



DANONE
ONE PLANET. ONE HEALTH

Corporate Governance Overview

November, 2019



Today's attendees



Michel LANDEL
Lead Independent Director

Since
April 2018

Lead independent Director of Danone's board
Appointment at 2018 Shareholders' Meeting (April 26, 2018)

2005
2018

CEO of Sodexo
Until January 23, 2018

2003
2005

Sodexo Group Deputy General Manager
In charge of North America, the United Kingdom, Ireland and Remote Sites

1984
2003

Senior positions in Sodexo
Africa and North America businesses



Laurent SACCHI
Secretary of
the Board



**Nadia
BEN SALEM-NICOLAS**
Head of Investor
Relations



**Jessica
JUGGANADUM**
Sustainability
Reporting Senior
Manager

Agenda

1

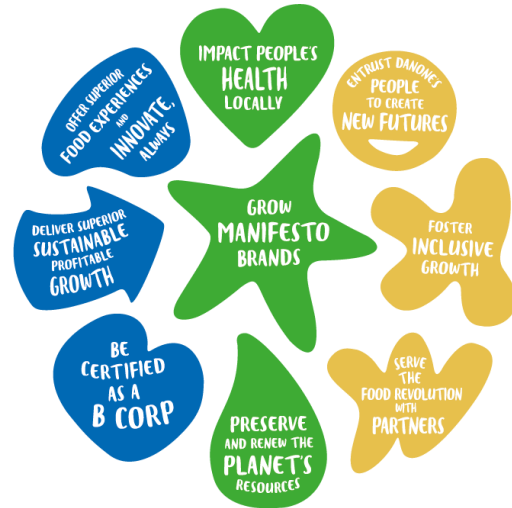


DANONE

ONE PLANET. ONE HEALTH

Danone
at a glance

2



One Planet
strategy
embedded in
our 2030 goals

3



Danone
governance

4



Remuneration
practices

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**Remuneration
practices**

Our long-term strategic roadmap

Leading the way to create and share sustainable value



DANONE
ONE PLANET. ONE HEALTH

2030
GOALS

OUR
BUSINESS
MODEL

OUR BRAND MODEL



OUR
TRUST
MODEL

What makes us a unique investment proposition in the Food & Beverage space

Uniquely positioned to address the Food Revolution

Healthier



89%⁽¹⁾
of volumes sold
recommended for
daily consumption

Local



~56%
of sales from
local brands

Leader



#1 or 2
position in
all markets

Responsible



~30%
of sales covered by
B Corp™ certification

Agile



~25%
of sales from
innovation

Note: data as of 2018

(1) Refers to water, yogurts, milks and other daily dairy products, beverages with 0% sugar, early life nutrition products (except biscuits and beverages for children under 3 years old) and medical nutrition. The remaining categories are mainly low sugar beverages and indulgent products. This figure is excluding plant-based portfolio (former Whitewave portfolio)

A unique 100% health-focused on-trend portfolio

Almost 90% of volume sold recommended for daily consumption⁽¹⁾

29%

Specialized Nutrition



#2

WORLDWIDE⁽²⁾
in Early Life Nutrition



#1

EUROPE⁽²⁾
in Advanced
Medical Nutrition

53%

Essential Dairy and Plant-Based



#1

WORLDWIDE⁽²⁾
in Fresh Dairy Products &
Plant-Based Products

18%

Waters



#2

WORLDWIDE⁽²⁾
in Packaged Waters
(by volume)

⁽¹⁾ Refers to water, yogurts, milks and other daily dairy products, beverages with 0% sugar, early life nutrition products (except biscuits and beverages for children under 3 years old) and medical nutrition. The remaining categories are mainly low sugar beverages and indulgent products. This figure is excluding plant-based portfolio (former Whitewave portfolio) ⁽²⁾ Only in the subcategories and countries where Danone operates

Strong financial track record since 2014

Consistently delivering against our agenda of strong sustainable profitable growth

Reported sales

+4%

2014-18 CAGR

€21.1bn

€24.7bn

2014

2018

Recurring operating margin

+190 bps

2014-18

12.6%

14.5%

2014

2018

Free cash flow

+15%

2014-18 CAGR

€2.2bn

€1.3bn

2014

2018

Recurring EPS

+8% (+11% at constant FX)

