

Environmental, Social, And Governance Evaluation

Danone S.A.

Summary

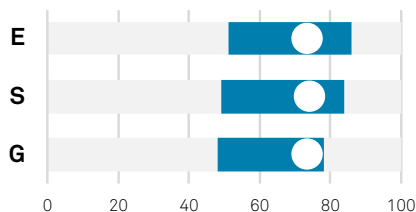
Danone S.A. is a French global branded food and beverage manufacturer. The company's three main businesses are: Essential Dairy and Plant-Based Products, which include fresh fermented dairy products; Specialized Nutrition, which includes early life nutrition (e.g., infant formula and baby food) and advanced medical nutrition (specialized food for illnesses or frail older people); and Waters. Danone operates in more than 120 countries, with Europe accounting for over 20% of its roughly €24 billion revenue in 2020.

Danone's ESG Evaluation of 85 reflects the company's comprehensive sustainability strategy, which we view as strongly embedded in its broader long-term strategy, decision-making, and culture. Through the 2016 acquisition of Whitewave, a plant-based and organic food and beverages company, and regular product innovations, Danone has positioned itself to capitalize on consumers' changing eating habits resulting from increased awareness of the environmental, social, and health impacts of food. In parallel, the company has committed to improving its environmental and social impacts across its value chain, primarily through better traceability in its supply chain, increased recovery of its packaging, and nutritional targets for all its products.

As a result, we believe Danone is among the most prepared companies to take advantage of long-term trends in the food and beverage industry and adapt to potential disruptions, including changing eating habits and rising environmental risks. We anticipate recent changes to the board, primarily the split between the chair and CEO roles, will further support the company's preparedness. That said, we believe Danone's ability to fully transition its portfolio to purpose-driven brands may depend on customers' willingness to pay a premium compared with less sustainable alternatives. We will also continue to monitor the new leadership's commitment to the company's purpose-led strategy as it implements its "Local First" agenda, although we do not anticipate significant deviations.

ESG Profile Score

74/100



Company-specific attainable and actual scores

Preparedness Opinion (Scoring Impact)

Best in class (+11)

Primary contacts

Anna Overton
+44-207-176-3642
anna.overton@spglobal.com

Guillaume Benoit
+33-14-420-6686
guillaume.benoit@spglobal.com

Florence Devevey
+33-14-075-2501
florence.devevey@spglobal.com

Research contributor
















Monal Jain
CRISIL Global Analytical Center, an S&P affiliate, Mumbai

ESG Evaluation

85/100

A higher score indicates better sustainability

Component Scores

Environmental Profile			Social Profile			Governance Profile		
Sector/Region Score	37/50		Sector/Region Score	34/50		Sector/Region Score	28/35	
 Greenhouse gas emissions	Strong		 Workforce and diversity	Strong		 Structure and oversight	Good	
 Waste and pollution	Strong		 Safety management	Strong		 Code and values	Strong	
 Water use	Good		 Customer engagement	Strong		 Transparency and reporting	Strong	
 Land use and biodiversity	Strong		 Communities	Strong		 Financial and operational risks	None	
 General factors (optional)	None		 General factors (optional)	None		 General factors (optional)	None	
Entity-Specific Score	38/50		Entity-Specific Score	40/50		Entity-Specific Score	46/65	
E-Profile (30%)	75/100		S-Profile (30%)	74/100		G-Profile (40%)	74/100	

ESG Profile (including any adjustments)

74/100

This figure is subject to rounding

Preparedness Summary

We believe Danone is among the most prepared companies to take advantage of long-term trends and face potential disruptions in its industry, in particular changing eating habits and rising environmental risks. The board and executive management have demonstrated their ability to constantly adapt Danone's strategy to capitalize on these secular trends while maintaining a purpose-led strategy combining financial and sustainability objectives. As a result, it is better positioned than many industry peers to foster high social and environmental standards across its value chain. We anticipate Danone's new leadership and "Local First" strategy to remain in line with the company's purpose-led vision. We could revise our preparedness assessment if strategic decisions deviate significantly from the long-term vision.

