



DANONE



Our Nutrition & Health Commitments

2012
Achievements

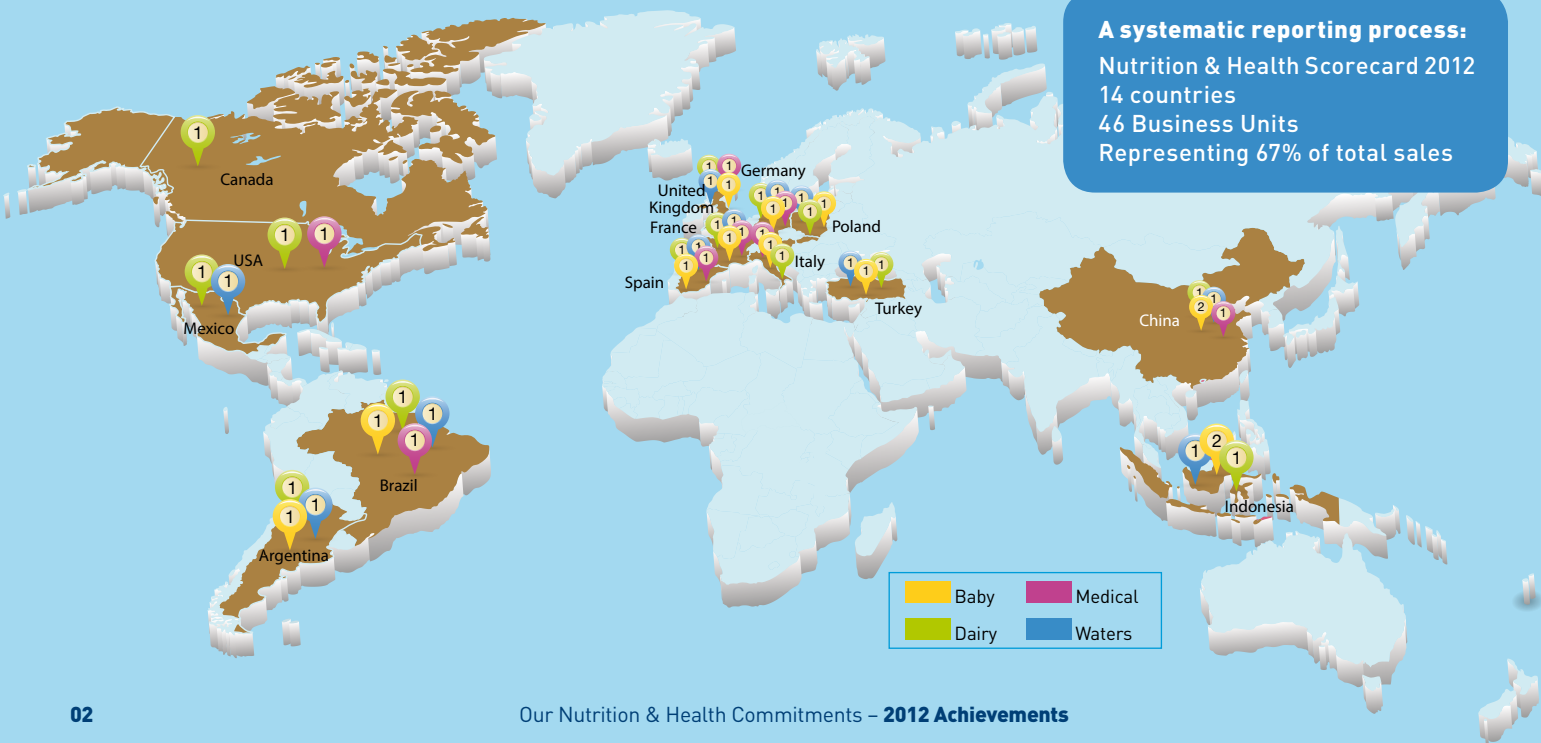
Bringing health through food to as many people as possible

Our 5 Fundamental Commitments

1. Offer products tailored to nutritional needs and recommendations, tastes and incomes.
2. Develop products with relevant, scientifically proven health benefits that meet real nutritional needs.
3. Give consumers clear information and advertise responsibly.
4. Promote healthy eating and healthy lifestyles.
5. Address major health and nutrition societal challenges.

