



Company Engagement Questions:

KnowTheChain Food & Beverage benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain's benchmarking of companies' commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

Please note that answers to these questions will be made publicly available on the [website of Business & Human Rights Resource Centre \(BHRRC\)](#), one of the partners in KnowTheChain. The project will maintain a strict standard of only including information provided via a company's public website or BHRRC's website in the evaluation.

Please send your answers to Felicitas Weber, KnowTheChain Project Lead: weber@business-humanrights.org, with a cc to Megan Wallingford, Senior Advisor, Advisory Services, Sustainalytics: megan.wallingford@sustainalytics.com.

We encourage companies to answer as many of the questions as possible. You may wish to focus particularly on those for which your company currently does not have information available on its website. We particularly welcome disclosure on evidence of implementation of policies and processes related to addressing forced labor, such as specific examples of outcomes or an analysis of trends in progress made.

Name of company: Danone

Name of respondent: Laura Palmeiro

Position of respondent: Sustainability Integration Director

Respondent's contact information (email): laura.palmeiro@danone.com

Note: For companies with vertically integrated supply chains, any reference to 'suppliers' in the following questions includes manufacturing and production sites owned by the company.

Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

Note: You may be aware that the [Corporate Human Rights Benchmark \(CHRB\)](#) is analyzing companies' broader human rights policies and performance. Where the KnowTheChain benchmark indicators are related to [indicators of the CHRB](#), this is indicated under each engagement question.

We welcome that some companies have disclosed information on their human rights policies and practices for the [Corporate Human Rights Benchmark \(CHRB\)](#). Where companies have disclosed information on specific CHRB indicators, as well as any links available from the company website, these will be considered in the KnowTheChain analysis. Third party information and links to third parties' websites will not be considered.

Commitment and governance

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

Related to indicator A.1.2 of the CHRB

[Danone]: No

Supply chain standards

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

Related to indicator A.1.2 of the CHRB

[Danone]: Please refer to Danone Fundamental Social Principles being a contractual clause with suppliers => <https://business-humanrights.org/sites/default/files/webform/Social%20Fundamental%20Principles.pdf>

Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments

Related to indicator B.1.1 of the CHRB

[Danone]: Please refer to Danone Social Responsibility Committee on page 226-277 of the 2015 Registration Document => https://business-humanrights.org/sites/default/files/webform/DDR_DANONE_2015_EN_01.pdf

Training

5. Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe.

Related to indicator B.1.5 (internal training) and B.1.7 (training of suppliers) of the CHRB

[Danone]: No

Stakeholder engagement

6. In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.

Related to indicator A.1.4 of the CHRB

[Danone]: No

Traceability and risk assessment

Traceability

7. Please describe your company's supply chain tracing processes. Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.

Related to indicator D.1.3 of the CHRB

[Danone]: We only disclose number of suppliers included in our RESPECT and FaRMs programs, which include first-tier suppliers but as well as upstream suppliers and milk producers, but not the exact names and locations. You can find more information related to this in Danone integrated report: <http://www.danone.com/en/for-all/integrated-report/our-projects/healthier-future/unique-business-approach/>

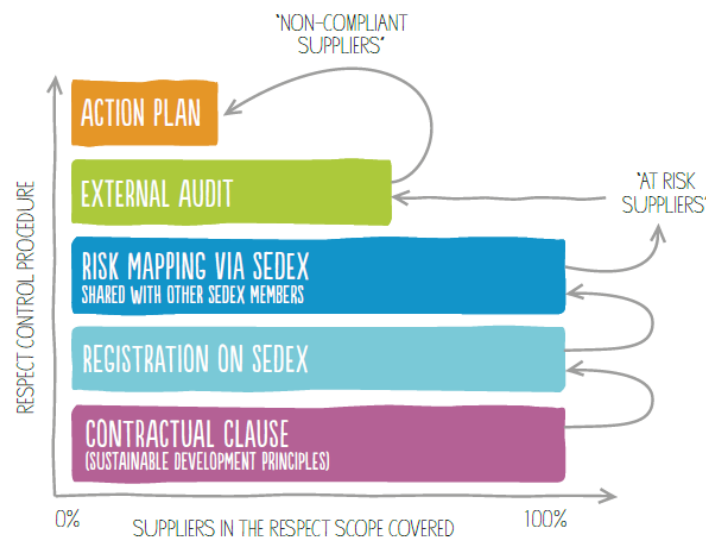
Risk assessment

8. Please describe your companies' risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).

For examples of commodities where forced labor risks have been identified - such as tomatoes from Italy, rice from India or strawberries from the United States - see Verite (2016) – “[Strengthening protections Against Trafficking in Persons in Federal and Corporate Supply Chains Research on Risk in 43 Commodities Worldwide](#)”.

Related to indicator B.2.1 of the CHRB

[Danone]: Risk assessment chart below shows the step by step risk assessment of our suppliers. Therefore, all suppliers are required to comply with our contractual clauses on responsible labor practices, with initial supplier assessments and audits providing us an estimate of the supplier risk, followed by action plan implementation.



Moreover, please refer to Danone 2.7 Risk Factors on page 24 and 6.4 Internal control and risk management of the Registration Document for general Risk assessment.

