



DANONE
ONE PLANET. ONE HEALTH

2018 NATURE SCORECARD

DANONE'S ENVIRONMENTAL RESULTS



DANONE ENVIRONMENTAL STRATEGY - KEY COMMITMENTS



CLIMATE CHANGE

- **50%** intensity reduction **Full scope** 2015-2030
- **30%** in absolute reduction on **scope 1 and 2**; 2015-2030
- **Zero net Carbon** by 2050
- **Evian Zero Net Carbon** by 2020
- **RE100: 100% renewable electricity** by 2030 and 50% by 2020
- **60%** energy intensity reduction by 2020 vs 2000 baseline
- **Eliminate deforestation** by 2020 for commodities at risk (Paper & board, palm oil, soy for animal feed, sugarcane, timber)
- **100%** compliant (HFC free or low GWP gas) in all *new* refrigerant installations by 2025



WATER STEWARDSHIP

- **100%** Waters division sites run **Spring** audit by 2020 for **Ground water** resources protection
- **100%** compliance in all sites **discharging wastewater to nature** by 2020 (Danone “Clean Water Standards”)
- **60%** **process water** intensity reduction by 2020 vs 2000 baseline



CIRCULAR ECONOMY

PACKAGING

- **100%** of our packaging **reusable, recyclable or compostable**, by 2025
- **Collection and recycling initiatives** launched or supported in each of top 20 markets by 2025
- **Zero plastics landfill** by 2025 in all our factories
- **25%** recycled material for **all our plastic packaging** by 2025
- **50% rPET*** in average in Waters division by 2025 and in countries where it is allowed **25%** by 2020
- offer consumers bottles with **100% bio-plastic** (bioPET) by 2025

FOOD WASTE

- **50%** intensity reduction on **non recovered food waste** in Danone operations, by 2025 vs 2016 baseline



REGENERATIVE AGRICULTURE

- **100%** animal welfare compliance in **ELN Europe** for **fresh or frozen meat and fish** by 2020
- **100%** cage free eggs and egg ingredients worldwide by 2019
- **80%** of **fresh milk** volumes* assessed through the new animal welfare assessment tool or via Validus certification by 2020
- **Dannon US Pledge: 50%** of non-organic fresh milk volume **converted to Non-GMO Project verified** in **USA** by 2018
- **Danone Act: 100%** of ingredients grown in France sourced from regenerative agriculture models by 2025



FUNDAMENTAL AND RED LINES

- Environmental management System & GREEN audits
- Water risk assessment based on international tools

*Including DW & Alpro (w/o EBF)