Our Major Levers of Action:

- Focus on essential food categories.
- In-depth knowledge of local food & health contexts to propose relevant solutions.
- Invest in R&D to achieve both superior taste and superior nutrition.
- Impact on consumers' health beyond products.
- Connection with external stakeholders.





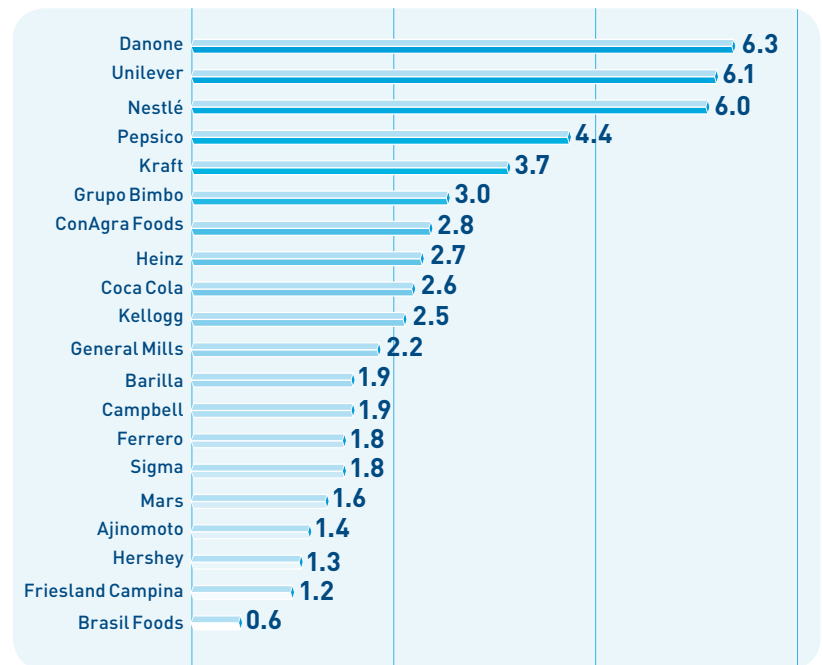
Our performance assessed by external agencies

“Access to Nutrition Index” (ATNI) is a new international rating index. Every two years, the index will rate the largest food and beverage companies on their nutrition-related policies, practices and performance.

In the first ATNI rating published on March 12, 2013 Danone ranked number one with a global rating of 6.3/10, within the group of top performers (Danone, Unilever and Nestlé).

Strong points highlighted by the Index correspond to Danone’s priority areas for action:

- analyze local contexts and study local eating habits to offer appropriate products;
- contribute to fighting under-nutrition by means of enriched products;
- strive to make products affordable for low-income consumers;
- implement responsible marketing practices, particularly with respect to children.



Redrawn from ATNI report, www.accessstonutrition.org
 The ATNI also expresses reservations with regard to the issue of breast-milk substitutes. On this topic, and in addition to supporting WHO guidelines, Danone recognizes the need for overall improvement in industry practices and spearheads action in this area.



Propose nutrition solutions continuously tailored to nutritional needs and recommendations, tastes, and incomes

1st
commitment

84%

of products are part of Public Health recommendations



Dairy products with minimum 50% milk



Waters



Baby Nutrition Products



Medical Nutrition Products

High quality standards

Danone products are developed taking into account Danone nutritional standards, based on recommendations from public health authorities (eg. WHO, EuroDiet). These standards define, for each product category, a maximum content of nutrients of concern (sugars, fats, saturates, salt) and minimum contents of essential nutrients (proteins, vitamins, minerals, etc).

Compliance to these standards and nutritional superiority to competitors are checked before launch through a systematic "Nutrition Check" procedure.

ESSENTIALITY

66%

of products are
of high nutritional
quality



Dairy products compliant with Danone
Nutrition Guidelines for Dairy

**Delivered to the market in 2012:
18,500,000,000 portions⁽¹⁾**



Water and beverages with 0% sugar

**Delivered to the market in 2012:
19,800,000,000 portions⁽²⁾**



Baby Nutrition products compliant
with Danone Nutrition Standards for Baby



Medical Nutrition products

(1) Reference portion = 125 g for spoonable products,
= 200 ml for drinkable products.

