



# Nutrition ACHIEVEMENTS 2018

REPORTING ON  
DANONE COMMITMENTS

# RECONNECTING PEOPLE WITH THE FOOD THEY EAT

At Danone, we believe that each time we eat and drink, we can vote for the world we want to live in. This powerful idea is at the heart of the ongoing food revolution, a movement inspired by people who care about where their food comes from, how it was grown, how it arrived on their plates and how it impacts their health and the health of the planet. Together we are the food generation.

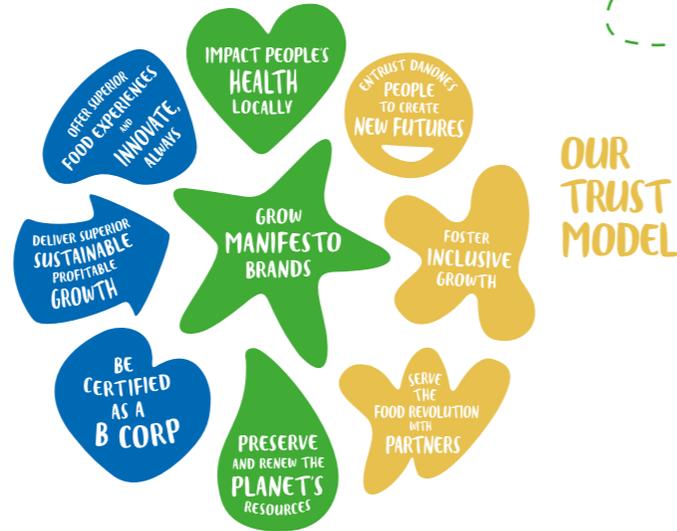
Global food and retail companies can play an important role in this revolution through transforming their business models, moving away from standardized food systems to new models tailored to local diets and leveraging

local sourcing. A healthy body needs healthy food. And healthy food needs a healthy planet. For this, we need healthy ecosystems and strong, resilient communities.

We believe in a food and water ecosystem that works in harmony with people, communities and the environment. Our ambition is to make the Danone child star a symbol of positive change, building a healthier world through food.

Through our 'One Planet. One Health' vision, we can bring together our mission, values and brands, and it inspires us to drive our social, environmental and societal initiatives.

OUR BUSINESS MODEL



## DANONE'S 2030 GOALS

We firmly believe that the health of people and planet are interconnected.

Both need to be nourished and protected. At the same time, the world over, people are reinventing how to eat, drink and socialize over food. In line with our 'One Planet. One Health' vision and to adequately respond to the challenges and opportunities of the ongoing food revolution, we have defined our Danone 2030 Goals. The integrated set of nine long-term goals embeds Danone's business, brand and trust models. The Danone 2030 Goals are aligned with the 2030 Sustainable Development Goals of the United Nations, thus adopting a language that is universally understood.

IMPACT PEOPLES HEALTH LOCALLY

## Leveraging our in-depth understanding of local health challenges, food habits and food cultures #3

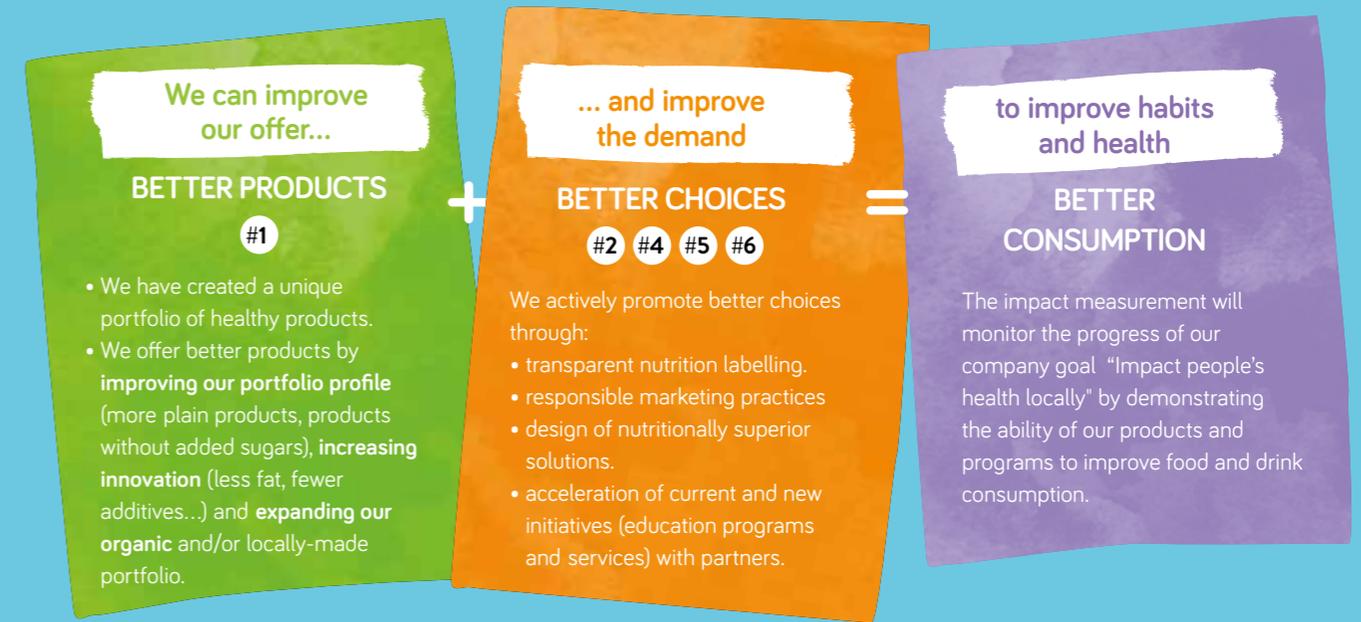
**Nutritional Situations:** A summary of existing information based on a literature review (national recommendations, nutritional status of the population, contribution of food categories ...) in a country for specific population groups.

**Food Habits:** A dietary survey conducted by Danone with or without academics with individual data on a specific population (toddlers, children, adults, etc) in a country.

**Food Cultures:** A qualitative socio-anthropology research conducted by Danone with academics to understand the norms, practices and relationships with food in a country for a specific group of the population.

## WE CONTRIBUTE TO IMPACTING PEOPLE'S HEALTH LOCALLY

through better products, better choices and better consumption, thus fulfilling our mission to bring health through food to as many people as possible.



- BETTER PRODUCTS #1**
- We have created a unique portfolio of healthy products.
  - We offer better products by **improving our portfolio profile** (more plain products, products without added sugars), **increasing innovation** (less fat, fewer additives...) and **expanding our organic** and/or locally-made portfolio.

- BETTER CHOICES #2 #4 #5 #6**
- We actively promote better choices through:
- transparent nutrition labelling.
  - responsible marketing practices
  - design of nutritionally superior solutions.
  - acceleration of current and new initiatives (education programs and services) with partners.

The impact measurement will monitor the progress of our company goal "Impact people's health locally" by demonstrating the ability of our products and programs to improve food and drink consumption.

We constantly adapt our health strategies at country level in order to target locally relevant health topics and to account for the high diversity of dietary habits and cultures in the world.



Danone Nutrition Commitments

This leaflet reports on the goal "Impact people's health locally".

The six Danone Nutrition Commitments (identified in this leaflet by the symbol #) published in 2016 with strong, measurable and time-bound objectives are fully integrated into this goal, and available on [www.danone.com](http://www.danone.com).

