



DANONE
ONE PLANET. ONE HEALTH

SRI Forum
Exane BNP Paribas

November 28th, 2018



Agenda

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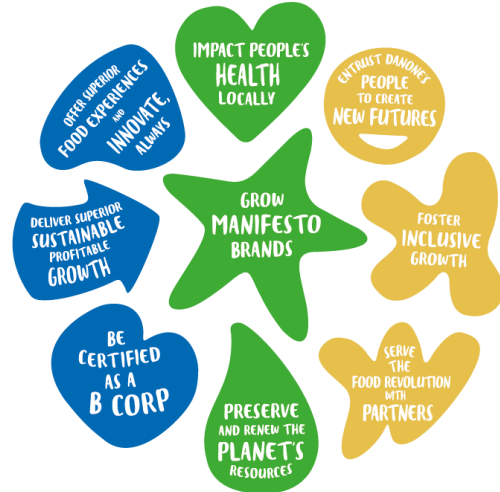


DANONE

ONE PLANET. ONE HEALTH

Danone
at a glance

2



ESG strategy
embedded in
our 2030 goals

3



Governance
practices

4



Appendix
Performance
indicators and
case studies

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DANONE

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**Danone
at a glance**

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**ESG strategy
embedded in
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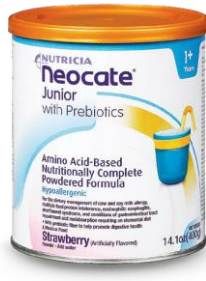
**Appendix
Performance
indicators and
case studies**

Unique health-focused portfolio

Fully aligned with the ongoing Food revolution

29%

Specialized Nutrition



53%

Essential Dairy and Plant-Based



18%

Waters



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

% of sales in H1 2018. (1) Refers to water, yogurt and other daily dairy products, baby milks & foods, milks and milk powders, beverages with 0% sugar and medical nutrition. Based on official public health recommendation, these categories are generally suitable for daily consumption.

A multi-local food and beverage leader

Delivering broad-based performance

Global presence



120+

countries where products
are available

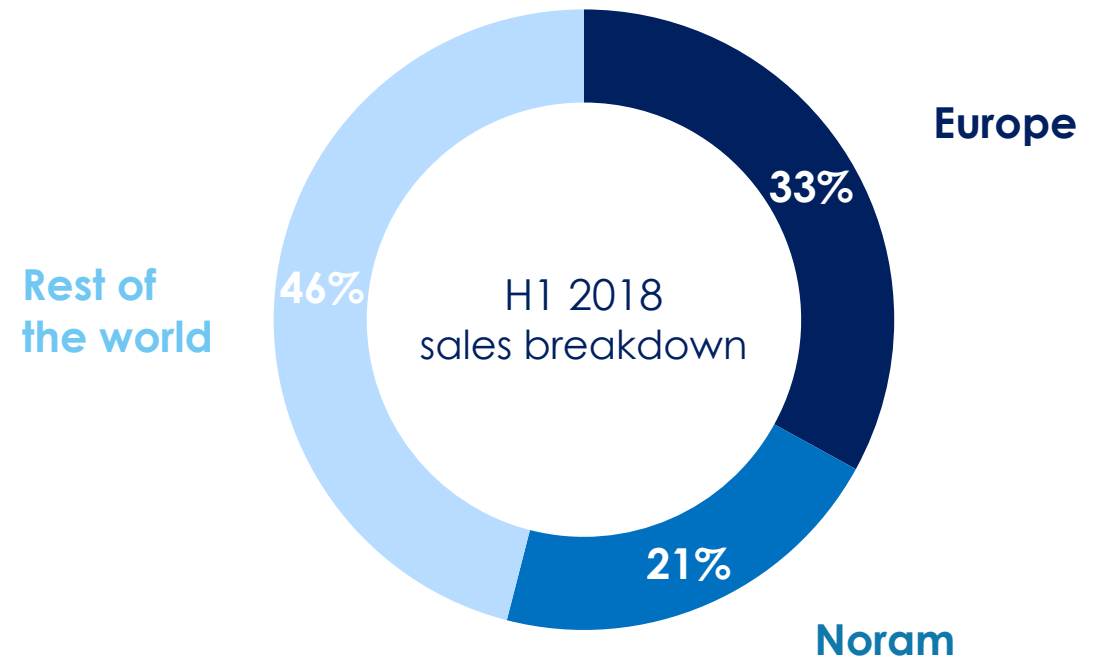
55%+

local brands in 2017
as a percentage of sales

100,000+

employees

Well balanced geographic exposure



Strong track record in delivery and transformation since 2014

Rebalancing the growth model

Sales



€ **24.7** bn

FY2017

Recurring operating margin



14.4%

FY2017

+3.7%

2014-3Q18 CAGR⁽¹⁾

+180 bps

since 2014

⁽¹⁾ Like-for-like New Danone

Delivering superior ESG performance

Recognized top performer, continuously improving



68/100
Advanced Performers
+ 3 points compared to 2017
Danone sector leader



68/100
+ 5 points compared
to 2017⁽¹⁾



AAA



1/10
Best score
in Social Reporting⁽²⁾



FTSE4Good

Part of the FTSE4Good
Index Series



TOP 3 performing food
companies **# 1**
in marketing for
breastmilk substitutes



CLIMATE

A-
Leadership level



WATER

A List
Leadership level

(1) Due to stricter and significant methodology changes, all 2017 scores have been recalculated by DJSI on a like-for-like basis.

(2) Danone's score as per October 2018

Our ambition

Lead the way to create and share sustainable value



ONE PLANET. ONE HEALTH

Healthier

eating and drinking



Responsible

business stewardship



Sustainable

value



**SUPERIOR
SUSTAINABLE
PROFITABLE
GROWTH**

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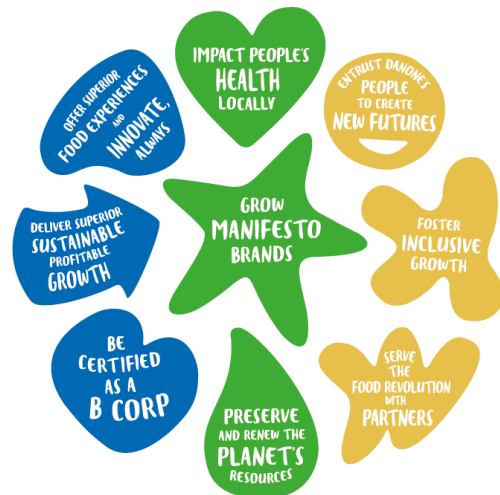


DANONE

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at a glance

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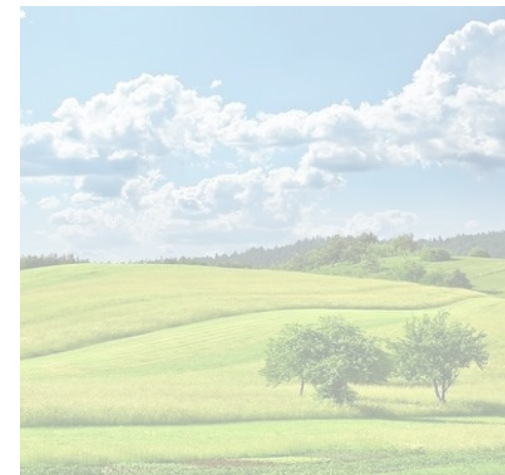
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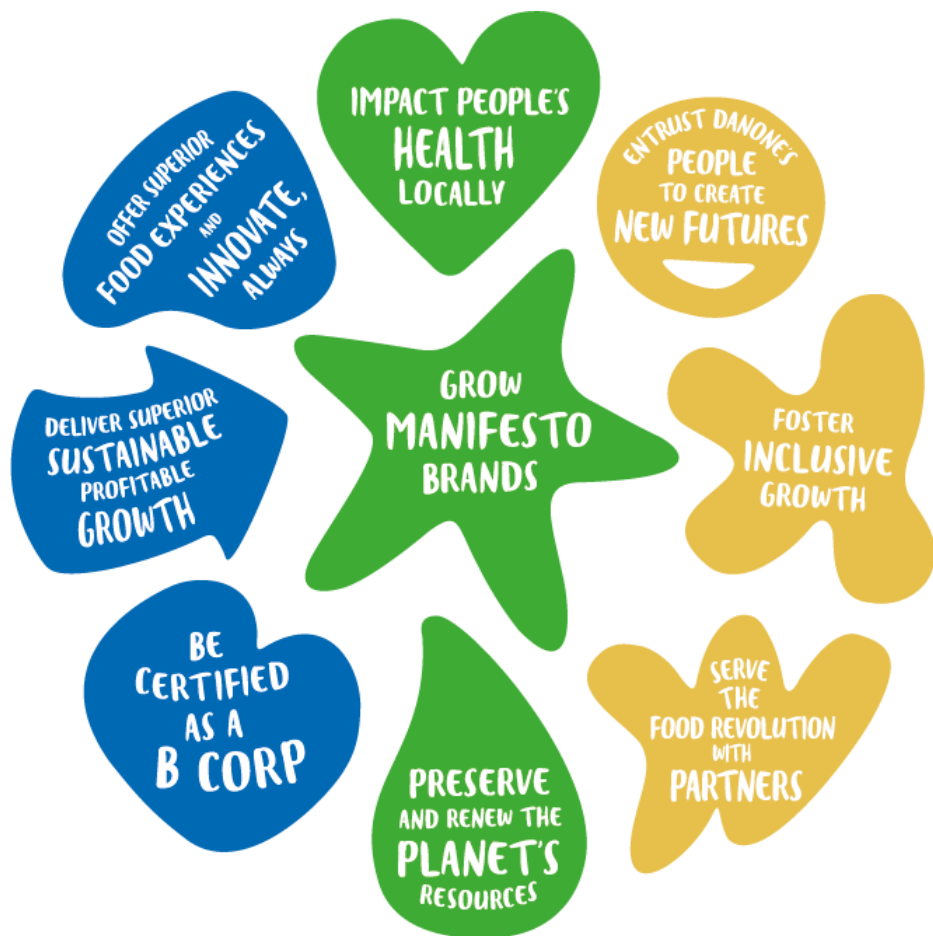
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Our strategic roadmap