(2) Reference portion = 1 liter.

(3) Improved in 2010-2012, in % sales 2012, scope dairy
products + sugared beverages + Baby Nutrition products.

31%

of products have been
improved
in the last 3 years⁽³⁾



**Milupa, Germany
- cereals
-8 g sugar per portion**



**Dannon, USA
- Activia fruits
-8 g sugar**



**Blédina, France
- savoury jars
+40 g vegetables
per jar on average
≥ 80 g vegetables per jar**



**Danone, Mexico
- Danonino
-24% energy (fat, sugar)
over 9 years**



Develop products with relevant, scientifically proven health benefits

2nd
commitment

34%

of staff have been trained in Nutrition during the last 2 years

Nutrition and health claims

48%

of sales bear nutrition claims

20%

of sales bear health claims

100%

of claims went through the internal validation procedure

The Nutrition Master

• The typical Nutrition Master in a Country Business Unit (CBU) is skilled in nutrition (from school and/or subsequent trainings), and has strong personal leadership qualities.

• **He/she is accountable of the nutrition strategy of the CBU.** He/she knows in depth the health & nutrition context in his country. He/she monitors the nutritional quality of product portfolio and its evolution in time, as well as competitive products. He/she supports R&D project leaders in performing their "nutrition checks". He/she monitors reformulation action plans and animates strategic debates on this topic at top management level.

• **He/she connects to external science:** he/she sets up a local scientific network and builds proximity and partnerships with scientific experts. He/she may even be involved in major surveys at national level.

• **He/she increases the knowledge of his/her colleagues** by organizing nutrition trainings, conferences, animations on specific nutrition topics.

44

subsidiaries out of 46 (representing 97% of sales) have a Nutrition Master

Nutrition Network

The Nutrition Masters in Danone together constitute an active Nutrition Network, where expertise and best practices are shared on a regular basis.



In addition to its own resources, Danone Research maintains a network of about

200

scientific collaborative ventures worldwide

RELIABILITY

Main R&D centers are located in France, the Netherlands, Singapore, and India, where a new center opened in 2012 to foster affordable innovation and consumer proximity.