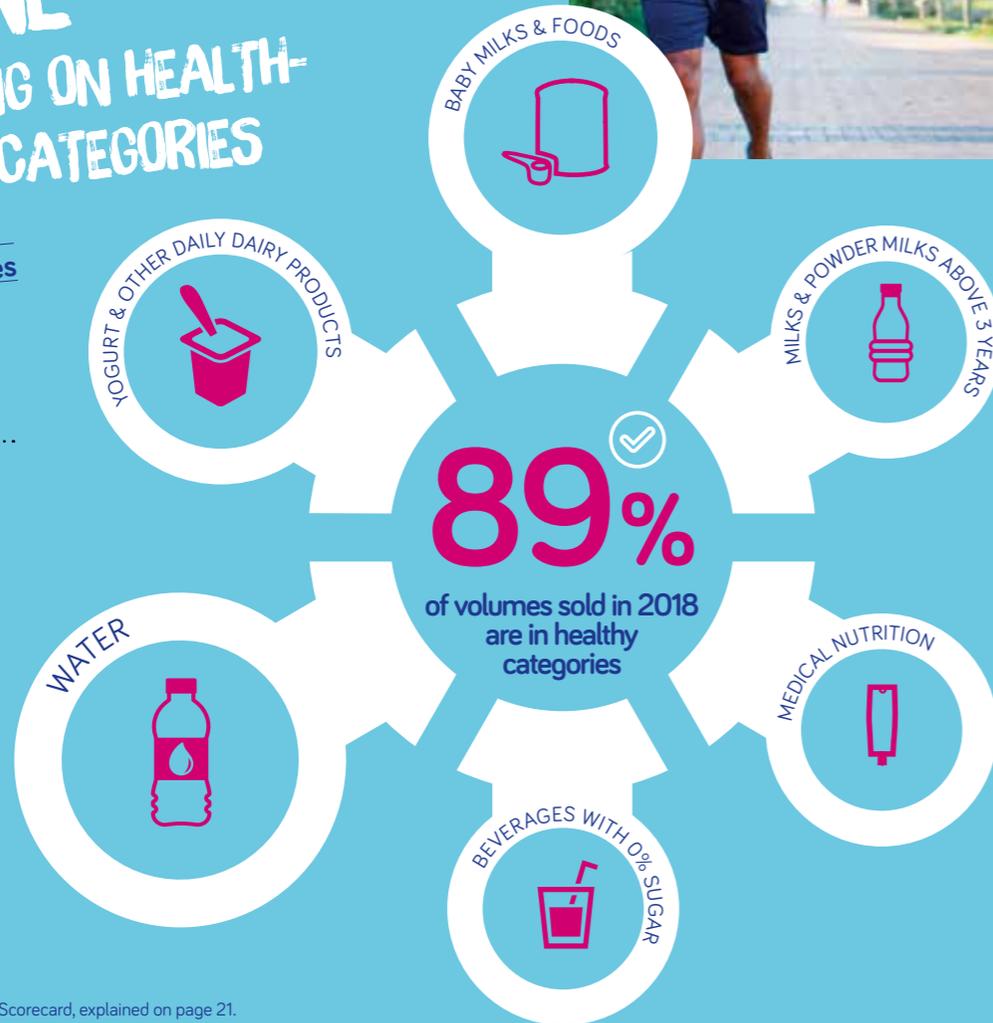
# IT ALL STARTS WITH WHAT WE OFFER...



## DANONE IS BUILDING ON HEALTH-FOCUSED CATEGORIES

Sales volumes by product categories in 2018\*

- The remaining 11% are:
- low sugar beverages
  - indulgence products
  - cooking aids



\* In the scope of the One Health Scorecard, explained on page 21. Plant-based products are not yet included.

# ... AND AN IN-DEPTH KNOWLEDGE OF LOCAL CONTEXTS

Three types of studies to fully explore the local context:

Commitment #3 ACHIEVEMENT AT END OF 2018 ON NUTRITIONAL SITUATIONS



### Nutritional Situations

**Nutriplanet:** A comprehensive analysis of local nutrition and health contexts based on a review of scientific literature, enhanced by interviews with local experts and key opinion leaders. This tool enables us to gather, for a single country, all existing scientific facts and figures like the nutritional recommendations, the nutritional status of the population, the nutritional programs in place, the prevalence of major diet-related diseases and the main public health concerns.

### Food Habits

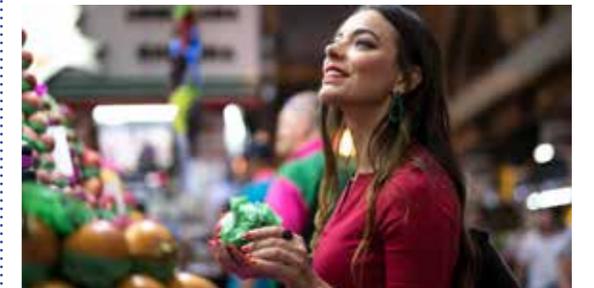
- **Dietary intake assessment:** We use dietary intake surveys to understand what people are eating and drinking, and compare their intakes with dietary recommendations. In some countries, national dietary intake surveys are carried out by government or research institutes, and these data can be analyzed to understand local needs. In other countries where no dietary intake data exist we conduct our own surveys.
- **Fluid intakes:** Measuring drinking habits accurately requires specific surveys. The Waters division has developed, scientifically validated and published a novel approach to gather individual drinking habits data at population levels. These surveys are conducted regularly and their main results published in peer-reviewed journals.

Commitment #3 ACHIEVEMENT AT END OF 2018 ON FOOD HABITS



### Food Cultures

One major method to capture social and cultural aspects of alimentation: **FoodStyles** is a comprehensive study generating data for a given community and at country level on people's real-life practices, norms and relationships with food: practices around purchasing, preparing and consuming; social, cultural or religious attitudes towards food; what place eating holds in local cultures, values and beliefs. It enables us to capture daily eating realities and highlight people's routines and tensions. By knowing and understanding the socio-cultural dimensions of the way we eat and drink, we are able to design solutions that fit the culture and routines, and ensure that we contribute to strengthening favorable dietary habits. We do this through working in collaboration with experts in food socio-anthropology.



Commitment #3 ACHIEVEMENT AT END OF 2018 ON FOOD CULTURES



\* Scope: Selection of subsidiaries in 20 countries representing 71% of Danone sales.

