

Corporate Human Rights Benchmark 2018 Company Scoresheet



Company Name Danone
Industry Agricultural Products (Supply Chain only)
Overall Score (*) 37.3 out of 100

Theme Score	Out of	For Theme
3.7	10	A. Governance and Policies
13.1	25	B. Embedding Respect and Human Rights Due Diligence
5.4	15	C. Remedies and Grievance Mechanisms
5.0	20	D. Performance: Company Human Rights Practices
7.5	20	E. Performance: Responses to Serious Allegations
2.7	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2018 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: General HRs commitment: The Company's Business Code of Conduct and their Integrity Policy extends human rights commitments to all Danone employees. This is extended to the Company's supplies through the RESPECT policy. The Code of Business Conduct sets that the Company respects the 'human rights of our employees as set out in fundamental conventions of the International Labour Organisation, including the right to freedom of association' [Danone Business Code of Conduct, 20/01/2016] Score 2 • Not met: UNGPs • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: ILO Core: The Company Code of Business Conduct states 'We respect the human rights of our employees as set out in fundamental conventions of the International Labour Organisation, including the right to freedom of association.' The fundamental conventions are ILO 1-8. [Danone Business Code of Conduct, 20/01/2016] • Met: All four ILO for AG suppliers: The Company has a Code of Business Conduct for Business Partners which extends to Human Rights (covering fundamental ILOs). Score 2 • Met: All four ILO Core

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Respect H&S of workers: The Company's Code of Business Conduct states 'we are committed to providing a safe working environment where there is respect and equal opportunity for all..'. The Company has committed to the fundamental conventions of the International Labour Organisation. ILO 5 extends to health care and safety at work. The Company's RESPECT policy extends to suppliers. [Danone Business Code of Conduct, 20/01/2016] • Met: H&S applies to AG suppliers: he Company has a Code of Business Conduct for Business Partners which extends to Human Rights (covering health and safety through ILO 5).
A.1.3.a.AG	Commitment to respect human rights particularly relevant to the industry - land and natural resources (AG)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Respecting the right to water: The Company has a Groundwater Resources Protection Policy which includes the guarantee of the permanence of water resources. The Company states that it's their responsibility to bring safe water to the greatest amount of people in their Climate Policy. • Met: Expecting suppliers to respect these rights: The Company has implemented the Danone Sustainable Agriculture Principles which cover suppliers. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Voluntary Guidelines on Tenure • Not met: IFC Performance Standards • Not met: FPIC for all • Not met: Zero tolerance for land grabs • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights
A.1.3.b.AG	Commitment to respect human rights particularly relevant to the industry - people's rights (AG)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Women's rights: The Company has a policy booklet on Women's Empowerment. The Company has a Danone Ecosystem Fund which works to promote issues of Women's Empowerment. [Women's Empowerment, 03/05/2018] • Not met: Children's rights: There is no evidence of a commitment to children's rights in the latest annual report, therefore the Company has been downgraded. The Company refers to child labour - but not explicitly children's rights. • Not met: Migrant worker's rights: There is no evidence of a commitment to migrant workers rights in the latest annual report, therefore the Company has been downgraded. • Not met: Expects suppliers to respect these rights: The Company's Sustainability Principles for Business Partners explicitly refers to child labour. However, this is not a reference to children's rights. <p>Score 2</p> <ul style="list-style-type: none"> • Met: CEDAW/Women's Empowerment Principles: Danone has signed the Women's Empowerment Principles. • Not met: Child Rights Convention/Business Principles • Not met: Expecting suppliers to respect these rights: It is not clear that the Company's commitment to women's empowerment and the Women's Empowerment Principles extends to their suppliers.
