



DANONE
ONE PLANET. ONE HEALTH

Investor Seminar
October 22, 2018

One Health Workshop

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Chief Alimentation Science Officer

From a visionary mission to a condition for sustainable growth today



Our mission:

Bringing health
through food & beverages
to a maximum number of people



DANONE
ONE PLANET. ONE HEALTH

One Health is about addressing the poor diet challenge with our brands

the challenge

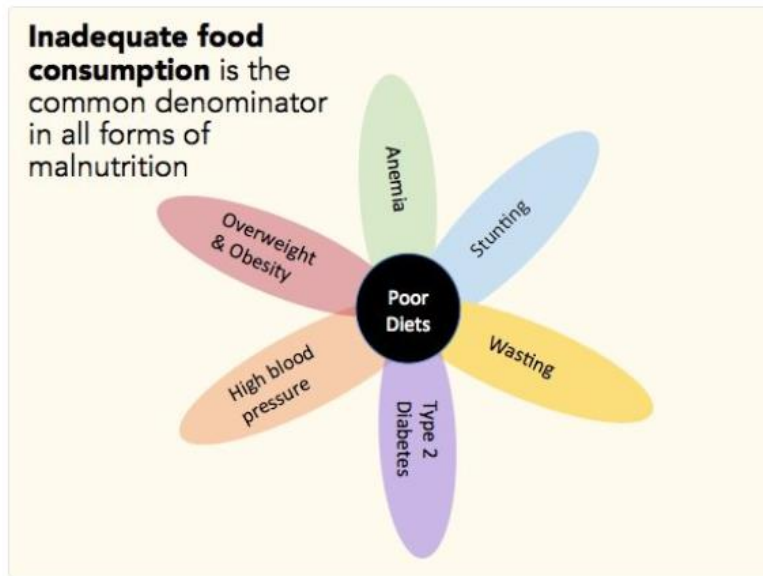
the opportunity



Lawrence Haddad
@l_haddad

Suivre

The quality of food consumption is the common denominator for malnutrition in all its forms. @GAINalliance



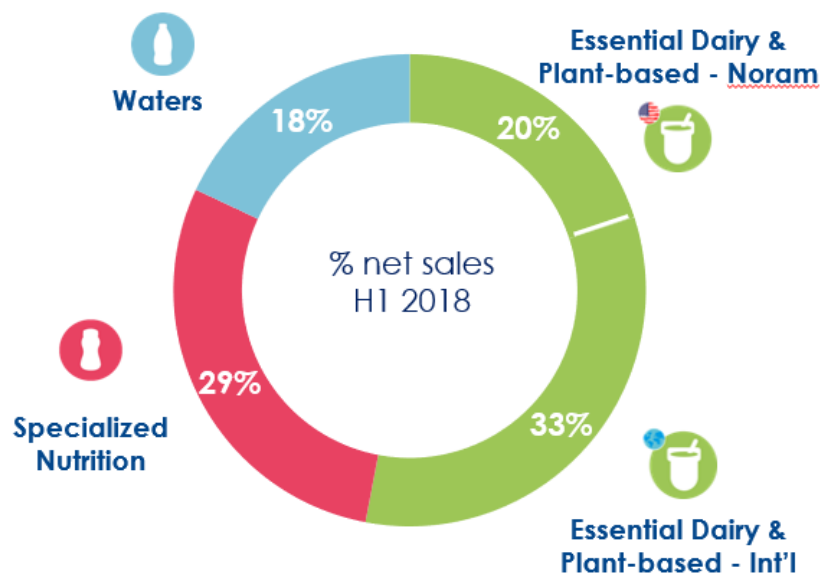
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Developing
BRANDS
for a healthier world

