
When the board of directors is confronted by activist shareholders: the case of Danone Group

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Abstract: A firm's board of directors is considered an essential element of corporate governance. Its objective is to reduce agency costs, consequent to the separation of ownership and control (Gordon, 2006). Agency issues in corporate governance increase interest for activist events (Brav et al., 2008; Zhu, 2013; Fos, 2017). Danone, with four activist shareholders events between 2012 and 2021, might have faced agency issues that provoked these events. The purpose of this article is to identify any agency issue during this period and to evaluate to which extent it could have been a trigger for activism.

Keywords: Danone; corporate governance; board of directors; activist shareholder; independent director.

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1 Introduction

The French dairy company Danone has been facing significant leadership changes in 2021. On the 14 March 2021, the board of directors fired the CEO and ex-chairman, Emmanuel Faber¹. Antoine de Saint Affrique replaced him on the 15 September 2021². This major change executed by Danone’s board of directors is the direct consequence of the two activist shareholders’ events that took place in the first quarter of 2021. Bluebell Capital Partners and Artisan Partners, two activist edge funds, took minority shares respectively in January and February 2021, requesting significant governance changes^{3,4}.

Consequently, Gilles Schnepp, chairman of the board of Danone, announced on the 28 July 2021 that the board of directors will be very significantly renewed by 2023⁵.

The board of directors of a firm is considered as a key element of corporate governance. Its objective is to reduce agency costs, consequent to the separation of ownership and control (Gordon, 2006). Elected by shareholders, the board of directors has different roles. Its first role is to monitor the management in the interests of shareholders (Mork, 2004; Gordon, 2006; Nicholson and Cameron, 2010). The monitoring can be done in different ways, from hiring to firing managers to monitoring decision making, strategy implementation, and financials (Nicholson and Cameron, 2010; Coffee and Palia, 2014). The second role of the board of directors is to be a service provider of expertise and counselling (Jensen, 1993; Nicholson and Cameron, 2010). The third role is to contribute to the firm’s strategy, from an active way by leading it or from a passive way by monitoring it, as we have seen already (Nicholson and Cameron, 2010). The fourth role is to provide access to resources such as fundraising and resources’ co-optation (Nicholson and Cameron, 2010). Agency issues in corporate governance arise when there are divergences of interests between the firm’s shareholders, represented by the board of directors, and the managers (Ross and Mitnick, 1973). Famous agency issues have been reported in the literature, such as the Enron and WorldCom scandals in the

early years of 2000 (Coffee, 2006) or the examples of Hollinger and Parmalat (Mork, 2004). The common denominator of all these examples is the failure of the corporate governance to anticipate the sudden bankruptcy of the mentioned companies. The literature highlighted sources of agency issues, like a conflict of interests (Coffee, 2006; Hopt, 2013) and excess of loyalty towards management (Mork, 2004). To prevent these related agency issues, guidelines from international organisations and regulators promoted the role of the independent director. The definition of an independent director is “someone who has never worked at the company, any of its subsidiaries or consultants, is not related to any of the key employees, and does not/did not work for a major supplier or customer” (Ravina and Sapienza, 2010). As a complement, referring to the Sarbanes Oxley Act of 2002 and the Higgs report, an independent director should not get any consulting, nor advisory, or another compensatory fee from the issuer, nor passed business relationships or ties with a major shareholder (Mork, 2004).

The OECD, with its Principles of Corporate Governance of 2004, the Commission of the European Communities Recommendation, the corporate governance rules of the New York Stock Exchange of 2009, and almost all existing corporate governance codes or guidelines promote the concept of the independent director (Crespi-Cladera and Pascual-Fuster, 2013).

Despite the overall tendency of strengthening the effectiveness of the board of directors, there is pressure that directors would fall behind the line of the management. Mork (2004), thanks to the Milgram experiments, describes a comprehensive frame of the board of directors’ dysfunctions:

- corporate insiders serve as directors: they owe their past, current, and future retributions to the CEO; they are highly ethically linked to the CEO
- the nomination regarding their judgments naturally biases independent directors nominated by the CEO
- directors’ reputation: being perceived as a potential ‘troublemaker’ might limit the director’s career instead of being a ‘yes man’
- directors’ constant alignments: the lack of disagreements between directors does not give space for an alternative voice and naturally moves the consensus to the shown direction from the management.

Agency issues due to a defective board of directors create “undervaluation, lack of focus, low leverage, and insufficient payouts” (Fos, 2017). Consequently, the probability that the given firm becomes a potential target for activist shareholders increases significantly (Brav et al., 2008; Zhu, 2013; Fos, 2017).

Over the past ten years, Danone has been confronted with four activist shareholders’ events. The first one was in November 2012 with the activist hedge fund Trian Partners⁶. In August 2017, Corvex Management acquired a minority stake as an activist⁷. And as we have seen already, in January and February 2021, Bluebell Capital and Artisan Partners entered the capital as activist shareholders.

The purpose of this paper is to understand if the corporate governance of Danone and its potential agency issues could be a trigger for the last activist events.

2 Theoretical framework

George Akerlof (Auronen, 2003) has theorised the asymmetric information between buyers and sellers, which leads to wrong valuations of transactions. According to the theory, the asymmetry can be reduced by counteracting institutions. The study will evaluate potential information asymmetry between managers, board of directors, and institutional investors of the companies and how counteracting institutions influence the flow of information.

The study will also be supported by the agency theory, referring to the study of Ross and Mitnick (1973), highlighting the divergence of interests between companies' shareholders and managers. We will also consider the work of Jensen and Meckling (1976). They characterised the importance of incentivisation and the quality of monitoring under the theory of the firm with agency arrangements.

Guided by these two theories, we formulated the following questions for the study:

- 1 Is the corporate governance of Danone a causal factor of the interest of activist shareholders (Q1)?
- 2 Did the activist events impact the corporate governance of Danone (Q2)?
- 3 What are the mid-and long-term consequences scenarios for Danone (Q3)?

3 Research design

The methodology selected for this first part is a qualitative case study. The reason for this choice is that a case study allows an in-depth understanding of a single contextual case (Yin, 2003). In this case, our case study is Danone.

The data collection is focused on these main categories:

- official communication statements of Danone
- annual reports of Danone
- transcripts and press articles
- public data from tribunal of chambers of commerce
- literature.

4 Data analysis

Following the five analytic techniques of Yin (2018), the study will focus on two out of them:

- 1 Pattern matching: this technique will allow comparing the theoretical framework and its predictable implications for the case with the findings of the case.
- 2 Logic model: according to Yin (2018), "the logic model may be considered as another form of pattern matching". The added value of considering this additional analytic technique would be identifying causality effects patterns, matching a

theoretically predicted event. In this case, each observed fact is a logical outcome of the previous one, ending with a final result.

The possibility to use both techniques allows doing a complete analysis, combining the matching of independent and interconnected events and observations into the theoretical framework.

5 Trustworthiness

The credibility of the research will be built through well-established protocols of data collection, and verification will be done between public information and/or literature and with the theoretical framework to support the findings.

Danone is a worldwide leader in the food industry, and it is considered a front-runner and a benchmark for its competitors. The ambition of the case study is not to transfer the findings to other corporations. Anyhow, due to the natural totem effect of Danone, it will automatically provoke the discussion to move the results to the competitive landscape. The transferability will then be subject to the limitations of the uniqueness of Danone and its environment.

6 Findings – danone’s governance: the board of directors

The study will focus on the composition of the board of directors at the moment of each activist event to evaluate if any agency issue could have been an argument for the activists.

6.1 *Activist event of Triam Funds in November 2012*

In 2012, the board of directors was composed of fourteen members (Figure A1), of which four were Danone leaders for many years: Franck Riboud, Emmanuel Faber, Bernard Hours, and Jacques Vincent. The only director with Danone categories’ experience was Yoshihiro Kawabata from Yakult Honsha. But Danone was a 20% shareholder of Yakult Honsha, and Danone leaders had directors’ roles at Yakult Honsha for many years (Danone Annual Report, 2012). Yoshihiro Kawabata can be considered a Danone representative on the board of directors. Mrs. Sepehri, member of the board of directors, was executive vice president of Renault. In the same period in 2012, Franck Riboud was a director at the board of Renault (Figure A2). JP Morgan Chase has been involved in several financial transactions during 2011 and 2012 for bonds issuing and credit facilities (Danone Annual Reports, 2011; 2012). Even if Danone officially publishes it, Isabelle Seillier, as managing director of JP Morgan Chase group and non-independent board member of Danone, is in a position to monitor the management of one client. Furthermore, Jean Laurent, mentioned in the board of directors of Danone as chairman of La Foncière des Regions, was also an independent vice-chairman of Eurazeo between 2004 and 2017, when Franck Riboud was an independent member of the supervisory board of Eurazeo between 2001 and 2005 (Figure A3). During this same period of 2001–2005, Eurazeo was already the biggest shareholder of Danone, leading to a natural conflict of monitoring of the Danone management by Eurazeo and Jean Laurent during

this period a lack of independence afterward. In the other case of the director Richard Goblet D'Alviella, representing the Sofina group at the board of Danone, Franck Riboud was also a member of the board of directors of the Belgian investment company until 2006 (Figure A4).