2014-18 CAGR

€2.62

€3.56

2014

2018

Dividend

+7%

2014-18 CAGR

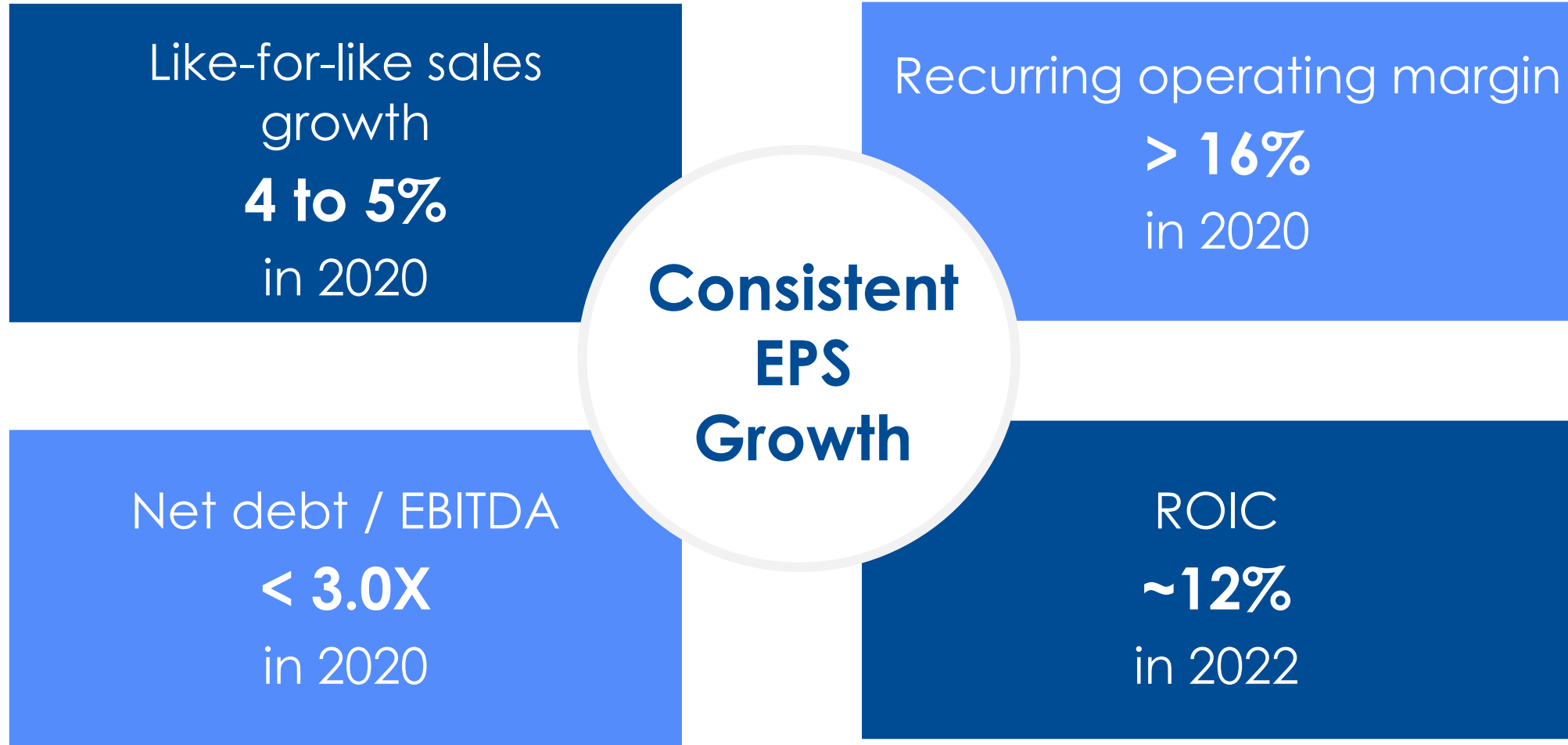
€1.50

€1.94

2014

2018

Deliver superior sustainable profitable growth
On track towards mid-term financial objectives



Delivering superior ESG performance

Recognized top performer, continuously improving



72/100

+ 4 points compared to 2018
Danone leader of the global ranking



75/100

+7 points compared to 2018



AAA



1/10

Best score in Environmental and Social Reportings⁽¹⁾



FTSE4Good

Part of the FTSE4Good Index Series



ACCESS TO NUTRITION INDEX™

Among TOP 3 performing food companies

1 in marketing for breastmilk substitutes



CLIMATE

A Leadership level

1 in the Food & Beverage league to deliver a low carbon future



Part of the Bloomberg Gender-Equality Index since February 2019

(1) Danone's score as per October 2019

Be certified as a B Corp™ globally

Paving the way towards highest sustainability standards



>1/3 of sales (**20** entities) covered by B Corp™ certification to date

Pioneer social bond in 2018



€2bn syndicated credit loan

with interest payment lowering as a function of Danone sales covered by B Corp™ certification

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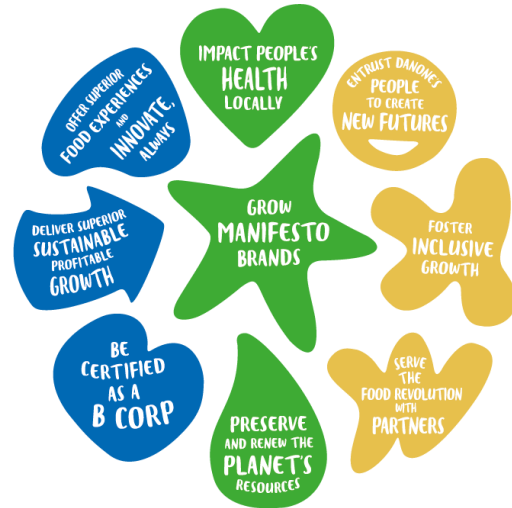


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Remuneration
practices

Preserve and renew the planet's resources

One Planet strategy based on four pillars



Climate



**Circular
Economy**
(Packaging &
Food Waste)



Water



**Regenerative
Agriculture**



Climate change

Committed to carbon neutrality by 2050

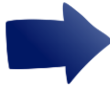
Reduction in CO₂ footprint

Emission intensity (g/CO₂ equivalent/Kg product)

2018

16%

Intensity reduction⁽¹⁾ full scope, baseline 2015



TARGET

50%

Reduction in emission intensity on Danone's full scope by 2030

Reduction in CO₂ footprint

Absolute emissions (in tons CO₂eq)

2018

20%

Absolute reduction⁽¹⁾ of scope 1 and 2 emissions, baseline 2015



TARGET

30%

Absolute reduction on Danone scope 1 and 2 emissions by 2030

Renewable electricity

(in KWh)