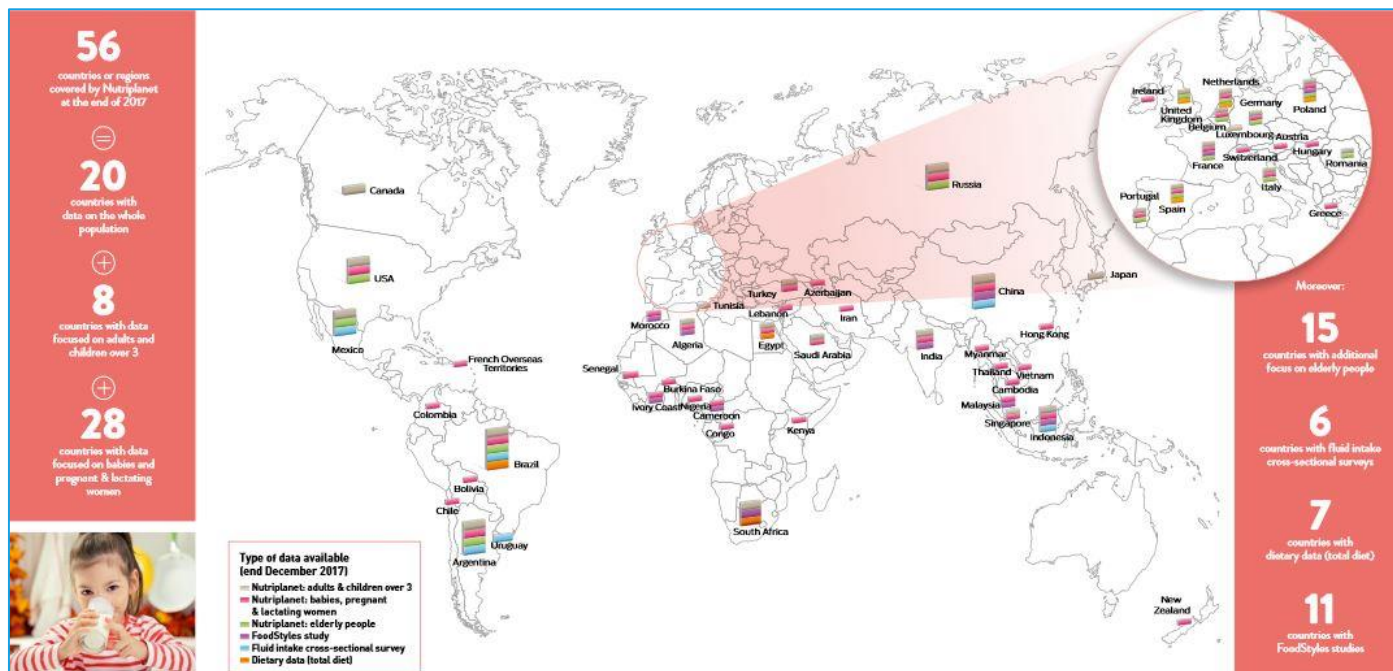
2 assets make Danone unique to seize these opportunities