# NUTRITIONAL SITUATIONS

55

countries or regions covered by Nutriplanet by end of 2018



16

countries with data on the whole population



8

countries with data focused on adults and children over 3

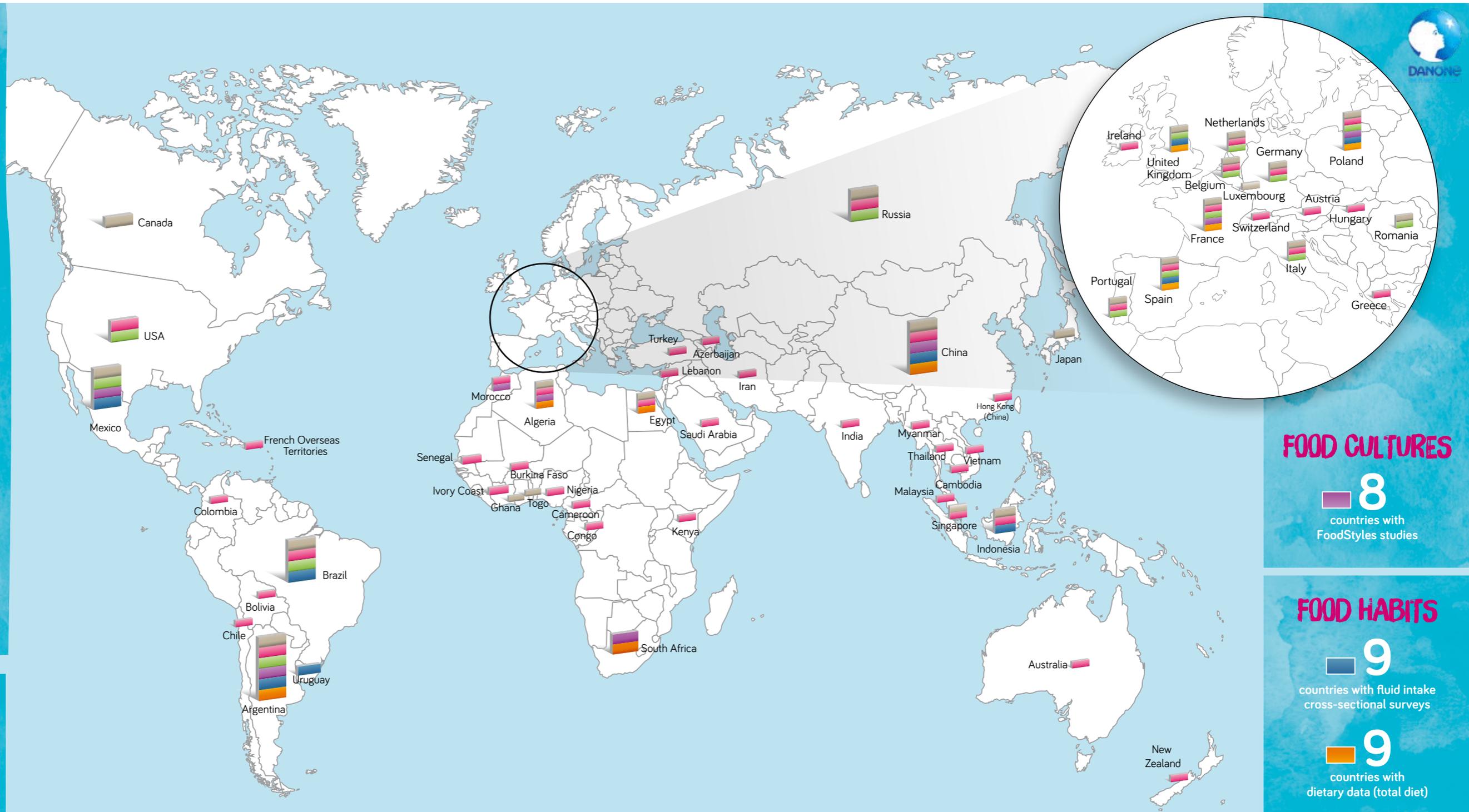


32

countries or regions with data focused on babies and pregnant & lactating women

15

countries with additional focus on elderly people



# FOOD CULTURES

8

countries with FoodStyles studies

# FOOD HABITS

9

countries with fluid intake cross-sectional surveys

9

countries with dietary data (total diet)

# WE OFFER BETTER PRODUCTS



## 1. IMPROVING OUR PORTFOLIO PROFILE

A SIGNIFICANT PROPORTION OF OUR PORTFOLIO IS COMPOSED OF PLAIN PRODUCTS\*

**88%**  
of sales volumes of beverages are plain water

**24%**  
of sales volumes of dairy products are plain products\*\*

\* Plain means without added sugars nor sweeteners.  
\*\* Cooking aids and plant-based products are excluded from this calculation.

IN PARALLEL, WE EXPAND OUR OFFER OF PRODUCTS WITHOUT ADDED SUGARS

**81%**  
of sales volumes are without added sugars

**B**lédina was the first French baby food company in 2017 to launch a plain dairy product without added sugars. This reference has since become a best seller. In comparison, in Poland sales volumes for the no added sugars recipes "Portion of grains" increased by 11% within one year.



**Canada:** Launch of the first Danone flavored yogurt made with 100% natural ingredients and no added sugars or artificial sweeteners. It satisfies Canadians' growing appetite for simple, healthy food.



**Mexico:** The sugar content of Bonafont Juizy Hibiscus has been reduced from 9g/100mL to no sugar at all.



**Mexico:** Danone Plain (unsweetened) has been re-launched in January 2018. This no added sugars product contains only two ingredients: milk and natural ferments.



## 2. INCREASING INNOVATION WITH LESS SUGAR, LESS ADDITIVES...



**China:** The excessive intake of salt, fat and sugar is an important risk factor for chronic diseases. To fulfill the commitment of the National Nutrition Plan published by the Chinese government in 2017, nine institutions decided to issue the "Joint Initiative to Promote Salt, Fat and Sugar Reduction in the Food Industry". This has encouraged the whole food industry to be more proactive in incorporating these "three reductions" into product development strategies as part of their social responsibilities. Since 2013, Danone Waters China has offered all its sugar sweetened beverages with a sugar content equal to or less than 5g/100mL.



**Mexico:** Added sugars have been reduced by 36-56% across the whole range of Activia yogurts. In the strawberry drinkable reference, added sugars were reduced by 53% (from 9% to 4.25%). This has been achieved by rebalancing the complexity and dynamism of flavour through ferments, high intensity sweeteners, increase of fruit content and flavor rework.



**Indonesia:** In 2018 the average sugar content of sugar-sweetened beverages in Indonesia was at 8.6g/100mL. 100% of Danone's local products are now below 5g/100mL, making our portfolio a healthier alternative for consumers.



**Poland:** Polish infants do not meet the local recommended dietary intake of carbohydrates. Baby cereals, a source of carbohydrates, contribute to 13% of sucrose intake in the infant diet. In 2018, Nutricia relaunched 16 cereal recipes with 50% less sugar.



**Spain:** Launch of a new cereal range Alminatur without added sugars, palm oil, salt, colorings, nor preservatives.



**Germany:** Since 1981, sugar content in FruchtZwerg has decreased by 37% and fat by 68%. As a result, FruchtZwerg has a 44% lower calorie content. This sugar and fat reduction has been implemented progressively in order to ensure consumer acceptance of changes in taste.



**U.K.:** In 2018, Nutricia U.K. reduced the sugar content of its liquid Young Child Formula (Stage 3 and 4) for both Aptamil and Cow & Gate ranges by around 45%.



**10%** ✓  
of volumes have been nutritionally improved in 2018\*

Among product categories for which sugar, saturated fat and salt targets have been defined:

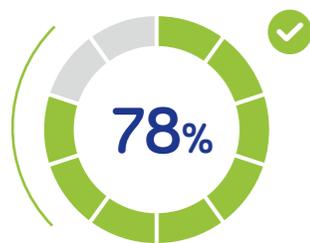
**86%**  
of volumes are in line with the sugar target\*\*

**98%**  
are in line with the saturated fat target\*\*

**86%**  
are in line with the salt target\*\*

\*% of sales volumes 2018 of Essential Dairy Products + Early Life Nutrition + Low sugar beverages.  
\*\* % of sales volumes 2018 meeting respectively the sugar, saturated fat and salt threshold for their category in the Danone Nutritional Targets 2020. The compliance is weighted by volumes of products sold.