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to stakeholder engagement: The Danone Manifesto on the Company website states 'We will stand firmly by our belief that it is better to walk together and share benefits, by engaging with more consumers and more communities, in our common quest to find better health through better food and beverage, for the greatest number'. The Company also states that they drafted a manifesto for alimentation that 'summarizes our convictions and commitments, spelling out our goals and staging just how we plan to act on our mission and work with all of our stakeholders'. Furthermore, the Company states that it engages on an international scale with labour unions to improve working conditions throughout their operations. The Company also states 'we are constantly striving to protect and restore our natural water ecosystems in cooperation with local communities and stakeholders.' The Company's 2017 Registration Document details numerous examples of initiatives taken with stakeholders. • Not met: Regular stakeholder engagement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to remedy

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AG suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs): The Company has grievance mechanism. However, CHRB has not identified any documents in the public domain which provide all the information required to meet this indicator. Score 2 <ul style="list-style-type: none"> • Not met: Expects AG suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: CEO or Board approves policy: The Code of Business Conduct, which covers a commitment to Human Rights, is signed by Emmanuel Faber - the Company CEO. [Danone Business Code of Conduct, 20/01/2016] • Met: Board level responsibility for HRs: The Company states that members of the Social Responsibility Committee oversee human rights issues. The committee consists of four board members [Danone Registration Document, 31/12/2017] Score 2 <ul style="list-style-type: none"> • Met: Speeches/letters by Board members or CEO: Emmanuel Faber also made a speech at the Consumer Goods Forum in 2017 on food being a human right, not a commodity. Emmanuel Faber has written a linked-in post covering the themes in this speech. [Linked-In Post, 22/06/2017: linkedin.com]
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Board/Committee review of salient HRs: The Social Responsibility Committee is responsible for human rights issues. However, it is unclear whether the committee conducts a review if salient human rights risks. The committee is responsible for a review of the materiality matrix and risk assessment - but its not clear whether this extends to HR risks. [Danone Registration Document, 31/12/2017] Score 2 <ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion • Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Incentives for at least one board member • Not met: At least one key AG HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Senior responsibility fo HR (inc ILO): According to the Director of Organisation Development and Social Dynamics has the lead responsibility for human rights issues and for social issues, the Director of Organisation Development and Social Dynamics has the lead responsibility for human rights issues and for social issues. The 2017 Registration Document States that Compliance with the Responsible Purchasing and Human Rights programs is monitored by the Nature and Cycles Sustainability team, under the responsibility of the Chief Procurement & Cycles Officer. [Danone Business Code of Conduct, 20/01/2016] Score 2 <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The 2017 Registration Document States that Compliance with the Responsible Purchasing and Human Rights programs is monitored by the Nature and Cycles Sustainability team, under the responsibility of the Chief Procurement & Cycles Officer. [Danone Registration Document, 31/12/2017]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Day-to-day responsibility in supply chain: The 2017 Registration Document States that Compliance with the Responsible Purchasing and Human Rights programs is monitored by the Nature and Cycles Sustainability team, under the responsibility of the Chief Procurement & Cycles Officer. [Danone Registration Document, 31/12/2017]
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AG HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HR part of enterprise risk system: The Company states that risks related to ethics and human rights are risks associated with Danone's organization and operation in their 'summary of principle risk factors'. The Company states that certain foods are of particular importance with respect to ethics and human rights. The Company also highlights the risks related to working conditions, health and safety of farm workers, forced and child labour in the supply chains in the agricultural sector. The Company also has a 'vigilance plan' covering respect for human right for its own and its suppliers business. The plan is based on three components:1) the five steps defined in the Vigilance law; 2) three issue stakes: Human Rights, Environment, and Personal Health and Safety; 3) and two business scopes: Danone's business and that of its suppliers. [Danone Registration Document, 31/12/2017] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Communicates its policy to all workers in own operations: The Code of Conduct for Business Partners is published in English and French. The Company code of conduct is also available in English and French. The Company states that employees are