2018

34%

Renewable electricity

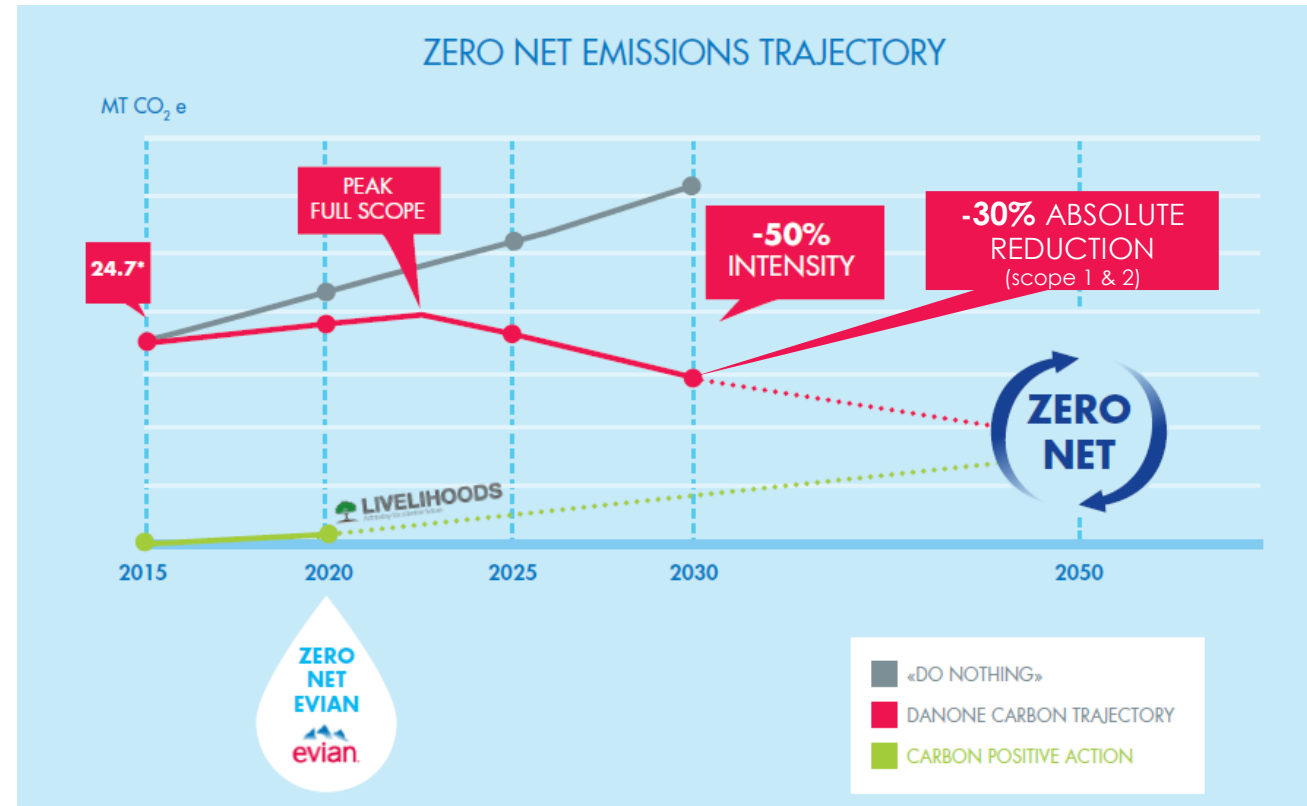


TARGET

100%

renewable electricity by 2030, 50% by 2020

(1) Based on constant scope of consolidation and constant methodology



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Waters

Protect water, preserve its quality and give access to safe drinking water



WATER RESOURCES & ECOSYSTEMS



We protect and restore our watersheds and natural ecosystems especially in water-stressed areas

100% of Waters division sites have run SPRING⁽¹⁾ audits in 2018

Evian and **Villavicencio**

belong to the **Ramsar** Convention list on wetlands

(1) Sustainable Protection and Resources managING audit tool



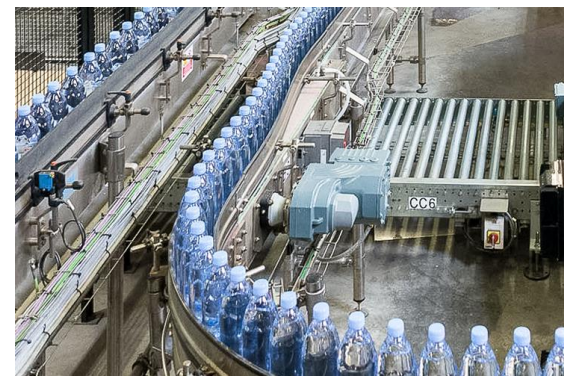
WATER IN AGRICULTURE



We work with farmers to promote agricultural practices optimizing water efficiency

Aqueduct Water Risk Atlas

tool used to manage risks in supply chain in 20 countries covering 8,000 farmers and milk collection centers



WATER IN OPERATIONS



We reduce water use in operations

Danone has reduced its water consumption intensity by **48%** in 2018, baseline 2000

Target: **60%** by 2020



WATER ACCESS



We expand access to safe drinking water

800,000 beneficiaries with access to safe drinking water with Danone Communities

Circular economy

Accelerating the transition towards a circular economy of packaging



LEVERAGING THE ACTIVIST
ROLE OF OUR BRANDS

PURSUING 100%
CIRCULAR BRANDS

OFFERING ALTERNATIVES
BEYOND PLASTIC & SINGLE USE

CO-DESIGNING
COLLECTION SYSTEMS



By 2025

- 1 All packaging will be **100% recyclable, reusable or compostable**⁽¹⁾ and **alternatives to plastic packaging** or **single-use packaging** launched in all major water markets
- 2 **Collection and recycling initiatives** launched or supported in all top-20 markets
- 3 **50% of recycled PET** in water and other beverage bottles⁽²⁾ and use of **renewable bio-based materials** developed at commercial scale

Collaboration through new alliances to address roots causes of plastic waste and pollution

(1) vs. 87% in 2018, according to Ellen MacArthur foundation definition – Total packaging put on the market, based on sales volumes

(2) vs. 17% in 2018 in countries where allowed

Circular economy

Accelerating the transition towards a circular economy of packaging

 100% rPET
oct/2018



Indonesia's First
100% Recycled Plastic.
100% Recyclable.



AQUA 100% RECYCLED

We commit to accelerate packaging innovation to address plastic waste challenges in Indonesia
#BijakBerplastik #BaiknyaBerulang

 Q1 2018

THIS BOTTLE IS MADE FROM RENEWABLE SUGAR CANE!



SO DELICIOUS DAIRY FREE
ORGANIC almondmilk WITH CASHEW
UNSWEETENED

fall in love with the bottle too. We start with renewable sugarcane* which is turned into your bottle made from at least 80% plants** it is also recyclable***

That's a choice you can celebrate with every sip!