Commitment #1  
ACHIEVEMENT AT END OF 2018



of volumes are in line with Nutritional Targets 2020<sup>(1)</sup>

To maintain continuous nutritional improvement across its products, Danone has deployed comprehensive nutritional targets since 2005. The 2016 revised version serves as a reference for our Commitment #1.

These targets cover product categories that Danone manufactures and sells today. They are operational objectives for product renovation and innovation. They are based on nutrition science, and take into account technical feasibility, and the consumer acceptance journey.

25% of volumes sold in 2018 are fortified products<sup>(2)</sup>



(1) Danone Nutritional Targets 2020

Plant-based products (following White Wave acquisition) are not yet included.

(2) % of sales volumes having a fortified nutrient. Scope: Essential Dairy products.

### 3. EXPANDING THE ORGANIC AND LOCALLY-MADE PORTFOLIO

Today's consumers are increasingly demanding healthier, more natural and organic products: 25% of Europeans declare that they consume more organic food and drinks.

(source: Mintel 2017 & Euromonitor Passport 2018).



**Germany:** Inspired by Danone's commitment to always offering healthier and more transparent food and beverages, and our belief that the health of people and the health of the planet are interconnected, *Volvic* launched three new ranges of organic water-based beverages in May 2018. *Volvic Essence*, for example, is natural mineral water with fruit and plant extracts, a drop of organic lemon juice and no citric acid, and no sugars, sweeteners or additives.



**U.S.A.:** Happy Family Organics is the #1 organic baby food company in the United States. It offers a wide range of organic products for babies, toddlers, children and mothers.



**France:** In 2018, Danone's subsidiaries together launched a Danone Act with three key commitments linked to our 'One Planet. One Health' vision. The second of these focuses on offering an organic alternative in all our children's brands by 2020, supported by local and sustainable production. *Danonino BIO* is a new organic range made in our historic French factory from 100% organic milk and fruits. In Early Life Nutrition, Blédina launched its first organic product range and Les Prés Rient Bio has created a new organic baby food brand: *Faire Bien*.



**Italy:** A new organic baby food featuring regionally sourced ingredients was launched by Mellin: *Viaggio d'Italia* (journey in Italy). It was co-created with web bloggers and is fully sustainable (recyclable, zero CO<sub>2</sub> impact thanks to a partnership with Lifegate).



## WE ENCOURAGE BETTER CHOICES

### 1. THROUGH TRANSPARENT LABELLING...



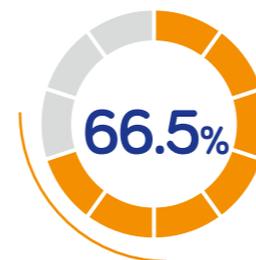
**France:** A new baby food labelling standard has been introduced in France, allowing the use of a specific logo to highlight that a food product is suitable for a child's needs under the age of 36 months. 100% of relevant Blédina products

will carry this logo which has begun to be added to packs in 2018. By achieving this certification, Blédina can raise awareness that children up to the age of three have specific nutritional needs and help parents and caregivers to more easily identify which products meet baby food regulations, that are much stricter than for normal foods.



**Germany, Austria, Switzerland:** The Essential Dairy subsidiaries in Germany, Austria and Switzerland voluntarily introduced front-of-pack Nutri-Score labelling to help consumers understand the nutritional quality of a product and make healthier choices. This initiative has been positively welcomed by consumer groups and scientific associations. Danone hopes this approach will be taken up by many other companies.

Commitment #6  
ACHIEVEMENT AT END OF 2018



of volumes sold display full nutritional information\*

\* Scope: all countries, all divisions, all products except packaged water and other (limited) exceptions. 100% of volumes sold will provide all information: on-pack, off-pack, portion size guidance and front-of-pack where legally possible.

\*\* Scope: Essential Dairy products + Low sugar beverages and beverages with 0% sugar.

Focus on each component:

99%<sup>✓</sup>  
of volumes have nutritional on-pack information

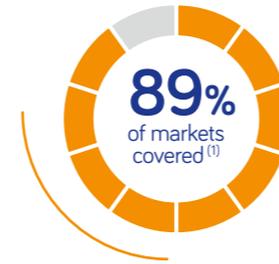
100%<sup>✓</sup>  
of volumes have nutritional off-pack information  
(e.g., on website, or through a consumer info line)

73%<sup>✓</sup>  
of volumes give clear portion size guidance

53%<sup>✓</sup>  
of volumes carry front-of-pack nutritional information\*\*



Commitment #5  
ACHIEVEMENT  
AT END OF 2018



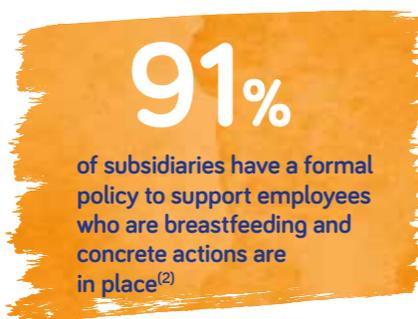
## ... AND RESPONSIBLE MARKETING PRACTICES

Danone co-chairs the International Food and Beverage Alliance (IFBA) and supports IFBA's Global Policy on Marketing Communications to Children. This policy, aligned with the aims of WHO's 2010 Set of Recommendations on Marketing to Children, is designed to reduce the impact on children of marketing foods high in fats, sugar and salt, while increasing access to foods and beverages compatible with a balanced diet and a healthy, active lifestyle.

Danone's commitment to limiting advertising aimed at children under twelve in the E.U. is audited every year by external auditors and is part of the "E.U. pledge on advertising to children":

- Television advertising: in 2018, 98.4% of Danone ads were compliant with the company's commitments to the E.U. pledge. All non-compliant campaigns have been addressed with corrective action plans.
- Online communications: eight Danone websites and four Danone social media profiles were reviewed and all were compliant.

(1) 24 pledges signed out of 27 existing in the countries where we have Essential Dairy products and/or Waters businesses.  
(2) Scope: Danone Way.  
(3) Scope Scorecard: only for the Early Life Nutrition division.



Nutricia Poland is the first Danone subsidiary to work together with a non-governmental organization to promote breastfeeding on its brand website. Danone and the main local breastfeeding association Centrum Nauki O Laltacji began their relationship in 2012 and over the years have strengthened their collaboration. This endorsement is a new milestone in meeting our second commitment of the Danone First 1,000 Days Pledge: encourage breastfeeding and promote its benefits.

Danone supports the WHO's global public health recommendation calling for exclusive breastfeeding for the first six months and continued breastfeeding up to two years and beyond, combined with the safe introduction of appropriate complementary foods.

Danone is the first company to apply a voluntary global policy that prohibits the advertising and promotion of infant formula for infants aged 0-6 months, even if permitted by local laws. In countries classified as "higher-risk countries", we have voluntarily extended our advertising and promotion prohibition up to twelve months of age, which often goes beyond local legislation. To ensure that our policy is effectively implemented, an independent third party expert conducts audits yearly.

Danone ranked #1 in the subcategory Marketing of Breast Milk Substitutes of the ATNI Global Index 2018.