Benoit Potier, Chairman of Air Liquide and member of the board of directors of Danone, belongs to the powerful and exclusive network *Le Siècle*, together with Franck Riboud (Ratier, 2011). The presence of Bruno Bonnell at Danone's board of directors is a question mark. Indeed, his track record in Infogrames, a famous French IT specialist at the beginning of 2000, ended up with his eviction of the company after the collapse of the stock value⁸. His knowledge of Danone's categories is absent due to his focus on IT, which terminated negatively. The connection to Danone might come from his origins from Lyon, like the Riboud family, and the connections to the historical Mayor Gerard Collomb and the president of the local football team, Olympique Lyonnais Jean-Michel Aulas^{9,10}. Both Franck Riboud and Bruno Bonnell are close to Gerard Collomb and Jean-Michel Aulas¹¹. Bruno Bonnell is a shareholder of Olympique Lyonnais, administrated by Thomas Riboud Seydoux, the nephew of Franck Riboud¹². The Olympique Lyonnais also organised a few times the Danone football tournament¹³. As the professional background of Bruno Bonnell does not justify his position at the board of directors, this local connection to Lyon's environment is a potential reason for his assignment. Jean-Michel Severino is a French technocrat (general inspector of finance, director of AFD, and director at Ministry of Cooperation), graduated from ENA¹⁴. He is a shareholder and director of *Investisseurs & Partenaires* (Figure A5). Danone invested in a fund of *Investisseurs & Partenaires* for a value of EUR 15 m¹⁵ (Figure A6). He is a director at Phitrust Impact Investors, a minority shareholder of Danone since 2003¹⁶. He is chairman at Institut d'Étude du Développement Economique et Social Convergences 2015, of which danone.communities is a financial contributor. He has been a director at danone.communities (Figure A7).

Table 1 Summary of the agency issues in 2012

<i>Roles</i>	<i>Agency issues</i>
Chairman	<ul style="list-style-type: none"> Combining with the CEO position Symmetric board positions with Danone's directors
Non-independent – deputy manager 1	<ul style="list-style-type: none"> Danone manager
Non-independent – deputy manager 2	<ul style="list-style-type: none"> Danone manager
Non-independent – former deputy manager	<ul style="list-style-type: none"> Danone manager
Non-independent director	<ul style="list-style-type: none"> General manager of a bank involved in financial transactions of Danone
Non-independent – deputy president	<ul style="list-style-type: none"> Symmetric board positions with Danone managers General manager of a company partially owned by Danone
Independent director – audit committee 1	<ul style="list-style-type: none"> Symmetric board position with Danone's director

Table 1 Summary of the agency issues in 2012 (continued)

<i>Roles</i>	<i>Agency issues</i>
Independent director – audit committee 2	<ul style="list-style-type: none"> • Symmetric board position with Danone’s director
Independent director – audit committee chairman	<ul style="list-style-type: none"> • Personally involved in Danone investments • Director of a minority shareholder of Danone • Chairman of a NGO financed by Danone • Ex-director of Danone communities
Independent director – social responsibility committee	<ul style="list-style-type: none"> • Personal connections from Danone chairman’s network in Lyon. • No Danone’s categories experience • Shareholder of a company where chairman’s nephew is a director
Independent director – compensation committee chairman	<ul style="list-style-type: none"> • Symmetric board position with Danone’s director • Ex-vice chairman of the biggest shareholder of Danone
Independent director – compensation committee	<ul style="list-style-type: none"> • Member of the same network club than the chairman

All these personal interactions, symmetric board positions, and mutual interests create a situation where the monitoring body is biased by the connected interests around the board positions. As we could see with Mork (2004), it is a zero-sum situation that questions the board of directors’ effectiveness to challenge the firm’s management to balance the shareholders’ and personal interests. And as we could see previously, the agency problems that potentially occur from misalignments of interests between shareholders and management lead to “undervaluation, lack of focus, low leverage, and insufficient payouts” (Fos, 2017) to create attractiveness for being targeted by activists. The agency situation at Danone in 2012 is an additional argument for the activist’s event of Trian Partners.

6.2 *Activist event of Corvex Management in August 2017*

In 2017, the board of directors faced few changes since 2012 by adding two seats and replacing Jacques Vincent, Bernard Hours, Bruno Bonnell, Richard Goblet D’Alviella, and Yoshihiro Kawabata. The two new seats were attributed to Danone employees.

Except for the Danone employees, the new directors of the board are:

- Clara Gaymard: ex-vice president of General Electric, graduated in ENA, a technocrat of the French administration. She has been working for the Cours des Comptes, AFII, and has been an assistant to Jacques Chirac (*Faits et Documents No. 379*, 2014). She founded the endowment fund RAISE, where Franck Riboud was Director until 2014 (Figure A8). Danone is a RAISE shareholder via its subsidiary DAN Investments (Figure A9). She is member of the club Le Siecle with Franck Riboud (*Faits et Documents No. 379*, 2014).
- Gregg Engles: ex-chairman and CEO of Dean Foods, sold Whitewave to Danone for USD 12.5b in 2016. Out of the transaction, he sold his stock options for a total of USD 137 m¹⁷.

- Lionel ZINSOU-DERLIN: ex-Danone manager from 1986 to 1997, ex-Rothschild & Cie, Vice Chairman of PAI Partners, graduated of ENS, a technocrat of the French and Benin administrations. He has been an advisor to the French Ministry of Industry and the Prime Minister of Benin, and member of the club Le Siècle with Franck Riboud¹⁸. He is director of the offshore company Investisseurs et Partenaires in Mauritius, with Jean-Michel Severino as shareholder and director (Figure A10). He sits at the strategic board of the think tank FERDI with Emmanuel Faber and Jean-Michel Severino¹⁹.
- Serpil TIMURAY: Ex-Danone manager from 1999 to 2008, member of the executive committee of Vodafone group.
- Gaëlle Olivier: a member of the management committee of AXA group.
- Michel Landel: CEO and Chairman of Sodexo group.

Except for the Danone employees, no directors are representing shareholders. Even if we do not question the ethic and professionalism of the newly appointed directors, Serpil Timuray, Lionel Zinsou-Derlin, Gregg Engles, and Clara Gaymard, they are somehow personally connected and indebted to the Riboud family, to Emmanuel Faber, or Danone for their career paths.

The co-optation of Gaelle Olivier and Michel Landel, even if their background is far from the categories of Danone, brings certain independence. JP Morgan, represented on the board of directors by Isabell Seillier, has been selected by Danone, together with BNP Paribas, to contract the bridge loan facility of USD 13.1b to finance the acquisition of White Wave Foods in 2016²⁰. Including Jacques-Antoine Granjon, the board of directors comprises three members out of sixteen, not connected to Danone's environment or the personal networks of Danone's leaders. As we can see again with the individual and mutual business interests with Clara Gaymar, Lionel Zinsou-Derlin, and Gregg Engles, the agency problems are not solved by the co-optation of the new directors, even if the nomination of Gaelle Olivier and Michel Landel as independent directors is an improvement. According to the governance rules of Danone, "Each director is required to act in the interest of and on behalf of all shareholders". and to perform his/her duties, "each director must act independently of any interest other than the corporate interest of the Group and its shareholders. Each director must at all times ensure that his/her personal situation does not create a conflict of interests with the group" (Figure A11). There is no breach in terms of the AFEP-MEDEF Code's independence criteria, and Danone does not make anything illegal. However, the current and past connections of the board of directors do not deliver the proof that the agency issues are absent, and the monitoring of Danone's CEO/Chairman will be done in the single interest of the shareholders. The asymmetric information theory reinforces the agency problems. We can suppose that members of the board of directors did not get access to the information of Danone's weak performances compared to peers underlined by the activist. In that case, it demonstrates the lack of professionalism of the board and its unconditional support to the management, as described by Mork (2004). It is more probable that the asymmetry of information at the board of directors was balanced by the availability of analysts' reports, internal benchmarks widely issued for such kind of listed company. It means that the financial performance gap towards competitors could not be unknown and that the board of directors consciously protected Danone's management at the cost of the shareholders.