Health-focused portfolio

> 88% of volume sold recommended for daily consumption⁽¹⁾



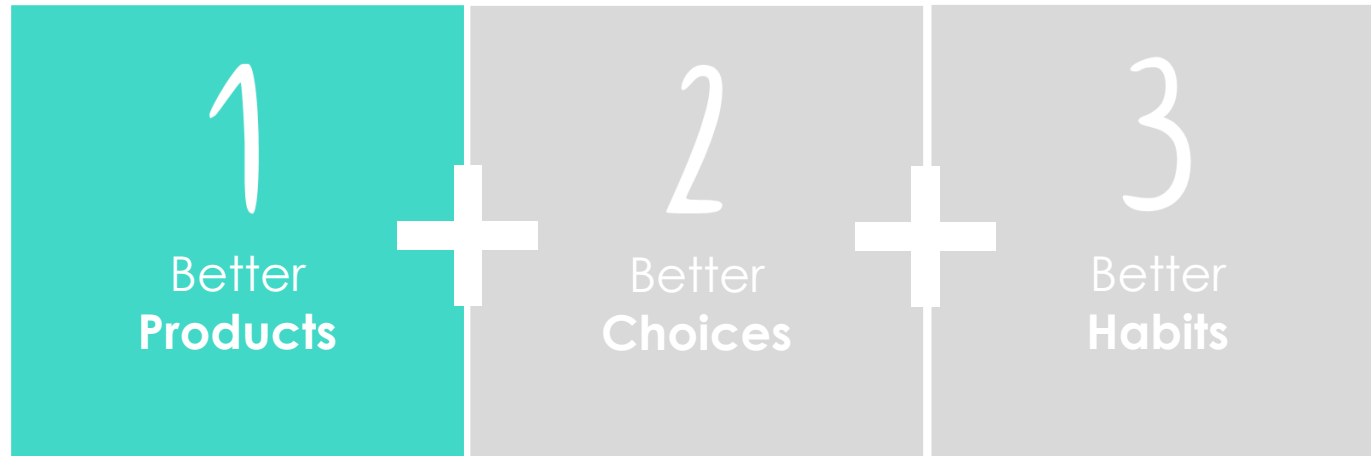
Food Habits & Food Cultures cartography



(1) Refers to : water, yogurt and other daily dairy products, baby milks and foods, milk and milk powders, beverages with 0% sugar, and advanced medical nutrition. Based on official public health recommendations, these categories are generally recommended for a daily consumption.

3 lines of action positively impacting eating habits and driving sustainable value creation





Danone portfolio is ahead in term of healthiness



**28% of volumes
are without
added sugars**

Average Added sugars
level, weighted by
volumes

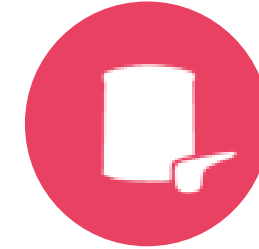
All portfolio
5.79 g/100g

Sugared products
7.99 g/100g



**88% of volumes
sold are plain
water**

96% of Aquadrinks
below 5 g sugar/100 mL

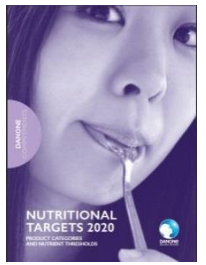


**71% of recipes
are without
added sugars**

98% in Infant Formula

94% in Follow-on
Formula

Danone portfolio is ahead in term of healthiness



Overall **77%** of volumes are already in line with 2020 sugar target



2014 → 2017
-6.7% sugar
reduction
in **Dairy** Portfolio



2008 → 2017
-25% sugar
reduction
in **Aquadrinks**
Portfolio



2008 → 2017
5611 tons of
sugar removed
from **ELN** Portfolio

Danone portfolio is ahead in term of healthiness



EUROPE

Activia fruits, EU

Added sugars reduced by -30%
(2008 → 2017)

Actimel strawberry, EU

Added sugars reduced by -29%
(1994 → 2016)

Danonino, France

Added sugars reduced by -29%
(1999 → 2015)

OUT OF EUROPE

Danimals Smoothie, USA

Total sugars reduced by -25%
(2012 → 2013)

Danonino, Argentina

Added sugars reduced by -53%
(2001 → 2017)

Danone Drinkable, Mexico

Added sugars reduced by -23%
(2016 → 2017)



Bonafont Juizy, Mexico

Total sugars reduced by -38%
(in 2010)

Levite, Argentina

Total sugars reduced by -38%
(2012-2016)

Font Vella Levite, Spain

Total sugars reduced by -38%
(in 2016)



SGM Eksplor1+, Indonesia

Total sugars reduced by -40%
(2013 → 2017)

Jar range, UK

Total sugars reduced by -20%
(2013 → 2017)

Key examples of new references launched in 2018

“no added”

Without sugar

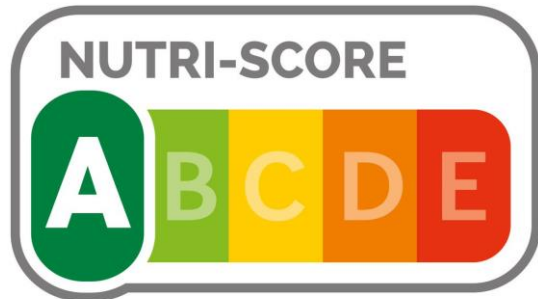
Sugar reduction



3 lines of action positively impacting eating habits and driving sustainable value creation