## 2. DESIGNING SOLUTIONS THAT ARE NUTRITIONALLY SUPERIOR TO ALTERNATIVES

A Healthier Choice study consists in identifying the alternatives in real-life practices. A nutritional comparison (by nutrients or by a nutrient density score), allows an assessment of the impact of substituting a more nutritional choice on the quality of the diet.

Commitment #2  
ACHIEVEMENT  
AT END OF 2018



**Poland:** A Healthier Choice analysis revealed worrying data on the diet of children aged over one: 88% drink less milk than they should; 94% have vitamin D deficiency. Through an extensive communication plan,

Nutricia set out to inform parents about the special needs of children aged over 12 months and the relevancy of its product offer. As a result Nutricia has seen a 50 to 74% conversion from its Follow-On Formula to Young Child Formula.

**Danone Egypt's** Healthier Choice study demonstrated that sandwiches and crisps are the main foods consumed away from home (AFH), particularly by younger generations, and that in snacking moments, sweet products like biscuits and soft drinks are consumed and alternated with fruits. Danone Egypt worked to increase children's awareness of healthier eating habits by consuming dairy products with fruits instead of sweet products and offering better alternatives in the AFH

market. Today, Danone drinkable yogurts are available in some gas stations. Tomorrow, the objective is to have fridges with yogurt in small shops where children buy food at school. And to encourage yogurt consumption at snack time, Danone is spreading the message about yogurt and fruit to children through social media platforms, different volunteering initiatives in hospitals, schools and non-governmental associations and, more recently, during the Danone Nations Cup children's football tournament.

\* Scope: selection of subsidiaries in 20 countries representing 71% of Danone sales. 50% of this scope is covered with sufficient data to allow a Healthier Choice study.

## 3. IMPLEMENTING EDUCATION PROGRAMS AND SERVICES FOR CONSUMERS, PARENTS, PATIENTS...

Commitment #4  
ACHIEVEMENT AT END OF 2018



**U.K.:** It is estimated that there are 3 million malnourished patients in the U.K. Nutricia Medical is a founding member of the U.K. Malnutrition Task Force which aims to raise awareness, drive change in behavior and share best practices to prevent malnutrition in older people. In 2018, BAPEN (a U.K. Healthcare Professional body), in partnership with the Malnutrition Task Force, ran the first ever U.K. Malnutrition Awareness Week. In parallel, Nutricia Medical is also active: organizing educational seminars and lectures for healthcare professionals (HCP); producing educational materials on this topic in collaboration with HCPs, and developing information and resources for unpaid carers - ie individuals who look after loved ones who are chronically ill. Increased awareness of good nutrition in malnutrition and disease, may help reduce malnutrition prevalence and/or improve patient outcomes.

\*\* Scope: top 15 Danone countries in sales value. At least one subsidiary per country will publicly declare a cause and put in place relevant actions.

30 ✓

education, information programs with a potential to reach more than 35 million people



Essential Dairy products

8 programs

Potential reach: ≈ 5.5 million consumers



Waters

8 programs

Potential reach: ≈ 2.2 million consumers



Specialized Nutrition

14 programs

Potential reach: ≈ 27.5 million parents



**Indonesia:** Indonesia faces a double burden of malnutrition - obesity and undernutrition. Studies observed that while total fluid intake increased between 2012 and 2016, so too did consumption of sugar-sweetened beverages. The positive effects of water on health are not yet a major driver of consumption. Most healthcare professionals (HCPs) don't have an in-depth understanding of healthy hydration and consumer awareness is low. Thus, the AQUA Water Advisory Board decided to build a scientific recommendation for healthier hydration to support advocacy, communication and education programs. As a result, AQUA organized seminars for HCPs and raised public awareness via two programs, reaching more than 800,000 people. With a portfolio that is 99.2% water in volumes, AQUA's offer is fully in-line with its commitment to healthy hydration.



**China:** Nutricia created an Online Doctor Platform on Wechat featuring expert videos to educate and upskill Healthcare Professionals (HCPs) on the First 1,000 Days from conception through to toddlerhood. Many of these HCPs have written articles published on other Wechat platforms that aim to advise parents. Trained HCPs are more encouraging about breastfeeding compared to non-trained HCPs.



**France:** 88% of parents surveyed had heard about complementary feeding for young children, but only 46% had received information about introducing food textures. Lack of information about their child choking, suggested a need to provide new recommendations in France. Danone has worked with external experts to share perspectives on food texture acceptability to better define future recommendations.



**Germany:** Evidence has shown that four out of ten children don't receive appropriate cereals and some parents may think that cereals for adults are also suitable options for their children. Danone's 'Baby-grade' campaign aimed to show parents the difference between cereals appropriate for adults and babies. In 2018 we created a visible tool on supermarket shelves that allowed parents to see the clear differences in texture between adult cereals and those specially tailored for infants.



**Portugal:** 41% of Portuguese children between two and ten years of age are overweight or obese (study NUTS II). Since 2014 Danone Portugal and external partners have built the program "Curte logurte" to inspire primary school children to make healthier choices and educate them on the relevance of consuming yogurt. In addition to teachers' lessons, nutritionist visits were organized in 150 schools to discuss the benefits of healthier food choices and the role of yogurt. 79% of teachers considered that children make healthier choices as a result of the program.



**Turkey:** There are many sources of information for parents and it can be uneasy to know where to get scientific and factual information. This makes it difficult to be sure about the best solution for their baby and can result in misguided practices that negatively affect their baby's future development. Danone is working with the Mother and Infant Health

Foundation and healthcare professionals to raise awareness and guide parents about appropriate baby nutrition through two online platforms "ilkadimlarim.com" and "bebekbeslenmesi.com", that focus on the importance of the First 1,000 Days. Danone, with the Mother and Infant Health Foundation and many Healthcare Professionals, aims to raise awareness among parents about the appropriate baby nutrition and encourage behavior change.



**Brazil:** The first 1,000 Days have an important influence on future health. As children in Brazil spend more than 8 hours a day in daycare, Danone is working in partnership with the Secretary of Education in Poços de Caldas city. Danone's purpose is to assess the nutritional status, diet quality and water intake of children aged 0-3 years in all public daycare centers in the city. This approach aims to explore through real cases the importance of balanced nutrition in the first days of life. In parallel, the employees received two trainings about nutrition during the First 1,000 Days.



**Russia:** In Russia up to 10% of newborns are preterm. Nutricia Russia, in partnership with the Charity Fund Pravo na Chudo, aims to educate parents with preterm babies on daily care and nutrition. A survey demonstrated that parents were less stressed and more confident in daily routine skills for preterm care and nutrition.

## ... AND FOR EMPLOYEES

85% ✓

of total staff in the Scorecard perimeter have access to a health and wellness program

### → Some positive impact examples



**U.K.:** For three years Nutricia employees have participated in a step challenge aimed at increasing physical activity. A survey before and after each year of the program showed that individuals improved their physical, social and mental wellbeing. Annual increases in participation and activity have brought a positive long-term impact: 75% of employees declared a decrease in stress levels, 64% an increase in concentration and 80% a decrease in fatigue.



**Russia:** Inspired by an article about healthy nutrition available for all Danone employees, two staff members decided to change their eating habits and stop eating potatoes and products with added sugars. After several months, they experienced faster satiety levels, lost weight and improved their sleep quality and energy levels.



**Turkey:** Thanks to a free dietician counselling program, 31 employees lost a total of 120 kilos over 8 months and an average of 50 employees developed healthier breakfast habits.