Table 2 Summary of the agency issues in 2017

<i>Roles</i>	<i>Agency issues</i>
Chairman	<ul style="list-style-type: none"> Combining with the CEO position
Non-independent director – strategy committee	<ul style="list-style-type: none"> General manager of a bank involved in financial transactions of Danone
Non-independent director	<ul style="list-style-type: none"> Stock options paid by Danone after acquisition
Independent director – audit committee	<ul style="list-style-type: none"> Symmetric board position with Danone’s director
Independent director – audit committee chairman	<ul style="list-style-type: none"> Personally involved in Danone investments Director of a minority shareholder of Danone Chairman of a NGO financed by Danone Ex-director of Danone communities
Independent director – compensation committee chairman	<ul style="list-style-type: none"> Symmetric board position with Danone’s director Ex-vice chairman of the biggest shareholder of Danone
Independent director – compensation committee	<ul style="list-style-type: none"> Member of the same network club than the honorary chairman
Independent director – compensation committee	<ul style="list-style-type: none"> Symmetric board position with Danone’s director Director of an investment fund financed by Danone Member of the same network club than the honorary chairman
Independent director – compensation committee	<ul style="list-style-type: none"> Ex-Danone manager Personally involved in a company financed by Danone Seating at a NGO board with the chairman and the audit committee chairman Member of the same network club than the honorary chairman
Independent director – social responsibility committee	<ul style="list-style-type: none"> Ex-Danone manager
Danone employees representative 1	<ul style="list-style-type: none"> Danone employee
Danone employees representative 2	<ul style="list-style-type: none"> Danone employee

6.3 *Activist events of Bluebell Partners and Artisan Partners in January and February 2021*

In 2020, few changes were made at the board of directors compared to 2017: Guido Barilla, chairman of Barilla, Gilles Schnepp ex-CEO and ex-chairman of Legrand, director at Sanofi, PSA and Saint-Gobain, and Cecile Cabanis, ex-CFO of Danone, joined the board of directors. Jacques-Antoine Granjon, Gregg Engles, and Jean Laurent left their positions between 2017 and 2020.

These new appointments show a trend of more independence and more knowledge of Danone's business. The choice of Guido Barilla strengthens the knowledge of food-branded categories. The nomination of Gilles Schnepf adds experience in governance management, despite the potential personal co-optation by Michel Landel, as director of the board of Legrand. In the case of Cecile Cabanis, she announced in October 2020 her wish to leave the company due to disagreements with Emmanuel Faber²¹. Her nomination at the board of directors in December 2020 is a sign of balancing the power of the chairman and CEO, Emmanuel Faber²².

In 2020, the board of directors has improved its knowledge of food categories and its ability to balance power, even if personal networks and non-independent members still dominate most members (12 out of 16). The structural agency issues illustrated by the composition of the board of directors over the past nine years have led Danone to a vulnerability to be protected against activism. The literature confirms the typical target profile of the company by its agency issues.

We have seen that the activist's events in 2012 in 2017 did not impact the agency's problems. But the activists' events in January and February 2021, respectively by Bluebell Capital and Artisan Partners, requested governance changes as follow:

- separation of the role of CEO and chairman
- the exit of the CEO and chairman Emmanuel Faber
- improvement of consumer expertise of the board of directors.

Danone has accepted the separation of the role of CEO and chairman without negotiation²³. Regarding the exit of Emmanuel Faber, the pressure of both recent activists increased as initially the board of directors confirmed its commitment to him and managed to get their outcome by a vote at the board of directors on 14 March 2021²⁴. Despite the complaint of minority shareholders like Phitrust, which complained about the activists' requests²⁵, Emmanuel Faber has been replaced by Gilles Schnepf as chairman of the firm. Jean-Michel Severino, a lead independent director of Danone, is a director at Phitrust, and he was in charge of leading the recruitment of the new CEO²⁶. Regarding the already mentioned background of Jean-Michel Severino, his interconnections to Danone's interests, and his position at the board of Phitrust, which disagreed with the activist's statements, shows that the agency's problems of Danone are not solved. Anyway, on the 16 May, the board of directors named Antoine de Saint-Affrique as the new CEO of Danone, who has been marketing director in Danone led regional activities in Unilever and who was recently CEO of Barry Callebaut²⁷. In terms of consumer expertise, Gilles Schnepf has canceled the future nominations of Ariane Gorin and Susan Roberts to give priority to consumer profiles. Neither Ariane Gorin nor Susan Roberts has consumer expertise as requested by the activists²⁸.

In conclusion, the activists' events of 2021 have created short-term impacts on the governance by separating the CEO and chairman functions, getting the exit of Emmanuel Faber, and focusing on consumer profiles for future members of the board of directors. These achievements in two months are significant, compared to the other activists' events of 2012 and 2017. Anyhow, the process of recruitment of Antoine de Saint-Affrique led by Jean-Michel Severino does not solve the structural agency issues of the company.

Indeed, according to the press, Antoine de Saint-Affrique was on a shortlist together with Nathalie Roos from L'Oréal²⁹. The profile of Nathalie Roos looks like a sparring partner for the selection to legitimate the choice of Antoine de Saint-Affrique. Nathalie Roos never led a global food staple and consequently did not match the activists' requests. Neither Bluebell Capital nor Artisan Partners nor the stock level of the company reacted positively to the choice of Antoine de Saint-Affrique. It shows that governance changes at Danone are complex and that agency issues will take time to be solved.

What are the mid- and long-term consequences scenarios for Danone?

Table 3 Summary of the agency issues in 2021

<i>Roles</i>	<i>Agency issues</i>
Chairman	<ul style="list-style-type: none"> Combining with the CEO position
Non-independent director – strategy committee	<ul style="list-style-type: none"> General manager of a bank involved in financial transactions of Danone
Independent director – audit committee	<ul style="list-style-type: none"> Symmetric board position with Danone's director
Independent director – audit committee chairman	<ul style="list-style-type: none"> Personally involved in Danone investments Director of a minority shareholder of Danone which reacted to the activist events in favor of the chairman, against the activists Chairman of a NGO financed by Danone Ex-director of Danone communities
Non-independent director -compensation committee	<ul style="list-style-type: none"> Member of the same network club than the honorary chairman
Independent director – compensation committee	<ul style="list-style-type: none"> Symmetric board position with Danone's director Director of an investment fund financed by Danone Member of the same network club than the honorary chairman
Independent director – compensation committee	<ul style="list-style-type: none"> Ex-Danone manager Personally involved in a company financed by Danone Seating at a NGO board with the chairman and the audit committee chairman Member of the same network club than the honorary chairman
Independent director – social responsibility committee	<ul style="list-style-type: none"> Ex-Danone manager
Danone employees representative 1	<ul style="list-style-type: none"> Danone employee
Danone employees representative 2	<ul style="list-style-type: none"> Danone employee

Despite the exit of Emmanuel Faber in March 2021 and the choice of Antoine de Saint-Affrique as the new CEO, the agency issues of Danone were not solved. The fact that Jean-Michel Severino was in charge of recruiting the future CEO is the best example of the continuing agency problems. Indeed, despite his lead independent director role, we saw that he had multiple private interconnections to Danone for many years, and he is a director at Phitrust, which contradicts the independent director definitions (Mork, 2004; Ravina and Sapienza, 2010). Phitrust, a Danone shareholder, formally disagreed with the activist's plans. As per the findings, the current board of directors of Danone is not composed to avoid serious agency problems, and the time needed to replace the elected members is long. Due to the fact that members of the board who were responsible for the agency issues are in charge of the company's future, it did not give positive signs for improvements. Gilles Schnepp, the new chairman, even declared that the company should continue the strategy defined by the former chairman and CEO. The nomination of Antoine de Saint-Affrique, with its already described process, is not guaranteed success.