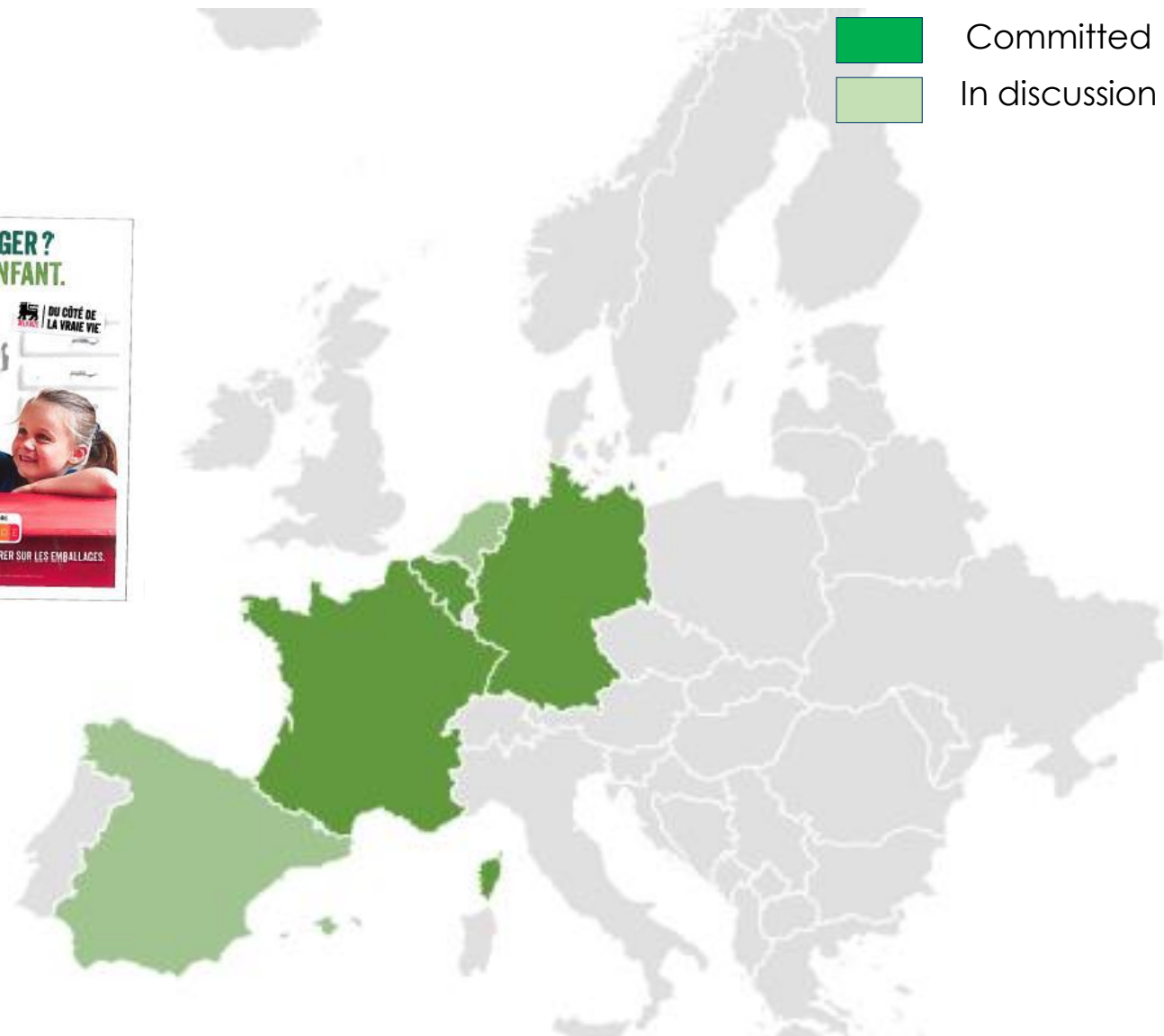


Better choices through transparent information : Danone in favor of Nutri-Score



A voluntary information on nutritional quality

A robust, science-based, consumer-tested system with proven impact on consumer understanding and nutritional quality of food basket



Better choices through promotion of healthier options with retailers



'The Healthiest Place to Work and Shop'

May 2017



3-week event branded 'Helpful Little Swaps' : focused on making it easier for shoppers to eat healthier

—
"Removed 8,000 tons of sugar, salt & fat from products since 2015"

—
Danone part of the top 10 branded Global Packaged Foods Partners

UK Market share : 27.5% over 3,400 Stores



USA



Support the community in adopting healthier diets and lifestyles by promoting the idea of *One More Healthy choice*

'One for Good'