9 integrated goals for 2030, contributing to the United Nations SDGs

OUR BRAND MODEL

OUR
BUSINESS
MODEL



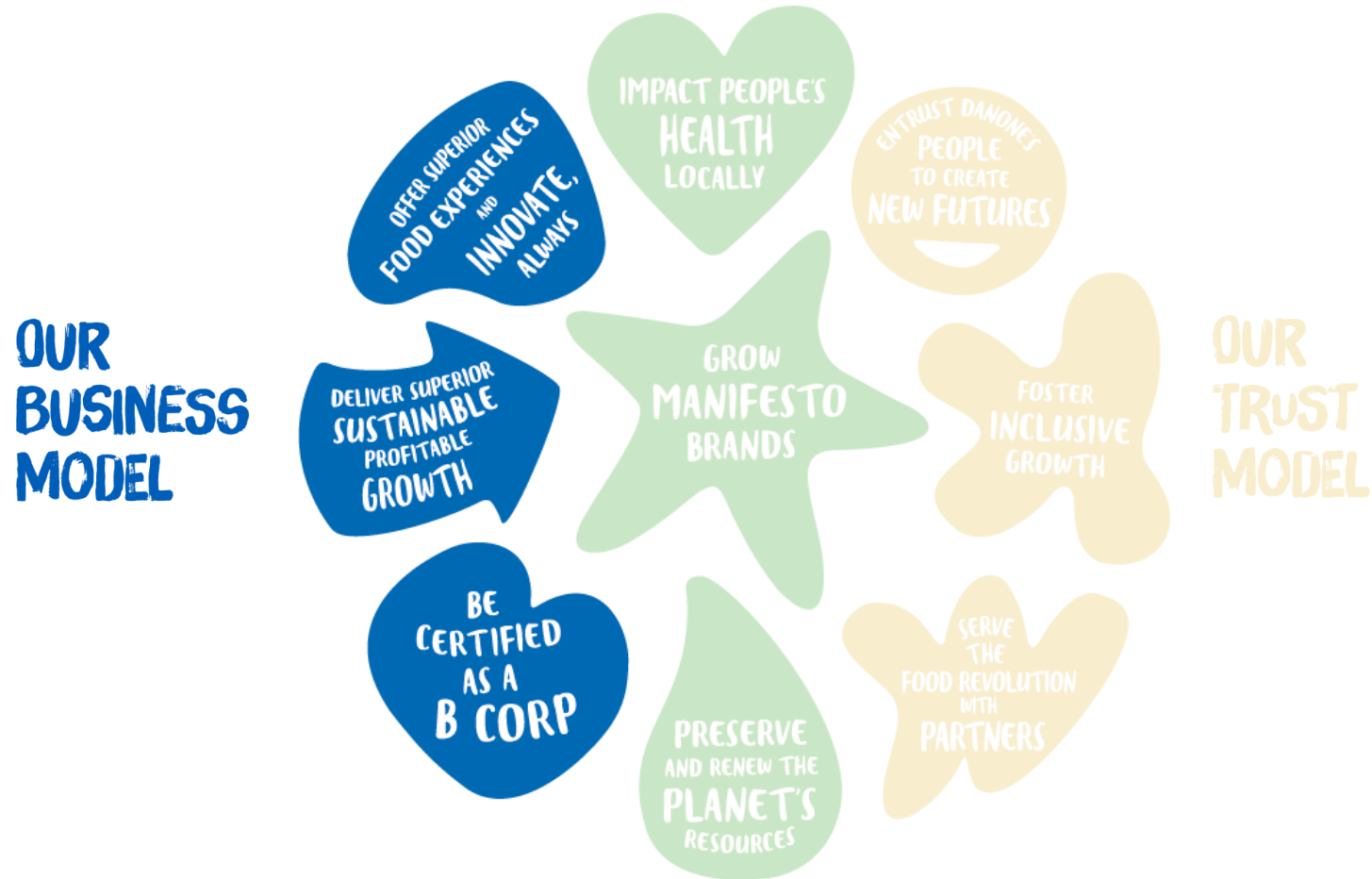
OUR
TRUST
MODEL



OUR BUSINESS MODEL

We will grow as a B Corp™, innovating to offer superior food experiences

OUR BRAND MODEL

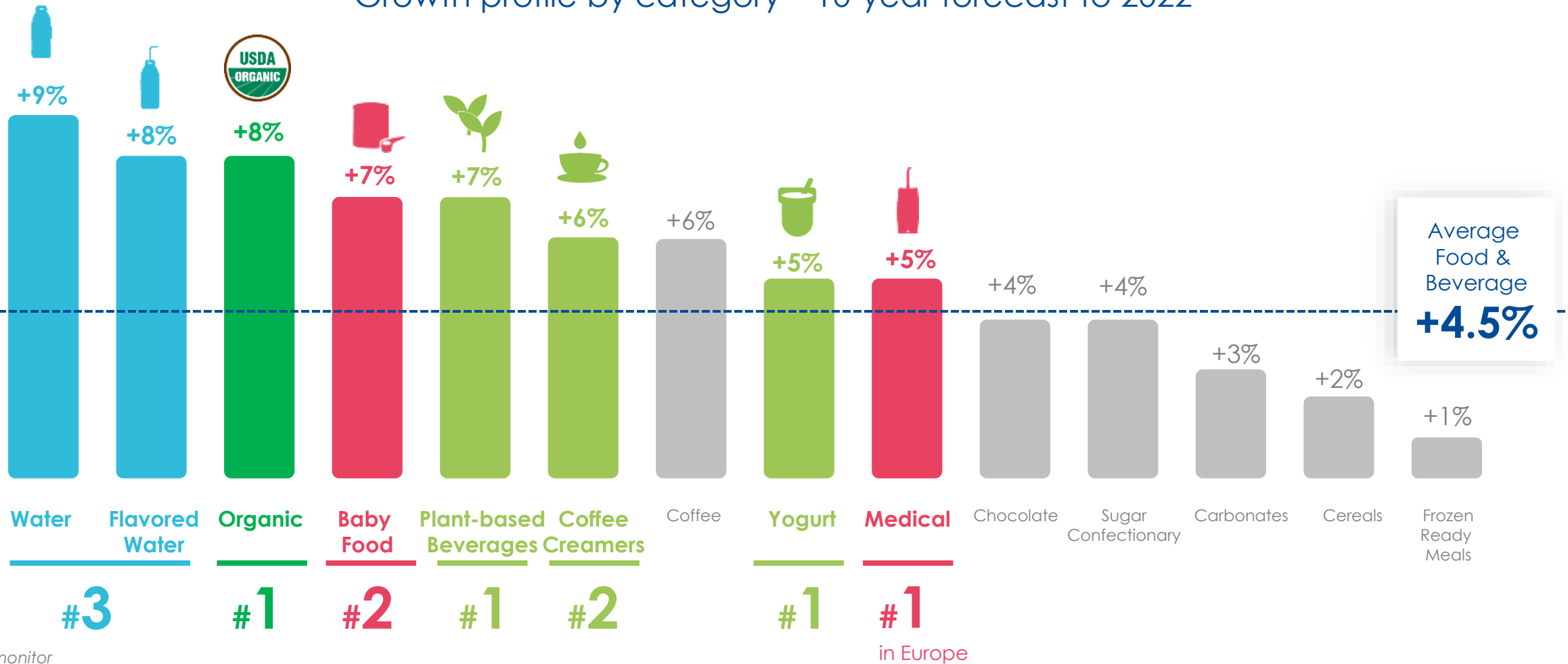


Deliver superior sustainable profitable growth

Superior growth profile as consumers move to healthier nutrition



Growth profile by category – 10-year forecast to 2022



Source: Euromonitor

Deliver superior sustainable profitable growth

Progressing well against our mid term financial objectives



(1) Like-for-like New Danone

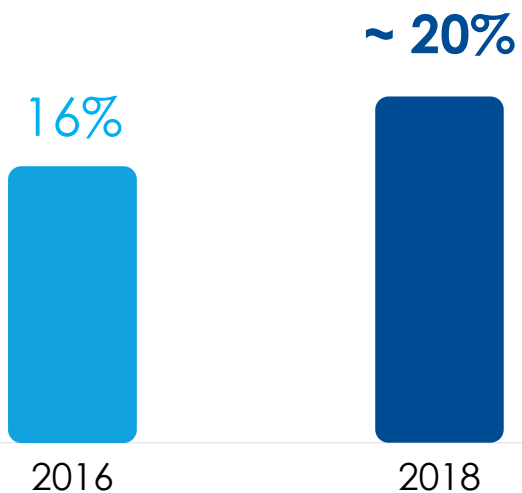
(2) Capital gain from Stonyfield sale and Fonterra reimbursement