Capabilities

Awareness	Excellent
Assessment	Excellent
Action plan	Good

Embeddedness

Culture	Excellent
Decision-making	Excellent

Preparedness Opinion (Scoring Impact)

Best in class (+11)

ESG Evaluation

85_{/100}

Environmental Profile

75/100

Sector/Region Score (37/50)

We believe consumer goods companies have a medium exposure to environmental risks relative to other sectors. In our view, the sector has environmental impact across its value chain, including from the end of life of products and packaging, its agricultural supply chain, as well as product manufacturing, distribution, and use.

Entity-Specific Score (38/50)



Danone is among the few producers of consumer staples to commit to carbon neutrality by 2050 across its entire value chain. It plans to achieve this target through a combination of carbon-offsets, the purchase of 100% of renewable energy by 2030 (54% in 2020), and mitigation measures in its agricultural supply chain, which represents close to 60% of its overall carbon footprint. Measures range from implementing precision agriculture technologies and reducing fertilizer use to using animal feed with a lower carbon impact. We could revise our assessment to good from strong if Danone was unable to reduce its scope 1, 2 and 3 greenhouse gas (GHG) emissions, which have remained broadly stable over the past five years and in line with sector peers'.

Danone has a more comprehensive circular economy policy than some global peers. It has committed to achieve an average of 50% of recycled material for all plastic packaging and 50% for its water bottles. Similar to other large producers of consumer staples, Danone has committed to using 100% reusable, recyclable, or compostable packaging by 2025 in line with new EU regulations (81% in 2020). It has also launched initiatives to support waste collection at the end of a product's life and is assessing alternatives to plastic straws. While we believe Danone is well positioned to manage future plastic-related regulation, this is an ongoing risk for the industry. Unlike most of its global peers, Danone also tracks the amount of nonrecovered food waste per ton of product manufactured, which it has committed to halve by 2025.

Like other large food and beverage producers, Danone has assessed the exposure of its direct operations and supply chain to water risks. The company launched a new water policy in 2020, which includes a commitment to reduce by 25% water use from milk, fruit, and vegetable suppliers by 2030. It aims to achieve this through better irrigation management and other water-efficiency measures. The company has also reduced the water intensity in its industrial processes by 49% since 2000 and committed to further reducing its water use by 60%.

Danone has a stronger policy on sustainable agriculture than most companies in its industry. The company traces the country or mill of origin of its key materials, and works with its suppliers to improve soil quality, local biodiversity, and animal welfare. Its policy on palm oil sourcing goes beyond industry standards. While we expect the company to fall short of its 2020 target to eliminate deforestation from its supply chain, 95% of its purchased palm oil was "Roundtable on Sustainable Palm Oil (RSPO) segregated certified" in 2020. This is significantly higher than most peers that tend to have a greater proportion of "RSPO mass-balance certified" palm oil, which we view as somewhat less stringent because it does not require segregation of certified and conventional palm oil across the value chain.

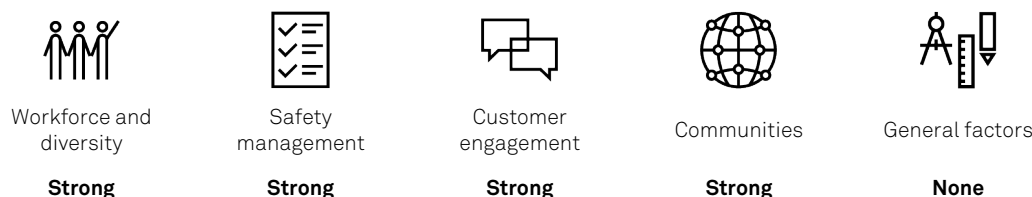
Social Profile

74/100

Sector/Region Score (34/50)

We believe consumer goods companies have a medium exposure to social risks relative to other sectors. In our view, the sector is exposed to risks such as fast-changing consumer preferences, the manufacture and use of unsafe products, and poor working conditions across its value chain.

Entity-Specific Score (40/50)



We believe that Danone's customer engagement is above industry average, as shown by its commitment to define a societal purpose for all its brands ("manifesto brands"), and strict "responsible communication policy." This policy complies with the International Chamber of Commerce Framework for Responsible Food and Beverage Marketing Communications and emphasizes marketing to children, where it applies principles such as "not undermining healthy lifestyles". It also includes a commitment to only direct marketing communications in any media to children under 12 for products that meet Danone's nutrition criteria. The company's policy on the marketing of breast milk substitutes includes a ban on marketing for products used by babies under six months, and 12 months in countries deemed at higher risk of mortality or malnutrition among children under the age of five. In line with global peers, it communicates on the labeling of genetically modified (GMO) products based on local regulations.