On the contrary, it looked like continuity for the governance. In the 2020 annual report issued on the 16 April 2021, Danone even recognised some of the business relations between the company and Jean-Michel Severino and Clara Gaymard without claiming any conflict of interests (Figure A12). Jean-Michel Severino has been on the board of directors since 2011 and Clara Gaymard since 2015. Why is Danone communicating on these relationships so late?

It confirms that the likelihood of seeing significant changes in the governance is very low, which means that the main driver for activist shareholders to create a positive outcome is to sell a part of the entire company or to merge the company with a competitor. In the end, with the current approach of the existing board of directors, the probability of getting Danone confronted with a hostile takeover, driven by the activists, increases every day.

7 Conclusions

The study has demonstrated that Danone, with its unbalanced composition of the board of directors from 2012 to 2021, fit a target company's profile for activists. These findings support the literature on the characteristics of potential target companies.

Regarding the positive aspects of the activists' events of 2021, we can highlight that the references of the activists that the composition of the board of directors was not capable of improving the companies' performances are a good sign for further change. The study agrees with this last statement from the activists. It even goes further as the findings clearly show a board of directors' organisation that can be considered inappropriate. Consequently, the picture is not optimistic for Danone from the mid-term perspective. Even if the events of Bluebell Capital and Artisan Partners have created positive outcomes in the short term with the nomination of a new CEO, still, the agency issues found at the board of directors illustrate a problematic structural situation, and several years of actions will be needed to solve the problem. Further positive outcomes for Danone will depend on the patience the activists will accept to give to reorganise its governance. If the knot to untie takes too much time, the only leftover solutions for the activists are the dismantling or the acquisition of the company by a competitor.

8 Implications and limitations

The study's practical implication is to provide managers with a better understanding of agency issues from corporate governance and its consequent effects. The fact that Danone is a benchmark for the industry allows managers to eventually transfer the learnings into reality. Obviously, the limitations of the case study would require prudence for systematic transferability. The limitations of the case study are the uniqueness of Danone's history, size, context, and environment.

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Appendix

Figure A1 Danone board of directors 2012 (see online version for colours)

Name	Age	Principal position ^(a)	Starting date of Director's term	Expiration date of Director's term (date of Shareholders' Meeting)
Franck RIBOUD	57	Chairman and Chief Executive Officer of Danone	1992	2016 ^(b)
Emmanuel FABER	49	Vice-Chairman of the Board of Directors and Deputy General Manager of Danone	2002	2016 ^(b)
Bernard HOURS	56	Vice-Chairman of the Board of Directors and Deputy General Manager of Danone	2005	2014
Bruno BONNELL ^(c)	54	Chairman of Awabot	2002	2014
Richard GOBLET D'ALVIELLA ^(c)	64	Executive Chairman of Sofina SA	2003	2015
Jacques-Antoine GRANJON ^(c)	50	Chairman and Chief Executive Office of vente-privée-com	2012	2015
Yoshihiro KAWABATA	64	Director and Deputy President, Divisional General Manager of Administrative Division and International Business Division of Yakult Honsha	2010	2014
Jean LAURENT ^(c)	68	Chairman of the Board of Directors of Foncière des Régions	2005	2015
Benoît POTIER ^(c)	55	Chairman and Chief Executive Officer of L'Air Liquide SA	2003	2015
Isabelle SEILLIER	53	Head of Financial Institutions EMEA of J.P. Morgan	2011	2014
Mouna SEPEHRI ^(c)	49	Member of the Executive Committee, Executive Vice-President of Renault SAS	2012	2015
Jean-Michel SEVERINO ^(c)	55	Head of "Investisseur and Partenaire Conseil"	2011	2014
Virginia A. STALLINGS ^(c)	62	Professor of Pediatrics at Children's Hospital of Philadelphia	2012	2015
Jacques VINCENT	66	Chairman of Compassion Art	1997	2014

Source: https://www.danone.com/content/dam/corp/global/danonecom/investors/en-all-publications/2012/registrationdocuments/DANONE_DDR_2012_VA.pdf

Figure A2 Franck Riboud at Renault's board of directors between 2000 and 2017 (see online version for colours)

Name	Age	Latest Position Held	Officer Start	Officer End	Director Start	Director End
Mr. Ashwani Gupta	49	Alliance Senior Vice President of the Alliance Light Commercial Vehicle ...	01-Apr-2017	2018	--	--
Mr. Thierry Koskas	55	Executive Vice President of Sales and Marketing, Member of the Manage...	01-Jan-2016	2018	--	--
Mr. Marc Ladreit de Lacharrière	77	Independent Director	--	--	22-Oct-2002	2018
Mr. Jerome Olive	62	Executive Vice President, Manufacturing Engineering and Supply Chain ...	01-Jan-2014	2018	--	--
Mr. Ken Ramirez	--	Senior Vice President Sales and Marketing for Europe G9, Member of the...	01-Apr-2016	2018	--	--
Mr. Michael Van der Sande	53	Managing Director of Alpine, Member of the Management Committee	01-Oct-2013	2018	--	--
Mr. Christian Vanderhende	56	Executive Vice President Quality and Total Customer Satisfaction, Membe...	--	2018	--	--
Dr. Alain Belida	75	Independent Director	--	--	06-May-2009	15-Jun-2017
Mrs. Dominique de La Garanderie	75	Independent Director	--	--	25-Feb-2003	15-Jun-2017
Mr. Franck Riboud	65	Independent Director	--	--	19-Dec-2000	15-Jun-2017

Source: <https://eikon.refinitiv.com/>

Figure A3 Jean Laurent and Franck Riboud at the board of directors of Eurazeo (see online version for colours)

Name	Age	Latest Position Held	Officer Start	Officer End	Director Start	Director End
Mme. Anne Dias	50	Independent Member of the Supervisory Board	--	--	11-May-2017	28-Apr-2021
Mme. Caroline Cohen	--	Contact Investor Relations	--	--	--	--
Mr. Harold Boel	56	Independent Member of the Supervisory Board	--	--	12-May-2016	26-Jun-2017
Mr. Michel Mathieu	62	Member of the Supervisory Board	--	--	15-Mar-2012	26-Jun-2017
Mr. Jean Laurent	76	Independent Vice Chairman of the Supervisory Board	--	2017	05-May-2004	2017

Name	Age	Latest Position Held	Officer Start	Officer End	Director Start	Director End
M. Luis Mouri-Portugal	45	Member of the Management Board, Director of Investments	15-Jul-2008	23-Nov-2012	--	--
Mr. Antoine Bernheim	--	Member of the Supervisory Board	--	--	15-May-2002	11-May-2012
Mr. Bertrand Badre	52	Member of the Supervisory Board	--	--	07-May-2010	15-Mar-2012
Mr. Gilbert Saada	51	Director of Investments, Member of the Management Board	1999	15-Dec-2010	--	--
Mr. Noël Dupuy	65	Member of the Supervisory Board	--	--	18-Jul-2005	07-May-2010
Mr. Georges Ralli	71	Non-voting Member of the Supervisory Board	--	--	17-Dec-1998	07-May-2010
Mr. Jean-Pierre Rosso	74	Independent Member of the Supervisory Board	--	--	05-May-2004	07-May-2010
Mr. Marcel Roulet	80	Independent Member of the Supervisory Board	--	--	15-May-2002	07-May-2010
Mr. Henri Saint Olive	77	Independent Member of the Supervisory Board	--	--	05-May-2004	07-May-2010
Mr. Theodore Zarif	63	Independent Member of the Supervisory Board	--	--	05-May-2004	07-May-2010
Beatrice Stern	52	Independent Member of the Supervisory Board	--	--	14-May-2008	17-Mar-2010
Jean-Philippe Thierry	64	Non-voting Member of the Supervisory Board	--	--	05-May-2004	10-Mar-2010
Mr. Hervé Guyot	66	Independent Member of the Supervisory Board	--	--	05-May-2004	11-Feb-2009
Mr. Bruno Bonnell	61	Independent Member of the Supervisory Board	--	--	25-Apr-2001	14-May-2008
Didier Pfeiffer	--	Independent Vice Chairman of the Board	--	14-May-2008	15-May-2002	14-May-2008
Mr. David Dautresme	80	Member of the Supervisory Board	--	--	05-May-2004	31-Dec-2007
M. Xavier Marin	52	Member of the Management Board, Director of Investment	--	01-Jun-2007	--	--
Dr. Alain Meniaux	80	Independent Member of the Supervisory Board	--	--	25-Apr-2001	03-May-2007
Mr. Alain Hagelauer	--	Member of the Management Board	--	15-May-2006	--	--
Mr. Gerardo Braggiotti	66	Member of the Supervisory Board	--	--	17-Dec-1998	2005
Mr. René Carron	72	Member of the Supervisory Board	--	--	05-May-2004	2005
Mr. Franck Riboud	65	Independent Member of the Supervisory Board	--	--	29-Apr-2001	2006