=> https://business-humanrights.org/sites/default/files/webform/DDR_DANONE_2015_EN_01.pdf

Purchasing practices

Purchasing practices

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

Related to indicator D.1.2 of the CHRB

[Danone]: Please refer to Danone 10th agreement on Sustainable Employment and our Responsible Procurement program.

=> https://business-humanrights.org/sites/default/files/webform/Danone%20-%20IUF_press%20release%20EN_final.pdf

=> **!NEW LINK!** <http://www.danone.com/en/for-all/integrated-report/our-projects/healthier-future/unique-business-approach/>

Supplier selection

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.

Related to indicator B.1.7 of the CHRB

[Danone]: Please refer to our Responsible Procurement program.

=> <http://www.danone.com/en/for-all/integrated-report/our-figures/key-performance-indicators/responsible-procurement/>

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?

[Danone]: Overall the demand remains stable throughout the year, and as a business, Danone ensures careful planning of orders with the suppliers to provide maximum visibility for them.

Danone's fruit producers employ seasonal workers, due to the nature of fruit supply. We gather the specifics of relevant information from our suppliers through the Ethical Supply Chain platform (SEDEX). Following that, discussions are held with the suppliers both at the level of sustainable sourcing practices and responsible employment of labor, as well as discussions to establish the demand cycle to allow the supplier to forecast their resources. Therefore there is complete visibility on future demand from Danone's side specific to fruit producers.

Integration into supplier contracts

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

Related to indicator B.1.4.b of the CHRB

[Danone]: Please refer to Danone Fundamental Social Principles being a contractual clause with suppliers

=> <https://business-humanrights.org/sites/default/files/webform/Social%20Fundamental%20Principles.pdf>

Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

Related to indicator A.1.2 of the CHRB

[Danone]: SEDEX assessment requires Danone Tier 1 suppliers to comply with specific measures and practices to be put into place (if not already done so) in turn for their suppliers. All suppliers have to complete such assessment.

Moreover, Danone sources directly upstream within categories of fruits, plastic and milk, therefore standards are cascaded directly to suppliers in those categories.

Recruitment

Recruitment approach

14. Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.

Related to indicator D.1.5.b of the CHRB

[Danone]: Please refer to Danone 10th agreement on Sustainable Employment and our Responsible Procurement program.

=> https://business-humanrights.org/sites/default/files/webform/Danone%20-%20IUF_press%20release%20EN_final.pdf

Recruitment fees

15. Please describe your company's approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.

Related to indicator D.1.5.b of the CHRB

[Danone]: N/A

Recruitment audits:

16. Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?

For further information, see Verité – [Fair Hiring Toolkit. Conducting Interviews with Labor Recruiters.](#)

[Danone]: N/A

Worker voice

Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).

Related to indicator B.1.4.b of the CHRB

[Danone]: N/A

Worker voice

18. Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).

[Example available here](#)

Related to indicator B.1.8 of the CHRB

[Danone]: Please refer to Danone FaRms program on page 190 of the 2015 Registration Document => https://business-humanrights.org/sites/default/files/webform/DDR_DANONE_2015_EN_01.pdf

Worker empowerment

19. Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.

For additional information on worker empowerment, see context in “Responding to Challenges of Freedom of Association” chapter of Ethical Trading Initiative’s practical guide on “Freedom of Association in Company Supply Chains”, and related company example on page 35

Related to indicator D.1.6.b of the CHRB

[Danone]: N/A

Grievance mechanism

20. Please describe your company's grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

Related to indicator C.1 and C.5 of the CHRB

[Danone]: Please refer to our Compliance program and especially Dialert Ethics Line

=> **!NEW LINK!** <http://www.danone.com/en/for-all/integrated-report/our-projects/healthier-future/unique-business-approach/>

Monitoring

Auditing process

21. Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.)ⁱ, and c) interviews with workers.

For further details on document reviews see Verite – [Fair Hiring Toolkit. Conducting a Review of Documentation.](#)

Related to indicator B.1.6 of the CHRB

[Danone]: Please refer to our Responsible Procurement program.

=> <http://www.danone.com/en/for-all/integrated-report/our-figures/key-performance-indicators/responsible-procurement/>

Audit disclosure

22. Does your company disclose

a) the percentage of suppliers audited annually

[Danone]: Please refer to our Responsible Procurement program.

=> <http://www.danone.com/en/for-all/integrated-report/our-figures/key-performance-indicators/responsible-procurement/>

b) the percentage of unannounced audits

[Danone]: No

c) information on who carried out the audits (this may include further information on the expertise of auditors such as relevant certifications, in cases where third-party audits are used, the names of the auditors, and in cases where internal auditors are used, details on department/team/group within which the auditor(s) sits), and
d) a summary of findings, including details of any violations revealed?

Please provide a URL with the relevant information.

Related to indicator B.1.6 of the CHRB

[Danone]: Please refer to our Responsible Procurement program.

=> <http://www.danone.com/en/for-all/integrated-report/our-figures/key-performance-indicators/responsible-procurement/>

Remedy

Corrective action plans

23. Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.

Related to indicator B.1.6 of the CHRB

[Danone]: Please refer to our Responsible Procurement program.

=> <http://www.danone.com/en/for-all/integrated-report/our-figures/key-performance-indicators/responsible-procurement/>

Remedy

24. Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.

Related to indicator C.7 of the CHRB

[Danone]: No