### → A RELEVANT EDUCATION PROGRAM MUST:

- address a local public health issue;
- define a clear objective linked to this issue;
- be co-constructed with academia and/or the government;
- target an identified population group;
- define measurable impact indicators.



# AS A RESULT, WE IMPACT ON BETTER CONSUMPTION

## BY INCREASING THE QUALITY OF DIETS

  **Spain:** Childhood obesity is becoming a serious problem in Spain. Danone is contributing to prevention programs such as CreceSano, which is part of the POIBA program (Prevenció Obesitat Infantil a Barcelona). This aims to educate children about healthy nutrition and a healthy lifestyle with a focus on hydration. Several one-hour sessions were organized, dealing with growth, weight, body image, food and nutrition, physical activity and sleep, with materials provided to children, teachers and parents. A pilot has been created involving impacted schools as well as non-participating (control) schools, in order to measure obesity and healthy lifestyle indicators at the beginning and end of the school year. A recent publication showed that interventions targeting children aged 9-10 years, could prevent 1 in 3 new cases of childhood obesity in this age range.



J Nutr 2019; 149: 258-269.

  **Brazil:** Around 60% of oncology patients are undernourished, a situation negatively impacting their treatment outcomes.

Danone's objective is to ensure an ever greater number of patients receiving appropriate nutritional care. In partnership with the Santa Isabel Clinic's dietician, Danone organized two conferences in 2018 for cancer patients during which the role of nutritional care in the treatment of cancer was explained. These events noticeably led to an increase in the number of patients looking for the dietician's help and orientation. Patients were also more likely to adhere to the nutritional support they had been prescribed.

  **U.S.A.:** The "Happy to Help" program aims at providing childhood nutrition education and organic meal donation in collaboration with several non-governmental associations targeting underserved families. Among those, the Nurse-Family Partnership (NFP) provides in-home support from registered nurses to first-time parents in poverty. Families working with NFP can access Happy Family's free feeding support chat, where registered dietitians and lactation specialists answer questions about feeding. In studies and trials on the NFP program, it was demonstrated that preterm deliveries decreased by 18%, the breastfeeding rate increased by 21% and emergency room visits for accidents and poisonings decreased by 56%.

  **Russia:** The "A-Z of healthy nutrition" program aims to educate children in primary schools, their parents and teachers on the importance and principles of healthy nutrition. The results of the impact survey demonstrate a deeper understanding of healthy nutrition by children and improved eating habits after the program. Children ate more vegetables, fruit and dairy products, snacked more healthily and reduced their consumption of less healthy products.

  **Turkey:** The Suyun Gücü (Power of Water) project was developed in partnership with the Ministry of National Education, the Uskudar University and school administrations. It aims to explain to children in elementary schools the importance of water consumption and highlighting what safe drinking water is. Another objective was to collect data on children's daily water consumption in order to assess their hydration status before and after the program. After the project, 93% of children were aware of their hydration level and 96% knew about the importance of water consumption (a respective increase by 24% and 37% vs initial data). Children started to drink more water, mainly after waking up and before going to bed (a 4-fold increase in



consumption). After 4 months, a phone call with parents helped to determine their children's hydration knowledge and assess behavioral changes. According to the results, 68% of parents said that their children increased their water consumption after the program.

  **Mexico:** Mexico ranks #1 on child obesity rates.

With the "Prefero Agua Simple" program, Bonafont collaborated with the Pediatrics National Institute to provide training on healthy hydration in primary schools and assure availability of water in classrooms. A survey was conducted before the program, directly after and a year following completion of the program. It demonstrated an increase in plain water consumption and a positive switch from carbonated sweetened drinks to plain water.

  **Poland:** The "Breakfast gives power" program aims at raising children's awareness about healthy eating and the role of breakfast in their diet. A survey was conducted to assess the impact of the program on children's eating

habits between 2013 and 2017. It showed that the program has contributed to positive changes in the nutrition of children. The quality of the second breakfast is improving among program participants. Fewer children bring donuts, buns or sweets to school, are more likely to bring dairy products and fruit and they now drink water more often than juices.

  **Italy:** The ViviSmart project was born from the alliance of Danone, Barilla, Coop and non-profit organizations. It aims to bring Italian families closer to a Mediterranean food model and healthy lifestyle via three important touch

points: schools (directly talking to children and through them to families), general practitioners (including families and children in counselling) and point of sales (in-store activities and digital information). Research conducted by an academic partner showed increased awareness about healthier lifestyles by participating families. 55% of parents interviewed claimed to have changed their families' eating habits after talking about the campaign with their children.

  **Indonesia:** The program "My plate 'Isi piringku'" initiated in 2017 by Danone, and endorsed by authorities and academic partners, aims to help preschool children and their parents to consume healthier, nutritious foods whilst also educating parents about how to help their children achieve a healthy balanced diet. After one year, a first survey demonstrated a positive impact: 11% more children are eating fruits and vegetables, 5% more children are eating their "bekal" snack/meal they brought from home and 16% more are washing their hands.

The Danone Ecosystem Fund was created by the conviction that business thrives when it acts as a force for good. The Fund has invested in projects that have social, environmental and/or health impact, while strengthening Danone's ecosystem. A dedicated methodology has been developed and implemented to measure the actual impact of its different projects. The first outcomes will be available in the coming months.



# #COUNTRY FOCUS: ARGENTINA

## OUR HEALTH STRATEGY IN ACTION



### LOCAL CONTEXT KNOWLEDGE

66,1% of adults are overweight or obese.

Danone has launched several studies to address this issue:

- 1) research on full diet coverage on subjects from 12 months to 69 years old;
- 2) an assessment of liquid intake;
- 3) an anthropologic study focused on babies, children, adults, pregnant women and elders;
- 4) research assessing available scientific data on key topics together with interviews with key opinion leaders.

### BETTER PRODUCTS

73% of volumes sold in 2018 are in **healthy categories\*** and 54% are without added sugar. Since 2001, the sugar content in the *Danonino* brand has been decreased by 60%. For babies

above 6 months, Nutricia launched in 2018 a **“zero sugar” cereal offer** unique in the market. In 2018 new plain yogurts without added sugars were launched including *La Serenisima Original* made with no preservatives and only natural ingredients.

### + BETTER CHOICES

100% of our products have a transparent **nutritional labelling** (on pack, online and portion size guidance).

Danone has a formal policy to support breastfeeding employees and promotes breastfeeding as part of its **First 1,000 Days** pledge to ensure babies get the best possible nutrition. With **“Let’s nourish the future” program**, Danone co-created the first

center focusing on early childhood in Salta. It supports parents in the First 1,000 Days with the help of a multidisciplinary team. Another program carried out also with non-governmental associations has been implemented to fight against obesity: **“Nutriheroes”** raises awareness among children about healthy habits, empowering them as agents of change in their own homes.

In parallel, several campaigns in partnership

with associations have been launched to raise awareness of patients and parents on the importance of **newborn screening**, the relevance of early diagnosis of **Phenylketonuria disease** and also the link of epilepsy with the ketogenic diet. An awareness campaign about **food allergies** in partnership with the Argentinian Association of Allergy and Clinical Immunology has been a topic widely communicated at a national level.

### = BETTER CONSUMPTION

Two years after its creation, the program **“Let’s nourish the future”** has helped more than 2,200 children and their parents. All actions on health, nutrition, sport organized for Danone employees over

recent years have positively impacted employees’ health (**weight loss**, fewer consultations for muscular pain, **reduction of cholesterol** and glycaemia).



