact Journey. As part its roadmap, Danone SA has set targets for reducing its water footprint:<ul style="list-style-type: none">• 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 SA 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 SA also uses an internal reporting tool for sustainability metrics - Greentrack- deployed in each Business Unit worldwide to track water consumption and efficiency of its water programs. For |





Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

| Topic | Energy and Emissions Intensive Industries |
|---|---|
| Summary of Issue | As a producer of specialized nutrition products, Nutricia North America operates in an energy and emissions intensive industry, as defined by B Lab. |
| Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected) | <ul style="list-style-type: none">- In the previous fiscal year, 100% of Nutricia North America's revenue was earned from the sale specialized nutrition products,- 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 only for 5% of Danone SA's total emissions. |
| Impact on Stakeholders | As defined by B Lab, energy intensive activities like specialised nutrition 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. |
| Management Practices | <ul style="list-style-type: none">- Nutricia North America is an indirect subsidiary of the global parent company Danone SA, therefore it abides by Danone's Climate Action and Danone Climate Transition Plan.- Danone SA has a global ambition to help lead an industry-wide transition to a low-carbon economy, and Danone US operations play a critical role in that ambition. In 2015, Danone SA 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 the Science Based Target Initiative (SBTi) in 2022. Danone SA has committed 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 (the company is in the process of validating its long-term SBTi targets),- Energy & Emissions are also a key part of the company's global sustainability strategy, Danone Impact Journey. Danone SA's global targets on climate are:<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, |

| | <ul style="list-style-type: none">• Achieve net zero emissions by 2050.- As part of the strategies to reach the Danone Impact Journey targets listed above, Danone SA 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:<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 42% by 2030,- To monitor its progress, Danone SA uses an internal reporting tool for sustainability metrics – Greentrack - deployed in each Business Unit worldwide to track energy consumption and efficiency. <p>For more details on practices and quantitative data, please refer to the Transparent Assessment on the company's B Corp Profile.</p> |
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