Source: <https://eikon.refinitiv.com/>

Figure A4 Franck Riboud at the board of directors of Sofina Group (see online version for colours)

Mr. Franck RIBOUD
Born on November 7, 1955 – Age: 52
Professional Address: 17 Boulevard Haussmann – 75009 Paris – France
Number of shares GROUPE DANONE held as of December 31, 2007: 174,908
French Nationality

Current responsibilities and positions

Position	Company	Country
Chairman and CEO (since May 2, 1996-Term 2010 (1))	GROUPE DANONE SA	France
Director (since September 30, 1992)		
and Executive Committee Chairman (since July 4, 1997)		
Director	RENAULT SA	France
Chairman of the Compensation Committee		
Chairman of the Board of Directors	danone.communities (SICAV)	France
Director	BAGLEY LATINOAMERICA, SA *	Spain
	DANONE SA *	Spain
	LACOSTE FRANCE SA	France
	CNA	Morocco
	RENAULT SAS	France
	WADIA BSN INDIA LIMITED	India
Supervisory Board member	ACCOR SA	France
Representative member of Groupe Danone	CONSEIL NATIONAL DU DEVELOPPEMENT DURABLE	France
Director (Associations or Foundations)	ASSOCIATION NATIONALE DES INDUSTRIES AGROALIMENTAIRES	France
	INTERNATIONAL ADVISORY BOARD HEC	France
	FONDATION GAN (GLOBAL ALLIANCE FOR IMPROVED NUTRITION)	Switzerland

(1) Date of the shareholder's meeting convened to approve renewal of the director's term of office.
* Companies consolidated by Groupe Danone SA.

Responsibilities and positions during last five years

Position	Company	Country
Chairman of the Board of Directors	COMPAGNIE GERVAIS DANONE SA	France
	GENERALE BISCUIT SA	France
Chairman and Director	DANONE ASIA PTE LIMITED	Singapore
Director	ASSOCIATED BISCUITS INTERNATIONAL Ltd. (ABIL)	Great Britain
	ANSA	France
	L'OREAL SA	France
	OLUSILVER	United States
	SCOTTISH & NEWCASTLE Plc	United Kingdom
	ABI HOLDINGS LIMITED (ABIH)	Great Britain
	DANONE FINANCE SA	France
	SOFINA	Belgium
Consultative Committee member	BANQUE DE FRANCE	France
Supervisory Board member	EURAZEO SA	France
Permanent Representative of the Director Generale Biscuit	LU FRANCE SA	France
Commissioner	P.T. TIRTA INVESTAMA	Indonesia

Source: https://media.corporate-ir.net/media_files/irol/95/95168/DocRef/Registration_Document_2007.pdf

Figure A5 Jean-Michel Severino shareholder of *Investisseurs & Partenaires*

N° Identifiant	Raison sociale	Siren	Actionnaire % détenu	Rue	CP	Ville	Pays	Niveau au sein de l'entreprise
ID_0001	M. Jean-michel SEVERINO			4 rue Fizeau	75015	Paris	FRA	+1
ID_0002	Mme Lucette LATREUILLE						FRA	+1
ID_0003	M. Jeremy HAUDENBERG						FRA	+1
ID_0004	M. Sébastien NOTY			150 Allée du carreau	40330	TOISE	FRA	+1
ID_0005	M. Pierre CARPENTIER			10 rue du Loup Pendu	92350	LE PLESSIS ROBINSON	FRA	+1
ID_0006	Mme Isabelle DARGAN FORNIER DE LADIAUX						FRA	+1
ID_0007	M. Olivier LAFORGUE			70 impasse de Marignan	40180	HEUGLAS	FRA	+1
ID_0008	I&P	441734746	ID_0001 74.76	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0
ID_0008	I&P	441734746	ID_0002 6.54	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0
ID_0008	I&P	441734746	ID_0003 6.54	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0
ID_0008	I&P	441734746	ID_0004 6.54	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0
ID_0008	I&P	441734746	ID_0005 2.8	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0
ID_0008	I&P	441734746	ID_0006 1.69	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0
ID_0008	I&P	441734746	ID_0007 1.11	9 RUE NOTRE DAME DES VICTOIRES	75002	PARIS 2	FRA	0

Source: <https://www.societe.com/societe/i-p-441734746.html>

Figure A6 Danone is a client of I&P (see online version for colours)

The image displays two screenshots of web pages. The top screenshot is the homepage of 'I&P INVESTISSEURS & PARTENAIRES'. It features a navigation bar with links for 'ABOUT', 'OUR WORK', 'IMPACT', 'ENTREPRENEURS', 'RESOURCES', and a search icon. The main content area includes a 'Présentation d'I&P' section, which states that I&P is an impact investor focused on African SMEs, and a 'Présentation du programme du Fonds d'Accès IP2E' section, which describes a program for African youth employment and education. The bottom screenshot is a 'Firm Overview' page for I&P. It provides details such as its category (None), its focus on African SMEs, its investment vehicles, and its headquarters in Africa. It also lists key statistics: 'Total Assets Under Management' of '\$50 - 99M', 'Years of Operation' of '10 years or more', and 'Total Number of Investors' of 'More than 25'. The bottom screenshot also shows a news article from 'L'AGEFI' titled 'Investisseur & Partenaire lance un nouveau véhicule dédié à l'Afrique', dated 11/06/2012, which mentions a 40 million euro fund raised from investors like Danone and Bred.

Présentation d'I&P

Investisseurs & Partenaires (I&P) est un investisseur d'impact s'adressant exclusivement aux PME africaines. Depuis 2002, I&P a financé et accompagné près de 150 entrepreneurs dans 16 pays d'Afrique subsaharienne, y compris le Sénégal, le Mali, le Bénin, le Niger, le Burkina Faso, la Côte d'Ivoire, Cameroun, Madagascar, etc. (www.iefp.com)

Notre mission consiste à favoriser l'émergence d'entrepreneurs et d'entreprises responsables, au cœur de la croissance et du développement du continent africain. Pour cela I&P gère plusieurs fonds d'investissement capitalisés par des investisseurs publics (la Banque européenne d'investissement, Proparco, IFC, etc.), privés (Danone, Crédit Coopératif, AXA IM, etc.), et individuels.

Présentation du programme du Fonds d'Accès IP2E

Le programme I&P Education et Emploi (IP2E) vise à promouvoir l'employabilité de la jeunesse africaine en améliorant l'accès à l'éducation, en assurant sa qualité et sa pertinence, et en renforçant l'adéquation entre les formations dispensées et les besoins des employeurs. Le programme de financement mixte s'appuiera sur deux piliers, notamment un Fonds d'investissement (financement par fonds propres), complémenté par un Fonds d'accès (financement d'amorçage et assistance technique). Pour plus d'informations, veuillez consulter notre site ici.

Le Fonds d'accès ciblera des institutions de l'enseignement supérieur, des centres de formation professionnelle, ainsi que des services auxiliaires du secteur éducatif (p.ex. maisons d'édition, formation des enseignants, plateformes ed-tech, etc.) Grâce au soutien d'un bailleur international dans le cadre de la réponse à la crise liée au covid-19, I&P lance le fonds d'accès à travers une initiative de 3 ans visant à soutenir des PME du secteur éducatif en Côte d'Ivoire, au Ghana, et au Sénégal. Ce programme s'articulera autour de trois composantes principales :

- **Financement direct** aux PME sous forme de capital d'appoint visant à fournir des fonds de secours pour aider les PME à résister aux effets économiques de la crise et renforcer leur transition digitale
- **Assistance technique** dans quatre domaines clés, à savoir la numérisation et l'apprentissage en ligne, la conception de mécanismes d'inclusion sociale, la mesure de l'impact, et la promotion de l'égalité des genres, et
- **Le plaidoyer** afin d'améliorer le partage de connaissances et de promouvoir le dialogue entre les acteurs clé du secteur de l'éducation

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Firm Overview

Category: (None)

Investisseurs & Partenaires (I&P) is an impact investment group dedicated to African small and medium sized enterprises. I&P is a private equity investor in African companies which cannot access finance at a local level. With its two investment vehicles, I&P invests between euro 30 000 and euro 1.5 million as a minority shareholder and intends to maximize the economic, social, environmental and governance impacts of its investments. Since 2002, I&P has invested in more than 50 corporations in 15 African countries, I&P has been raising funds with institutional investors (AFDB, EIB, FMO, etc.), private investors (Danone, Crédit Coopératif, etc.) and individual investors. I&P is headed by Jean-Michel Severino, former VP of the World Bank and former CEO of the French Agency for Development. I&P staff is made up of 20 people based in Paris and in 6 African offices: Abidjan, Accra, Antananarivo, Douala, Dakar and Ouagadougou.

