

Danone S.A.

TICKER:
EPA: BN

MARKET CAPITALIZATION:
US\$ 41 billion

HEADQUARTERS:
France

12 OUT OF 20

Company’s Overall Ranking

28 OUT OF 100

Company’s Overall Score

Danone S.A. (Danone) provides below average disclosure of policies and programs aimed at managing forced labor and human trafficking risks in its supply chain, ranking twelfth on the benchmark overall. The company discloses strong practices in the areas of supplier selection and corrective action plans. To improve its disclosure and performance, Danone is encouraged to disclose a clear managerial structure to ensure accountability for supply chain policies and standards relevant to forced labor and human trafficking. Danone also has an opportunity to improve its disclosure in the areas of recruitment and worker voice.

THEME LEVEL SCORE

Commitment and Governance	38 out of 100
Traceability and Risk Assessment	50 out of 100
Purchasing Practices	25 out of 100
Recruitment	0 out of 100
Worker Voice	0 out of 100
Monitoring	43 out of 100
Remedy	38 out of 100

LEADING PRACTICES

None.

NOTABLE FINDINGS

Traceability
Danone is committed to ensuring that all palm oil used in its products is “traceable from the plantation of origin.” In its Soy Policy, it discloses information on the countries from which it purchases soy.

Supplier Selection
Danone’s RESPECT Program “aims to protect the Sustainable Development Principles across Danone’s entire supply chain and ensures compliance with International Labour Organization standards, including forced labor.” Under the RESPECT Program, potential suppliers that apply to work with Danone are assessed on their social, environmental, and ethical business performance. Danone discloses that all its new supplier sites are required to fully comply with the RESPECT Program guidelines.



Corrective Action Plans

Danone has a corrective action plan to address supplier non-compliance identified through audits; these are monitored by the company's Purchasing Manager to ensure implementation. The company resolves non-compliance cases through engagement and collaboration with suppliers; however, if suppliers refuse to collaborate, the company may terminate the supplier relationship.

OPPORTUNITIES FOR IMPROVEMENT

Commitment and Governance

Although Danone discloses that it has a board-level Social Responsibility Committee responsible for overseeing policies and practices regarding social issues, the company may consider establishing a clear managerial structure to ensure accountability for supply chain policies and standards relevant to forced labor and human trafficking.

While Danone is a member of the UN Global Compact, it could improve by disclosing how it actively participates in one or more multi-stakeholder or industry initiatives focused on forced labor and human trafficking. The company is further encouraged to engage with trade unions, local NGOs, and/or policy makers in countries in which its suppliers operate on forced labor and human trafficking.

Recruitment

Danone is encouraged to require suppliers to directly employ workers and, where this is not possible, to audit recruitment agencies. Further, the company may consider developing and disclosing a policy that requires that no recruitment fees be charged to workers in its supply chain and disclosing how it ensures that such fees are reimbursed, should they be discovered.

Worker Voice

Danone may consider disclosing evidence of how it communicates its forced labor related policies and standards to workers in the supply chain and whether its grievance mechanism is available to suppliers' workers. As well, the company is encouraged to disclose evidence that it has an accessible, formal grievance mechanism that facilitates the impartial reporting by suppliers' workers of workplace grievances. In addition, the company may consider disclosing evidence that it is encouraging suppliers to ensure workplace environments where workers are able to pursue alternative forms of organizing where there are regulatory constraints on freedom of association.

COMPANY PROVIDED ADDITIONAL DISCLOSURE:

[Yes.](#)