1,423

people in Danone Research worldwide

332

Million US\$ spent in Research & Development worldwide

101

articles in peer-reviewed journals published or accepted end 2012

157

clinical trials running end 2012

58

new patents filed

476

patents active in total

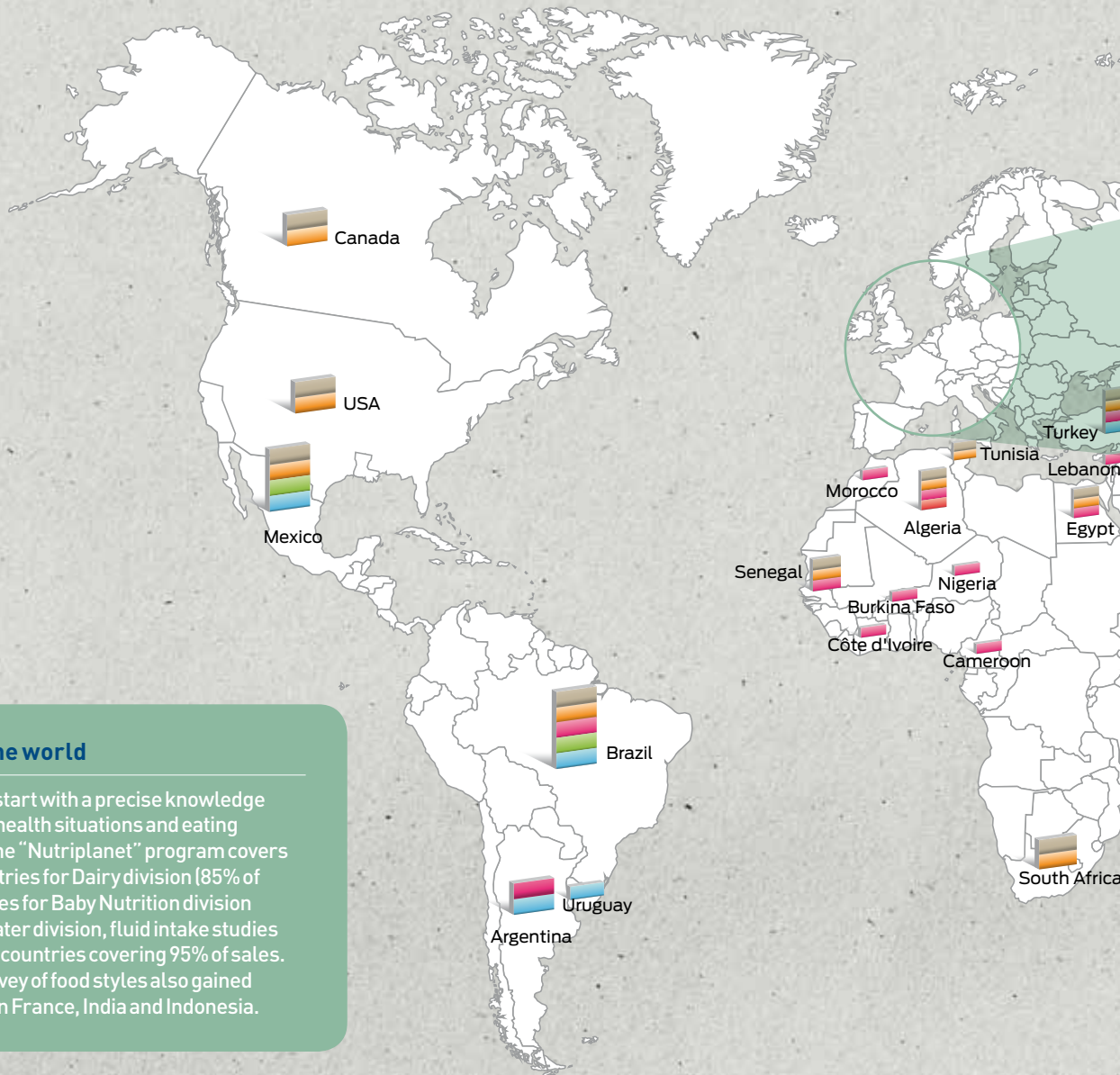
3 major new collaborations in 2012:

1. Danone Research is part of the European **Metacardis consortium**, a large-scale project to better understand and treat conditions such as obesity, diabetes and cardiovascular diseases.
2. Danone Research is now partner with the **European Association for the Study of Obesity (EASO)** to promote healthy hydration. Also, the partnership with the International Society of Nephrology (ISN) continues, with support once again in 2012 for World Kidney Day.
3. Danone Research is now part of **BIOASTER**, an newly created independent research institute dedicated to infectiology and microbiology.

Given its unique portfolio and its mission, Danone R&D activities are devoted to Nutrition & Health.