informed about the Code of Business Conduct upon joining and are 'periodically reminded of its principles'. However, the Company does not make it clear whether they inform employees in local languages where necessary. The Company discloses that they communicate best practice rules to subsidiaries, and has integrated the subsidiaries assessments with respect to these rules and practices. However, the Company does not detail how the Company does this in local languages. [Danone Business Code of Conduct, 20/01/2016] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Communication of policy commitments to stakeholder: The Company's 'Sustainable Development Principles' including their business ethic principles, are included in a contractual clause with suppliers. However, it is not clear how the Company communicates its policy commitments to stakeholders including local communities and potentially effected stakeholders. • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Steps to communicate policy commitments to BRs: The Company's 'Sustainable Development Principles' including their business ethic principles, are included in a contractual clause with suppliers. This covers human rights. The Company also has a Code of Conduct for Business Partners. The Company states in their 2017 Registration document, the RESPECT policy aims to extend the Fundamental Social Principles (covering human rights) commitment to the Company's suppliers. The Company discloses 'In 2017, Danone sought to advance the policy toward one of reasonable due diligence, with close attention paid to human rights using a continuous improvement approach.' [Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com] • Met: Including to AG suppliers: The Company has a Code of Conduct for Business Partners, including human rights that is communicated to suppliers. [Code of Business Conduct for Business Partners, 04/2016] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: In the contract signing process, suppliers pledge that Fundamental Social and Business Ethics Principles (including human rights) are already respected. [Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com] • Met: Including on AG suppliers: The contract clause covers the respect of human rights not only within their own organizations but by agents, suppliers and sub-

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			contractors. [Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com]
B.1.5	Training on Human Rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Trains all workers on HR policy commitments: The Company provides information regarding training for their RESPECT program. However, the company has not made it clear how they train all workers. • Not met: Trains relevant managers including procurement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Monitoring implementation of HR policy commitments: The Company has not reported on monitoring on its own operations. However, an extensive report has been provided on supplier monitoring using SEDEX, including breakdown of instances of non-compliance found in its supply chains, % of total suppliers conducted self-assessments. The Company reports that in 2017, 172 entities representing more than 93% of Danone's total workforce reported social indicators. In 2017, 155 entities representing approximately 99.4% of Danone's total workforce reported safety-related indicators. In addition, In 2017, 117 entities have realized a Danone Way self-assessment, representing 83.9% of Danone's consolidated sales (compared with 94.1% in 2016).The Danone Way program consists of an annual self-assessment to measure each subsidiary's performance in terms of compliance with these practices and their levels of maturity with regard to sustainable development. However, it is not clear whether this covers human rights commitments or whether it covers the Danone Sustainability Principles. The Company clarifies that the Sustainability Principles, which covers human rights, apply to their own operations and continue to apply to all Danone operations. [Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com] • Met: Monitoring AG suppliers: The Company discloses information regarding their RESPECT program and SEDEX. [Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes corrective action process: The Company discloses examples of non-compliances and actions taken to remediate the non compliance. The Company Code of Business Conduct states that non-compliance with the Code of Business Conduct may result in disciplinary action up to and including termination of employment. There is also information regarding non-compliance by suppliers on the Company Website. [Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com] • Met: Example of corrective action: The Company discloses information regarding a closed case concerning child labour. [Danone - Key performance figures, 03/05/2018: iar2017.danone.com] • Met: Discloses % of supply chain monitored: An extensive report has been provided on supplier monitoring using SEDEX, including breakdown of instances of non-compliance found in tis supply chains, % of total suppliers conducted self-assessments. The registration rate of suppliers on the SEDEX Platform increased to 92% in 2017. As of December 2017, compliance is at 100% for centrally managed suppliers and at 32% for locally managed ones. [Danone - Key performance figures, 03/05/2018: iar2017.danone.com]