Offer superior food experiences and innovate, always

Valorized innovations driving value growth

OFFER SUPERIOR
FOOD EXPERIENCES
AND
INNOVATE,
ALWAYS

Innovations⁽¹⁾
% of net sales



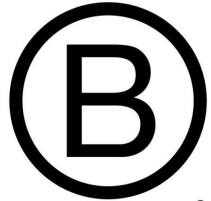
(1) Innovations & renovations over the last 24 months

Be certified as a B Corp™

Responsible business stewardship embedded into our strategy



Certified



Corporation

... A Common Goal: using business as a force for good

... A Trustmark: highest ESG standards

... A Business Opportunity: catalyst for consumer reach

External
recognition of our
achievements

A driver
of engagement and
transformation

A trusted reference
for consumers

*“I think B Corporations will make more profits
than other types of companies”*

Robert Shiller, Nobel Laureate of Economics

Be certified as a B Corp™

Danone North America is the largest B Corp™ company in the world



Our ambition: to be **one of the first multinationals** to achieve **full B Corp™ Certification as a global entity**



11 entities certified to date
~30% of Danone global sales B Corp™ certified



Danone dairy entity in Spain (Danone S.A.)



Danone dairy entity in the U.K. (Danone Ltd)



Happy Family in the U.S. (Nurture)



Danone North America in the U.S.



Aguas Danone de Argentina



AQUA in Indonesia (PT Tirta Investama)



Les Prés Rient Bio in France



Danone Canada (Danone Inc.)



Alpro in Belgium



DANONE ONE PLANET. ONE HEALTH

MANIFESTO VENTURES



Grameen in Bangladesh

Be certified as a B Corp™

Using sustainability as a key financial competitive advantage



February 2018

Syndicated **€2 bn** credit
facility refinancing

Payable margin adjusted yearly
to integrate ESG criteria⁽¹⁾

Mars 2018

First emission of a
social bond
by a multinational company⁽²⁾

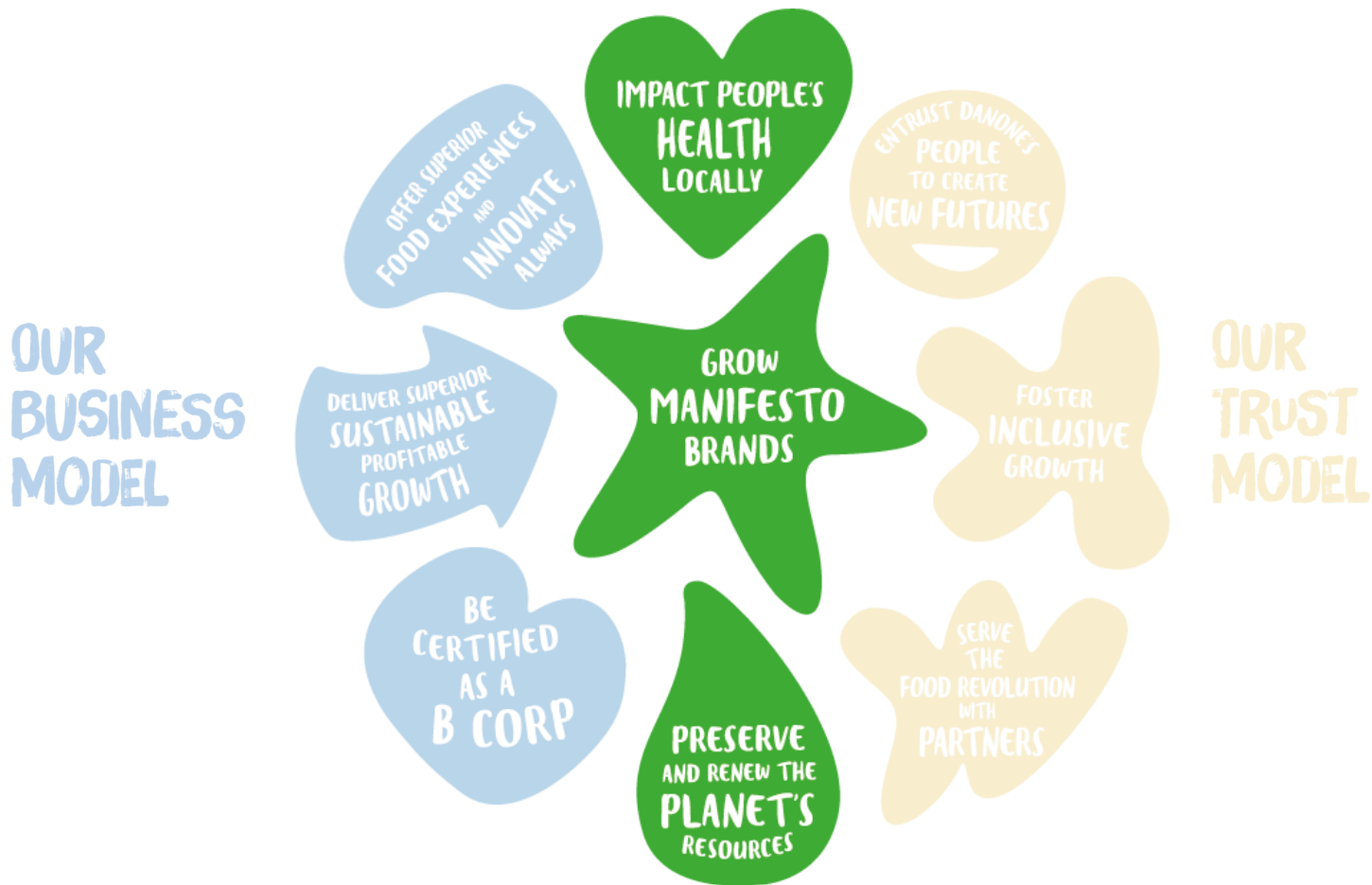
€300m
to finance projects
with a positive social impact

(1) Payable margin adjusted to reflect scores granted to Danone by Sustainalytics & Vigeo Eiris and % of B Corp consolidated sales of Danone

(2) Respecting new social bonds principles set in June 2017 by the International Capital Market Association

OUR BRAND MODEL

We will grow what we call Manifesto brands to protect and nourish both the health of the people and the health of the planet



Impact people's health locally

Promoting better food behaviours



Better Products

We continuously improve our products' nutritional profile

2020 > 100% of sales in line with Nutritional Targets⁽¹⁾

77%

of our sold volumes are in line with the sugar target

21%

of our sold volumes are products nutritionally improved in the past three years

Better Choices

We innovate to create and promote healthier alternatives

2020 > 50% of net sales covered with Healthier Choices studies⁽²⁾



Inspiring children towards better choices

Better Habits

We encourage healthier eating and drinking practices

2020 > 100% of top countries covered by Better Habits⁽³⁾



"Eat Like a Champ" program in the UK

(1) In 2017, Danone has defined its targets on Health & Nutrition including targets on sugar, salt and saturated fat reduction

(2) A study on food and drinking consumption, choice and habits

(3) Countries where public health cause have been chosen and concrete actions linked to the cause have been implemented