In-depth knowledge of local food & health

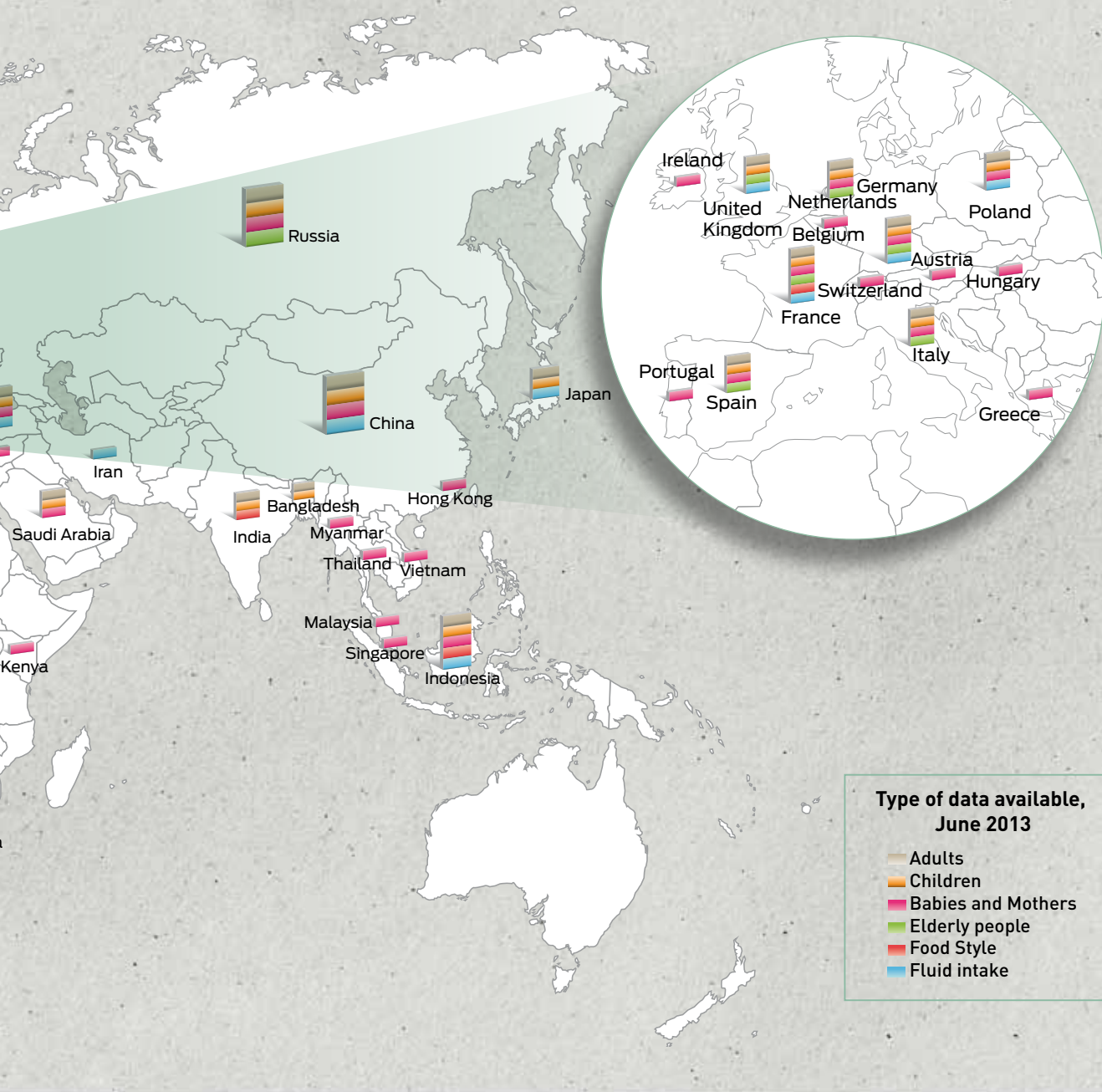


Studies all over the world

Product innovations start with a precise knowledge of local nutrition and health situations and eating habits. At end 2012, the “Nutriplanet” program covers 45 countries: 24 countries for Dairy division (85% of sales), and 25 countries for Baby Nutrition division (70% of sales). For Water division, fluid intake studies have been made in 13 countries covering 95% of sales. In 2012, Danone’s survey of food styles also gained speed with 3 studies in France, India and Indonesia.



contexts



Type of data available, June 2013

- Adults
- Children
- Babies and Mothers
- Elderly people
- Food Style
- Fluid intake

3rd
commitment



Inform consumers clearly and factually and advertise responsibly

TRANSPARENCY

95%
of products have
nutritional information
on-pack

92%
of products have
nutritional information
off-pack

91%
of products give clear
portion guidance

In EU, **97%**
of products carry Front
of Pack nutritional
information

94%
of advertising complies
with ICC Code⁽¹⁾ of
responsible marketing

68%
of advertising expenses
are done on the
healthier products

(1) <http://www.iccwbo.org>



RESPONSIBILITY

Danone is committed to limiting advertising to children, to products adapted to their nutritional requirements.

This commitment is for all countries.

In countries where there is a state-recognized self-limitation program (e.g. PAOS in Spain), Danone complies with this local program.

This commitment applies to:

- **television** or **radio** at times when the audience comprises more than 35% of children under the age of 12;
- **press** designed for children under the age of 12;
- third-party and brand **websites** aimed at children under the age of 12.