B.1.7	Engaging business relationships	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HR affects selection of suppliers: In the contract signing process, suppliers pledge that Fundamental Social and Business Ethics Principles (including human rights) are already respected. The Company states when describing their sustainable procurement program RESPECT - which covers all first tier suppliers except for raw milk which has a dedicated program - 'our aim is to close all non-compliances and improve suppliers' sustainability and ethical performance. Nevertheless, in some cases we see no alternative but to terminate relationships with suppliers who don't collaborate.' [Code of Business Conduct for Business Partners, 04/2016 & Danone - Human Rights and Responsible Procurement, 03/05/2018: iar2017.danone.com] • Met: HR affects on-going supplier relationships: The Company states when describing their sustainable procurement program RESPECT - which covers all first tier suppliers except for raw milk which has a dedicated program - 'our aim is to close all non-compliances and improve suppliers' sustainability and ethical performance. Nevertheless, in some cases we see no alternative but to terminate

Indicator Code	Indicator name	Score (out of 2)	Explanation
			relationships with suppliers who don't collaborate.' [Danone Registration Document, 31/12/2017] Score 2 <ul style="list-style-type: none"> • Met: Both requirement under score 1 met: In the contract signing process, suppliers pledge that Fundamental Social and Business Ethics Principles (including human rights) are already respected. [Danone - Responsible Procurement, 03/05/2018: jar2017.danone.com] • Not met: Working with suppliers to improve performance: The Company discloses one closed case concerning child labour - where a supplier closed the non-conformity and Danone is now able to consider using them again in the supplier base. However, it is not clear how Danone worked together with the Company (e.g. by providing resources) to improve practices. [Danone - Responsible Procurement, 03/05/2018: jar2017.danone.com]
B.1.8	Approach to engagement with potentially affected stakeholders	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Stakeholder process or systems: The Company states that they work with stakeholders as an 'integral part of Danone's strategy' and have a table that demonstrates examples of initiatives taken with stakeholders such as the financial community, scientific community, consumers, employees, etc. The Company developed a Vigilance Plan covering human rights and fundamental freedoms in consultation with stakeholder dialogue. Furthermore, the Danone Policy on Advocacy states 'Stakeholder engagement is embedded in the company's business model...' [Danone Registration Document, 31/12/2017] • Not met: Frequency and triggers for engagement: Although the Company has a large amount of information about the types of stakeholder engagement, there is no information regarding what triggers this engagement and the frequency of such engagement. • Met: Workers in SC engaged: The Company engages with stakeholders - including employees throughout the supply chain - in their materiality matrix and Vigilance Plan which takes into account stakeholder dialogue. [Danone Registration Document, 31/12/2017] • Met: Communities in the SC engaged: The Company engages with stakeholders - including employees throughout the supply chain - in their materiality matrix and Vigilance Plan which takes into account stakeholder dialogue. [Danone Registration Document, 31/12/2017] Score 2 <ul style="list-style-type: none"> • Met: Analysis of stakeholder views and company's actions on them: The Company's Vigilance Plan, developed with input from stakeholders. This breaks down the companies human rights risks related to their company activities and appropriate measures and monitoring for risk mitigation. [Danone Registration Document, 31/12/2017]

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Identifying risks in own operations: The Company has identified its human rights risks through a materiality matrix and Vigilance Plan that covers respect for human right for its own and its suppliers business. For example, the company highlights access to safe drinking water, sanitation and hygiene as a second tier material topic. [Danone Registration Document, 31/12/2017] • Met: Identifying risks in AG suppliers: The Vigilance Plan extends to suppliers. [Danone Registration Document, 31/12/2017] Score 2 <ul style="list-style-type: none"> • Met: Ongoing global risk identification: Danone developed the Plan taking into account inputs from its stakeholder dialogue. Stakeholders engaged with include trade associations and civil society/ The Company describes their partnership with the Ellen MacArthur Foundation for circular economy and their joining of the Global Deal Initiative for Decent Work. The Global Deal Initiative is a global partnership with the objective of jointly addressing the challenges in the global labour market and enabling all people to benefit from globalisation. [Danone Registration Document, 31/12/2017] • Met: In consultation with stakeholders: For example, the Global Deal Initiative entails an 'changes of ideas, joint projects, solutions, experiences, challenges, lessons learned and policy advice..' and it will promote 'concrete initiatives and voluntary commitments.' [Global Deal Initiative, 03/05/2018: theglobaldeal.com] • Not met: In consultation with HR experts • Not met: Triggered by new circumstances