Firm Headquarters: Africa
Years of Operation: 10 years or more
Total Assets Under Management: \$50 - 99M
Total Number of Investors: More than 25
% of Capital from Top 3 Investors: 25% - 49%

L'AGEFI

Accueil > Financements & Marchés > Actualités > Investisseur & Partenaire lance un nouveau véhicule dédié à l'Afrique

Investisseur & Partenaire lance un nouveau véhicule dédié à l'Afrique

Virginie Deneuvre -- 11/06/2012 -- L'AGEFI Quotidien / Edition de 7H

Le fonds a levé 40 millions d'euros auprès d'investisseurs tels que Danone, la Bred ou la Caisse des Dépôts. Il vise 50 millions d'ici l'automne

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Figure A7 Jean Michel Severino's mandates at Convergences and Danone communities (see online version for colours)

 Jean-Michel SEVERINO Born on September 6, 1957 – Age 55 Business address: 13, rue de Sèze – 75009 Paris – France Number of DANONE shares held as of December 31, 2012: 4,000 Independent Director French nationality Principal responsibility: Head of Investisseur et Partenaire Conseil		
Personal background – experience and expertise Jean-Michel SEVERINO was born on September 6, 1957 in Abidjan, Ivory Coast. He is a graduate of the École Nationale d'Administration, ESCP (EP Paris) and holds a postgraduate degree (DEA) in economics and a "licence" degree in law. After four years working at the French General Inspection of Finance (1984-1988), he was named technical advisor for economic and financial affairs at the French Ministry of Cooperation (1988-1989) and later became the head of that ministry's Department of Economic and Financial Affairs and then its Development Director. In all these positions, he was very active in the conduct of macroeconomic and financial relations, as well as the management of political and humanitarian crises, with sub-Saharan Africa. In 1996, he was recruited by the World Bank as the Director for Central Europe at a time when this region was marked by the end of the Balkans conflict and reconstruction. He became the World Bank's Vice-President in charge of Far East Asia from 1997 to 2001 and focused on the management of the major macroeconomic and financial crises that shook these countries. After a brief stint working once again for the French government as Inspector General of Finance, he was named Chief Executive Officer of the Agence Française de Développement (AFD), where from 2001 to 2010 he led the expansion efforts to cover the entire emerging and developing world, notably in the Mediterranean region, Asia and Latin America while still maintaining its strong roots in sub-Saharan Africa. He significantly expanded the bank's development activities and expanded its areas of responsibility to a large number of new countries as well as contemporary global subjects: climate, biodiversity, poverty, growth, etc. He also implemented a fundamental restructuring of the AFD by entering into close partnerships with the local and international industrial and financial private sector. In 2010, at the end of his third term of office, he returned once again to the French General Inspection of Finance, where he is responsible for the French partnership for water. In May 2011, he left the civil service in order to head up "Investisseur et Partenaire Conseil", a fund management company specialising in financing African small and medium-sized businesses. In addition to his professional duties, he has significant experience in the educational and research areas, notably as an associate professor at CERDI (Centre d'Études et de Recherches sur le Développement International). He was elected as a member of the Académie des Technologies (2010); he is currently a senior fellow of the Fondation pour la Recherche sur le Développement International (FERDI) and of the German Marshall Fund (GMF). He has published numerous articles and books, including, in 2010, "Séries reçues sur le développement" and "Le temps de l'Afrique" and in 2011 "Le grand baccalauréat."		
Positions and responsibilities as of December 31, 2012		
Position	Company	Country
Director (term of office from April 28, 2011 to the close of the Shareholders' Meeting to approve the 2013 financial statements) Chairman, member and financial expert of the Board of Directors/Audit Committee (since April 26, 2012) Member of the Board of Directors' Social Responsibility Committee (since April 28, 2011)	DANONE SA ⁽¹⁾	France
Director Member of the Governance and Corporate Social Responsibility Committee	FRANCE TELECOM ⁽²⁾	France
Director	ISF AFRIQUE ENTREPRENEURS PHILTRUST IMPACT INVESTORS SA	Mauritius France
Manager	INVESTISSEUR ET PARTENAIRE CONSEIL	France
Appendix Positions and responsibilities of the Directors and nominees to the Board of Directors		
Position	Associations/Foundations/Other	Country
Chairman	INSTITUT D'ÉTUDES DU DÉVELOPPEMENT ÉCONOMIQUE ET SOCIAL CONVERGENCES 2015	France France
Director	FONDATION JACQUES-CHIRAC FONDATION SANOFI (EPOIR) CONSERVATION INTERNATIONAL (FOUNDATION)	France France United States
Member of Task Force	UNITED NATIONS – SUSTAINABLE DEVELOPMENT DIVISION	France
Senior fellow	THE GERMAN MARSHALL FUND OF THE UNITED STATES (FOUNDATION)	United States
Research Director	FONDATION POUR LES ÉTUDES ET RECHERCHES SUR LE DÉVELOPPEMENT INTERNATIONAL	France
Member	SCIENTIFIC STEERING COMMITTEE, FONDATION JEAN-JACQUES ACADÉMIE DES TECHNOLOGIES (PUBLIC SECTOR INSTITUTION WITH ADMINISTRATIVE ACTIVITIES)	France France
⁽¹⁾ Listed company		
Positions and responsibilities held during the past five years		
Position	Companies	Country
Chairman	SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ÉCONOMIQUE	France
Associations/Foundations/Other		
Chairman	PARTENARIAT FRANÇAIS POUR L'EAU	France
Chief Executive Officer	AGENCE FRANÇAISE DE DÉVELOPPEMENT (PUBLIC SECTOR INSTITUTION WITH INDUSTRIAL AND COMMERCIAL ACTIVITIES)	France
Vice-President	COMITÉ NATIONAL FRANÇAIS	France
Director	EUROPEAN INVESTMENT BANK INSTITUT DE RECHERCHE POUR LE DÉVELOPPEMENT (FRENCH PUBLIC SECTOR INSTITUTION WITH SCIENTIFIC AND TECHNOLOGICAL ACTIVITIES) danone.communities	Luxembourg France France
Member	CENTRE DE COOPÉRATION INTERNATIONALE EN RECHERCHE AGRICOLE POUR LE DÉVELOPPEMENT (PUBLIC SECTOR INSTITUTION WITH INDUSTRIAL AND COMMERCIAL ACTIVITIES) INDEPENDENT ASSESSMENT COMMITTEE ON SUSTAINABLE DEVELOPMENT, VECUJA ENVIRONNEMENT	France France

Figure A8 Franck Riboud's mandate at RAISE (see online version for colours)**CORPORATE GOVERNANCE**

POSITIONS AND RESPONSIBILITIES OF THE DIRECTORS AND NOMINEES TO THE BOARD OF DIRECTORS

FRANCK RIBOUD

Born on November 7, 1955
Age: 59

Business address:

17, boulevard Haussmann – 75009 Paris – France

**Number of DANONE shares held
as of December 31, 2014:** 274,512

Non-Independent Director

French nationality

Principal responsibility: Chairman of Danone's Board of Directors

Seniority in Danone group: October 1981 (33 years)

**Personal background –
experience and expertise:**

Franck RIBOUD is a graduate of the École Polytechnique Fédérale de Lausanne.

He joined the Group in 1981, where he held successive positions through 1989 in management control, sales and marketing. After serving as Head of Sales at Heudebert, in September 1989 he was appointed to head up the department responsible for the integration and development of new companies in the Biscuits branch. He was involved in the most significant acquisition, at that time, completed by a French group in the United States, namely the acquisition of Nabisco's European activities by BSN. In July 1990, he was appointed General Manager of Société des Eaux Minérales d'Evian.

