



October 7, 2021

Re: The Build Back Better Act

To Whom it may concern:

On behalf of leading food and beverage company and one of the world's largest Certified B Corporations Danone North America, we are writing to submit comments on the Build Better Act proposals. We appreciate many of the efforts ongoing in Congress to advance policies that can help all people and sectors of the economy address various societal and economic challenges. Please see below for a summary of our priorities.

For background, our parent company, Danone S.A., strives to promote the health and well-being of people and communities, per its mission to "[b]ring health through food to as many people as possible." Through its vision and dual commitment to business success and social progress—One Planet.One Health—the company aims to build a healthier future for all its worldwide stakeholders, which includes employees, consumers, customers, suppliers, and shareholders. To that end, in the U.S., we are proud of our legal status as a public benefit corporation and our certification as a B Corp. While Danone is presently in over 130 markets, the U.S. market is our largest where we have co-headquarters in Broomfield, Colorado and White Plains, New York, have 14 manufacturing facilities in ten states, employ over 5,000 people; and we work directly with over 500 U.S. farmers to help create a sustainable and economically viable food system.

Climate Change

Climate change is one of the great challenges of our time, and businesses like Danone North America have a key role to play including working with the public sector to identify and implement solutions. As we begin the journey of business transformation to a net zero economy, the challenge of climate change requires community action via public policy and investment to ensure the public and private sectors work together and amplify the opportunities to mitigate climate change and build resilience.

The threats and challenges of climate change are real and already impacting the livelihoods of our consumers and farmers in our value chain. Therefore, we support immediate action aligned with the Paris Agreement and the new U.S. Nationally Determined Contribution for global

action, such as the variety of policies considered in the Build Back Better Act. This assortment of policies—the largest single investment to prevent catastrophic damage—is essential and the timing is urgent.

As a food company, agriculture presents the largest opportunity to take impactful actions to address climate. Therefore, we support the proposed and unprecedented investments for agriculture and forestry. In particular, we support key provisions to bolster public-private partnerships, such as USDA’s Regional Conservation Partnership Program and Conservation Innovation Grants, to complement food and agriculture businesses to provide capital necessary to deliver verified environmental and economic outcomes for both farms and consumers.

We also support policies which will overall assist the U.S. economy to meet our current global and scientific goals, such as:

- Decreasing our reliance on fossil fuels.
- Increasing renewable electricity generation, such as the proposed Clean Electricity Performance Program.
- Electrification of our transportation system via consumer tax credits and investments in charging infrastructure.
- Decarbonizing the nation’s infrastructure.
- Investing in community resilience.
- Advancing environmental justice by supporting communities who are most vulnerable to climate change.

Equitable Corporate Taxation

As a U.S. subsidiary that employs 5,000+ people and provides healthy food options with various leading U.S. brands, we are concerned that Congress is considering changes to 163(n)—the “Global Interest Limitation”.

Proposals to modify section 163(n) represent an unnecessary additional limitation that would unfairly penalize companies interested in expanding their operations in the United States. There are already multiple provisions in the Internal Revenue Code that limit interest deductibility and adequately address any concerns about excess interest expense in the United States. For example, there are sections 163(j), 267A, 385, 482, and the BEAT, among others. The proposed section 163(n) limitation would create a global interest limitation that would have a chilling effect on foreign direct investment in the U.S. This additional limitation will significantly increase the cost of capital for employers interested in growing operations in the United States and could push future investment abroad. Further, its application is out of step with the accepted norms of ordinary business financing as to what are appropriate levels of debt and interest. No other country has rules like what would be the cumulative impact of section 163(n).

Food Equity & Nutrition Security

As a part of our mission to provide health through food to as many people as possible, we have long supported improving food security for families and children via the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and various Child Nutrition & School Meals policies at USDA.

Specifically, we support many of the child nutrition program policies outlined in the Build Better Act, such as:

- Expanding the number of schools that would be able to offer free meals to all students through the Community Eligibility Provision and give states the option to implement the Community Eligibility Provision statewide.
- Extending Summer EBT nationwide for students who receive free or reduced-price school meals
- Funding for school kitchen equipment grants.
- Funding for a Healthy School Meal Incentives demonstration project.

Paid Leave

We recognize all our employees are critical stakeholders and vital to our success. As such, we offer and encourage all Danoners, including both corporate and manufacturing employees, to use our gender-neutral Parental Bonding Leave policy, which allows for up to 18 weeks' paid time off after the birth or adoption of their child. In addition to encouraging employees to balance their personal and professional lives, our policy is intended to challenge traditional assumptions on caregiving and help advance equality for all.

We support a national parental leave policy to provide everybody with the choice to work and care according to family and personal needs.

We thank you for consideration of these important policies and of course are available to discuss and answer any questions.

Sincerely,



Chris Adamo

Vice President Government Affairs, Policy & Partnerships—One Planet.One Health