To decide which products can be advertised, Danone uses:

- 1) common nutrition criteria defined by local or regional Pledges Danone is a member of:
 - **Europe since 2007 (www.eu-pledge.eu),**
 - USA since 2009,
 - Brazil and South Africa since 2010,
 - Canada and Switzerland since 2012;
- 2) if not, any relevant nutrition criteria recognised by local/regional authorities;
- 3) if not, the FoodProfiler system, taking into account local food consumption data (www.thefoodprofiler.com).

Danone supports the WHO recommendation of exclusive breastfeeding until 6 months of age

In the Baby Nutrition division, Danone significantly stepped up its efforts regarding the requirements of WHO Code, in particular via the creation of internal management documents implementing the Code's principles, and by extending the practice of regular audits by independent auditors to all subsidiaries.



In addition: **61%** of staff were trained on the WHO Code and the Danone policy for marketing of breastmilk substitutes.

The compliance with the European Pledge is audited annually by external auditors, in a random selection of countries.

In 2012 for Danone, the rate of compliance of TV commercials was **94.7%** in Hungary, **95.7%** in Poland, **99.8%** in Germany and **100%** in Portugal and Italy.

POSITIVE IMPACT

Promote healthy diets and lifestyles



4th
commitment

Danone subsidiaries develop many information & education programs aimed at various audiences.

Baby Nutrition
43 programs



Potentially reaching **14,550,000** parents



Potentially reaching **89,950,000** consumers

Waters
36 programs



Potentially reaching **74,750,000** consumers, not including nationwide programs in US (315,000,000 people)

Dairy
74 programs



Potentially reaching **320,000** patients

Medical Nutrition
15 programs for patients

And also:
143 programs for HCPs
Potentially reaching **152,760** doctors

Uruguay: “Mamá, Papá prefiero Agua”

In connection with Ministry of Health and Ministry of Education, an educative program using interactive tools for the promotion of healthy hydration covered 100% of private schools in first grade, which represents 8,000 children and 600 teachers. A pilot test was also done in public schools.

<http://www.prefieroagua.com.uy/>

PROMOTION OF HEALTHY HYDRATION:

School-based education programs for children were rolled out in Latin America in 2012, based on the successful experience in Poland the previous year.



DANONE

Eat like a champ

Schoolchildren showed significant improvements in their eating habits after the implementation of this classroom-based healthy eating program, sponsored by Danone UK.



CONCEPT

To make nutrition exciting for primary school children (9-11 years old) by inspiring them to adopt the healthy choices of famous champions they admire.

Schools sign up each year to take part in ELAC on a voluntary basis. The program and materials are free.

New in 2012:

The impact of the program was measured through academic research conducted by the Children Food Trust

(scientific publications under way)

SETTING

- 53 classes in 26 primary schools in Greater London, England.
- 1,216 pupils aged 9-11 years old

RESULTS

At 6 weeks, there was a shift away from less healthy options and toward a higher proportion of healthier options. The results were kept and amplified at 12 weeks.

More water

More semi-skimmed milk and plain yogurt

Less cheese strings and triangles

More wholegrain breakfast cereals

Less instant or fried noodles or fried rice

Less biscuits, cakes and sweets

More roast meat

Less burgers and fish fingers

More salads and plain vegetables

Fewer baked beans

More fruit and more healthier options

2010

Pilot in 25 London classes

2011

Revision and roll-out in 100 London classes

2012

Extension to over 500 classes across the UK, including England, Scotland, Wales and Northern Ireland

Contents of the program

- 1) Interactive, fun and engaging lessons, created in collaboration with the British Nutrition Foundation
- 2) The Diversity Dance Troup acting as ambassadors of the campaign and role model for the children (they were winners of the TV show "Britain's Got Talent" in 2009)
- 3) Support by Danone volunteer employees



Address major health and nutrition-related societal challenges

5th
commitment

A network of
1,204
external scientific experts

182 advisory panels at local and international levels

- Nutrition
- Healthy Hydration
- Microbiology
- Immunology
- Physiology
- Epidemiology
- Paediatrics
- Gastroenterology
- Geriatrics
- Sociology
- Psychology...

Danone cultivates strong connections with local market ecosystems and seeks to thoroughly understand the health and nutrition situation and public health issues of the countries in which it operates, so as to propose products that are appropriate to these contexts.