In 1992, Franck RIBOUD became Head of the Group Development Department. The Group then launched its international diversification marked by increased development in Asia and Latin America and through the creation of an Export Department.

In 1994, BSN changed its name to Danone in order to become a global brand.

From May 2, 1996 to September 30, 2014, he was Chairman and Chief Executive Officer of Danone. Following the separation of offices, he became Chairman of Danone's Board of Directors on October 1, 2014.

Since 2008, he has been the Chairman of the Board of Directors of the danone.communities mutual investment fund (SICAV), a financing entity aimed at promoting the development of profitable companies whose primary goal is to maximize socially responsible objectives as opposed to profit.

Since 2009, he has served as the Chairman of the Steering Committee of the Danone Ecosystem Fund, and in December 2011 he was named member of the Steering Committee of the Livelihoods Fund.

Positions and responsibilities as of December 31, 2014 ^(a)

Positions	Companies	Countries
Chairman of the Board of Directors (since October 1, 2014)	DANONE SA ^(a)	France
Director (term of office from September 30, 1992 to the end of the Shareholders' Meeting to approve the 2015 financial statements)		
Chairman of the Strategy Committee		
Director	RENAULT SA ^(a)	France
	BAGLEY LATINOAMERICA, SA ^(a)	Spain
	DANONE (SPAIN) SA ^(a)	Spain
	RENAULT SAS	France
	ROLEX SA	Switzerland
	ROLEX HOLDING SA	Switzerland
Chairman of the Board of Directors	danone.communities (SICAV) ^(a)	France
Member of the Steering Committee	LIVELIHOODS FUND (SICAV) ^(a)	Luxembourg

Positions	Associations/Foundations/Other	Countries
Chairman of the Steering Committee	DANONE ECOSYSTEM FUND (endowment fund) ^(a)	France
Director	INTERNATIONAL ADVISORY BOARD HEC BUSINESS SCHOOL	France
	RAISE (endowment fund)	France
Member of the Supervisory Board	FONDATION ELA (EUROPEAN LEUKODYSTROPHY ASSOCIATION)	France
Honorary member	ASSOCIATION ELA	France
Member of the Board of	FONDATION EPFL PLUS (ÉCOLE POLYTECHNIQUE FÉDÉRALE DE LAUSANNE)	Switzerland

^(a) Offices shown in italics are not governed by Article L. 225-21 of the French commercial code concerning multiple directorships.

^(b) Listed company.

^(c) Company consolidated as associate by Danone.

^(d) Company fully consolidated by Danone.

^(e) Duties performed in the framework of social projects initiated by the Group.

Positions and responsibilities held in the past five years

Positions	Companies	Countries
Chairman of the Executive Committee	DANONE SA ^(a)	France
Chief Executive Officer		
Director	LACOSTE SA	France
	OMNIUM NORD AFRICAÏN (ONA) ^(a)	Morocco
Director and Member of the Compensation Committee	ACCOR SA ^(a)	France
Chairman and Member of the Compensation Committee	RENAULT SA ^(a)	France

Positions	Associations/Foundations/Other	Countries
Director	ASSOCIATION NATIONALE DES INDUSTRIES AGROALIMENTAIRES	France

^(a) Listed company.

Figure A9 Shareholders of RAISE (see online version for colours)

Identifiant	Raison sociale	Siren	Actionnaire	% détenu	Rue	CP	Ville	Pays	Niveau au sein de l'arborescence
ID_0001	SAFRAN	562052909			2 BD DU GAL MARTIAL VALIN	75015	PARIS 15	FRA	+1
ID_0002	TRANSVERSALES	490993340			15 RTE DE LA CROIX MORIAU	44350	GUERANDE	FRA	+1
ID_0003	IBN GESTION	494183247			L ANGEBAUDIERE	44120	VERTOU	FRA	+1
ID_0004	SOCIETE GENERALE CAPITAL PARTEN	304973357			17 CRS VALMY	92800	PUTEAUX	FRA	+1
ID_0005	FINANCIERE WEBER MOULE	522915164			21 RUE WEBER	75116	PARIS 16	FRA	+1
ID_0006	FONDS DE DOTATION RAISERHPAS	798126439			1385 RUE DE GRENNELLE	75007	PARIS 7	FRA	+1
ID_0007	ACCOR	602036444			82 RUE H FARMAN	92130	ISSY-LES-MOULINEAU	FRA	+1
ID_0008	FCP PATRIMOINE	533727772					ESTAIMPUIS	BEL	+1
ID_0009	EDF DEVELOPPEMENT ENVIRONNEMEN	380414482			10 PL DE LA DEFENSE	92400	COURBEVOIE	FRA	+1
ID_0010	FINANCIERE GDS	789951440			34 RUE DE PRONY	75017	PARIS 17	FRA	+1
ID_0011	M Alexandre GONTCHAROV								+1
ID_0012	Mme Alexandra DUPONT				23 Avenue De Versailles	75016	PARIS	FRA	+1
ID_0013	SPIKA	304890209			23 PL DES CARMES DECHAUX	63000	CLERMONT-FERRAND	FRA	+1
ID_0014	SOCIETE ANONYME DES GALERIES LAF	542094065			40 BD HAUSMANN	75009	PARIS 9	FRA	+1
ID_0015	FINANCIERE DASSAULT	318122561			9 RPT CHAMPS ELYSEES M DASSAULT	75008	PARIS 8	FRA	+1
ID_0016	M Mathieu BLANC								+1
ID_0017	DAN INVESTMENTS	487742116			17 BD HAUSMANN	75009	PARIS 9	FRA	+1
ID_0018	AXA ASSURANCES IARD MUTUELLE	775699309			313 TERRASSES DE L ARCHE	92000	NANTERRE	FRA	+1
ID_0019	SOCIETE FINANCIERE DU CEDRE	399457209			222 RUE DE REVOLI	75001	PARIS 1	FRA	+1
ID_0020	PABATJAMET	790959545			41 RUE BLUFON	75005	PARIS 5	FRA	+1
ID_0021	CARDIF ASSURANCE VIE	732028154			1 BD HAUSMANN	75009	PARIS 9	FRA	+1
ID_0022	CAISSE DES DEPOTS ET CONSIGNATIO	180020026			56 RUE DE LILLE	75007	PARIS 7	FRA	+1
ID_0023	EURAZEO	692030992			1 RUE GEORGES BERGER	75017	PARIS 17	FRA	+1
ID_0024	UNIBAIL ADAMCO-WESTFIELD SE	682024096			7 PL DU CHANCELLIER ADENAUER	75116	PARIS 16	FRA	+1
ID_0025	CREDIT MUTUEL APEXA	775577018			1 RUE LOUIS LICHOU	29480	LE HELLECQ-KERHUON	FRA	+1
ID_0026	GL EVENTS	351571757			59 QUAI RAMBAUD	69002	LYON 2EME	FRA	+1
ID_0027	ORANGE	380129666			78 RUE OLIVIER DE SERRES	75015	PARIS 15	FRA	+1
ID_0028	TETHYS	409030053			29 RUE DES POISSONNIERS	92200	NEUILLY-SUR-SEINE	FRA	+1
ID_0029	BOUYGUES	572015046			32 AV VOICIE	75006	PARIS 8	FRA	+1
ID_0030	VEDLIA ENVIRONNEMENT	603210032			21 RUE LA BOETIE	75008	PARIS 8	FRA	+1
ID_0031	BPCE VIE	349004341			30 AV PIERRE MENDES FRANCE	75013	PARIS 13	FRA	+1
ID_0032	IDINVEST PARTNERS	414735175			117 AV DES CHAMPS ELYSEES	75008	PARIS 8	FRA	+1
ID_0033	UP	642044366			27 AV DES LOUVRESSES	92230	GENNEVILLIERS	FRA	+1

Source: <https://www.societe.com/societe/raise-790891592.html>

Figure A10 Lionel Zinsou-Derlin and I&P Mauritius (see online version for colours)

Information about I&P Afrique Entrepreneurs

PRINT PAGE

COMPANY DETAILS

File No	C108824	Date Incorporated/Registered	29/03/2012
Name	I&P Afrique Entrepreneurs	Nature	Public
Category	GLOBAL	Sub-category	GLOBAL BUSINESS CATEGORY 1
Type	LSH	Status	Live
Registered Office Address	C/o Rogers Capital Corporate Services Limited, 5 President John Kennedy Street Rogers House Port-Louis MAURITIUS		

OFFICE BEARERS

	Position	Name	Address	Appointed Date
1	DIRECTOR	FERTON ANNIE SIMONE ANDRÉE		29/03/2012
2	DIRECTOR	LAFOURCADE OLIVIER		29/03/2012
3	DIRECTOR	LEDESMA PHILIPPE JEAN MARIE		29/03/2012
4	DIRECTOR	LOUM MAMADOU LAMINE		13/12/2012
5	DIRECTOR	NATHOO ROSHAN		29/03/2012
6	DIRECTOR	SEVERINO JEAN-MICHEL, MARIE, FERNAND		29/03/2012
7	DIRECTOR	ZINSOU-DERLIN LIONEL ALAIN	INTENDANCE STREET 1ST FLOOR	26/09/2013

Source: https://www.fscmauritius.org/en/supervision/register-of-licensees/register-of-licensees-details?licence_no=C112010719&cat=_GB&key=&code=

Figure A11 Danone governance rules in 2012 (see online version for colours)

Corporate governance

Board of Directors

the new role of Lead Independent Director and to take into account the specific situation of Directors who are resident abroad (by granting them an additional amount to cover their travel to Board meetings).