48 FL. OZ. (1.5 QTS) 1.4 L



 Q2/Q3 2018

Vitivitencioso

Volvic
EAU MINÉRALE NATURELLE

RECYCLABLE PAPER SUSTAINABLE CARTON



 100% rPET
Q1 2019

Aqua d'Or
UDEN BRUS

100% NATURLIGT MINERALVAND
GENBRUGS PLAST



Volvic
EAU MINÉRALE NATURELLE
100% PLASTIQUE RECYCLÉ
NOUVEAU 8L



 100% rPET
Q2 2019

ZYWIEC ZDRÓJ
NIEGAZOWANY
5L
NOWA BUTELKA W 100% PLASTYKU RECYKLOWANYM



 100% rPET
Q1 2019

evian

fully recycled & refillable,
Q2 2019





100% rPET
aug/2018 

100% Reciclada Reciclable

¡Ya disponible!

PROYECTO Lanjarón
1.25L
AGUA MINERAL NATURAL
FUENTE SIERRA NEVADA



 100%

Regenerative Agriculture

Fostering regenerative agriculture practices



Protect soils



Sourcing **100%**

of ingredients produced in France from regenerative agriculture by 2025



Empower farmers



> 90%

of milk suppliers are smallholder farms (i.e. less than ten cows)

43%

of total milk volumes collected in Europe and in the U.S come from producers working under CPM contracts ⁽¹⁾



Respect animal welfare



43%

of fresh milk volumes worldwide assessed on animal welfare ⁽²⁾

50%

of non-organic fresh milk volume converted to non-GMO Project verified in the U.S. in 2018

⁽¹⁾ CPM contracts: Cost Performance Contracts reducing milk price volatility, offering farmers greater financial stability and enabling them to plan ahead

⁽²⁾ Assessed in 14 countries covering more than 80% of fresh milk volumes through the animal welfare assessment tool or via Validus certification in the Essential Dairy and Plant-Based Division

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Remuneration
practices

Our governance framework

Key corporate governance principles

- ✓ **Independent** oversight of management and corporate strategy
- ✓ **Balanced** distribution of powers
- ✓ **Diverse and experienced** Board leadership
- ✓ **Appropriate** Board refreshment

April 2019 Shareholders' Meeting

100% resolutions approved

	Resolutions	Approved ?	Favorable votes
1	Approval of the statutory financial statements for the fiscal year ended December 31, 2018	✓	99.70%
2	Approval of the consolidated financial statements for the fiscal year ended December 31, 2018	✓	99.65%
3	Allocation of earnings for the fiscal year ended December 31, 2018 and setting of the dividend at €1.94 per share	✓	99.76%
4	Renewal of the term of office of Mr. Franck RIBOUD as Director	✓	95.71%
5	Renewal of the term of office of Mr. Emmanuel FABER as Director	✓	80.22%
6	Renewal of the term of office of Mrs. Clara GAYMARD as Director	✓	97.97%
7	Approval of agreements entered into with the J.P. Morgan group referred to in Articles L. 225-38 and seq. of the French commercial code	✓	74.57%
8	Approval of the components of compensation paid or awarded for the fiscal year ended December 31, 2018 to Mr. Emmanuel FABER, Chairman and Chief Executive Officer	✓	97.65%
9	Approval of the compensation policy for the corporate officers	✓	97.21%
10	Authorization granted to the Board of Directors to purchase, retain or transfer Company's shares	✓	99.00%
11	Delegation of authority to the Board of Directors to issue, with preferential subscription right of the shareholders, ordinary shares and securities	✓	96.39%

April 2019 Shareholders' Meeting

100% resolutions approved

	Resolutions	Approved ?	Favorable votes
12	Delegation of authority to the Board of Directors to issue, without preferential subscription right of the shareholders but with the obligation to grant a priority right, ordinary shares and securities	✓	96.87%
13	Delegation of authority to the Board of Directors to increase the number of securities to be issued in the event of a capital increase without preferential subscription right of the shareholders	✓	94.22%
14	Delegation of authority to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, in the event of a public exchange offer initiated by the Company	✓	96.90%
15	Delegation of powers to the Board of Directors to issue ordinary shares and securities, without preferential subscription right of the shareholders, in consideration for contributions in kind granted to the Company and comprised of equity securities or securities giving access to share capital	✓	96.59%
16	Delegation of authority to the Board of Directors to increase the Company's share capital through incorporation of reserves, profits, premiums or any other amounts that may be capitalized	✓	99.85%
17	Delegation of authority to the Board of Directors to increase the share capital in favor of employees who are members of a company's savings plan and/or to carry out reserved sales of securities, without preferential subscription right of the shareholders	✓	99.49%
18	Delegation of authority to the Board of Directors to increase the share capital in favor of employees of foreign companies of Danone's group, in the context of employee shareholding plans, without preferential subscription right of the shareholders	✓	99.08%
19	Authorization granted to the Board of Directors to allocate existing or newly issued shares of the Company, without preferential subscription right of the shareholders	✓	98.88%
20	Authorization granted to the Board of Directors to reduce the share capital by canceling shares	✓	99.40%
21	Powers to carry out the formalities	✓	99.51%

Governance structure

A balanced distribution of powers

Chairman and CEO

Combined role

- Facilitated decision-making, more responsive governance
- In line with Danone's tradition and culture

Limits on powers for certain decisions to be authorized by the Board

Combination of the roles discussed annually by the board

Lead Independent Director

In existence since 2013; enhanced duties, resources and responsibilities since Dec. 2017⁽¹⁾

- Organization of the Board's work (notably reviewing meetings' agenda)
- Relations with Directors (notably during executive sessions)
- Involved in Board assessment process and annual performance assessment
- Recruitment process for new Board members
- Facilitation of governance dialogue with shareholders
- Access to all documents and regular meetings with executive teams

Board and Committees

3 committees: Audit, Governance, and newly created Purpose & Engagement

- High proportion of independent Directors allowing to exercise full oversight
- **New Purpose & Engagement Committee since last AGM**, responsible for monitoring the implementation of the 2030 goals and for having a dialogue with employees on strategic orientations

(1) As defined in the provisions of the rules of procedure of the Board available on Danone's website www.danone.com