Turkey

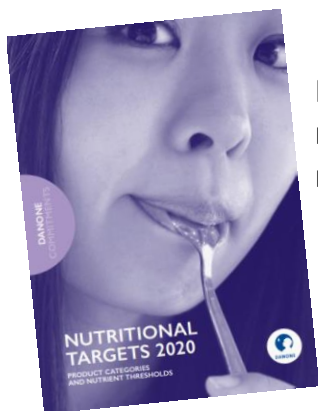


Educating consumers in store through one-to-one training to 10,000 customers and well-being training to half a million customers.
Social media activation to 1 million people



Danone's positioning addressing global initiatives

PRODUCT IMPROVEMENT & INNOVATION



Relevant 2020 nutritional targets released in 2016

Innovation pipeline taking into account new consumer trends: plain, low calories, low sugar



SUGAR TAXATIONS

Move to gradual taxes

Danone Water's portfolio under the 5g / 100mL sugar threshold

Exclusion of dairy within the scope of taxation, based on nutrient richness



LABELLING



Implementation of the NutriScore on Danone's EDP portfolio by end 2019 in France, Belgium and Germany; >50% of the products in « A and B »



Warning Labels in Uruguay: 100% of our Aquadribe and 64% of our EDP products out of scope (vs 60% and 100% under PAHO criteria)

MARKETING TO CHILDREN

> 99% of compliance on Danone's TV ads vs the EU Pledge in 2017



Leveraging the playing field within the industry (and working particularly with local players in local pledges)



Work in progress to update Danone's Marketing to Children Policy

3 lines of action positively impacting eating habits and driving sustainable value creation



Example 1: Waters 'Mascot' (Spain example)



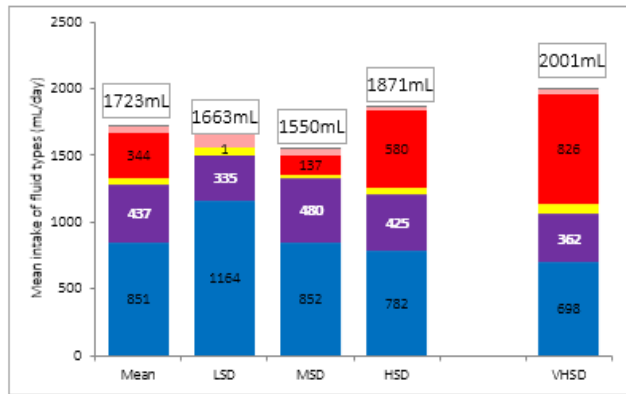
Fluid intakes survey

'Mascot' marketing campaign

Business success and healthy switch in kids' drinking habits

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S

TFI & Fluid types intake (mL/day)



High consumption of sugary beverages and low water consumption in kids.
Liquid sugar intake : 71 g/day

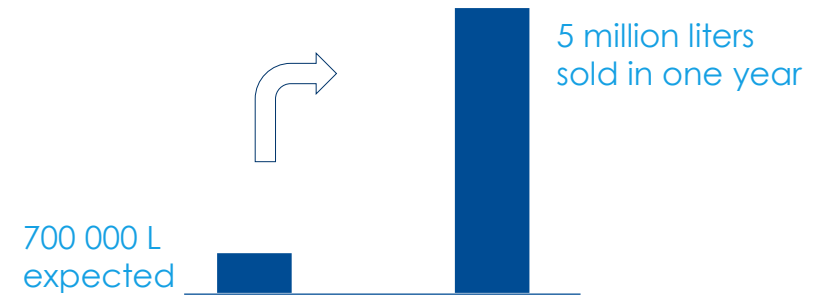


'Mascot' bottles to make water attractive for kids

Animation in social media (Instagram..)



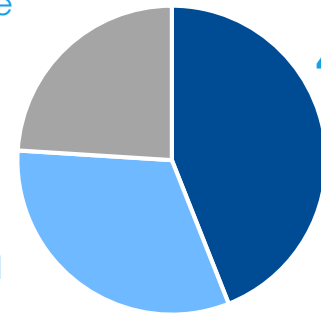
Business success



Healthy switch

24% neutral switch = volume gained on other waters

32% healthy switch = volume gained on sugary bev.