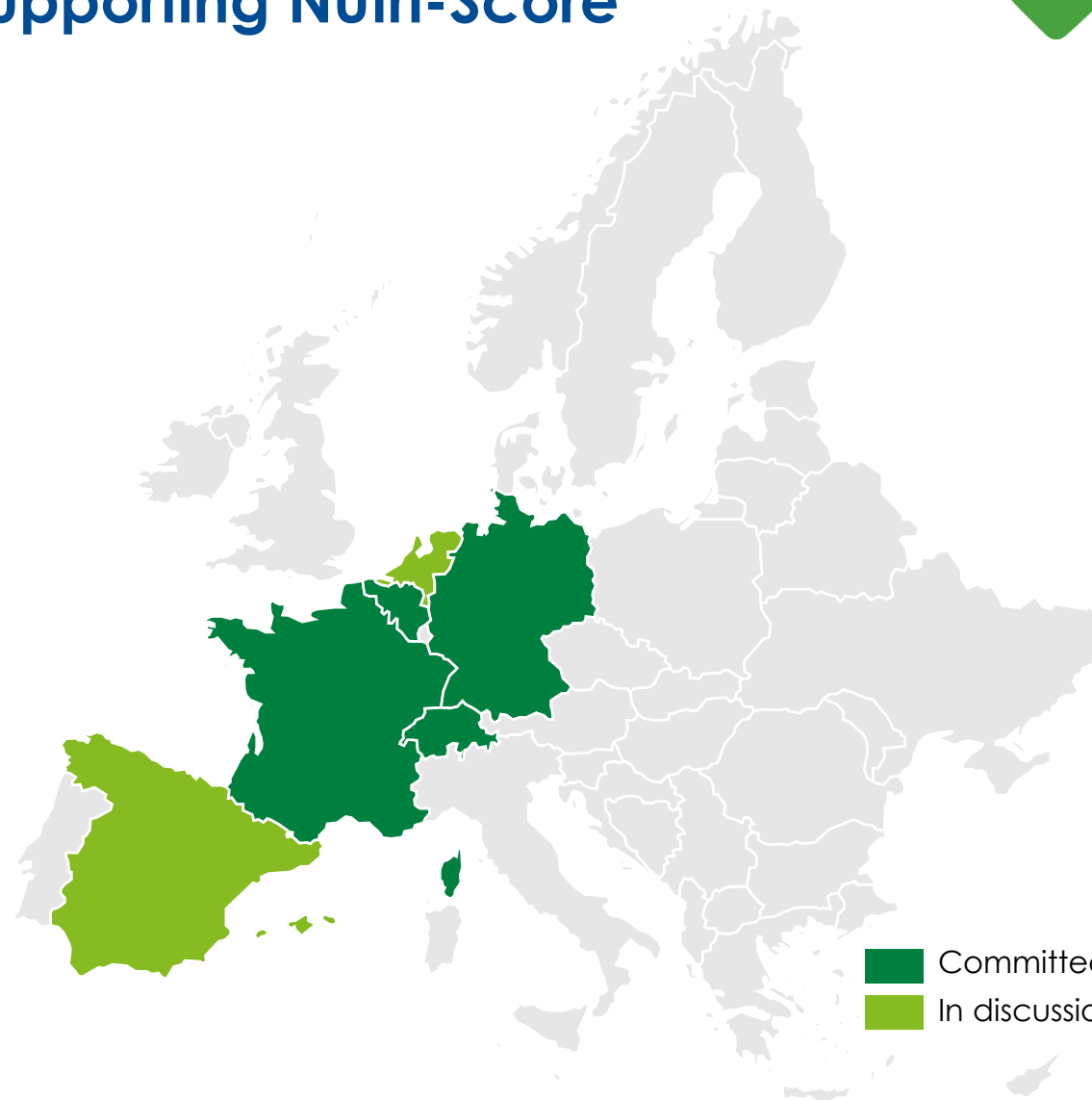
Impact people's health locally

Better choices through transparency: supporting 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



■ Committed
■ In discussion



Grow Manifesto brands

Purpose-driven brands with a positive impact on health, society and planet

10

Manifesto brands

accounting for **20%** of Danone sales in 2018



Growing **3X** faster⁽¹⁾



(1) 2017 vs 2016

Preserve and renew the planet's resources

One Planet strategy based on four pillars



Climate



Water



Circular Economy
(Packaging & Food Waste)



**Regenerative
Agriculture**



Preserve and renew the planet's resources

Climate: committed to carbon neutrality by 2050



Reduction in CO₂ footprint

Emission intensity (g/CO₂ equivalent/Kg product)

2017

10.5%

Intensity reduction full scope baseline 2015



TARGET

50%

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

Reduction in CO₂ footprint

Absolute emissions

2017

9.7%

Absolute reduction of scope 1 and 2 emissions baseline 2015



TARGET

30%

Absolute reduction on Danone scope 1 and 2 emissions by 2030

Renewable energy

2017

18.2%

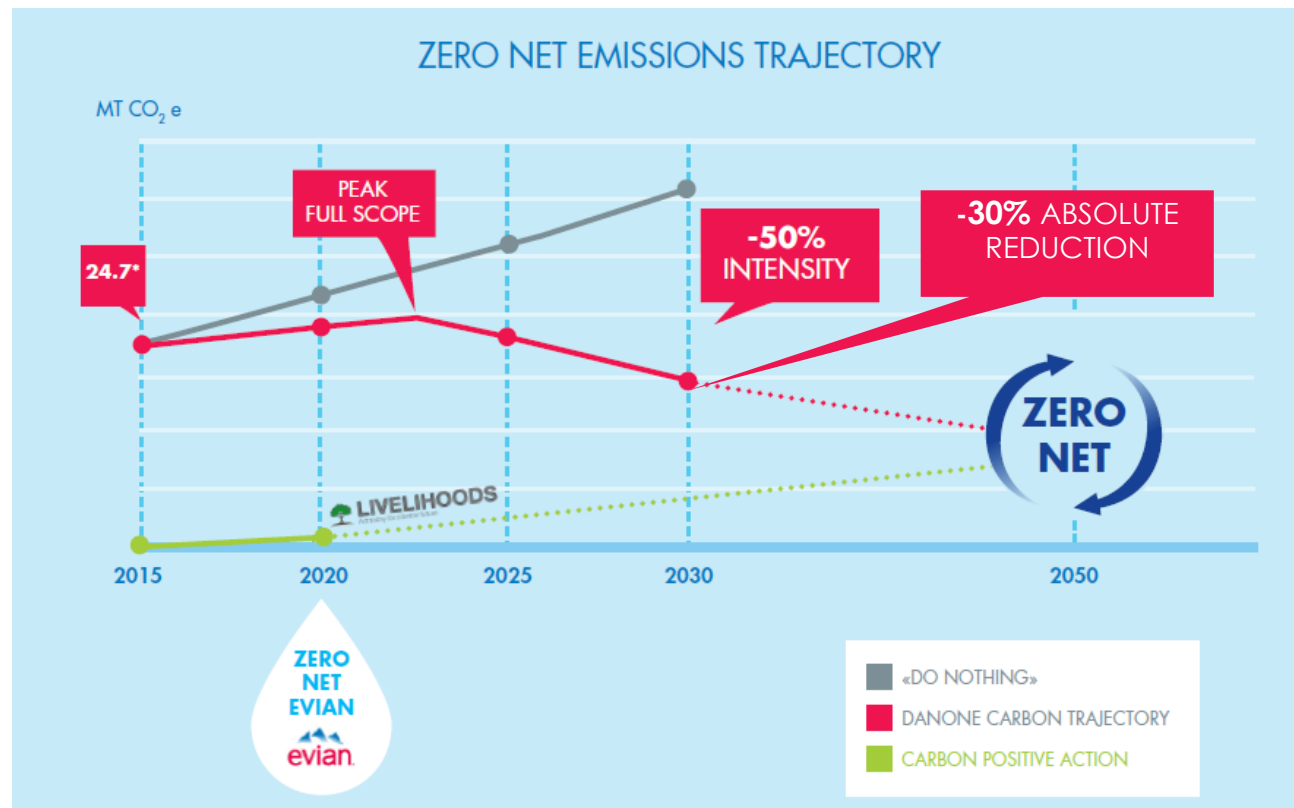
Renewable electricity



TARGET

100%

Renewable electricity by 2030, 50% by 2020



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Preserve and renew the planet's resources

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



WATER RESOURCES & ECOSYSTEMS

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



WATER IN AGRICULTURE

We work with farmers to promote agricultural practices maximizing water efficiency and preserving its quality



WATER IN OPERATIONS

We reduce water use in operations and return all wastewater to natural ecosystems clean

2020 > 100% compliance with Danone Clean Water Standards⁽¹⁾

In 2017, **67%** of sites are compliant

2020 > Decrease water intensity in factories by 60%

In 2017, Danone has reduced its water intensity by **50%**



WATER ACCESS

We expand access to safe drinking water and sanitation through innovative business models

In 2017, **700,000** beneficiaries had access to safe drinking water through

Danone Communities



⁽¹⁾ Danone's standards ensuring water returned to nature is of adequate quality for downstream ecosystem and users

Preserve and renew planet's resources

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. 86% today, according to Ellen MacArthur foundation definition – Total packaging put on the market, based on sales volumes
(2) vs. 14% today in countries where allowed (exception of Turkey and China)

Preserve and renew planet's resources 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!

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.

SO DELICIOUS DAIRY FREE ORGANIC almondmilk WITH CASHEW unsweetened SIMPLY 6 INGREDIENTS Featuring Organic Almonds & Cashews. CARRAGEENAN-FREE I'm green

simplicity has never tasted so good. When you're as passionate about deliciousness as we are, it's easy to understand why we love this simple, tasty recipe. Every ingredient has a purpose. Coconut sugar brings a subtle caramel-like sweetness. Light tasting and smooth. And made with only what's needed—nothing else. Sounds pretty great, right? Wait until you taste it.

Q2/Q3 2018

100% PLASTIQUE RECYCLÉ

100% rPET
apr/2019

100% BOTELLAS RECICLADAS

100% rPET
oct/2019

evian. ENSEMBLE, CONSTRUÍMOS UNA ECONOMÍA CIRCULAR. Juntos podemos construir una economía circular.

6x1,5L

50% rPET
nov/2018

100% rPET
aug/2018

**100%
Reciclada
Reciclable**

¡Ya disponible!