In 2012, Danone continued and expanded the program launched in Algeria in 2011 to study food styles. Three studies were completed in France, India and Indonesia in 2012. The studies' conclusions enable Danone to propose product offers consistent with these countries' food culture and heritage.



CO-BUILDING



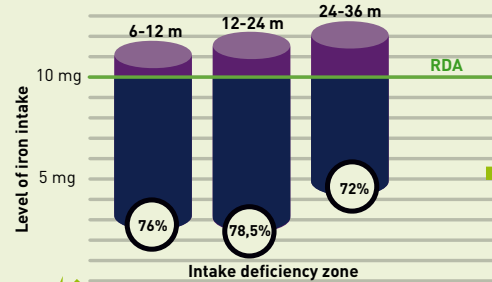
How to answer nutritional needs of young children (6 to 36 months) in Russia?

NUTRILIFE Project: National clinical assessment

- 2,050 babies: representative sample (5% of general population)
- 7 regions
- 19 cities
- More than 40 sites
- 19 researchers
- Dietary assessment by a 3-day diary
- Questionnaire on eating behavior
- Laboratory measurement of signs of iron deficiency in a subsample of 450 children



Identification of iron deficiency as a critical issue



Media:
press-conference
with government
and key experts

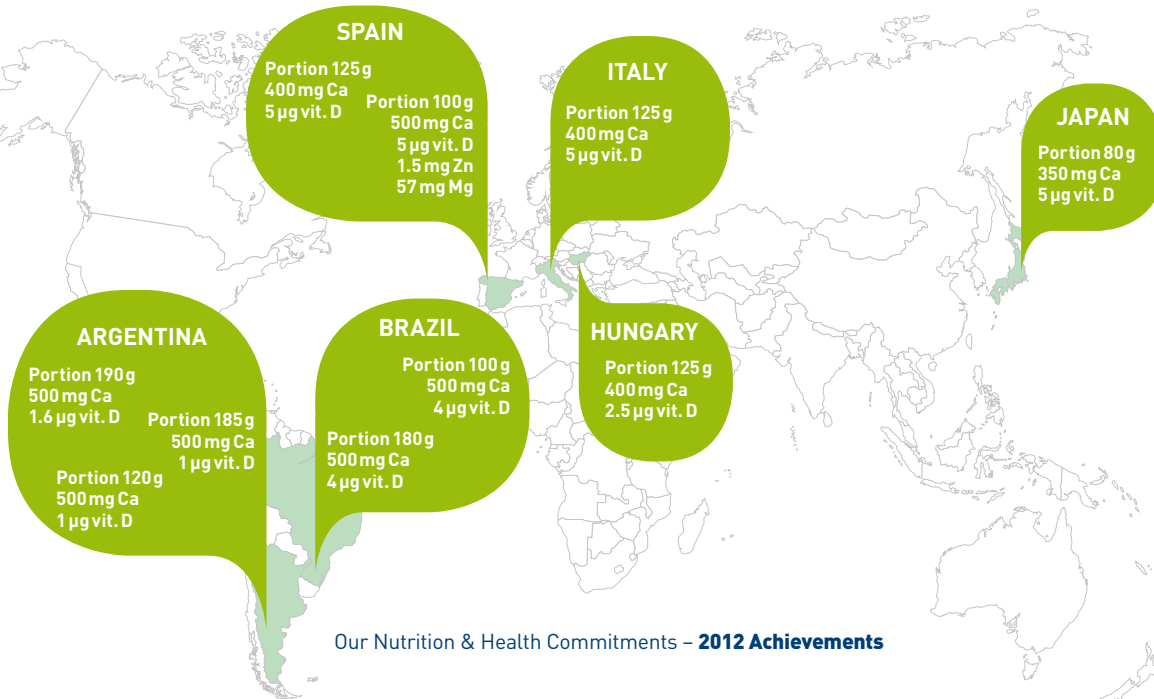
Relevant product:
MALYUTKA
fortified with iron

Consumer awareness:
"Iron Calculator"
Television Website
Print

Scientists/Doctors:
Poster in Congress
Series of Conferences



Adaptation of products based on local nutrition & health context: example of DENSIA /CALCI+





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