44% incremental volume = more water is consumed

Example 2: ELN Argentina



Diet Analysis 2014



Diet Quality

40% kids < 3yrs with inadequate diets

Non specific food

High penetration of cow's milk vs specific milks

Awareness on baby diets expert-led media campaign



Front page of 2 most important newspapers



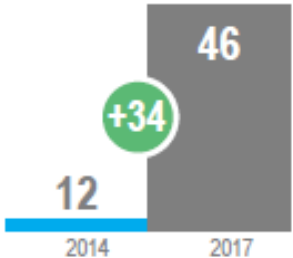
High audience time news



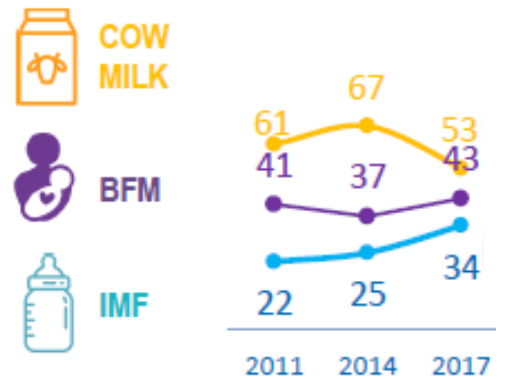
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Business success between 2014 & 2017 (despite economical crisis)

Mum's awareness



Increase penetration vs cow's milk

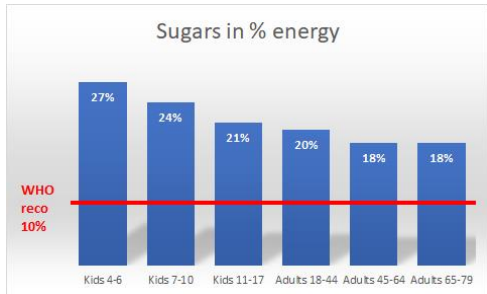


Sources: U&A, SoS 2017, TNS Gallup 2016 & BHT Kantar MB 2017

Example 3: EDP Yogurt overall + France optimization

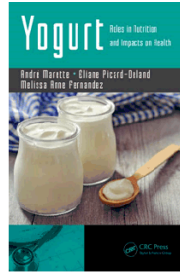


Diet analysis

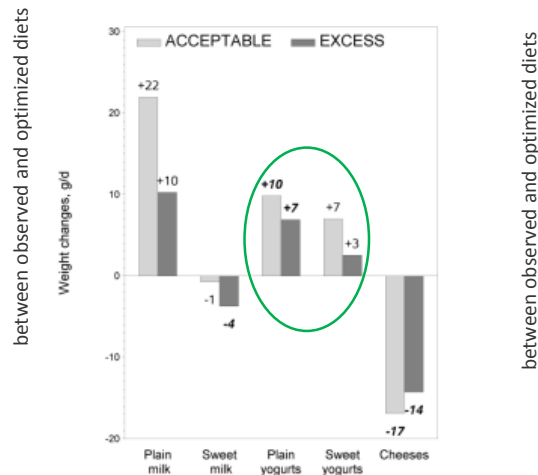


High sugar intake in the population

Benefits of yogurt and role in the diet



Scientific data showing the association between yogurt consumption and diet /health



Optimization modelling based on real-life data
Both plain yogurt AND fruit yogurt contribute to balance French diet

Activation: category advocacy

Scientific publication

nutrients MDPI

Article
Individual Diet Modeling Shows How to Balance the Diet of French Adults with or without Excessive Free Sugar Intakes

Anne Lluch ^{1,*}, Matthieu Maillot ², Rozenn Gazan ², Florent Vieux ², Fabien Delaere ¹, Sarah Vaudaine ¹ and Nicole Darmon ^{3,4}