100%

Preserve and renew the planet's resources

Fostering regenerative agriculture practices



Protect soils



Danone is collaborating with WWF to implement new practices

Danone joined the 4 per 1000 initiative collaborating on soil health and soil carbon sequestration



Empower farmers

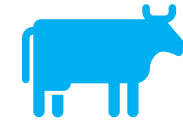


Danone provides technical and financial support to

>100,000 farmers

75% volume from direct sourcing

Animal Welfare



Collaboration with Compassion In World Farming

In 2017, **90%** of our milk volumes in the US come from farms certified by Validus.

In 2019, **100%** of eggs and egg ingredients used by Danone will be cage-free

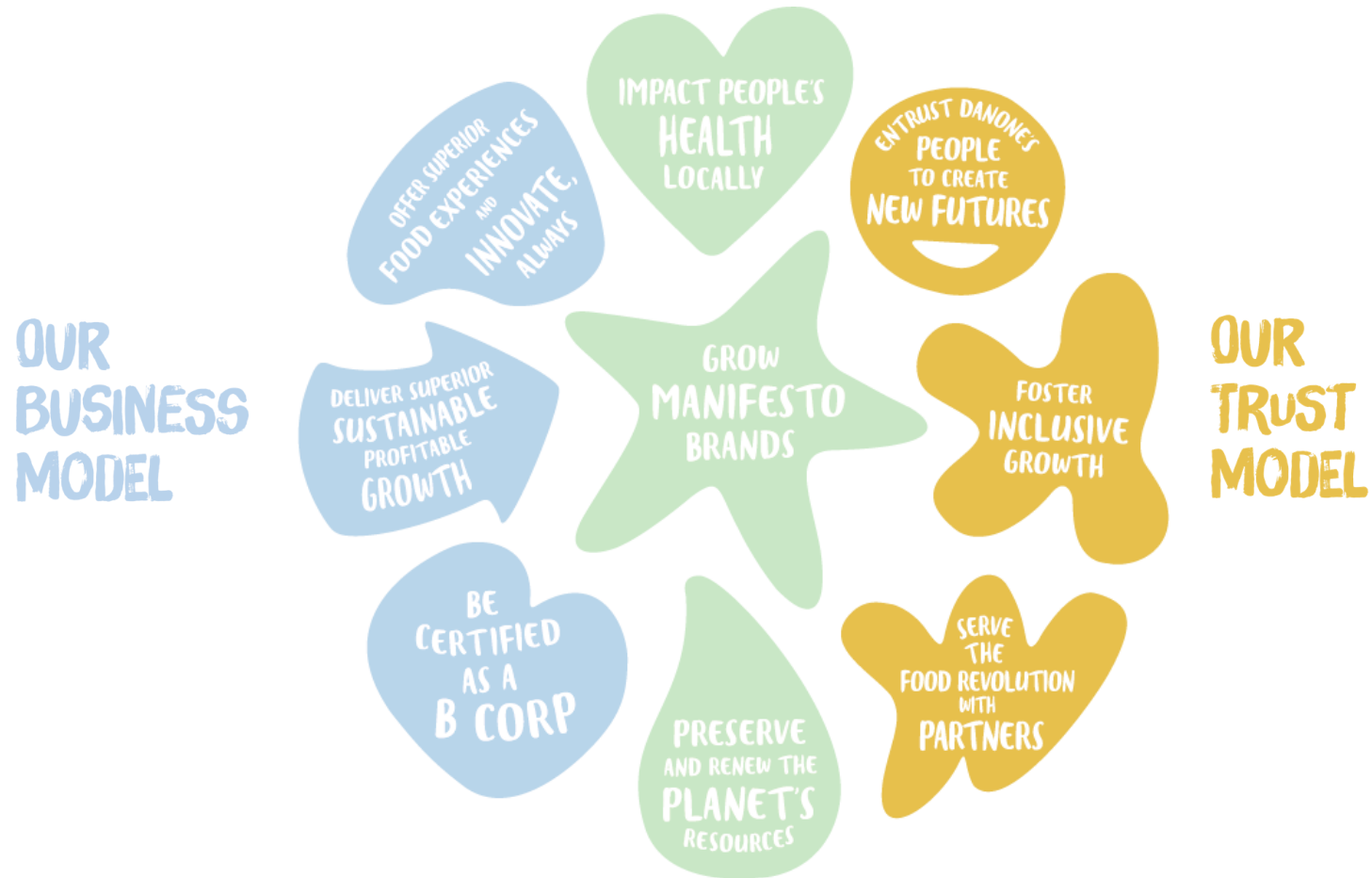
Local initiatives on non-GMO, organic, transparency >



OUR TRUST MODEL

We will grow in an inclusive way, empowering our people and working with partners to create and share sustainable value

OUR BRAND MODEL



Entrust Danone's people to create new futures

Co-work with partners and be a driving force of the food generation



Danone's People Health



Providing all employees with quality healthcare coverage of major risks

70,000

employees have a healthcare coverage with high standards ⁽¹⁾

Inclusive Diversity



Gender-neutral parental policy to be deployed globally by 2020.

~50%

of Danone female managers, including directors and executives, in 2017.

One Voice. One Share



By 2019, each Danone's employee will be granted one Danone share

>75,000

employees have shared their views on Danone's strategy through the global One Voice survey.

(1) Dan'Cares cover hospitalization and surgery, maternity care, medical exams and pharmacy services

Foster inclusive growth Pioneering social innovation through dedicated platforms



Social businesses fighting against poverty by giving access to safe drinking water and adapted alimentation

1 million

Beneficiaries in total

300,000

Beneficiaries in the fight against malnutrition and poverty

700,000

Beneficiaries with access to drinking water



Endowment fund supporting activities of general interest to strengthen Danone's ecosystem, promote job creation and develop micro-entrepreneurship

163 million euros

42 active projects in 2017

4,300 jobs created

55,437 people professionally empowered



Investment funds dedicated to carbon assets restoration and family farming

LIVELIHOODS CARBON FUND

126 million trees planted since 2011

969,000 tons of carbon emissions avoided or sequestered since 2014

LIVELIHOODS CARBON FUND #2

Objective of **2 million** project beneficiaries

Objective of **25 million** tons of CO₂ to be sequestered over 20 years

LIVELIHOODS FUND FOR FAMILY FARMING

Objective of **200,000 farmers** converted to sustainable agricultural practices

Objective of **2 million people** positively impacted

Serve the Food revolution with partners

Leveraging partnerships to be a driving force to achieve our vision



POWERFUL PARTNERSHIPS

Global partnership with Ellen MacArthur Foundation on circular economy



HeForShe by UN Women on inclusive diversity



Emmanuel FABER UN Inaugural Thematic Champion

OECD, BSR and Danone initiative to strengthen inclusive growth (public-private collaboration)



DANONE MANIFESTO VENTURES

Bringing disruption and shareholder value through venture investment



Investment Ambition by 2020

200 m\$

GREEN DAY

One day sales in France dedicated to fund regenerative agriculture projects



Revenues

> 5 m€

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Governance driving long term sustainable value creation

Balanced board composition focused on efficiency, diversity and expertise



16 members

57% independent⁽¹⁾⁽²⁾

43% women

36% non-French

~6 years average length

Increased focus on **Consumer** expertise

i Independent Director

(1) Directors representing employees are not taken into account in the determination of above percentages
 (2) Danone's Board Governance reporting is fully compliant with AFEP-MEDEF criteria

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%)**
- Managerial (20%)

Long-term incentives

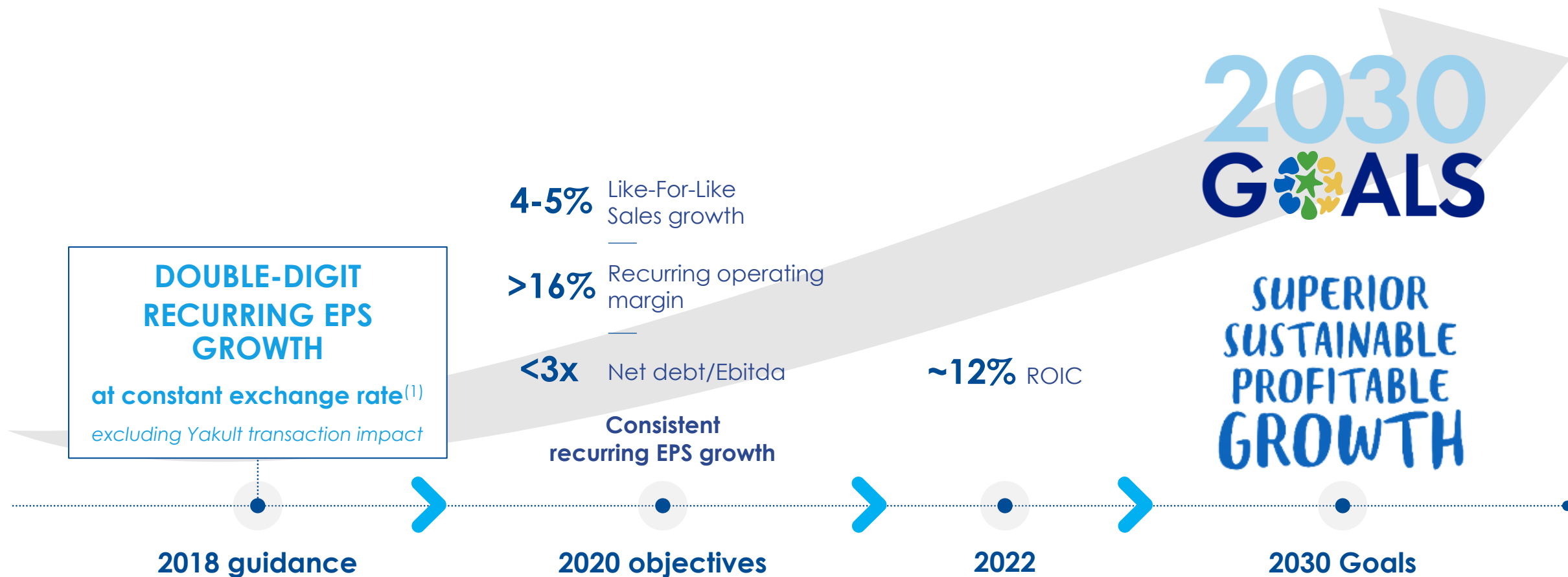
Three financial criteria for grants of long-term performance shares, vesting after 4 years