CLIMATE CHANGE

WE WILL FIGHT CLIMATE CHANGE BY REDUCING OUR FOOTPRINT AND HELPING NATURE SEQUESTER MORE CARBON



AMBITION	2016 PERFORMANCE	2017 PERFORMANCE	2018 PERFORMANCE	TARGET
Reduction in CO₂ footprint <u>Baseline 2015</u> <ul style="list-style-type: none"> Intensity full scope (g CO₂equivalent/Kg product) Absolute Scope 1 & 2 (tons CO₂eq) 	- 5,6 % (on LFL)	- 10,5 % (on LFL)	-15,6 % (on LFL) vs 2017 : - 5.8% (on LFL) -20,3 % (on LFL) vs 2017 : - 12.2% (on LFL)	50 % intensity reduction on Full scope (1,2&3) by 2030 30 % absolute reduction on scope 1&2 by 2030 Zero net Carbon by 2050
Reduce energy consumption of factories & promote renewable energy <ul style="list-style-type: none"> Intensity (kWh/T product) <u>Baseline 2000</u> % renewable electricity (KWH) – RE100 	- 51 % 7 %	- 51 % 18%	- 46 % (-53% LFL) vs 2017 : +11 % (-3,1 % LFL) 34 % (27% LFL) vs 2017 : +11 pts (+9 pts LFL)	60 % energy intensity reduction by 2020 RE 100 : 100 % renewable electricity by 2030 with 50 % reached by 2020 .
Use climate friendly refrigerants (HFC Free or low GWP) in our new cooling installation within our operations: <ul style="list-style-type: none"> % of Industrial fleet compliant % of commercial fleet compliant 	Commercial fleet: 75 % where it is legally allowed and available: 100 %	Industrial Fleet: 45 % Commercial fleet: 99 %	Industrial Fleet: 99 % Commercial fleet: 97 %	100 % of purchased cooling installation use HFC Free or low GWP gas: <ul style="list-style-type: none"> immediately in regions where it is legally allowed and available by 2025 in regions with deployment constraints
Eliminate deforestation from our supply-chain Relevant standards specific to each commodity at risk : Paper & Board; Palm Oil; Soy for animal feed; Sugar; timber <ul style="list-style-type: none"> % Paper & Board recycled or Virgin FSC certified % Palm Oil RSPO segregated 	Paper & Board: 86 % Palm Oil: 100 % RSPO Segregated	Paper & Board: 84 % Palm Oil: 99 % RSPO Segregated	Paper & Board: 79 % (85 % LFL) Palm Oil: 58 % RSPO segregated (96 % LFL)	Eliminate deforestation by 2020 for Paper & Board; Palm Oil; Soy for animal feed; Sugar Cane; timber
Evian Zero net carbon	Reduction and offset trajectories in line with target	Carbon neutrality in NORAM	Carbon neutrality in NORAM	Evian Zero Net Carbon by 2020

LFL: like for like at comparable scope and constant methodology versus 2017



AMBITION	2016 PERFORMANCE	2017 PERFORMANCE	2018 PERFORMANCE	TARGET
<p>Protect natural mineral water resources in our watersheds</p> <ul style="list-style-type: none"> • % Mineral waters sites 	87 %	100 %	100 %	100 % of sites have run SPRING audits in all Water Division sites (including new ones) by 2020
<p>Reduce water consumption in factories</p> <ul style="list-style-type: none"> • Process water intensity (M3/T product) <u>Baseline 2000</u> 	- 47%	-50 %	- 48 % (-53 % LFL) vs 2017: +4,2 % (-5,7 % LFL)	60 % process water intensity reduction by 2020
<p>Return clean water to nature compliant with Danone “Clean Water Standards” (CWS) for wastewater</p> <ul style="list-style-type: none"> • % compliant sites • % compliant wastewater 	63 % (in number of sites) 56 % (in volumes)	67 % (in number of sites) 58 % (in volumes)	75 % (in number of sites) 74 % (in volumes)	100 % of sites compliant with the standards discharging 100 % clean water to nature by 2020



CIRCULAR ECONOMY

WE WILL CO-BUILD THE CIRCULAR ECONOMY BY SOURCING SUSTAINABLE MATERIALS FOR PACKAGING AND CREATING A SECOND LIFE FOR WASTE