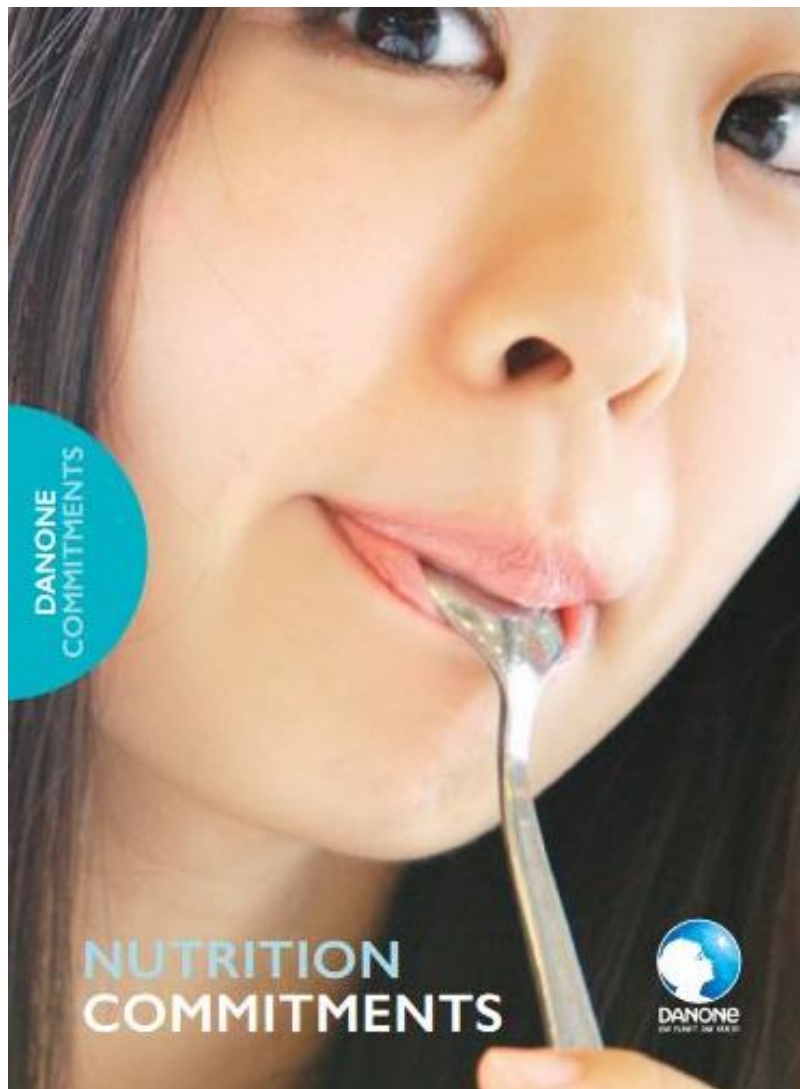
Activation for consumers

YOGURT IN NUTRITION
INITIATIVE FOR A BALANCED DIET

Il est important D'ENCOURAGER la consommation DE YAOURT

SYNDIFROIS

Danone commitments supporting long term value creation



COMMITMENT #1

Continuously improve the nutritional quality of our products



COMMITMENT #2

Design healthier alternatives relevant for consumers



COMMITMENT #3

Further reinforce our expertise on the understanding of local nutrition practices and public health contexts



COMMITMENT #4

Contribute to address local public health challenges on which Danone can have a most favorable impact through partnerships



COMMITMENT #5

Develop even more responsible marketing practices, especially to children



COMMITMENT #6

Provide the most appropriate product labelling to encourage healthier practices



Disclaimer

- *This presentation contains certain forward-looking statements concerning Danone. In some cases, you can identify these forward-looking statements by forward-looking words, such as “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” “foresee,” “likely,” “may,” “should,” “goal,” “target,” “might,” “will,” “could,” “predict,” “continue,” “convinced,” and “confident,” the negative or plural of these words and other comparable terminology. Forward looking statements in this document include, but are not limited to, statements regarding Danone’s operation of its business, the expected benefits of the transaction, and the future operation, direction and success of Danone’s business.*
- *Although Danone believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. For a detailed description of these risks and uncertainties, please refer to the “Risk Factor” section of Danone’s Registration Document (the current version of which is available on www.danone.com).*
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- *All references in this presentation to “Like-for-like (LFL) New Danone” changes, recurring operating income, recurring operating margin, recurring net income, recurring income tax rate, Recurring EPS, Yakult Transaction Impact, free cash flow and net financial debt correspond to financial indicators not defined in IFRS. Their definitions, their reconciliation with financial statements and IAS29 accounting treatment for Argentina are included in the Q3 sales press release issued on October 17th, 2018. Q1, Q2 and H1 2017 reported figures have been restated for IFRS 15. Indicators ROIC and Net Debt / EBITDA are defined on page 64 of Danone’s 2017 registration document*
- *Due to rounding, the sum of values presented in this document may differ from totals as reported. Such differences are not material.*