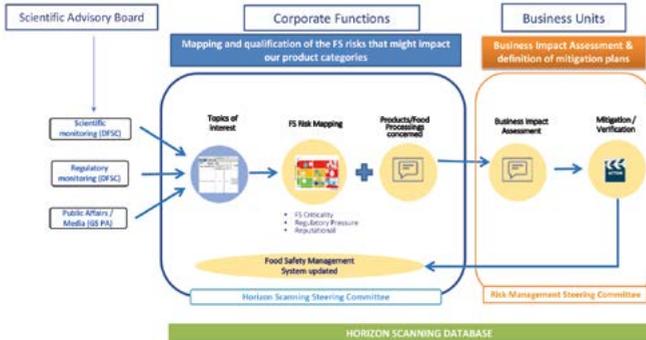


Horizon Scanning Process



Emmanuel FABER
Chairman and CEO of Danone

The why

With a mission “to bring health through food to as many people as possible”, and a commitment to continuously offer superior food experiences and innovations, it is paramount for us at Danone to ensure that all our stakeholders fully trust our products and services. To honor this commitment, we engage all our teams, suppliers and partners in our Food Safety Management System (FSMS), with the aim of ensuring that we design, manufacture and deliver products and services that meet both regulatory requirements as well as the highest standards of Quality and Food Safety.

In a VUCA environment, and with the everchanging regulation and science linked to Food Safety, there is a need for systems that effectively integrate both a predictive and reactive capacity to support food companies’ strategic decision-making, prevention, and mitigation efforts. GFSI has always promoted approaches and systems that allow efficient risks analysis and anticipation. The collaborative work with SSAFE on the Food Fraud vulnerability assessment or the recent working groups initiated on emerging risks illustrate it well.

Danone has leveraged these GFSI initiatives, implemented robust methodologies and a process which both aim to anticipate any emerging FS issues and reinforce its FSMS, with the objective of remaining at the leading edge on FS Safety Science.

“Consistent and effective food safety management systems are crucial for us at Danone to meet the highest standards of quality and safety. Not only do they help minimize risks, they contribute to making Food Safety a key asset for Danone.”

The How

The Horizon Scanning process has been set up by the Danone Food Safety Center (DFSC) to identify emerging FS issues at their earliest stage, to assess their potential impact on Danone's business, and to mitigate them if needed. It covers any new risk – whether real or perceived by consumers – related to the safety of raw materials, ingredients, food contact materials, manufacturing processes and finished products.

Danone's Horizon Scanning process is based on a four-step approach which covers all emerging FS risks in the FSMS:

1. Exhaustive and continuous monitoring of the scientific and regulatory environment by our in-house experts. For some topics, it has required to develop Early Warning System leveraging big data.
2. Consolidation of the information collected by a multidisciplinary group (Scientists, Risk managers, Regulatory affairs, Public affairs) in a database, enabling the qualification of the potential issues (severity,

exposure, regulatory pressure, etc.). A Scientific Advisory Board composed of internationally recognized experts enriches the analysis in all areas of FS Science.

3. Evaluation of the impact of each topic on Danone's business and the potential need to put in place specific mitigation plans.
4. When required, set up of mitigation measures integrated in the FSMS.

Since 2018, this process also encompasses more general, transversal and long-term issues (e.g. Climate change) and risks perceived by civil society, not supported by scientific rationale but that may have a reputational stake for Danone.

To ensure an effective rollout of the process across all divisions in the organization, we have established a governance structure composed of a Horizon Scanning Steering Committee led by the Danone Food Safety Centre, a Product Compliance Board led by an EXCO member, and a Risk Management Steering Committee for each division.

The Benefits

By leveraging the anticipatory approaches promoted by GFSI as well as the outcomes of several working groups GFSI has initiated, Danone has developed an effective "Horizon Scanning" process.

The tight collaboration within this multidisciplinary team has enabled us to adopt a holistic approach for all identified issues.

The decisions taken are supported by robust analyses conducted by internal experts who leverage advanced

methodologies. The conclusions and recommendations are endorsed by internationally recognized scientists covering all the FS domains.

This process coordinated at corporate level allows to anticipate, prevent and manage the risks in a harmonized and agile manner all across Danone's organization.

It is a valuable asset to Danone's FS commitment as it allows Danone to identify any emerging or evolving topic and to integrate it into its FSMS. The System is thus continuously improved, with an ambition for Excellence.



Figures

The effective rollout of the process across the whole organization is a key factor of success and depends on the following governance structure:

- **a Horizon Scanning Steering Committee led by FS (the Food Safety Centre in our case)**, which identifies and qualifies new issues/topics and establishes a FS risk mapping to prioritize Business impact assessment and Risk mitigation;

- **a Product Compliance Board led by an EXCO member**, which validates strategy and recommendations from HS Steering Committee and ensures the control of risks at Company level;
- **a Risk Management Steering Committee for each division**, which conducts the Business impact assessment and defines the mitigation measures to be integrated in the FSMS.

