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## DANONE STATEMENT ON FORCED LABOR

December 2018

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At Danone, we believe business must be inclusive. Our dual commitment to business success and social progress has been at the center of our corporate values since 1972. Defending human dignity at work and fighting against forced labor in our own operations and supply chains is fundamental to our commitment to do business in a sustainable manner, while respecting the rights of all people and protecting the health of the planet.

According to the ILO, more than half the world's workforce is part of the informal economy, which is marked by the denial of rights at work. Furthermore, an ILO report issued in 2017 estimated that 12 Million people were victims of forced labor in the private sector alone, at any given time in 2016.

As a member of The Consumer Goods Forum, we recognize our role as a responsible business to respect and promote human rights and decent working conditions worldwide, and we commit to working together with our peers across the industry, and with other key stakeholders, to help eradicate forced labor.

We therefore reaffirm our resolve to strive to end forced labor through the mainstreaming of the CGF's Priority Industry Principles that state:

- Every worker should have freedom of movement;
- No worker should pay for a job; and
- No worker should be indebted or coerced to work.

These principles have been incorporated in the Danone's 'Social Fundamental Principles' based on ILO conventions, which were initially co-signed with the IUF (International Union of Food Workers) and published in 2001. They apply to our own operations, and are embedded in supplier contracts, as part of Danone Sustainability Principles for Business Partners.

To fully implement the Principles within our own operations, Danone sharpened its focus on temporary workers in 2018, issuing and launching the deployment of a Global External Workforce Policy. In 2019, we will develop a dedicated program for on-site contractor workers.

In parallel, Danone is strengthening its Human Rights due diligence approach regarding Tier 1 suppliers. In 2018, we conducted an inhouse human rights risk assessment on 4,000 supplier sites, which led to a reinforced Audit Plan. We are also developing dedicated initiatives for priority raw materials in our extended supply chain with the aim of advancing on traceability, risk assessment and preventive actions through engagement with our main suppliers and collective action.

Furthermore, Danone is working to directly support and empower the members of our supply chains who are most vulnerable to forced labor. To this end, we created four social innovation funds, among them the Danone Ecosystem Fund and the Livelihoods Fund for Family Farming, whose projects help workers move out of informality and into the formal economy, thereby mitigating the drivers of forced labor. They also provide vocational and professional training, and access to fairer wages, giving workers increased autonomy and opportunity.

We welcome and support the ongoing efforts of institutions, organizations, and coalitions engaged in the fight against forced labor.

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