Directors' Code of ethics

The Board's rules of procedure include a Directors' Code of ethics. Under this Code, the Directors are bound by a general confidentiality obligation regarding the decisions of the Board and of the Committees, as well as with respect to confidential information of which they become aware in the performance of their duties. Each Director is required to act in the interest of and on behalf of all shareholders.

In performing his/her duties, each Director must act independently of any interest other than the corporate interest of the Group and its shareholders. Each Director must at all times ensure that his/her personal situation does not create a conflict of interests with the Group. Any Director who has a conflict of interests must report it to the Board so that it may make a decision thereon, and must refrain from taking part in any vote on the relevant matter.

Following the Board of Directors' meeting of February 14, 2011, the provisions of the rules of procedure were bolstered with respect to the following three points:

Awareness of Directors' rights and obligations

At the time he/she takes office, each Director must be aware of the general and specific obligations incumbent on his/her position;

Directors' confidentiality obligation

The Directors' general confidentiality obligation was extended to all information and documents of which they may become aware in the course of performing their duties;

Duty to report conflicts of interest

Each Director must provide a sworn statement describing whether or not he/she has any conflicts of interest, including potential conflicts of interest: (i) at the time he/she takes office, (ii) annually, in response to the Company's request when it prepares the Registration Document, (iii) at any time, if requested by the Chairman of the Board of Directors, and (iv) within ten business days of the occurrence of any event that causes the Director's previously filed statements to become inaccurate, in whole or in part. In addition, in cases when the Director cannot avoid a conflict of interest, including potential conflicts of interest, he/she must abstain from taking part in discussions and from voting on the subjects concerned.

Moreover, at its meeting of February 14, 2012, the Board of Directors strengthened and detailed the Directors' obligations regarding their commitment to the Board as follows: Directors must limit the number of their appointments as a director or chairman of committees of the board of directors of other companies in such a manner as to ensure they are able to commit fully to the Danone Board. Furthermore, should a Director wish to accept a new appointment within a French or foreign listed company, he or she must inform the Chairman of the Board of Directors and the Chairman of the Nomination and Compensation Committee.

Transactions involving the Company's securities

The relevant securities include the Company's shares and all financial instruments linked to the shares.

In general, the members of the Board of Directors are bound by a duty to exercise due care and diligence, as well as an obligation to exercise particular care with respect to any personal transactions involving the Company's securities.

In particular, Directors may not engage in speculative or short-term transactions involving the Company's securities.

Furthermore, they may not engage in transactions involving the Company's securities in the following cases:

- if they have information that, when published, is likely to affect the price of the securities;
- during periods explicitly indicated by the Company, in particular, during the month preceding announcements of the Company's annual and semi-annual results, or during the two-week period prior to publication of the Company's quarterly sales figures.

In addition, the members of the Board of Directors must not use any instruments to hedge DANONE shares or any financial instruments linked to DANONE shares (in particular, stock-options or rights to allotments of DANONE shares subject to performance conditions). This rule also applies to all transactions engaged in by persons who have ties to the Directors (within the meaning of the regulations in force). Finally, any Director who is unsure about a transaction involving the Company's securities (or other financial instruments) that he/she intends to enter into or about the precise nature of the information he/she is required to disclose must inform the Chairman of the Board of Directors or the Lead Independent Director accordingly.

Assessment of the Board of Directors' performance

The Board's performance is assessed every two years. This assessment may be a self-assessment, an assessment by the Nomination and Compensation Committee or an assessment by a third party organization.

At its February 14, 2012 meeting, in its annual report on its operations, the Board of Directors reviewed progress to date in implementing the recommendations issued as a result of the self-assessment carried out in December 2010. The last self-assessment was carried out at the end of 2012. Its findings were reviewed by the Board at its meeting on February 18, 2013 (see section *Self-assessment of the Board of Directors* hereafter).

Lead Independent Director

Discussions with the Company's shareholders have enabled the Board of Directors to note that certain shareholders consider that the aggregation of the offices of Chairman of the Board of Directors and Chief Executive Officer could cause risks as regards corporate governance. It therefore appeared opportune to the Board to make obligatory the appointment of a Lead Independent Director when the functions of Chairman of the Board of Directors and Chief Executive Officer are combined in order to provide additional assurance as to the smooth operation of the Board and the balance of powers within General Management and the Board. Consequently, at the Board meeting on February 18, 2013, the Board's rules of procedure were amended to provide for the position of Lead Independent Director.

The Lead Independent Director is appointed by the Board of Directors from among the independent Directors, based on a proposal from the Nomination and Compensation Committee. He/she remains in office throughout the duration of his/her term of office. Each time the Lead Independent Director's term of office expires, a review will be carried out of the operation of said role and its holder's powers so that, if necessary, they can be adapted.

Source: https://www.danone.com/content/dam/corp/global/danonecom/investors/en-all-publications/2012/registrationdocuments/DANONE_DDR_2012_VA.pdf

Figure A12 Declaration of business relationships between Jean-Michel Severino and Clara Gaymard (see online version for colours)

Regarding Mr. Jean-Michel SEVERINO and Ms. Clara GAYMARD	<p>It is recalled that Danone invests in numerous funds to support innovation and impact investing.</p> <p>Some of these funds being managed, on the one hand, by I&P, a company managed by Mr. Jean-Michel SEVERINO and, on the other hand, by Raise Conseil, a company co-founded by Ms. Clara GAYMARD, the Governance Committee and the Board of Directors reviewed the business relationships between Danone and the latter.</p> <p>Upon the recommendation of the Governance Committee, the Board determined that both Mr. Jean-Michel SEVERINO and Ms. Clara GAYMARD did not have any significant business relationship, either directly or indirectly, with the Company. The analysis of the significant nature of the business relationship focused on several criteria:</p> <ul style="list-style-type: none"> • the customary nature of the investments undertaken by Danone in the funds concerned and their arm's length market conditions; • the absence of investments by Danone in all funds managed or launched by I&P, on the one hand, and by Raise Conseil, on the other; • the amount invested by Danone in the funds concerned which are not significant on Danone's scale since they represent only 3% (for the funds managed by I&P) and 4% (for those managed by Raise Conseil) of the total amount invested by Danone in societal, social impact or innovation funds; • the absence of Danone's participation in the decision-making bodies of these funds (Danone having only (i) one representative on the advisory committee of each of the two funds managed by I&P, and (ii) one representative on the strategy committee – which has an advisory role – of one of the two funds managed by Raise Conseil); • the absence of economic dependency or exclusivity between Danone, on the one hand, and each of the funds and management companies concerned, on the other hand, since (i) the amounts of these investments represent only a very small minority stake of the share capital of each fund concerned, alongside many other public and private investors who invest under the same conditions as Danone and (ii) Danone's investments in the funds concerned represent a small proportion of the financing of all the funds and programs managed or launched by I&P on the one hand (approximately 4%) and by Raise Conseil on the other (1.5%). <p>The Board therefore deemed that Mr. Jean-Michel SEVERINO and Ms. Clara GAYMARD continued to meet all the independence criteria of the AFEP-MEDEF Code.</p>
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Source: https://www.danone.com/content/dam/corp/global/danonecom/investors/en-all-publications/2020/registrationdocuments/Danone_URD2020_EN.pdf