Danone has committed to best industry practices regarding food safety. The company is working to align its entire portfolio with its nutritional targets based on recommendations from regulatory and scientific bodies including the World Health Organization (it achieved 86% in 2020). It also committed to obtaining the FSSC 22000 certification for all its sites and suppliers, a standard recognized by the Global Food Safety Initiative from the Consumer Goods Forum. Its policy on the marketing of breast milk substitutes follows local regulations and clinical recommendations and its implementation is regularly audited by a third party.

Danone has a stronger talent and diversity policy than its peers. Half of the company's managers were women in 2019, above the industry average. It achieved its target of 30% of female executives in 2020 and 30% of executives from countries outside Western Europe in 2019. Danone has extended parental leave to 18 weeks for both men and women across all its countries of operations, which we view as a unique initiative in the industry. It has also partly linked the CEO's remuneration to employee engagement. Its occupational health and safety policy is equally comprehensive and has proven effective at ensuring the safety of its workforce during the most acute phase of the pandemic. On Nov. 23, 2020, Danone announced a new strategic plan to prepare the group to a post-COVID-19 environment. This plan entails a significant reconsideration of its workforce. At this stage, we expect the company to manage related risks in line with its advanced social policies.

Danone has demonstrated stronger commitment than most of its global peers to improving the working and living conditions of farmers and social entrepreneurs. The company has four dedicated investment funds to help reduce malnutrition in its supply chain, improve water access, and increase yield while reducing environmental impacts, particularly in emerging markets. In line with its global peers, the company has a human-rights policy addressing topics such as forced labor, and child labor, which includes regular onsite audits.

Governance Profile

74/100

Sector/Region Score (28/35)

Danone is headquartered in France, which benefits from high governance standards. We view the country as one of the more advanced in terms of ESG regulations, and in line with advanced economies' governance standards. While Danone derives the majority of its revenue from countries with strong governance standards (including the U.S. and U.K.), it also has some exposure to countries such as China, Russia, and Indonesia, where we see higher governance risks.

Entity-Specific Score (46/65)



Structure and oversight

Good



Code and values

Strong



Transparency and reporting

Strong



Financial and operational risks

None



General factors

None

We anticipate Danone's governance to improve as it separates the chair and CEO roles.

In March 2021, the company announced changes to its board, including the replacement of the current CEO-chair and the appointment of an independent chair. We view positively this decision because it improves the balance of power in the company. We do not anticipate the recent change in CEO to pose significant succession risks given Danone's history at ensuring an orderly transition between key executives. We also see positively the decision by the new chair to mandate an external review of the board composition to identify potential areas of improvement. We already see Danone's board as having adequate levels of independence and diversity. Most members of the board, its audit committee, and nomination and compensation committees are independent. They have relevant experience in the food and beverage, finance, and health care industries, and almost half have experience in emerging markets and the Asia-Pacific region, which are strategic growth regions for the group. 43% of board members are women, in line with local regulations and advanced practices globally, and 29% are non-French.

Danone has implemented the conditions for achieving its purpose statement of "bringing health through food to as many people as possible."

It translated its ambition into qualitative and quantitative commitments to improve the company's environmental and social footprint across its value chain and mapped to the U.N. Sustainability Development Goals. Those commitments are also supported by the use of sustainable financing. Danone was the first company to issue a social bond, which was deemed aligned with the Social Bond Principles of the International Capital Markets Association by an external reviewer. We also believe its remuneration structure has historically been in line with stronger practices. About three-quarters of the CEO's compensation was variable in 2020, and his fixed remuneration has not increased since 2014. The company has also implemented caps on executive pay. The gap between its CEO and median employee pay has decreased since 2018 and lower than many peers, at around 45:1.

Danone discloses detailed, comprehensive, and audited nonfinancial information, describing the methodology used to calculate its nonfinancial quantitative metrics.

It was also the first company globally to communicate its "carbon-adjusted" recurring EPS in 2020, which aims to capture the cost of its GHG emissions on its financials. Governance-related information is equally comprehensive. Some information--such as the company's percentage of employees with disabilities--is available for France only. We view Danone's financial reporting to be of good quality and aligned with other publicly traded companies.