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Salient risk assessment (and context): The Company completed risk mapping done in 2017 on the 20 most exposed categories of procurements. The Company has identified its human rights risks through a materiality matrix and Vigilance Plan that covers respect for human right for its own and its suppliers business. The Company also prioritises certain agricultural business for certain Human Rights related issues. For example, the Company has four priority agricultural categories with regards to personal health and safety – palm oil, fruits, cocoa and cane sugar. [Danone Registration Document, 31/12/2017] • Not met: Public disclosure of salient risks: The materiality analysis and Vigilance Plan is publicly disclosed. However, the risk mapping of the most exposed categories of procurement is not made public. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Action Plans to mitigate risks: The Company Vigilance Plan includes a category relating to appropriate measures for risk mitigation and prevention for serious breaches for human rights and fundamental freedoms and personal health and safety. The Company's 'Fundamental Social Principles' covers seven salient Human Rights Risks based on the ILO. [Danone Registration Document, 31/12/2017] • Met: Example of Actions decided: The Company references the agreement signed by Danone and IUF. The Company also highlights the respect for fundamental rights via the contractual link with Danone, certifications such as UTZ, FSC and RSPO and more. [Danone Registration Document, 31/12/2017] • Met: Including in AG supply chain: The Company states that they have created action plans following SMETA (SEDEX) audits and FaRMs (Farmers Relationship Management) assessments as a risk mitigation measure for suppliers. [Danone Registration Document, 31/12/2017] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met: The Company Vigilance Plan covers risk map-based evaluation procedures, measures for risk mitigation and prevention of serious breaches, the appropriate whistleblowing system and how the company monitors measures and assesses their efficiency. [Danone Registration Document, 31/12/2017]
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: System to check if Actions are effective: The Company Vigilance Plan covers how the company monitors measures and assesses the efficiency of their actions for human rights and fundamental freedoms and personal health and safety. This includes monitoring the companies own activities and their subcontractor or supplier activities. [Danone Registration Document, 31/12/2017] • Not met: Lessons learnt from checking effectiveness: The Company does not detail lessons learnt from checking the effectiveness of actions to respond to human rights risks and impacts. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Comms plan re identifying risks: The Company has communicated in its registration document its system to identify human rights risks and impacts including own operations and supply chain (see B.2.1). [Danone Registration Document, 31/12/2017] • Not met: Comms plan re assessing risks • Met: Comms plan re action plans for risks: The Company has communicated in its registration document that it has a system to take action to prevent, mitigate or remediate its salient human rights issues and has provided an example (see B.2.3). [Danone Registration Document, 31/12/2017] • Not met: Comms plan re reviewing action plans • Not met: Including AG suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

C. Remedies and Grievance Mechanisms (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Vigilance Plan makes it clear that human rights grievances can be made through the Danone Ethics Line and has made it clear that it also applies to suppliers. The Danone Ethics Line is available to 'anyone concerned about potential misconduct, non-compliance with our policies, applicable codes of practice or potential violations of laws and regulations to seek help; ask for advice or raise a concern.' The Danone Code of Business Conduct for Business Partners states that a business partner can report any concerns at the Danone Ethics Line. [Danone Registration Document, 31/12/2017 & Danone Ethics Line, 03/05/2018: bkms-system.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Met: Channel is available in all appropriate languages: The Danone Ethics Line is available in fourteen different languages. These include languages such as Bahasa Indonesia, Bahasa Malaya and Polish. • Not met: Expect AG supplier to have equivalent grievance systems • Met: Opens own system to AG supplier workers: The Danone Ethics Line is available to 'anyone concerned about potential misconduct, non-compliance with our policies, applicable codes of practice or potential violations of laws and regulations to seek help; ask for advice or raise a concern.'
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: 'Anyone' can submit a human rights grievance to the Danone Ethics Line. When submitting a grievance online they have the option to select 'human rights violation including child labour, forced labour, right to collective bargaining, working time, wages.' There is an information box which provides further details to highlight what is considered a human rights grievance. <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes accessibility and local languages: The Danone Ethics Line is available in fourteen different languages. These include languages such as Bahasa Indonesia, Bahasa Melayu and Polish. There is also an option to select from over 200 countries. • Not met: Expects AG supplier to have community grievance systems • Met: AG supplier communities use global system: 'Anyone' can submit a human rights grievance to the Danone Ethics Line.
