
DANONE'S CODE OF CONDUCT FOR BUSINESS PARTNERS



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To be included in contractual terms and conditions. Equivalent wording may be used as long as the spirit of the code is not diluted

Clause 1: Scope and objective

1.1

Danone aims to form fair and ethical relationships with our Business Partners, including suppliers, distributors and all other Third Parties, collectively known for the purposes of this document as "Business Partners".

1.2

This Code applies to all Danone Business Partners.

1.3

This Code defines our ethical conduct expectations of our Business Partners. We are committed to treating these parties fairly and ethically, as set out in our Code of Business Conduct.

1.4

Acceptance and adherence to this Code (or provision of equivalent principles) is mandatory for all Business Partners.

1.5

Acceptance and adherence to this Code is understood to be confirmed by the Business Partner's agreement to undertake business with Danone (unless equivalent principles have been provided).

Clause 2: Business Partner selection process and conflicts of interest

2.1

Danone reserves the right to conduct integrity screening on our Business Partners, as part of its selection process.

2.2

Business Partners are required to declare any potential conflict of interest prior to the start of the selection process.

Clause 3: Anti-bribery and corruption, money laundering, competition law and international trade sanctions

3.1

Business Partners shall abide by all applicable anti-corruption, money laundering and competition laws.

3.2

Business Partners shall not engage in any form of bribery or corruption in order to obtain an unfair or improper advantage, whether actual or perceived.

3.3

Business Partners shall not participate in activities which could be seen as impeding competition.

3.4

Business Partners shall not have dealings with restricted parties and shall comply with all applicable international trade sanctions laws.

Clause 4: Gifts and hospitality

4.1

Business Partners are prohibited from offering gifts or hospitality above a nominal value to Danone employees, Danone customers or other relevant stakeholders (such as government officials) when working on behalf of Danone. Any gifts offered must be of a purely nominal value and must not be intended (or able to be perceived as such) to influence a business decision. Hospitality offered must be linked to business purposes, must be of an appropriate value and must not be intended (or able to be perceived

as such) to influence a business decision. No gifts or hospitality may be offered during tender or contractual negotiations.

Clause 5: Human rights

5.1

Business Partners are expected to protect and promote the human rights of their employees. We expect them to be fair employers and to respect international labor standards, including the core conventions of the International Labor Organization and legislation prohibiting slavery and human trafficking.

Clause 6: Health, safety and the environment

6.1

Business Partners are required to abide by all applicable laws relating to health, safety and the environment in their work for Danone. We expect them to ensure that adequate measures are put in place to protect the health and safety of their employees, and to mitigate the environmental impact of their business operations as far as possible.

Clause 7: Audit

7.1

Danone reserves the right to confirm Business Partner adherence to the principles set out in this Code of Conduct via on-site or desktop audits. If on-site audits are required the Business Partner will be given sufficient warning and the audit will not unnecessarily disrupt their operations.

Clause 8: Raising a concern

8.1

Should you have any concerns regarding this Code of Conduct or its application please speak directly to your contact at Danone. If for any reason you would prefer to report a concern confidentially through another channel we also have a dedicated reporting tool available called DANONE ETHICS LINE (www.danoneethicsline.com). This tool can also be used anonymously if needed.

8.2

Anyone who reports a genuine concern in good faith must not be retaliated against. All cases will be appropriately investigated and where breaches are found appropriate actions will be taken.

ANNEXES

In addition to the principles set out above, Business Partners are also required to comply with the following principles.

Annex 1 - Code of Ethics and Organizational Model

Business Partners are required to know the requirements contained in the Code of Ethics (hereinafter the "**Code of Ethics**") and in the organizational model adopted by the companies of the Danone Group under Legislative Decree no. 231/2001 and subsequent amendments and additions concerning the administrative liability of entities (hereinafter, the "**Organizational Model**") and to declare to accept them in full, refraining from conduct contrary to them.

Business Partners are required to carry out their business in compliance with the principles indicated in the Code of Ethics and in the Organizational Model and, in general, in compliance with the laws in force and the general principles of fairness and transparency, undertaking to adopt rules suitable for prevention of the offenses provided for by Legislative Decree no. 231/2001.

The adoption by the *Business Partners* of behaviors in breach of the principles contained in the Code of Ethics and in the Organizational Model constitutes a serious breach of the contractual/commercial relationship with the company of the Danone Group with which they have commercial relations and grounds for legal termination of the same pursuant to and for the purposes of article 1456 of the Italian Civil Code.

Business Partners are required to indemnify and hold harmless the Danone Group company with which they have business relationships from any claim and/or damage that may arise as a result of the work of the *Business Partners* in breach of the obligations set out in this provision.

Annex 2 - Principles on financial traceability under law no. 136/2010 and other reference regulations

In the event that the supply contract between the *Business Partners* and Danone is part of a procurement contract concluded between Danone itself and a public contracting authority, the *Business Partners* are required to comply, among other things, with all the rules of law and regulations applicable to the matter including, by way of example but not limited to, the following provisions.

Business Partners, as subcontractors, are required to know the provisions of article 3 of Law no. 136, as subsequently amended and supplemented, and to undertake to fulfill all the financial traceability obligations set forth therein and, in particular, but not limited to:

- i. promptly communicate to the contracting authority, no later than seven (7) days from their opening or, in the case of existing current accounts, from their first use, the identification details of the current accounts dedicated to financial transactions referred to in paragraph 1 of article 3 Law 13 August 2010 n. 136 and subsequent amendments and additions, as well as - within the same term - the personal details and tax code of the persons delegated to operate on the same current accounts;
- ii. carry out all financial transactions relating to the supply contract with suitable collection or payment instruments to allow full traceability recorded on the current account dedicated to subcontracting - communicated pursuant to point (i) above - and to report the CIG (Tender Identification Code) on the payments themselves and the CUP (Unique Project Code) in order to ensure the traceability of financial flows;
- iii. insert in the contracts with any subcontractors a clause that reproduces, in substance, the provisions

- iv. of point (i) above and to transmit to the contracting authority, if requested, a copy of the contracts themselves;
- v. immediately notify the contracting authority and the prefecture-territorial office of the competent government of the failure of the respective counterparty to any obligation of financial traceability referred to in article 3 of Law 13 August 2010 n. 136 and subsequent amendments and additions.

The Business Partners acknowledge that they are aware that pursuant to article 3, paragraph 9, of the aforementioned Law no. 136/2010, failure to comply with the traceability obligations of financial flows constitutes cause for the absolute nullity of the contract.

For full confirmation and acceptance of
Danone Code of Conduct for Business Partners, as above:

[Insert place and date]

[Insert stamp and signature of the Business Partners]