Preparedness Opinion

Best in
class
(+11)

Preparedness

Low

Emerging

Adequate

Strong

Best in class

Danone was among the pioneers of a purpose-led strategy ("Entreprise à Mission"), which embeds sustainability principles within the broader corporate strategy. The company's long-term vision is to deliver inclusive, sustainable, and profitable growth through innovation, partnership, a positive impact on people's health, and the preservation of the planet's resources. Danone has demonstrated its commitment to this long-term vision and, as a result, is better positioned than many industry peers to face potential disruptions affecting global food systems and take advantage of long-term trends, in particular changing eating habits and rising environmental risks.

Danone has anticipated potential disruptions to global food systems before many peers and is equipped to maintain this leadership within its industry. Potential disruptions include changing eating habits driven by health and environmental concerns, new social and environmental regulations, the shift to e-channels, digitalization, and rising environmental risks in the supply chain. The board and executive management have a comprehensive set of tools to continuously identify disruptions and their potential impact, including scenario analysis and ongoing engagement with public health authorities, scientific organizations, and academics.

Danone has reshaped its business to meet its long-term, purpose-led vision. Through the Whitewave acquisition in 2016 and continuous innovation, it has diversified its product offering to address growing sustainability-driven consumer preferences, including for organic, plant-based, probiotics and reduced fat/sugar content products. Danone has allocated most of its capital expenditure to product development, e-commerce, supply chain management, and sustainability, which we believe address the most material secular trends shaping its industry. It has also committed to invest around €2 billion from 2020-2022 to reduce its GHG emissions and reliance on packaging, secure the long-term procurement of its raw materials, and mitigate the environmental and social impacts associated with farming its strategic commodities such as milk, water, and plastic. The company aims to obtain B-Corp certification by 2025 and linked the cost of its €2 billion loan facility to the achievement of this objective and an ESG assessment.

In our view, the implementation of Danone's purpose-led vision has been facilitated by a collaborative, innovative and sustainability-focused culture. The company enables employees to provide feedback on the long-term strategy and, in some cases, interact directly with the board without the presence of executives. It has a track-record of partnering with key stakeholders to foster sustainability across its value chain and encourage innovation, including with research centers such as the Ellen MacArthur Foundation, and other food and beverage companies. For example, Danone is working with Nestle and Origin Materials to develop a bio-based PET plastic bottle, which could be commercially viable and scalable.

While Danone is well engaged to transition its portfolio toward purpose-driven brands, we believe this may be constrained by customers' willingness to buy sustainable products at potentially higher prices. This is because of the mature and highly competitive nature of the industry, where affordability remains the primary driver of consumer demand. We anticipate the new leadership to continue this transition while adapting the company to the pandemic's effects through the execution of the "Local-First" agenda. We could revise our assessment if the execution of this agenda was inconsistent with Danone's long-term, purpose-led vision.

Sector And Region Risk

Primary sector(s)	Consumer Products
Primary operating region(s)	France, U.S., China, Russia, and the U.K.

Sector Risk Summary

Our sector analysis is mostly based on the exposure to environmental and social risks of the consumer products sector, where Danone derives all its revenue.

Environmental exposure

Consumer goods companies are exposed to material environmental risks across their value chain. First, waste associated with the end of life of the product and its packaging is likely to rive new regulation and result in substantial compliance costs. In addition, consumer goods companies are exposed to environmental risks in supply chains. The sector sources its raw materials from the agricultural, mining, forestry, chemicals, and oil and gas supply chains, which have significant land, water, emissions, and pollution impacts. Finally, we believe that consumer goods companies are exposed to environmental risks associated with product manufacturing, distribution, and use. These activities may result in significant water consumption, pollution, and energy use. The nature and scale of the impact largely depends on the nature of the product sold. New regulation may incentivize companies to reduce single-use products, switch to low-carbon freight, and develop energy- and water-efficient products and processes.

Social exposure

Consumer goods companies are exposed to material social risks across their value chain. First, they are exposed to consumers' fast-changing preferences: innovation and product development are critical to navigating changing consumer preferences, supporting brand value, and maintaining high customer satisfaction and retention. In particular, we expect growing demand for sustainable products, transparent labelling, and responsible advertising to continue, and transition the industry toward purpose-led brands.