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Engages users to create or assess system: In 2017, Danone integrated two new categories of wrongdoings that may be reported via the Danone Ethics Line (see section Danone's responsible practices) to cover suspected environmental and Human Rights violations. The reporting process guarantees whistle-blower protection and was developed in consultation with staff representative bodies [Danone Registration Document, 31/12/2017] • Met: Description of how they do this: As above [Danone Registration Document, 31/12/2017] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AG suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Response timescales: The Danone Ethics Line ("Ethics Line") is owned and operated by Danone S.A. Personal data entered into the Ethics Line will be stored on Danone S.A. behalf in a database operated by Business Keeper AG, Bayreuther Str. 35, 10789 Berlin, Germany. The Company reports ' Only a small number of Danone S.A. employees have access to Reporters' information.' However, the Company also states Danone S.A. may transfer (or otherwise make available) Reporters' information to trusted third parties that process reports on its behalf (companies owned and operated, directly or indirectly, by Danone S.A., external consultants, auditors). Danone S.A. only transfers data to the extent necessary for these third parties to perform the required task. Danone S.A. may also disclose Reporters' data to third parties, such as competent public authorities, in order to comply with mandatory applicable laws and regulations.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>No response timescales are disclosed. [Danone Ethics Line, 03/05/2018: bkms-system.net]</p> <ul style="list-style-type: none"> • Met: How complainants will be informed: The Company provides information as to how complainants will be informed if they choose to submit an anonymous report. The Danone Ethics Line states that 'Please subsequently set up your own secured post-box. You will receive feedback from us via this post-box, including answers to questions and information about the progress of your report.' As long as the complainant does not enter any data from which conclusions about their person can be drawn, the technology of the BKMS® System will protect their anonymity [Danone Ethics Line, 03/05/2018: bkms-system.net] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Escalation to senior/independent level: The Company discloses In 2017, Danone integrated two new categories of wrongdoings that may be reported via the Danone Ethics Line (see section Danone's responsible practices) to cover suspected environmental and Human Rights violations. Furthermore, the company states that "all reported wrongdoings will be examined by a steering committee comprising representatives of the Sustainable Development, Human Resources and General Secretary functions."
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public statement prohibiting retaliation: The Company Code of Business Conduct states that 'There will be no retaliation against anyone who reports a genuine concern. All cases will be appropriately investigated and, where breaches are found, appropriate actions will be taken.' [Danone Business Code of Conduct, 20/01/2016] • Not met: Practical measures to prevent retaliation <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Met: Expects AG suppliers to prohibit retaliation: The Company Code of Business Conduct for Suppliers states that anyone who reports a genuine concern in good faith must not be retaliated against. [Code of Business Conduct for Business Partners, 04/2016]
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts • Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made
D.1.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs (purchasing practices) • Not met: Positive incentives to respect human rights (purchasing practices) <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.3	Mapping and disclosing the supply chain	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifies suppliers back to manufacturing sites (factories or fields): Danone has initiated traceability actions on their 'priority categories of agriculture' with the support of independent experts. These categories include: <ul style="list-style-type: none"> • palm oil: (see section Climate Policy). As of the date of this Registration Document, integrating the WhiteWave scope, Danone has achieved 100% traceability back to mills and 68% back to plantations. • fruit: Danone has determined the priority supply chains based on its materiality matrix specific to fruit procurement. Danone has asked its first-tier suppliers on all sources of supply back to farms and to identify major potential risks. More than 65% of volumes have been traced back to farms. • cocoa and cane sugar: for each category, Danone developed a traceability and risk assessment procedure in 2017 which will be implemented starting in 2018 [Danone Registration Document, 31/12/2017] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of SP and why
D.1.4.b	Child labour: Age verification and corrective actions (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Child Labour rules in codes or contracts: The Danone Code of Business Conduct states that the Company does not tolerate child labour. The Danone Code of Business Conduct for Business Partners extends to the core conventions of the ILO. However, child labour is not specifically mentioned. In the Company's 'Fundamental Social Principles' the company states that no children below the age 15 are employed by the Company or if the local law is set higher, that limit would apply. The Fundamental Social Principles are inserted in supplier contracts. [Danone - Responsible Procurement, 03/05/2018: jar2017.danone.