AMBITION	2016 PERFORMANCE	2017 PERFORMANCE	2018 PERFORMANCE	TARGET
<p>Packaging designed for circularity: reusable recyclable or compostable</p> <ul style="list-style-type: none"> % of total packaging % of plastic packaging (inc complex) 	-	<p>85,5 % total packaging</p> <p>74,9 % plastic packaging</p>	<p>86,7 % total packaging</p> <p>75,3 % plastic packaging</p>	<p>100 % reusable, recyclable or compostable packaging by 2025.</p>
<p>Develop the use of sustainable resources</p> <ul style="list-style-type: none"> % recycled plastic packaging used (inc complex) % rPET used in Waters Division where it is allowed and in Waters Division worldwide 	<p>11 % rPET (excl TR & CN)</p>	<p>5,2 % recycled plastic</p> <p>14 % rPET (excl TR & CN) and 10 % worldwide</p>	<p>6,4 % recycled plastic</p> <p>17 % rPET (excl TR & CN) and 12 % worldwide</p>	<p>25 % recycled material for all plastic packaging by 2025</p> <p>25 % rPET in Waters Division where it is allowed by 2020 and 50% by 2025 worldwide</p>
<p>Zero landfill for post-industrial packaging waste</p> <ul style="list-style-type: none"> % post-industrial packaging waste diverted from landfill 	90 %	91 %	97 %	<p>Zero plastics landfill by 2020 in countries with developed collection systems and by 2025 in all our factories</p>
<p>Reduce Food waste and maximize its recovery within Danone Operations</p> <ul style="list-style-type: none"> Intensity (kg non recovered* food waste/tons of sold product) <u>Baseline 2016</u> 	Baseline: 12 kg / tons product sold	<p>-10,7 % (on a LFL)</p> <p>Industrial: -12,0 % (LFL)</p> <p>Supply Chain: -9.7 % (LFL)</p>	<p>+1.6 % (on a LFL)* vs 2017: +13.5 %</p> <p>Industrial: -10.3 % (LFL)</p> <p>Supply Chain: +28 % (LFL)*</p>	<p>50 % intensity reduction on non recovered food waste by 2025</p>

*non recovered: Landfill; incineration without energy recovery and discharged with wastewater

LFL: like for like at comparable scope and constant methodology versus 2017
 *Performance impacted by Moroccan boycott



REGENERATIVE AGRICULTURE

WE WILL PROMOTE REGENERATIVE AGRICULTURE THAT PROTECTS SOIL, WATER AND BIODIVERSITY SUPPORTS GENERATIONS OF FARMERS AND IMPROVES ANIMAL WELFARE



AMBITION	2016 PERFORMANCE	2017 PERFORMANCE	2018 PERFORMANCE	TARGET
Promote regenerative agriculture practices		2 Flagship brands converted to no-GMO project certified: Danimals (96% of volume) and Dannon (79% of volume).	50 % of non-organic fresh milk volume converted to Non-GMO Project verified in US	Dannon US Pledge 50 % of non-organic fresh milk volume converted to Non-GMO Project verified in US by 2018
Respect animal welfare: <ul style="list-style-type: none"> % of fresh milk in Essential Dairy and Plant-Based (EDP) % eggs and egg ingredients total company % Meat/Fish for Early Life Nutrition (ELN) activities in Europe 	<p>DANNON US pledge 90% direct Milk sourcing is Animal Welfare compliant (Validus certified)</p> <p>ELN animal welfare program in Europe: 100 % cage free eggs</p> <p>ELN animal welfare program in Europe: 100 % lamb and beef have access to pasture</p>	<p>DANNON US pledge 90 % of DANNON US on conventional and non GMO milk (w/o organic) Validus certified</p> <p>ELN animal welfare program in Europe: 100 % cage free eggs</p> <p>ELN animal welfare program in Europe: 100% lamb and beef have access to pasture</p>	<p>43 % Of fresh milk volumes in 14 countries* assessed through the new animal welfare assessment tool or via Validus Animal Welfare certification</p> <p>37 % of cage-free eggs and egg ingredients volumes sourced worldwide</p> <p>ELN animal welfare program in Europe: 100 % lamb and beef have access to pasture</p>	<p>Animal Welfare in Dairy Farms in EDP division 80 % Of fresh milk volumes in 14 countries* assessed through the new animal welfare assessment tool or via Validus Animal Welfare certification by 2020 in EDP division</p> <p>Sourcing of cage-free eggs and egg ingredients 100 % Cage-free eggs and egg ingredients across all countries and divisions by 2019</p> <p>Animal Welfare in ELN Europe 100 % animal welfare compliance in ELN Europe for fresh or frozen meat and fish by 2020.</p>

LFL: like for like at comparable scope and constant methodology versus 2017
*14 countries covering >80% of fresh milk volumes worldwide