Second, product safety is a major risk. The manufacturing and use of unsafe products--with harmful components or where a product has malfunctioned--can put the health of employees and users at risk, and result in substantial reputational and financial costs.

Finally, they are exposed to risks related to working conditions throughout the supply chain: The manufacturing and distribution of consumer goods, as well as the sourcing of raw materials, rely on a complex and global value chain. This exposes consumer goods companies to human rights breaches and poor working conditions, especially if their suppliers operate in regions with lower labor standards.

Regional Risk Summary

Our region analysis is mostly based on the exposure to governance risks in Danone's main regions of operations, including France, the U.S., China, Russia, and the U.K.

France

France is among the most advanced countries in terms of ESG regulations including mandatory disclosures and reporting sustainability indicators. Overall, corporate governance is in line with advanced economies' standards. In addition to the EU Non-Financial Reporting Directive's recommendations requiring the disclosure of ESG data, French companies must also disclose the social and environmental consequences of their activities under domestic law (Grenelle Act), the financial risks they face from climate change, and their remediation strategies (Energy Transition Law). Under article 173 of the Energy Transition Law, institutional investors must disclose the ESG factors incorporated in their investment policies and their contribution to the energy and ecological transition. Under the law Pacte, which came into effect in May 2019, companies must consider environmental and social issues when developing their strategy. The strong regulatory framework is complemented by the Afep-Medef Code, the corporate governance recommendations from AFG (the French Asset Management Association), and the recommendations from the Financial Markets Authority. All three provide non-binding guidance for best practice on governance and pay. Despite waves of privatization, the state remains an important player in the French capital markets as a shareholder of several large listed companies. On diversity, the Copé-Zimmermann Law has required listed companies to reach at least 40% female board membership since 2017 in a bid to reach parity.

U.S.

With robust institutions and rule-of-law standards, the U.S. demonstrates many strong characteristics but lags several other countries with respect to ESG regulations and social indicators. Income inequality is higher than in other OECD countries and has been so for over a century. Social services are similarly less generous than in most wealthy countries. Governance is characterized by a very stable political system, strong rule of law, a powerful judiciary, and effective checks and balances. Conditions of doing business are generally high. The U.S. follows a rules-based approach to corporate governance focused on mandatory compliance with requirements from the major exchanges (NYSE and NASDAQ) as well as legislation. State corporate law is also a key source of corporate governance, particularly in Delaware where over half of all U.S. listed companies and close to 70% of Fortune 500 companies are incorporated. Exchanges mandate high standards of corporate governance. The NYSE requires companies listing on its exchange to have boards made up of a majority of independent directors and have separate remuneration and nomination committees. However, formal requirements on ESG reporting are not as established as they are in European countries. While a growing number of companies have an independent chair, the combination of CEO and chair roles is still popular. This can undermine management oversight. Remuneration continues to be a contentious point, because U.S. executive pay dwarves global pay levels. The CEO-to-worker pay ratio is ever-increasing, leading to social tensions and shareholder criticism.

China

Social standards are in line with most other major developing economies. The government recently strengthened legal protection for workers and consumers. Chinese corporate governance standards are also on par with other economies at this stage of development. The central government's recent push to reform state-owned enterprise structures in line with good

governance practices is a major development. In 2018, China revised its Code of Corporate Governance for listed companies, accounting for OECD requirements and particularly focusing on ESG disclosure and board diversity. Official corruption has become less of a problem over the past few years due to the central government's anti-corruption drive. This effort has also been extended to government-related companies and financial institutions. Still, corruption among private enterprises remains an issue. Although judicial reforms are ongoing, the private sector has yet to trust that the rule of law is significantly improving.

Russia

Social standards in the Russian Federation are moderate but common indicators of such standards vary quite significantly. Most social indicators suggest greater problems than what would be predicted based purely on a country's per capita income. Political power is highly centralized and essentially concentrated in the hands of the president. Checks and balances are weak. Corruption and rent-seeking is perceived as comparatively high in Russia (it ranks 137 out of 180 on the Transparency International 2019 Corruption Perceptions Index). The enforcement of laws and contracts is often selective. Corporate governance practices vary significantly between large publicly listed companies that are committed to transparency and governance practices in line with their OECD peers and the rest of the market, notably state-owned enterprises (SOEs). SOEs are a defining feature of the Russian economy with the government controlling (directly or indirectly) over one-third of listed companies. There is extensive ecological regulation in Russia, but control over its execution is limited and fines are relatively small. The corporate governance code specifies the basic governance principles required for listing on the stock exchange, which all public companies have to follow on a comply-or-explain basis, but levels of implementation vary. Equally, for many large privately owned companies transparency is a major issue because the quality and breadth of corporate disclosure is intentionally very limited.