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on child labour <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.5.b	Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Debt and fees rules in codes or contracts: The Danone's Sustainability Principles for Business Partners have been updated in 2018 to include the 3 CGF Priority Industry Principles. The Company refers to the three following principles: <ul style="list-style-type: none"> • Every worker should have freedom of movement; Every worker should have freedom of movement and freedom to leave employment subject to normal contractual provisions. The ability of workers to move freely should not be restricted by the Business Partner through physical restriction (confinement) abuse, practices such as retention of passports and valuable possessions, threat of reporting illegal workers to the authorities or the menace of any form of penalties. • No worker should pay for a job; Fees and cost associated with recruitment and employment should be paid by the employer, not the employee (Employer Pays Principle) • No worker should be indebted or coerced to work. Workers should work freely, aware of the terms and conditions of their work in advance, and paid regularly as agreed. No worker should be indebted to work as a result of excessive recruitment fees, unauthorized deductions from wages, disciplinary measures, fines or inflated prices for company goods, tools or uniforms. <p>The Company has clarified that the Sustainability Principles for Business Partners applies to own workers. [Danone Sustainability Principles for Business Partners, 27/07/2018: danone.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on debt & fees <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.5.d	Forced labour: Restrictions on workers (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Free movement rules in codes or contracts: The Danone's Sustainability Principles for Business Partners have been update in 2018 to include the 3 CGF Priority Industry Principles. The Company refers to the three following principles: <ul style="list-style-type: none"> • Every worker should have freedom of movement; Every worker should have freedom of movement and freedom to leave employment subject to normal contractual provisions. The ability of workers to move freely should not be restricted by the Business Partner through physical restriction (confinement) abuse, practices such as retention of passports and valuable possessions, threat of reporting illegal workers to the authorities or the menace of any form of penalties. • No worker should pay for a job; Fees and cost associated with recruitment and employment should be paid by the employer, not the employee (Employer Pays Principle) • No worker should be indebted or coerced to work. Workers should work freely, aware of the terms and conditions of their work in advance, and paid regularly as agreed. No worker should be indebted to work as a result of excessive recruitment fees, unauthorized deductions from wages, disciplinary measures, fines or inflated prices for company goods, tools or uniforms. [Danone Sustainability Principles for Business Partners, 27/07/2018: danone.com] • Not met: How working with suppliers on free movement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Analysis of trends in progress made
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: FoA & CB rules in codes or contracts: The Company's 'Fundamental Social Principles' covers seven salient Human Rights Risks based on the ILO conventions which are inserted into supplier contracts. Freedom of Association and the Right to Collective Bargaining is included in the Fundamental Social Principles. [Danone - Responsible Procurement, 03/05/2018: iar2017.danone.com] • Not met: How working with suppliers on FoA and CB <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in progress made
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The Code Business Conduct for Business partners states that Danone expects business partners to ensure the adequate measures are put in place to protect the health and safety of their employees. Furthermore the Fundamental Social Principles, which are inserted into suppliers contracts, requires suppliers to ensure that 'the workplace and its environment do not endanger the physical integrity or health of employees. Action to reduce the causes of accidents and improve working conditions is the object of ongoing programs. As a minimum, appropriate sanitary and medical facilities and drinking water are made available.' [Code of Business Conduct for Business Partners, 04/2016] • Met: Injury Rate disclosures: The Company's WISE (Work in Safe Environment) program's efficiency is assessed by monitoring workplace accidents. The Company assess the Frequency Rate of Workplace Accidents without Medical Absence and Accidents - which was 1.7 in 2017. [Danone Registration Document, 31/12/2017] • Met: Lost days or near miss disclosures: The Company reports Accidents with at least one day of medical absence, which was reported at 409 in 2017. [Danone Registration Document, 31/12/2017] • Met: Fatalities disclosure: The Company reports that there were three fatal accidents in 2016 and two fatal accidents in 2017. [Danone Registration Document, 31/12/2017] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made
D.1.8.b	Land rights: Land acquisition (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Rules on land & owners in codes or contracts • Not met: How working with suppliers on land issues <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provides analysis of trends in the progress made

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.9.b	Water and sanitation (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Rules on water stewardship in codes or contracts • Not met: How working with suppliers on water stewardship issues Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.1.10.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts • Not met: How working with suppliers on women's rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity thresholds were found, and so the score of 29.85 out of 80 points scored in themes A-D & F has been applied to produce a score of 7.46 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.67 out of 4	Out of a total of 42 indicators assessed under sections A-D of the benchmark, Danone made data public that met one or more elements of the methodology in 28 cases, leading to a disclosure score of 2.67 out of 4 points.
F.2	Recognised Reporting Initiatives	0 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Not met: Company reports on GRI • Not met: Company reports on SASB • Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0 out of 4	Danone met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2018 Key Findings report for more details of the research process.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.