\* Plain water, dairy products for daily consumption, beverages with 0% sugar, baby milks and foods, and Medical Nutrition products

# DANONE SUPPORTS RESEARCH AND INNOVATION

Given the unique portfolio and mission of Danone, the activities of Danone Nutricia Research are devoted to Nutrition & Health. In the news in 2018...

**U**rinary tract infections (UTI) are common in women, and about one in four will have a repeat infection in their lifetimes. Danone Research conducted a study with scientific experts to assess the efficacy of increased daily water intake on the frequency of recurrent cystitis in premenopausal women. After one year, results demonstrated that women who were told to drink an additional 1.5L of water a day had about half as many UTIs as those who did not alter their daily water intake. As a consequence, these women decreased by half the use of antibiotics. *JAMA Intern Med.* 2018;178(11):1509-1515.

**R**ecent human study has shown that our gut microbiome is still being shaped throughout toddlerhood. The plasticity of the toddler gut microbiota indicates that nutritional modulation beyond infancy could potentially impact its maturation. This study was conducted in Thailand to investigate the effect of a young child formula supplemented with prebiotics scGOS/lcFOS and probiotics Bifidobacterium breve M-16V on the development of the faecal microbiota in healthy young children aged 1 to 3 years. *Beneficial Microbes* 2018; 9(4): 541-552.

**W**hile it is evident that obesity, type 2 diabetes and other metabolic complications are current public health issues, their prevalence is much less clear. A team of researchers from INRA, Danone, the Paris public hospital system (AP HP), Inserm and Sorbonne Université have recently revealed, in an in vivo preclinical study, that the metabolic disorders linked to a high fat diet are aggravated by the proliferation of *Bilophila wadsworthia*, a pro-inflammatory gut bacterium which contributes to the deterioration of the intestinal barrier. These effects are attenuated by a probiotic bacterium known as *Lactobacillus rhamnosus* CNCM I 3690. The findings of this study pave the way for the development of nutritional approaches and probiotics which target the microbiota. They were published on July 18, 2018 in *Nature communications*.

**U**nderstanding the importance of muscle mass evolution during cancer treatment and its impact on the health outcomes of cancer patients is key and can help scientists to develop adapted nutritional interventions. The Utrecht Center on Food and Health, The University Medical Center Utrecht, Utrecht University and Danone Nutricia Research are collaborating to investigate the evolution of the skeletal muscle mass during palliative systemic treatments. *Journal of Cachexia, Sarcopenia and Muscle* 2018; 9: 909-919.

**87**  
ongoing clinical trials  
at the end of 2018

**169**  
publications in peer reviewed  
scientific journals in 2018

**491**  
patent families at the end  
of 2018

**1,070**  
new products launched in 2018

Approximately **1,700** employees

**2** international research centers:  
Daniel Carasso (Palaiseau, Cluster  
Paris Saclay, France), and Nutricia  
Research (Utrecht, The Netherlands)

**6** specialized centers

**55** branches around the world

More than **200** partnerships with  
international scientific teams most  
recognized in their fields.



## A THOROUGH GOVERNANCE

The Product Compliance Board (PCB) is accountable for ensuring that all Danone products comply to applicable regulations and to Danone rules, in six domains related to the loyalty toward consumers including Health and Nutrition. The PCB establishes and regularly revises the Danone Product Compliance Policy.

The Nutrition Steering Committee (NSC) is an operational body gathering representatives from each division and from key corporate functions.

The NSC establishes:

- Danone's position in nutrition (ambition, commitments, targets)
- A clear and coherent strategy on selected topics in relation to nutrition and health
- A quantified measurement of the company's performance in nutrition and alimentation-related topics
- A stakeholders' engagement plan

**82%**

of subsidiaries have at least 1 expert advisory panel in place. In total, 134 panels were active at local level in 2018

**95%**

of subsidiaries have applied the claim validation procedure to 100% of their products sold in the past year\*

**78%**

of subsidiaries have a person accountable for Health and Nutrition matters\*

\* Scope: Danone Way (explained in page 21)



**Spain:** Nutricia Iberia, in partnership with the CEU University San Pablo, has developed a 3-year educational program around the First 1,000 Days for all its employees. It is an innovative e-learning platform offering eight modules adapted to two levels of expertise: Essentials (10h) and Experts (20h). At the end of each module, a Masterclass taught by professors from the CEU University is organized. Completion of the e-learning is measured and employees receive an official diploma at the end of the training.

**13,296** ✓  
employees have been trained in nutrition, health and/or hydration during the last 2 years

Decision-making bodies at division level translate the commitments and targets into specific and concrete procedures and rules :

- Essential Dairy and Plant-based products Business Connection Forum
- Waters Product Compliance Board
- Early Life Nutrition Product Compliance Committee
- Advanced Medical Nutrition Product Compliance Board
- Africa Compliance Board