U.K.

The U.K. benefits from strong institutions and corporate governance practices. This includes robust and independent institutions and high rule-of-law standards, as well as very low actual and perceived levels of corruption. Governance guidelines are primarily based on the U.K. Code of Corporate Governance published by the Financial Reporting Council (FRC) and updated in 2018. The revised and strengthened code provides a broad set of recommendations including executive remuneration and board composition, follows a comply-or-explain model, and is widely regarded as best practice internationally. The recent version strengthened provisions on the role of the audit and nomination committees, chair tenure, and stakeholder engagement. An updated version of the U.K. Stewardship Code published by the FRC also came into effect on Jan. 1, 2020. It sets out principles for investors. Overall levels of corporate disclosure on ESG are strong and the country benefits from a very active institutional investor base, which has been fueling the demand for better disclosure and corporate engagement. Legislation that took effect in 2019 will also require pension funds to disclose the financial risks they face arising from ESG factors.

Related Research

- [The ESG Risk Atlas: Sector And Regional Rationales And Scores](#), July 22, 2020
- [Our Updated ESG Risk Atlas And Key Sustainability Factors: A Companion Guide](#), July 22, 2020
- [Environmental, Social, And Governance Evaluation: Analytical Approach](#), Dec. 15, 2020
- [How We Apply Our ESG Evaluation Analytical Approach: Part 2](#), June 17, 2020

This report does not constitute a rating action.

Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P) receives compensation for the provision of the S&P Global Ratings ESG Evaluation product, including the report (Product). S&P may also receive compensation for rating the entity covered by the Product or for rating transactions involving and/or securities issued by the entity covered by the Product.

The Product is not a credit rating, and is not indicative of, nor related to, any credit rating or future credit rating of an entity. The Product provides a cross-sector, relative analysis of an entity's capacity to operate successfully in the future and is grounded in how ESG factors could affect stakeholders and potentially lead to a material direct or indirect financial impact on the entity. ESG factors typically assess the impact of the entity on the natural and social environment and the quality of its governance. The Product is not a research report and is not intended as such.

S&P's credit ratings, opinions, analyses, rating acknowledgment decisions, any views reflected in the Product and the output of the Product are not investment advice, recommendations regarding credit decisions, recommendations to purchase, hold, or sell any securities or to make any investment decisions, an offer to buy or sell or the solicitation of an offer to buy or sell any security, endorsements of the suitability of any security, endorsements of the accuracy of any data or conclusions provided in the Product, or independent verification of any information relied upon in the credit rating process. The Product and any associated presentations do not take into account any user's financial objectives, financial situation, needs or means, and should not be relied upon by users for making any investment decisions. The output of the Product is not a substitute for a user's independent judgment and expertise. The output of the Product is not professional financial, tax or legal advice, and users should obtain independent, professional advice as it is determined necessary by users.

While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Product. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for reliance of use of information in the Product, or for the security or maintenance of any information transmitted via the Internet, or for the accuracy of the information in the Product. The Product is provided on an "AS IS" basis. S&P PARTIES MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDED BUT NOT LIMITED TO, THE ACCURACY, RESULTS, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCT, OR FOR THE SECURITY OF THE WEBSITE FROM WHICH THE PRODUCT IS ACCESSED. S&P Parties have no responsibility to maintain or update the Product or to supply any corrections, updates or releases in connection therewith. S&P Parties have no liability for the accuracy, timeliness, reliability, performance, continued availability, completeness or delays, omissions, or interruptions in the delivery of the Product.

To the extent permitted by law, in no event shall the S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence, loss of data, cost of substitute materials, cost of capital, or claims of any third party) in connection with any use of the Product even if advised of the possibility of such damages.

S&P maintains a separation between commercial and analytic activities. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process. Copyright ©2021 by Standard & Poor's Financial Services LLC. All rights reserved.