



Fan Milk (a Danone Company)

Disclosure Report
Date Submitted: May 12th, 2025



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 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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: Operations located in Conflict Zones

Operations located in Conflict Zones	
Topic	Operations located in Conflict Zones
Summary of Issue	<p>Fan Milk, a Danone company, includes several legal entities within its scope of certification.</p> <ul style="list-style-type: none">- Fan Milk Limited - Nigeria (factory and head office),- Fan Milk PLC - Ghana (Factory and head office),- Fan Milk Togo SA - Togo (Office and Warehouse),- Fan Milk Benin SARL - Benin (Office and Warehouse),- Fan Milk Cote d'Ivoire SA - Cote d'Ivoire (Office). <p>Fan Milk Limited (Nigeria) and Fan Milk Côte d'Ivoire SA operate in the following regions affected by conflict:</p> <ul style="list-style-type: none">- Nigeria: Fan Milk Limited manufactures and distributes essential dairy products and juices,- Burkina Faso: Fan Milk Côte d'Ivoire SA exports essential dairy products and juices. <p>FanMilk does provide products in other countries not affected by conflict (Ghana, Ivory Coast etc.)</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Based on the 2023 fiscal year, Fan Milk Limited's entire annual revenue (100%) is derived from its operations in Nigeria, while less than 10% of Fan Milk Côte d'Ivoire SA's revenue comes from Burkina Faso.
Impact on Stakeholder(s)	<p>The conflict-affected countries/regions are identified as per the World Bank classification. The countries are considered high-risk and may have a higher impact on stakeholders due to the conflict and/or sociopolitical instability there. Countries classified as conflict zones are more likely to have a weak rule of law or a corrupt judicial system, which could undermine the effectiveness of operational grievance mechanisms for these businesses and their suppliers. In addition, the safety of the company's workers and other potential human rights violations are at risk.</p> <p>The company shared that Danone's commitment to provide employees security remains steadfast and a priority, even in challenging environments.</p>
Implemented Management Practices	1. Travel security policy for employees (that includes in monitoring of security events in high-risk countries, mandatory



	<p>travel pre-approval, booking through an authorised agency, Danone preferred hotels in a destination country, access to information on the security and medical environment of a destination country via an online portal, available security/medical briefing, travel security & medical assistance, crisis management app),</p> <p>2. Third Party Vetting process (due diligence performed on business partners, to evaluate the potential risk they may pose to Danone, specifically related to Anti-corruption, Anti-bribery, and/or International Trade Sanctions laws and regulations, as well as any other criminal or unethical activity),</p> <p>3. Danone's Code of Conduct for business partners is a part of the contractual distribution terms & conditions,</p> <p>4. The Danone whistleblowing line (Danone Ethics Line) is open and accessible to all internal and external parties. It has procedures to address any alert raised and a special committee (cross-functional team) to remediate in case of material alert. Danone also seeks external advice on remediation from a legal firm specialised in integrity,</p> <p>5. Danone also prohibits corporate political contributions of all forms, including in-kind donations. No funds or other assets of Danone may be used to make any independent expenditure in support of, or in opposition to, any political party or candidate.</p>
Other Management Comments	<i>"Danone's commitment to provide health through food to as many people as possible remains steadfast, even in challenging environments."</i>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Disclosure Questionnaire Statement	
Topic	Water Intensive Industries
Summary of Issue	<p>Fan Milk 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. Fan Milk understands its potential negative environmental impact and actively works to mitigate its impact.</p> <p>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. This specific disclosure refers to the manufacturing facilities of Fan Milk Limited (Nigeria) and Fan Milk PLC (Ghana).</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Ghana In 2023, 99% of Fan Milk's sales came from the manufacturing of dairy products and beverages; the remaining 1% represents imported Alpro products. Fan Milk's production facility has a water intensity of 3.9M3/T per unit of product produced for its standard manufacturing processes. Fanmilk Ghana currently uses water from the Ghana water company, which will be supplemented in 2025 by the construction of a borehole reverse osmosis system, designed to extract water from a borehole or well and uses reverse osmosis to remove contaminants, providing clean and usable water. The company states that the water generation and use activities of the company do not violate any water regulations.</p> <p>Nigeria In 2023, 100% of Fan Milk's sales came from manufacturing yoghurt, frozen milk drinks, ice cream, and juices. Fan Milk's facility in Ibadan had a water intensity of 4.62m3/T per unit of product produced for its standard manufacturing processes. The water generation and use activities in the Company do not violate any water regulations. Water is sourced from the Nigerian government channel and a borehole constructed specifically for usage at the Fanmilk Nigeria production facility. The company states that the water generation and use activities of the company do not violate any water regulations.</p>



Impact on Stakeholder(s)	<p>As a water-intensive industry, the manufacturing of food & beverage products can pose risks such as water stress or depletion of local water sources if water used is not appropriately managed.</p> <p>By using municipal water 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.</p>
Global Implemented Management Practices	<p>Both entities are Danone's legal entities. Danone works to protect and restore watersheds, reduce its water footprint, and improve access to safe drinking water. The water stewardship at Danone 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.</p> <p>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:</p> <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 <p>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 Fan Milk Plc (Nigeria) and Fan Milk PLC (Ghana) to track water consumption and efficiency of its water programs.</p>
Local Implemented Management Practices	<p>Ghana Fanmilk PIC (Ghana) has instituted water-saving measures throughout its production processes and invests in technologies that reduce water usage. Additionally, Fanmilk treats and recycles wastewater to minimize impact on local water bodies.</p> <p>Fanmilk's wastewater from factory processes is thoroughly treated by an on-site wastewater treatment plant before being released. This water is also utilized for a fishpond where fish</p>