Board of Directors at a glance

Balanced Board composition focused on efficiency, diversity and expertise



Emmanuel FABER
Chairman & CEO

Board leadership



Michel LANDEL
Lead independent director



Guido BARILLA



Frédéric BOUTTEBA



Cécile CABANIS



Gregg L. ENGLIS



Clara GAYMARD



Gaëlle OLIVIER



Benoît POTIER




Franck RIBOUD
Honorary Chairman




Isabelle SELLIER




Jean-Michel SEVERINO



Virginia A. STALLINGS



Bettina THEISSIG



Serpil TIMURAY



Lionel ZINSOU-DERLIN

i Independent Director

● Mandates ending in 2020

16 members

57% independent⁽¹⁾

43% women

36% non-French

~7 years average length of the 16 terms

(1) Directors representing employees are not taken into account in the determination of above percentages

Well-suited depth and breadth of Directors skills and qualifications

A more diversified Board, focused on Consumer expertise

General information		Participation to board committees			Directors expertise						
	Number of terms in listed companies	Audit Committee	Governance Committee	Purpose & Engagement Committee	Core skills				Sector-specific skills		
					Operational management of large companies/governance of listed companies	Experience in emerging markets	International experience	Finance/Audit/M &A	FMCG/Food and beverage industry	Social and environmental responsibility	Nutrition/Health
Emmanuel FABER	1				●	●	●	●	●	●	●
Michel LANDEL	1		○		●	●	●	●	●	●	●
Guido BARILLA	1			●	●	●	●		●	●	●
Frederic BOUTEBBA	1	●							●	●	
Cécile CABANIS	3				●	●	●	●	●	●	●
Gregg L. ENGLES	3				●	●	●	●	●	●	●
Clara GAYMARD	4		●		●		●	●		●	
Gaëlle OLIVIER	1	●			●	●	●	●		●	
Benoît POTIER	1		●	○	●	●	●	●		●	●
Franck RIBOUD	1				●	●	●	●	●	●	●
Isabelle SEILLIER	1				●	●	●	●		●	
Jean-Michel SEVERINO	2	○			●	●	●	●		●	●
Virginia A. STALLINGS	1			●			●			●	●
Bettina THEISSIG	1			●					●	●	●
Serpil TIMURAY	1			●	●	●	●	●	●	●	●
Lionel ZINSOU-DERLIN	3	●	●		●	●	●	●	●	●	●

Data post AGM 2019

○ Committee Chairman

Board Assessment Process and Findings from latest exercise

Process



- Conducted every two years (rotation of external and internal assessments)
- Yearly Board discussion on Board operations
- Results reviewed by the Nomination and Compensation Committee (now Governance Committee)
- Scope: Board performance and individual Director contribution
- Internal Board assessments led by the Lead Independent Director on the basis of interviews and questionnaires

2018 Internal Assessment



Main Findings:

- Board considered to be highly professional and involved
- Recognition of the quality of Board debates, thanks to the diversity and expertise of Directors

Main Recommendations:

- Need for a more in-depth risk-analysis
- Send Board documents earlier
- Extend Board meetings

Entrust Danone's people to create new futures

One Person, One Voice, One Share program

ONE
PERSON

ONE
VOICE

ONE
SHARE

Let's shape Danone TOGETHER

FROM SEPTEMBER 25TH TO OCTOBER 21ST
CONSULTATION

2

MAKE YOUR VOICE COUNT
PARTICIPATE IN THE SURVEY

2030 GOALS

The graphic features a central QR code inside a blue speech bubble with the number '2'. Surrounding the QR code are various colorful icons representing diversity and engagement, including human faces, a heart, a star, a leaf, and a hand. At the bottom, the 2030 Goals logo is displayed.

Digital consultation on company and local strategy

~75,000 participants
in October 2018

~90,000 participants
in October 2019



April 2019:
shareholders' meeting
Fostering an ownership mindset

One share
granted to every Danone employee

—
Employee
share subscription plan

One Person, One Voice, One Share

Our yearly routine



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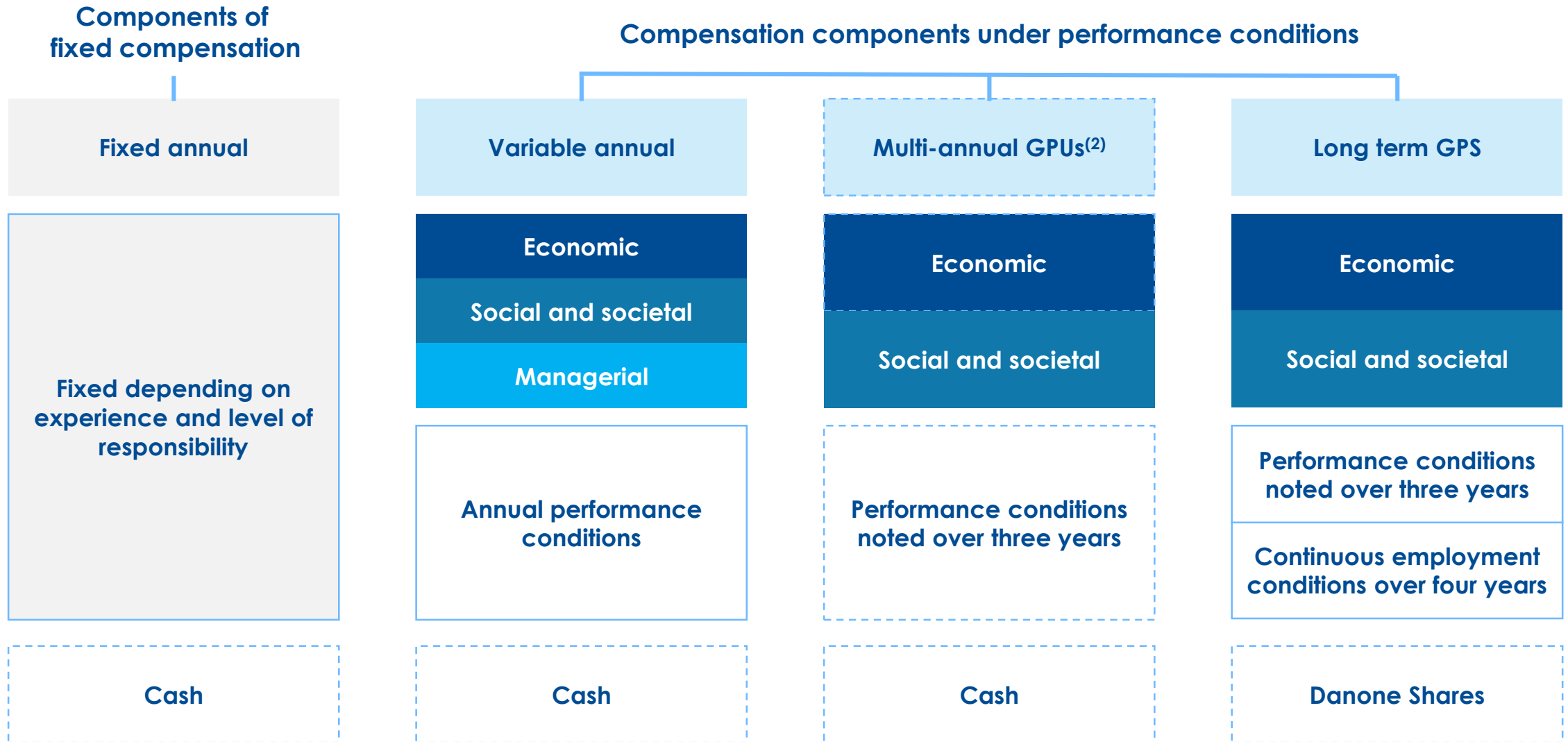
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Remuneration
practices