- 3-year like-for-like net sales growth relative to peers
- Achievement of designated 3-years free cash flow level (between €6bn and €6.5bn)
- **Sustainability criteria, weighting for 20%: 3 consecutive years ranking in CDP Leadership List for Climate change**



Transformation and delivery towards 2030

Sustainable value creation despite increasing volatility



(1) Excluding IAS 29 accounting treatment

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Our Nutrition strategy and 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.

2017 Health and Nutrition achievements

Healthier Choices

88%

of volumes sold in 2017 are in healthy categories^{(1) (2)}.

21%

of volumes sold in 2017 are products that have been nutritionally improved in the past three years⁽²⁾.

Healthier Lifestyles

48

subsidiaries out of 50 give their employees access to a health & wellness program⁽²⁾.

3

pilot countries have implemented the new Parental Policy (New Zealand, Australia and Italy).

28

education and information programs were active this year. They potentially impacted the awareness and lifestyles of 28 million people⁽²⁾.

Connecting to Local Needs

50%

of volumes sold in 2017 are fortified products⁽³⁾.

57

countries are covered by the Nutriplanet program, that was designed to provide in-depth knowledge of every food-related aspect of our local contexts.

Responsible Company Practices

33,444

employees were trained on nutrition and/or hydration in the last two years⁽²⁾.

97%

compliance with the International Chamber of Commerce Framework for Responsible Food and Beverage Marketing Communications⁽⁴⁾.

The data provided on this page does not include WhiteWave entities. (1) In operational terms, "Healthy product categories" for Danone include: water, yogurt and other dairy products, baby milks & foods, milks and milk powders, beverages with 0% sugar, medical nutrition. (2) Nutrition and Health Scorecard: Representing 52 CBUs and 70% of Danone's annual turnover. (3) Percent of sales volumes having a nutrient fortification. Scope Scorecard: Access Africa India and Essential Dairy and Plant-Based and Early Life Nutrition divisions. (4) Scope: Access Africa, India and Waters divisions and Essential Dairy and Plant-Based division.

2017 Nature achievements



2017 Performance

Targets

We will fight climate change by reducing our footprint and helping nature sequester more carbon

Reduction in CO₂ footprint Intensity (g CO ₂ equivalent/Kg product)	10,5 % Intensity reduction Danone Full scope VS 2015	50% intensity reduction Full scope 2015-2030 Zero net Carbon by 2050
Reduce energy consumption of factories Intensity (kWh/T product) Baseline 2000	51% energy reduction	60% energy reduction by 2020
Use climate friendly refrigerants in our new cooling installation within our operations Number of new coolers & fridges compliant	68% compliant in industrial fleet and 99% compliant in commercial fleet (for regions where it is legally allowed and available) ⁽¹⁾	100% compliant in all new installations within our operations (plants, DCs, sales points etc) by 2025 and immediately in regions where it is legally allowed and available
Eliminate deforestation from our supply-chain Relevant standards specific to each commodity	Paper & Board Policy: 84% recycled or FSC certified Palm oil policy : 99% RSPO fully segregated (excluding WhiteWave) Soy policy : joined RTRS (RoundTable on Responsible Soy) Sugar and timber: In progress	Eliminate deforestation by 2020 for commodities at risk: Paper & Board; Palm Oil; Soy for animal feed; Sugar; timber
Evian Zero net carbon	Reduction and offset trajectories in line with target	Zero Net Carbon by 2020

We will protect water resources, particularly when scarce, and use them in harmony with local ecosystems and communities

Protect natural mineral water resources in our watersheds	100% of sites have run SPRING audits in Waters Division	100% of sites have run SPRING audits in all Waters Division sites (including new ones) by 2020
Return clean water to nature compliant with Danone "Clean Water Standards" (CWS) for wastewater	67% of sites compliant with CWS discharging 58% of clean water to nature	100% of sites compliant with the standards discharging 100% clean water to nature by 2020
Reduce water consumption in factories Process water intensity (M3/T product) Baseline 2000	50% water reduction	60% water reduction by 2020

2017 Nature achievements



2017 Performance

Targets

We will Co-build the circular economy of packaging by sourcing sustainable materials and creating a second life for all plastics

Develop the use of sustainable resources	14% rPET in Water division excluding Turkey & China	25% rPET in Water Division where it is allowed By 2020 and 50% by 2025
Zero plastic landfill for post-industrial packaging waste	91% of post-industrial packaging waste are diverted from landfill	Zero plastics landfill by 2020 in countries with developed collection systems and by 2025 in all our factories
Co-create a second life for all plastics	2nd life roadmap under development	2nd life roadmap for 10 priority countries by end 2017

We will promote agriculture that that is competitive, respects natural ecosystems and generates both economic and social value

Promote Sustainable Agriculture	<p>ELN Animal welfare program: 100% lamb; Beef have access to pasture and 100% of eggs are free-Cage.</p> <p>Dannon US Pledge:</p> <ul style="list-style-type: none"> 90% direct Milk sourcing is animal welfare compliant (Validus certified)(excluding WhiteWave) 2 flagship brands already converted to Non-GMO Project Certification: Danimals/Dannon brand ⁽¹⁾ 	<p>100% animal welfare compliance for meat; egg and fish by 2020.</p> <p>Dannon US Pledge:</p> <ul style="list-style-type: none"> 100% animal welfare Compliance US direct milk sourcing by 2017 (Validus certified). We continue to work hard to approach 100% Validus certification. "3 flagship brands converted to Non-GMO Project Certification": Danimals/Dannon brand/Oikos⁽²⁾
Source raw materials sustainably	<p>Palm oil policy : 99% RSPO fully segregated (excluding WhiteWave)</p> <p>Soy policy : joined RTRS</p> <p>Sugar : In progress</p>	

We will Prevent food-waste and maximize its recovery within our own operations

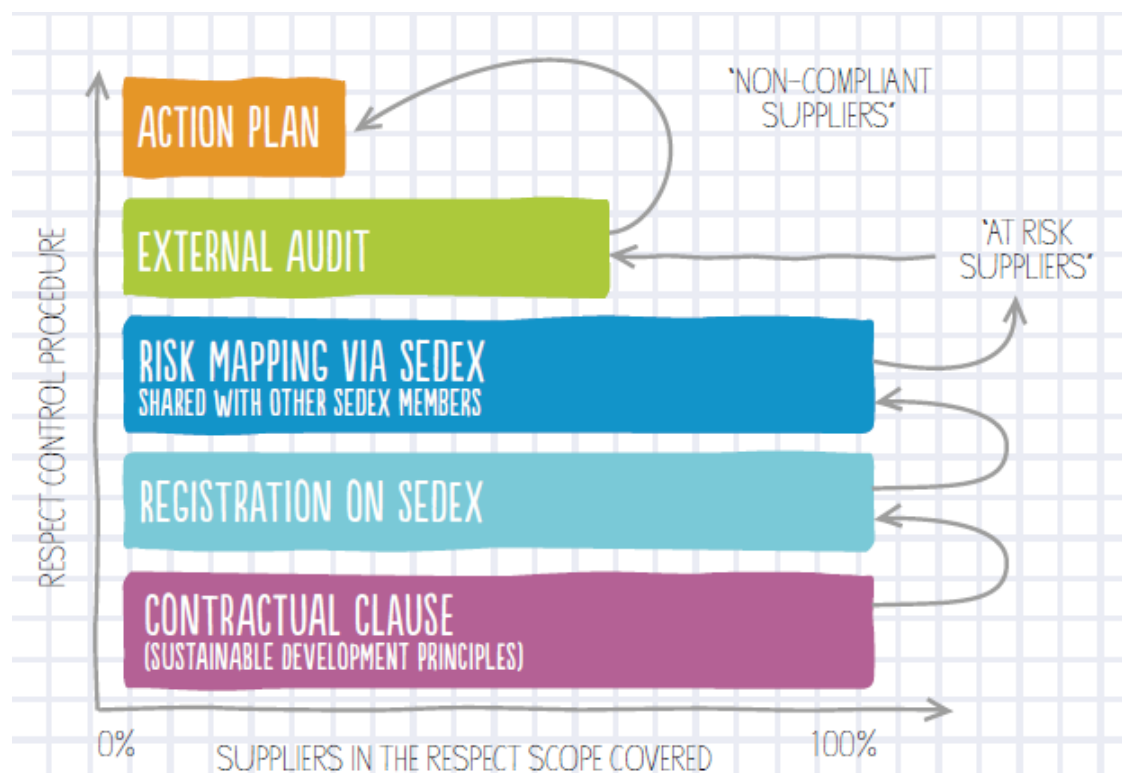
Reduce by 50% non recovered food waste Baseline defined according to FLW Protocol	10.7% reduction of food waste on Production Site Environment Scope (Baseline 2016) ⁽³⁾	50% reduction by 2025
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(1) 96% of Danimals volume is Non-GMO project certified and 79% of Dannon brand volume is Non-GMO project certified

(2) Oikos will start transitioning end 2018 as planned in the Dannon U.S. Pledge

(3) Will be updated in April 2018 in Danone Annual Integrated Report

Unique business approach: our respect program



Danone also has access to over
2,000 SUPPLIER AUDITS
on the SEDEX
platform and over

15,000 AUDITS thanks
to the principles of mutual
recognition through the
AIM Progress consortium
for responsible sourcing.