	<p>thrive. Fanmilk's 1,100 m³/day treatment plant meets not only Ghana's environmental standards but also the stricter global standards set by Danone. This facility came into full operation following the validation of all performance tests, ensuring environmental compliance.</p> <p>Other Initiatives include water metering to understand consumption patterns and drive further actions to reduce water intensity, where Fanilk audits pipelines and reports water leakages to the Engineering team for prompt resolution. Fanmilk is also currently exploring mechanisms to treat and reuse waste water for facility cleaning to reduce water intake.</p> <p>Nigeria To contribute to Danone's global targets on Water, Fanmilk Plc (Nigeria) has installed a new water treatment plant which is designed to produce approximately 720 cubic meters of water for use in the production line and to be shared subsequently with the host community. Fanmilk has also installed a flow meter at the Eleyele Ibadan dam to enhance local water management by enabling precise measurement of water intake. The flow meter has contributed to an 11.5% reduction in water consumption in 2023, as compared to 2022 & 2021 of about 26,005m³. The rehabilitation of a borehole also contributed to reducing dependence on the dam. Furthermore, backwash water from pipeline cleaning at the treatment plant is now recovered and redirected to the raw water tank, thereby further minimizing the intake from the dam.</p>
Report	Water Stewardship Fanmilk is Passionate about a Greener Future Danone Water Policy



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries

Energy and Emissions Intensive Industries	
Topic	Energy and Emissions Intensive Industries
Summary of Issue	<p>Fan Milk Plc (Ghana) and Fan Milk Plc (Nigeria) are involved in the 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. Fan Milk Plc (Ghana) understands its potential negative environmental impact and actively works to mitigate its impact.</p> <p>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.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Ghana 99% of Fan Milk's sales come from manufacturing; the remaining 1% represents imported products. In 2023, the company used 579.2 kWh per unit of product produced in its standard manufacturing processes. Energy sources include diesel generators, the municipal power grid, on-site solar, and palm kernels and shells.</p> <p>Nigeria 100% of Fan Milk's sales come from manufacturing. In 2023, the company used 333.6KWH per unit of product produced in its standard manufacturing processes. Energy sources include diesel generators, the municipal power grid, on-site solar, and palm kernels and shells.</p>
Impact on Stakeholders	Energy-intensive activities, such as food & beverage manufacturing, can 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	<p>Global Implemented Management Practices</p> <p>Fan Milk Plc 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</p>



	<p>Agreement. The company published the Climate Policy and set 1.5° reduction targets for 2030, officially approved by the Science-Based Targets initiative (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 SBTi and committing to net zero emissions by 2050.</p> <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 42% by 2030 <p>To monitor its progress, Danone uses an internal reporting tool for sustainability metrics – Greentrack - deployed in each Business Unit worldwide, including Fan Milk Plc (Nigeria) and Fan Milk Plc (Ghana) to track energy consumption and efficiency.</p>
Local Implemented Management Practices	Ghana Fan Milk Plc (Ghana) has invested in renewable energy sources to reduce its environmental impact. In line with its One Planet One Health vision and sustainability goals, Fanmilk Ghana has installed solar panels at its administrative building, achieving a 40% reduction in electric load. FanMilk has also installed a multi-fuel biomass boiler that utilizes palm kernel shells or wooden chips to meet a steaming requirement of 1,800 kg/h. By



	turning waste materials into effective fuel, Fanmilk Ghana reduces its carbon footprint by an emission factor of 2,513 T CO2 eq per annum.
	Nigeria Fanmilk Nigeria has installed solar panels with a capacity of approximately 1 MWh at its factory, achieving a 20% reduction in its electric load.
Report	Danone's Climate Action. Danone Climate Transition Plan. Fanmilk is Passionate about a Greener Future



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation or arbitration

Topic	Arbitration between the workers union and fan milk following disagreements on wages
Summary of Issue	This case concerns a collective bargaining dispute between the Industrial and Commercial Workers' Union (ICU), referred to as the Complainant, and Fan Milk (Ghana), referred to as the Respondent. Due to a disagreement arising from the 2020 wage opener negotiations and associated matters, both parties mutually agreed to refer the unresolved issues to the National Labour Commission for voluntary arbitration. The union reported several breaches of the Labor Act and the collective agreement between Fan Milk and the union.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Approximately 250 union employees were involved in this issue.
Impact on Stakeholders	Economic impact on the affected employees.
Resolution	The arbitrator awarded as follows: 1. An annual merit increase of 3% for the years 2018 and 2019, to take retrospective effect, 2. A 10% salary increment for all unionized members of FanMilk, 3. A review of the collective agreement by both the employees and management of Fanmilk, 4. The redundancy exercise conducted by FanMilk was found to be in breach of the Labour Act, 2003 (Act 651).
Implemented Management Practices	Following the issuance of the arbitral award, a management report underscored a resolution by the management to review and fortify its relationship with the union, which had previously been identified as deficient. The objective of this resolution was to cultivate mutual focus and trust. Consequently, the relationship has since improved significantly. The HR Manager regularly meets with the union to discuss and reach informal agreements on key issues before formal meetings take place, ensuring a proactive and collaborative approach. Additionally, Management maintains transparent and constructive discussions with the Union on all matters.
Report	Danone Human Rights Policy
Other Management	"As an indirect subsidiary of Danone, Fanmilk follows the



Comments	<i>Danone Human rights Policy, which commits to ensuring freedom of association and rights to collective bargaining."</i>