Management compensation structure⁽¹⁾

Overview of short-term and long-term incentives



(1) Program applies to 1,800 general managers and senior executives worldwide and corporate officers

(2) In an effort to simplify his compensation, no GPUs have been granted to Mr. Emmanuel FABER since 2017

Incentives supporting sustainable value creation

Balancing economic, social & societal, and managerial criteria

Short-term incentives

Mix of economic, social and managerial KPIs for annual variable compensation

- Economic (60%)
- **Social and societal (20%)⁽¹⁾**
- Managerial (20%)

Long-term incentives

Three financial criteria for grants of long-term performance shares, vesting after 4 years

- 3-year like-for-like sales growth relative to peers (50%)
- Achievement of 3-year cumulated free cash flow (between €6.2bn and €6.7bn) (30%)
- **Sustainability criteria, weighting for 20%:** 3 consecutive years ranking in CDP Leadership List for Climate change (A or A-) and score A assigned over 2 years (20%)

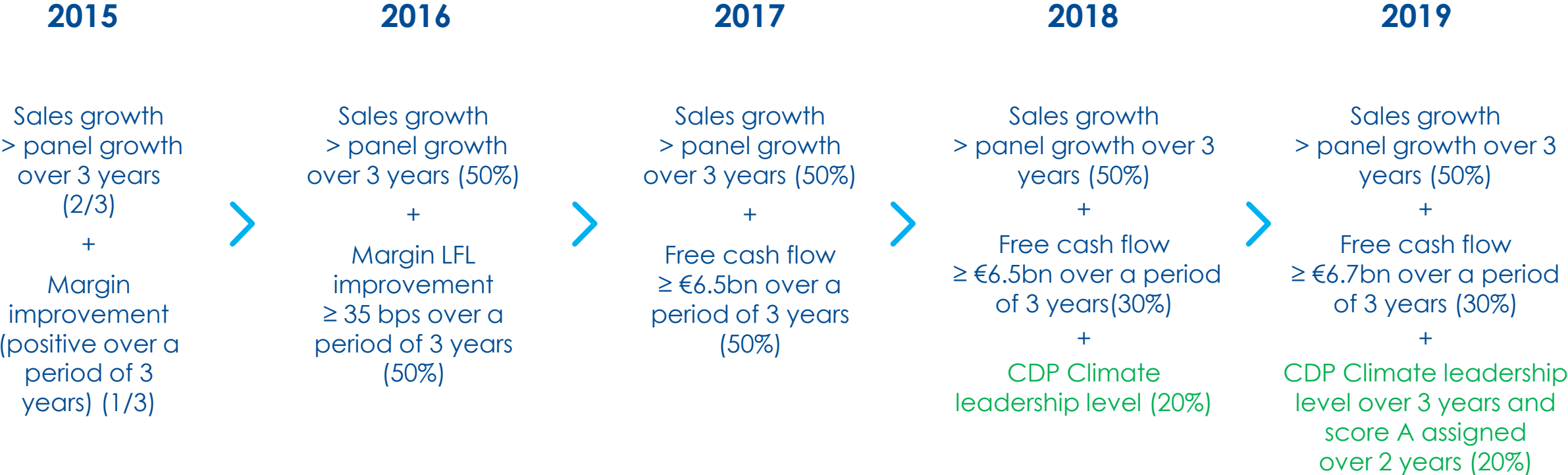


⁽¹⁾ Refers to Danone's societal and environmental initiatives

Changes to align long-term incentives with strategic objectives

Shifting from growth to margin and cash

GPS Performance based shares⁽¹⁾



(1) Target to get 100% grant



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Appendix 1 Governance considerations



Board of Directors

EMMANUEL FABER (55)



- Tenure: 16.5 years
- **Chairman & CEO, Danone**
- Former CEO of Legris Industries
- Previously served as Danone's Deputy General Manager and Vice-Chairman of the Board of Directors
- **Committees:** Executive

MICHEL LANDEL (67)



- Tenure: 1.5 year
- **Lead Independent Director**
- Former CEO, Sodexo
- **Committees:** Governance (Chairman)
- **Other Boards:** Louis Delhaize, Legrand

GUIDO BARILLA (61)



- Tenure: 1.5 year
- **Chairman of Barilla**
- Chairman of the Advisory Board of the BCFN Foundation
- **Committees:** Purpose & Engagement

FRÉDÉRIC BOUTEBBA (52)



- Tenure: 2.5 years
- **Director representing employees**
- Joined Danone in 1992 in the Sales Department
- Involved in Employee Representative Bodies
- **Committees:** Audit

CECILE CABANIS (47)



- Tenure: 1.5 year
- **EVP, CFO, IS/IT, Cycles and Procurement, Danone**
- Former CFO of the Fresh Dairy Products division, Danone
- **Other Boards:** Schneider Electric, Mediawan, Livelihood Fund (Chair)
- **Committees:** Executive

GREGG L. ENGLÉS (62)



- Tenure: 1.5 year
- **Founding partner and CEO of Capitol Peak Partners**
- Previously served as Chairman & CEO, WhiteWave Foods
- **Other Boards:** GCI Liberty, Inc.