- Launched in 2005, our RESPECT program is expanding Danone's dual commitment to business success and social progress throughout our entire supply chain
- All the direct suppliers of certain categories undergo a rigorous process of assessment of their social, environmental and ethical performance.
- We're also a member of the AIM-Progress forum and are an active member of the Consumer Goods Forum.
- Under Danone's Sustainability Principles, we've structured the RESPECT program around social, environmental and ethical fundamentals that are built into our General Terms of Procurement and thus are included in all contracts.

Unique business approach: Human rights

Committed to best practices

Danone has included in its Fundamental Social Principles, the seven salient Human Rights risks, based on the International Labor Organization conventions. The sustainability clause, containing Fundamental Social Principles, inserted in the suppliers contracts requires suppliers to uphold workers' fundamental rights and freedom:

- 1 Abolition of child Labor
- 2 Abolition of forced labor
- 3 Principles of non-discrimination
- 4 Freedom of association and the right to collective bargaining
- 5 Workplace health and safety
- 6 Working hours
- 7 Compensation

Danone has completed its Fundamental Social Principles by the three Priority Principles relating to forced labor defined by the Consumer Goods Forum:

- 1 Every worker should have freedom of movement
- 2 No worker should pay for a job
- 3 No worker should be indebted or coerced to work



Danone is focusing its attention in the area of Human Rights over the next three years on the following priority categories of product and service procurements: workers employed through labor agencies or service providers, palm oil, cocoa, cane sugar and fruit.

Social innovations key performance indicators



SOCIAL

10 BUSINESSES

12 COUNTRIES

(Bangladesh, Cambodia, China, France, Haiti, India, Kenya, Madagascar, Mexico, Uganda, Rwanda, Senegal)

1 Million

Beneficiaries in TOTAL.

The indicator refers to the total number of beneficiaries of the social businesses supported by Danone Communities.

300,000

Beneficiaries in the fight against malnutrition and poverty.

The indicator refers to the total number of beneficiaries of the nutrition social businesses supported by Danone Communities.

700,000

Beneficiaries with access to drinking water.

The indicator refers to the total number of beneficiaries of the water access social businesses supported by Danone Communities.

MEASURING THE COMMITMENT OF DANONE'S EMPLOYEES

25%

Danone's employees represent 25% of the Danone Communities fund.

(Vs 23% in 2016)

55%

Of Danone employees in France subscribed at least once to the Danone Communities fund.

(Vs 43% in 2016)

SICAV

9.25%

Of the total performance of the SICAV (mutual fund).

The indicator refers to the total performance net of fees over 5 years.

Social innovations key performance indicators



SOCIAL IMPACT

42 active projects in 2017

4,300 jobs created

55,437 people professionally empowered

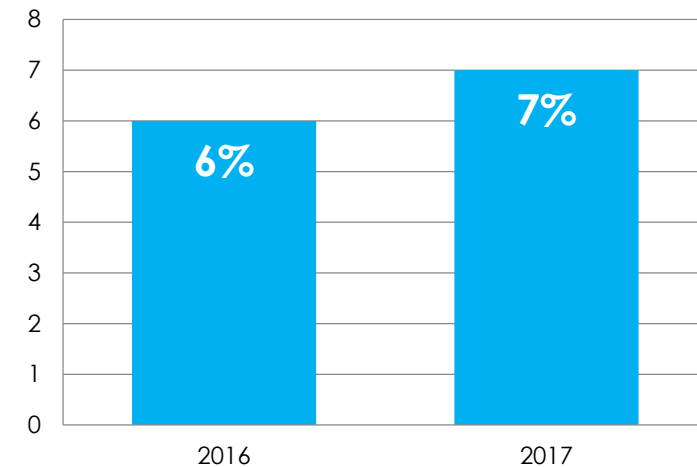
4.2m indirect beneficiaries

33,745 women professionally empowered

€ 163M total funding

58 partners

IMPACT ON MILK SOURCING



Percentage of milk from Danone Ecosystem Fund projects vs total sourcing of Danone concerned subsidiaries

This indicator refers to the volume of milk sourced from projects as a percentage of total milk sourced by Danone concerned subsidiaries over the same period.

Social innovations key performance indicators



LIVELIHOODS CARBON FUND

9 active projects:

- 3 ecosystem restoration projects
- 3 agroforestry projects
- 3 rural energy projects

ENVIRONMENTAL IMPACT

Achievements since 2011

126 million trees planted in 2016
(vs 122 million in 2016)

Objective

130 million trees planted

CARBON IMPACT

Achievements since 2011

1,400,000 carbon offsets delivered by
year-end 2018 (tons of CO₂)

Objective

10,000,000 carbon offsets to deliver
over 24 years (tons of CO₂)

LIVELIHOODS CARBON FUND #2

Objective of **2 million** project
beneficiaries

Objective of **25 million** tons of CO₂ to
be sequestered over 20 years

LIVELIHOODS FUND FOR FAMILY FARMING

5 active projects:

- Cocoa in Ivory Coast
- Watershed protection in Mexico and Brazil
- Coconut in Philippines
- Vanilla in Madagascar

Objective of **200,000 farmers**
converted to sustainable
agricultural practices

Objective of **2 million people**
positively impacted

€ 120M
Total investment volume objective

Agenda

1

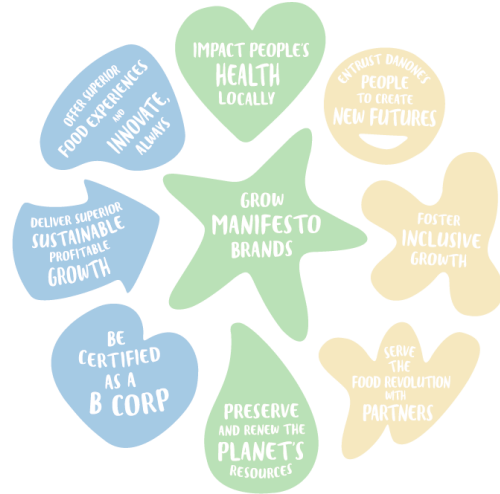


DANONE

ONE PLANET. ONE HEALTH

Danone
at a glance

2



ESG strategy
embedded in
our 2030 goals

3



Governance
practices

4



Appendix
Performance
indicators and
case studies

Becoming the first carbon-neutral and circular brand of Danone



By **2020**: €280 million investment to expand carbon neutrality internationally

- New production line in France certified as carbon neutral by Carbon Trust in 2017

New line produces
**100% recyclable
bottles**

60% of the
produce will be
shipped **by train**

Part of **investment
to offset emissions**
from
transportation

Plant converts
**40,000 tonnes of
organic waste**
annually

Waste to be used
by **local farmers**
& **biogas to power
homes** equivalent
to annual gas
consumption

By **2025**: Become a 100% circular brand and all plastic bottles made from 100% recycled plastic

Livelihoods Carbon Fund

Mangrove restoration in Senegal



“MANGROVE RESTORATION IN SENEGAL



This project to restore a mangrove forest — the biggest initiative of its kind in the world to date — proved hugely popular, with 100,000 people from 450 villages pitching in to plant trees. Local communities have now planted 80 million mangrove trees over an area of nearly 8,000 ha, with backing from the Livelihoods Carbon Fund and French tour operator Voyageurs du Monde. The project will be monitored over 20 years. It is expected to sequester — i.e., capture and store in the soil — around 600,000 tons of CO₂.

WHY IT MATTERS?

Senegal's Casamance and Sine Saloum river deltas have lost more than 100,000 acres of mangrove forests to drought and human activities since the 1970's. This has put the livelihood of local communities at risk: farming is being jeopardized as salt water infiltrates and degrades arable land. Stocks of fish and firewood, two of the resources that local people depend on, are also being rapidly depleted as mangroves — one of the world's most complex ecosystems — disappear.