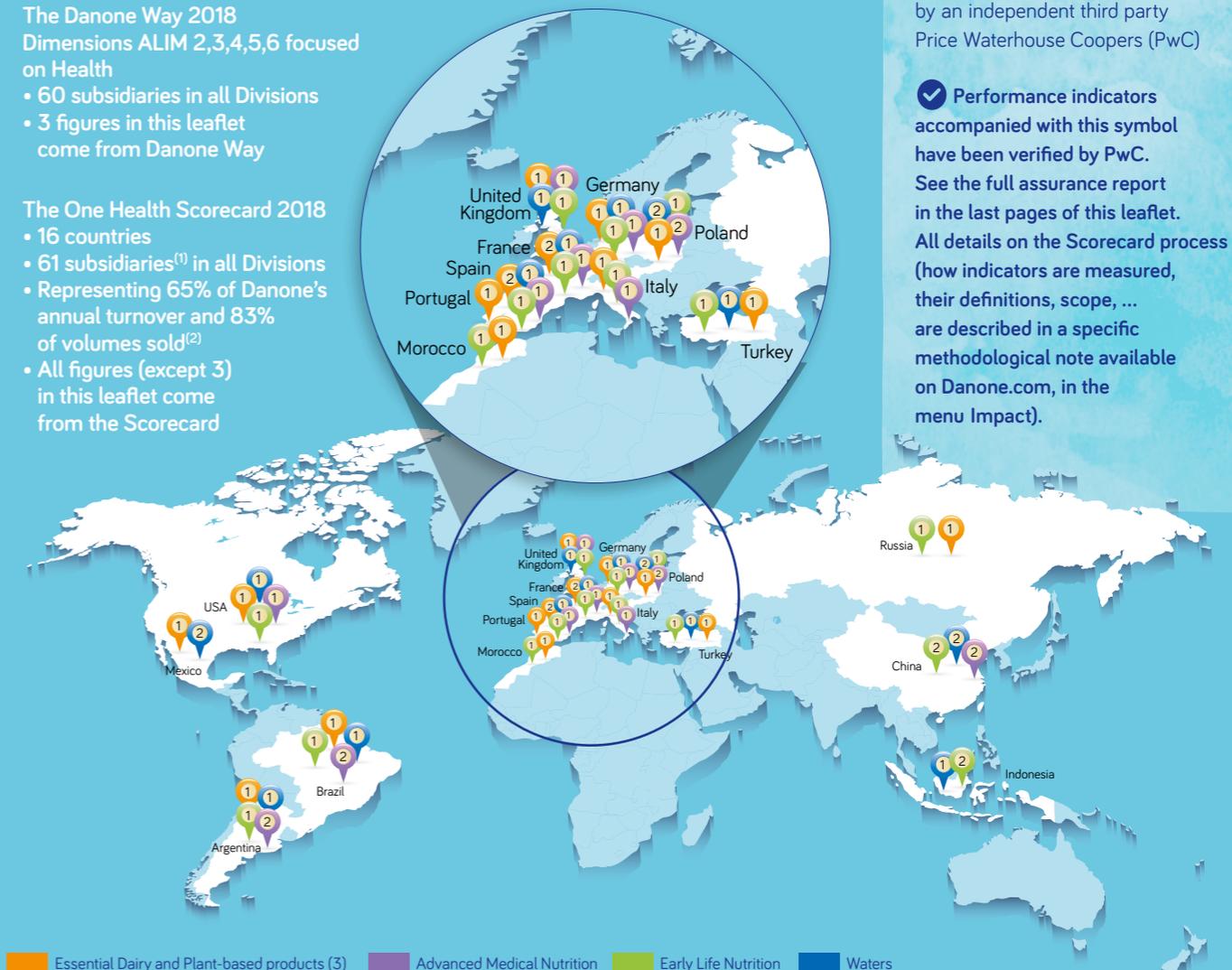
## 2 SYSTEMATIC REPORTING PROCESSES

The Danone Way 2018 Dimensions ALIM 2,3,4,5,6 focused on Health

- 60 subsidiaries in all Divisions
- 3 figures in this leaflet come from Danone Way

The One Health Scorecard 2018

- 16 countries
- 61 subsidiaries<sup>(1)</sup> in all Divisions
- Representing 65% of Danone's annual turnover and 83% of volumes sold<sup>(2)</sup>
- All figures (except 3) in this leaflet come from the Scorecard



Both processes are verified by an independent third party Price Waterhouse Coopers (PwC)

✓ Performance indicators accompanied with this symbol have been verified by PwC. See the full assurance report in the last pages of this leaflet. All details on the Scorecard process (how indicators are measured, their definitions, scope, ... are described in a specific methodological note available on Danone.com, in the menu Impact).

(1) Change since last year: Essential Dairy products Portugal; Waters U.S.A. and Advanced Medical Nutrition Argentina entered the Scorecard scope.

By subsidiaries we mean financial entities.

(2) Our sales are expressed in volumes. The Waters division represents 80% of the volume of products sold in the Scorecard perimeter, whereas Essential Dairy products Division represents 13.2% (Plant based products are not yet included in the scorecard scope in 2018), Specialized Nutrition 6.8% (including Early Life Nutrition 6.4% and Medical Nutrition 0.4%).

(3) Plant-based products from the Essential Dairy and Plant-based Division are not yet included.

# LIMITED ASSURANCE REPORT BY ONE OF THE STATUTORY AUDITORS ON A SELECTION OF NUTRITION AND HEALTH INDICATORS PUBLISHED IN THE DOCUMENT "NUTRITION ACHIEVEMENTS 2018"

FOR THE YEAR  
ENDED 31 DECEMBER 2018

In our capacity as statutory auditor of Danone, and pursuant to a request from Danone, we hereby present our report on a selection of Nutrition and Health indicators selected by Danone and identified by the symbol  in the document "Nutrition Achievements 2018" of Danone (hereinafter "the indicators").

The indicators were prepared under the responsibility of the Danone Alimentation Science Department in accordance with the "Danone Nutrition and Health Scorecard User Guide" (hereinafter the "Guidelines"), available on request from the department.

It is our responsibility, on the basis of our work, to express a limited assurance conclusion on the indicators selected by Danone. The conclusions expressed below are solely on the selected indicators and not on all the Nutrition and Health indicators published in the "Nutrition Achievements 2018".

## Nature and scope of our work

We performed our work in accordance with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement and with ISAE 3000 (Assurance engagements other than audits or reviews of historical financial information).

We conducted the following work resulting in a limited assurance conclusion that the Nutrition and Health indicators, taken as a whole are, in all material respects, fairly presented in accordance with the Guidelines.

We have assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability at parent entity level;

We have verified the implementation of data collection, compilation, processing and control process to reach completeness and consistency of the indicators, and obtain an understanding of the internal control and risk management procedures used to prepare the indicators.

At parent entity level, we have performed analytical procedures on the indicators and verified, using sampling techniques, the calculations and the consolidation of the indicators. Conducted work was based on interviews with the Danone Alimentation Science Department, in charge of the establishment and application of guidelines and of the consolidation of the indicators.

At the level of a representative sample of entities selected by us (Danone GMBH (Germany), Danone Water China (China), Shenzhen Health Drinks (China), Danone SA (Spain), Blédina (France), Nutricia Nutrition Clinique SAS (France), ILTESA-Industrias Lacteas (Canary Islands), AQUA (Indonesia), Danone Portugal SA (Portugal), Bonafont (Mexico), HOD Mexico IG (Mexico)) on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis:

- we conducted interviews to verify that procedures and Guidelines are properly understood and applied;
- we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents.

The selected sample represents on average 23% of the consolidated turnover of the entities contributing to the selected Nutrition and Health indicators (which represents 65% of Danone's total turnover).

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the indicators cannot be fully eliminated.

## Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the selection of Danone Nutrition & Health indicators selected by Danone and identified by the symbol  in the company's 2018 Nutrition & Health leaflet, are not presented fairly in accordance with the Guidelines.

Without qualifying our conclusion, we draw your attention to the following matters: Internal controls on Danone Nutrition & Health Indicators have been improved during the consolidation of company data. However, there is still room for improvement and it would be appropriate to continue to raise the awareness on the need to report indicators in accordance with the Guidelines and to strengthen the internal controls.

Neuilly-sur-Seine, June 27th 2019,  
One of the Statutory Auditors  
PricewaterhouseCoopers Audit

François Jaumain  
Partner

Sylvain Lambert  
Partner in charge of the  
Sustainability Department

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

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Integrated Annual Report 2018:



[www.danone.com](http://www.danone.com)

**About Danone ([www.danone.com](http://www.danone.com))**

Dedicated to bringing health through food to as many people as possible, Danone is a leading global food & beverage company building on health-focused and fast-growing categories in three businesses: Essential Dairy & Plant-Based Products, Waters and Specialized Nutrition. Danone aims to inspire healthier and more sustainable eating and drinking practices, in line with its 'One Planet. One Health' vision which reflects a strong belief that the health of people and that of the planet are interconnected. To bring this vision to life and create superior, sustainable, profitable value for all its stakeholders, Danone has defined its 2030 Goals: a set of nine integrated goals aligned with the Sustainable Development Goals (SDGs) of the United Nations. Danone commits to operating in an efficient, responsible and inclusive manner; it holds itself to the highest standards in doing business, as reflected by its ambition to become one of the first multinationals certified as B Corp™. With more than 100,000 employees, and products sold in over 120 markets, Danone generated €24.7 billion in sales in 2018. Danone's portfolio includes leading international brands (*Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic*, among others) as well as strong local and regional brands (including *AQUA, Blédina, Bonafont, Cow & Gate, Horizon, Mizone, Oikos, Prostokvashino, Silk, Vega*).