CLARA GAYMARD (59)



- Tenure: 2.5 years
- **Co-founder of Raise**
- Former President of GE France
- **Committees:** Governance
- **Other Boards:** Veolia, LVMH, Bouygues

GAËLLE OLIVIER (48)



- Tenure: 4.5 years
- **Managing Director of Kyouko**
- Former CEO, AXA Global P&C
- Former CEO, AXA General Insurance
- **Committees:** Audit

BENOÎT POTIER (62)



- Tenure: 15.5 years
- **Chairman & CEO, Air Liquide SA**
- Founder and Chairman of Foundation Air Liquide
- **Committees:** Governance, Purpose & Engagement (Chairman)
- **Other Boards:** Air Liquide (Chairman), Siemens

FRANCK RIBOUD (63)



- Tenure: 26.5 years
- **Honorary Chairman, Danone**
- Former Chairman and CEO of Danone
- **Other Boards:** Rolex France SAS, Rolex Holding SA, Boardriders

ISABELLE SEILLIER (59)



- Tenure: 7.5 years
- **Vice President of Investment Banking EMEA, J.P. Morgan**
- Held prior positions at Société Générale in Paris

JEAN-MICHEL SEVERINO (62)



- Tenure: 7.5 years
- **Head of Investisseurs et Partenaires Conseil**
- Former CEO of the Agence Française de Développement (AFD)
- **Committees:** Audit (Chairman)
- **Other Boards:** Orange SA

VIRGINIA A. STALLINGS (69)



- Tenure: 6.5 years
- **Professor of Pediatrics at the Children's Hospital of Philadelphia**
- Director of Nutrition Center at Philadelphia Children's Hospital
- **Committees:** Purpose & Engagement

BETTINA THEISSIG (57)



- Tenure: 4.5 years
- **Director representing employees**
- Chair of Milupa's Works Council and Central Works Council
- Member of Danone Group's European Works Council and its steering committee
- **Committees:** Purpose & Engagement

SERPIL TIMURAY (50)



- Tenure: 3.5 years
- **Chief Executive Officer Europe and member of the Executive Committee, Vodafone Group**
- Previously served as Group Chief Commercial Operations and Strategy Officer of Vodafone Group, GM of Danone Turkey
- **Committees:** Purpose & Engagement

LIONEL ZINSOU-DERLIN (65)



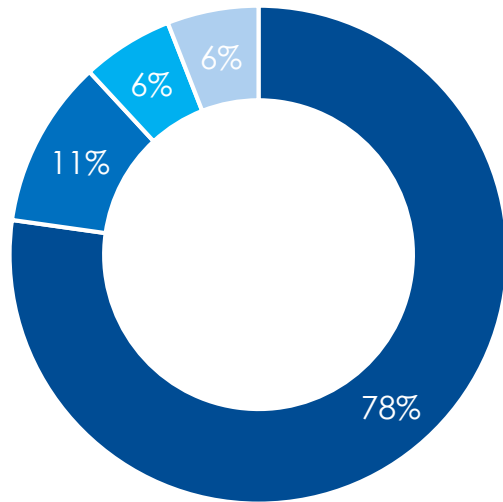
- Tenure: 4.5 years
- **Vice President of the Supervisory Board of PAI Partners SAS**
- Former Prime Minister of Benin
- Former Chairman of PAI Partners and Advisor to the French Ministry of Industry
- **Committees:** Audit, Governance

L = Lead Independent Director **I** = independent Director **E** = Director representing Danone's employees

Our shareholders

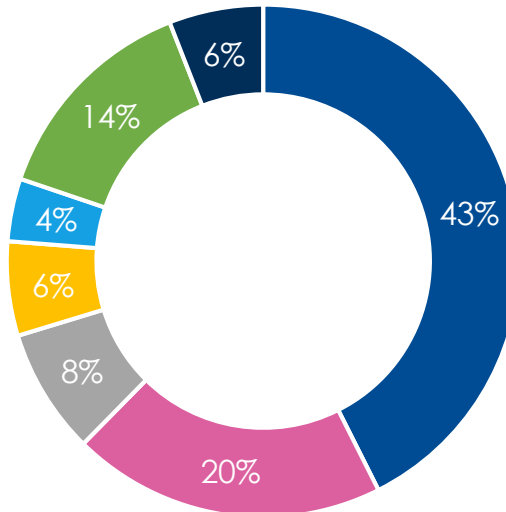
Among top-15 largest market capitalizations in France

Total shareholder composition



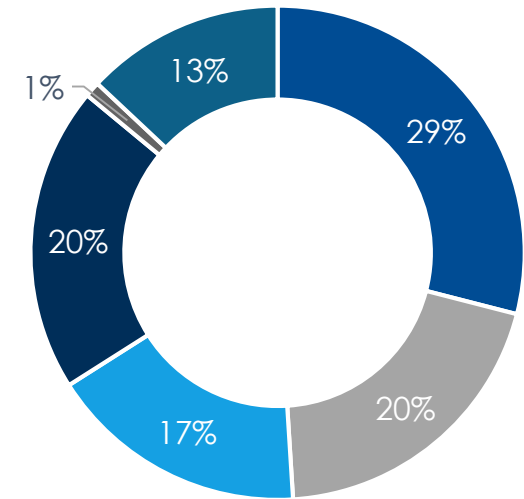
- Institutional investors
- Individual Shareholders and "Fonds Danone" FCPE⁽¹⁾
- Treasury shares and Company related
- Trading and miscellaneous