HOW IT WORKS

The Livelihoods Carbon Fund and Senegalese NGO Oceanium set up the project, building on widespread community participation. Local project representatives travelled to villages to spread awareness of the importance of mangroves. Villagers were asked to choose the plots where they wanted to plant, and turned out in great numbers to collect and plant the mangrove propagules, or seed pods.

HOW DOES THIS PROJECT CREATE VALUE?

Restoring mangroves not only sequesters atmospheric CO₂, it also boosts depleted fish stocks: up to 12,000 extra tons of fish annually, along with the shrimps, oysters, and molluscs that shelter in mangrove forests. Mangroves also prevent salt water from entering rice fields. This results in more food being available for local communities, and higher incomes for fishermen and farmers.

PERFORMANCE 2017⁽¹⁾

100,000
INHABITANTS OF 450 VILLAGES

80
MILLION MANGROVE TREES PLANTED

600,000
TONS OF CO₂ SEQUESTERED OVER A 20-YEAR SPAN

(1) 2016 results, 2017 results will be available in April 2018 in Danone Annual Integrated Report

Livelihoods Carbon Fund

Danone Ecosystem Fund: 'Les 2 Pieds sur Terre', helping French dairy farmers



DANONE ECOSYSTEM FUND: 'LES 2 PIEDS SUR TERRE', HELPING FRENCH DAIRY FARMERS TO REDUCE THEIR ENVIRONMENTAL FOOTPRINT

'Les Deux Pieds sur Terre' supports French milk farmers in their environmental footprint reduction. Apart from reducing their costs, carbon footprint reduction will allow them to improve the profession's reputation and profitability.



WHY IT MATTERS?

The milk sector represents 6% of France's greenhouse gas emissions. The project aims at reducing farmers' carbon footprint as well as increasing the attractiveness and reputation of agriculture with civil society for future generation.

HOW IT WORKS

Created by the Danone Ecosystem Fund, Danone Produits Frais France, Les Prés Rient Bio through their brand Les 2 vaches, Idele organization (French Livestock Institute), and Miimosa, the 'Les Deux Pieds Sur Terre' project aims to help farmers reduce their environmental footprint, by managing audits to identify the best practices to do so. A Miimosa crowdfunding platform allows farmers to share their carbon reduction-related projects, potentially gaining extra funding from the civil society as well as visibility for their efforts to fight climate change. The best practices identified will be disseminated to inspire and support all farmers.

HOW DOES THIS PROJECT CREATE VALUE?

By reducing their carbon footprint, farmers have the opportunity to adopt an environmentally-friendly approach while having a better control over their costs, and an improved income. This project will help restore pride within the farming profession and show Civil Society that farmers are taking action to combat climate change at their own level. Thus, this project participates to rehabilitate the reputation of the whole livestock sector that suffers from bad reputation.

PERFORMANCE 2017⁽¹⁾

8.7 million euros

TOTAL FUNDING OF THE PROJECT IN 2017

(1) 2016 results, 2017 results will be available in April 2018 in Danone Annual Integrated Report

Danone Ecosystem Fund

'Cartoneros', Inclusive recycling in Argentina



DANONE ECOSYSTEM FUND: 'CARTONEROS', INCLUSIVE RECYCLING IN ARGENTINA

To support the development of the recycling industry and improve working and living conditions for waste pickers in Argentina, the 'Cartoneros' project is professionalizing cooperatives, investing in the infrastructure of recycling cooperatives and building the capacity of large generators to increase recycling rates. Cartoneros tackles social, economic and environmental issues at the same time. The project was created with support from the Danone Ecosystem Fund, Aguas Danone de Argentina and its local partners, the Regional Initiative for Inclusive Recycling (IRR) and Fundación Avina



WHY IT MATTERS?

Following the 2001 crisis in Argentina, many people lost their jobs and became waste pickers to support their families. Except in Buenos Aires where public policies exist, most waste pickers work informally, under poor safety conditions.

HOW IT WORKS

'Cartoneros' is a key project that tackles social, economic and environmental issues. It is increasing recycling rates from large waste generators and sustainably connecting them with the cooperatives, as well as investing in infrastructure, including several recycling sorting facilities in Buenos Aires and Mendoza operating under a cooperative model. The scheme provides both cooperatives and large waste generators with training and offers technical assistance to the cooperatives. Local partners work closely with public authorities, supporting the implementation of policies that recognize the contribution of waste pickers. It allows the production of recycled PET and takes part in a social responsibility approach.

HOW DOES THIS PROJECT CREATE VALUE?

'Cartoneros' empowers waste pickers through management, safety and life skill trainings. It helps them secure a fair wage along with better living and working conditions. The project contributes to the organization and professionalization of Argentina's recycling industry, thus increasing recycling rates. In the middle to long run, this will also positively impact the environment.

PERFORMANCE 2017⁽¹⁾

917

JOBS CREATED (VS
781 IN 2016)

2,503

PEOPLE WITH INCREASED
OR SECURED REVENUE (VS
1,590)

1,320,059

PEOPLE BENEFITING
INDIRECTLY FROM
THE PROJECT

(1) 2016 results, 2017 results will be available in April 2018 in Danone Annual Integrated Report

Danone Ecosystem Fund

« Stand by Mums » in Romania



"STAND BY MUMS" IN ROMANIA

Our "Stand by Mums" project supports motherhood in Romania by developing a network of perinatal educators who can help mothers make educated choices about nutrition and perinatal care for themselves and their babies, from conception to toddlerhood. The project is a co-creation of Danone Early Life Nutrition Romania and its local partners Crucea Rosie and Crucea Alba, with support from the Danone Ecosystem Fund.

WHY IT MATTERS?

With only one-third as many doctors per inhabitant as the average EU member nation, Romania is classified as a high-risk country by the World Health Organization (WHO). The rate of cesarean delivery is 36.9% higher than the EU average, and it's hard for women to get information on pregnancy, labor and infant nutrition. Meanwhile, Nutricia aims to make mothers and healthcare professionals aware of the special needs of children during their first 1,000 days of life, from conception to age two.

HOW IT WORKS

The Stand by Mums project is creating a network of perinatal educators trained to help mothers make informed choices about nutrition and perinatal care for themselves and their babies, in accordance with WHO recommendations. The project provides participants with medical and business training to grow the community of professional perinatal educators and helps them build independent practices within an organized network.

HOW DOES THIS PROJECT CREATE VALUE?

Danone Early Life Nutrition Romania is working to make mothers and healthcare professionals aware of a baby's special needs during the first 1,000 days of life—and in the process it's developing a new kind of relationship with healthcare professionals.

And by helping accredited healthcare professionals acquire new nutritional and perinatal care skills, the project improves health and quality of life for pregnant women, mothers and their babies.

PERFORMANCE 2017⁽¹⁾

654

NURSES TRAINED ON PERINATAL EDUCATION IN 2017

13,333

MOTHERS AND YOUNG PARENTS SUPPORTED IN 2017

€1.3m

TOTAL FUNDING OF THE PROJECT IN 2017

(1) 2018 results will be available in April 2018 in Danone Annual Integrated Report



DANONE COMMUNITIES "GRAMEEN DANONE" FIGHTING POVERTY AND MALNUTRITION IN BANGLADESH

Danone Chairman and CEO Franck Riboud met Muhammad Yunus, who had founded Grameen microcredit bank and would soon win the 2006 Nobel Peace Prize. Together, the two men decided to explore the possibility of a Danone-Grameen partnership in Bangladesh, and in March 2006 announced the creation of Grameen Danone Foods, Ltd (GDFL) in Dhaka. GDFL aims to fight poverty and malnutrition in Bangladesh and to create positive social impact throughout its value cycle.



WHY IT MATTERS?

Over 54% of preschool-aged children—some 9.5 million youngsters—are malnourished, and 56% of them are underweight.

Bangladeshi children also suffer from high rates of micronutrient deficiencies, particularly vitamin A, iron, iodine and zinc. And all of these deficiencies have an immediate impact on physical and cognitive development.

Malnutrition is nearly as prevalent in towns and cities as in rural areas, affecting 38% of children, while stunting affects 42% of urban youngsters.

HOW IT WORKS

"We need a new type of business that pursues goals other than making personal profit—a business that is totally dedicated to solving social and environmental problems," wrote Muhammad Yunus.

GDFL aims to overcome poverty in Bangladesh while being financially and economically sustainable and as community-relevant as possible. The company sells Shokti + yogurt—designed to deliver 30% of the daily requirement for iron, zinc, vitamin A and iodine—at an affordable price through a dense distribution system serving both urban and rural populations.

HOW DOES THIS PROJECT CREATE VALUE?

GDFL produces Shokti +, but the company generates broader social benefits as well. On the supply side, it supports small local farmers by buying their milk, and on the distribution side it provides work and empowerment for the 'Grameen Ladies' who sell GDFL products in rural areas.

PERFORMANCE 2017⁽¹⁾

300,000

CHILDREN IMPACTED

543

FARMERS INVOLVED
(400 IN 2016)

277

GRAMEEN LADIES
(VERSUS 260 IN 2016)

(1) 2018 results will be available in April 2018 in Danone Annual Integrated Report

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.*
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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.*



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More information on our annual integrated report:
<http://iar2017.danone.com/>

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