Institutional shareholders by geography



- United States
- France
- United Kingdom
- Switzerland
- Germany
- Rest of Europe

Institutional shareholders by investment style



- Value
- GARP
- Index
- Growth
- Hedge Fund
- Other

Source: Nasdaq as of 31 December 2018; (1) Out of which 1.3% from employee shareholding



DANONE
ONE PLANET. ONE HEALTH

Appendix 2 Performance indicators



Nutritional commitments to provide health through food



(1) Danone has decided that, for media and advertising where the target is mainly made up of children between the ages of 3 and 12 - and where there is no state recognised self-limitation programme (such as PAOS in Spain), Danone restricts its advertising to products whose nutritional profile and portion size are suitable for the requirements of children aged 3 to 12, in line with public health priorities.



Better products

89% of volumes sold are in healthy Categories ⁽²⁾

78% of volumes sold are in line with the 2020 Nutritional Targets

10% of volumes sold are products that have been improved from a nutrition standpoint within the year



Better choices

98% compliance of registered television advertising with the EU Pledge criteria⁽³⁾

100% of Danone's websites and brand profiles are compliant with the EU Pledge criteria ⁽⁴⁾

30 education and information programs are active and **35** million people were potentially reached since their launch



Better consumptions and a demanding governance

13,000+ employees are trained in nutrition and/ or hydration in the last two years

(1) One Health Scorecard: representing 61 reporting entities and 65.2% of Danone's annual turnover.

(2) Refers to water, yogurts, milks and other daily dairy products, beverages with 0% sugar, early life nutrition products (except biscuits and beverages for children under 3 years old) and medical nutrition. Excludes WhiteWave activities.

(3) This percentage covers the followed audited countries: France, Germany, Hungary, Italy, Portugal, Spain, U.K

(4) This percentage covers the followed audited countries: Belgium, Bulgaria, France, Germany, Greece, Italy, Spain and Sweden

2018 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

2018 Nature achievements and targets



CLIMATE

2018 Performance

Targets

We are fighting climate change by reducing our carbon footprint and helping nature sequester more carbon

Reduction in CO₂ footprint Intensity (g CO ₂ equivalent/Kg product)	15.6 % Intensity reduction Danone Full scope vs 2015	50% intensity reduction Full scope 2015-2030 Zero net Carbon by 2050
Reduction in CO₂ footprint Absolute reduction(tons CO ₂ equivalent)	20.3% absolute reduction on Danone's scope 1 and 2 emissions vs 2015	30% absolute reduction on Danone's scope 1 and 2 emissions by 2030
Renewable electricity KWh	34% renewable electricity	100% renewable electricity by 2030; 50% by 2020
Reduce energy consumption of factories Intensity (KWh/tons of products)	46% energy intensity reduction vs 2000	60% energy intensity reduction by 2020
Eliminate deforestation from our supply-chain Relevant standards specific to each commodity	Palm oil : 58% RSPO Segregated and 96% RSPO segregated excluding WhiteWave Paper & Board : 79% recycled or Virgin FSC certified	Eliminate deforestation by 2020 for commodities at risk: Paper & Board; Palm Oil; Soy for animal feed; Sugar; timber
evian Zero net carbon	Carbon neutrality in NORAM achieved	Zero net carbon by 2020

WATER

We are protecting water resources, particularly when scarce, and using them in harmony with local ecosystems and communities

Protect natural mineral water resources in our watersheds % Waters division sites	100% of Waters division sites have run SPRING audits	100% of Waters division sites have run SRPING audits by 2020
Reduce water consumption in production sites water consumption intensity related to production process (M ³ /tons of products)	48% water consumption intensity reduction vs 2000	60% of water consumption intensity reduction by 2020

CO₂ and food waste reduction data are based on a constant consolidation scope and a constant methodology. All other KPI are followed based on historic values.

2018 Nature achievements and targets



PACKAGING

2018 Performance

Targets

We are committed to playing our part in accelerating the transition towards a circular economy and to having all of our packaging recyclable, reusable or compostable by 2025.

Use 100% recyclable, reusable or compostable packaging	87% of our total packaging is recyclable, reusable or compostable	100% of our total packaging is recyclable, reusable or compostable by 2025
Reintegrate recycled materials % of rPET used in Waters division	12% rPET in Waters division and 17% in countries where local standards and regulations allow it	50% rPET on average in the Waters division by 2025 and 25% by 2020 in countries where local standards and regulations allow it
Zero plastic landfill for post-industrial packaging waste % post-industrial packaging waste diverted from landfill	97% of post-industrial packaging waste diverted from landfill	Zero plastics landfill by 2020 in countries with developed collection systems and by 2025 in all our production sites

REGENERATIVE AGRICULTURE

We are working with our partners to develop regenerative farming models that are competitive, inclusive and resilient.

Respect animal welfare Animal welfare in dairy farms in the Essential Dairy and Plant-Based division	43% of fresh milk volumes worldwide assessed through the new Animal Welfare Assessment Tool or via Validus Animal Welfare Certification, in Essential Dairy and Plant-Based division	80% of fresh milk volumes worldwide assessed through the new Animal Welfare Assessment Tool or via Validus Animal Welfare Certification by 2020 in Essential Dairy and Plant-Based division
Promote regenerative agricultural practices	50% of non-organic fresh milk volumes converted to non-GMO Project verified in the U.S	50% of non-organic fresh milk volumes converted to non-GMO Project verified in the U.S by 2018
Source raw materials sustainably	Palm oil: 58% RSPO Segregated and 96% RSPO segregated excluding WhiteWave	

PREVENTING FOOD WASTE

We are preventing food-waste and maximizing its recovery within our own operations

Reduce by 50% non recovered food waste Baseline defined according to FLW Protocol	1.6% increase of food waste within Danone operations vs 2016 (mainly due to Morocco boycott)	50% reduction by 2025
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