



One Health Scorecard process 2018: Methodology Note

This document aims to describe in more details how figures published in the Nutrition Achievements leaflet have been collected, checked and calculated.





Consolidation scope and coverage

In 2011, Danone created a series of performance indicators (One Health Scorecard) to measure improvements and progress made regarding health and nutrition, particularly product composition and responsible communication, and started to disclose some of these indicators on an annual basis.

These indicators are consolidated for a scope of 16 countries covering all of Danone's Businesses and geographic regions. However, plant-based products have not yet been included in the scope in 2018.

In 2018, 61 subsidiaries representing about 65% of consolidated sales reported One Health indicators.

Definition of the Businesses

 Essential Dairy and Plant-Based (EDP)	Production and distribution of fresh fermented dairy products and other specialty dairy products; plant-based products and drinks (made primarily from soy, almonds, hazelnuts, rice, oats and coconut); and coffee creamers. Plant-based products have not yet been included in the reporting scope in 2018.
 Early Life Nutrition (ELN)	Production and distribution of specialized food for babies and young children to complement breast-feeding.
 Waters	Production and distribution of plain waters along with Aquadrinks (waters flavored or enriched with natural fruit juice extracts, fruit juice and vitamins).
 Advanced Medical Nutrition (AMN)	Production and distribution of specialized food for people afflicted with certain illnesses or frail elderly people.

Data collection

To ensure the homogeneity of the indicators across the reporting scope, shared data reporting guidelines are transmitted, and updated each year based on the learnings from data consolidation and comments of contributors. These guidelines specify the methodologies to be used to report the indicators, including definitions, methodology principles, calculation formulas and standard factors.

The Alimentation Science Department is accountable for One Health indicators.

The One Health indicators are reported by the Scorecard Owner of each subsidiary in the scope, through a system of standardized forms, which are then consolidated by the Alimentation Science Department, using an automated process to calculate the global indicators.

The sources of data are multiple: product data are generated by Business-specific systems (NutriPride for the Essential Dairy and Plant-Based and Early Life Nutrition Businesses, and Aquamap for the Waters Business). Data on volumes are generated by Danone's financial information consolidation software. Lastly, training data are taken from the Human Resources reporting systems.

There are several levels of verification: data are checked at the subsidiary level and then at the Business level when reported. The data are then verified by the Alimentation Science Department and independent auditors.

Information regarding methodologies

The methodologies used for certain indicators may have limits due to:

- the absence of common national and/or international definitions;
- necessary estimates, the representative nature of measurements taken or the limited availability of external data required for calculations.

For these reasons, the definitions and methodologies used for the following indicators are specified.

Employees

A negligible portion of the managerial employees data is not collected during the data reporting period (a few cases of internationally mobile employees on assignment at other Danone entities). Furthermore, some disparities may exist in the employees accounting methods for expatriate employees (such is the case for expatriate employees who have three-party contracts between the employee, the home subsidiary and the host subsidiary).

Employees on long-term leave (more than nine months) are not counted in the total employees at the end of the reporting period.

In China, employees paid by Danone but whose contracts are with a third-party company (equivalent to a temporary work agency) are not included in the total employees.

Fixed-term contracts and movements within Danone are not included in the entries/exits.

Number of countries covered by Nutritional Situations studies

At end of each year, the Alimentation Science Department compiles an updated list of countries or regions covered by Nutritional Situations studies (also known as Nutriplanet or Nutripack).

If in a country a specific study has been conducted in a region of this country, it is counted in the total of countries covered by Nutritional studies. This is the case of China and the region Hong Kong.

Studies must not be prior to 2009.

Number of countries covered by Food Habits studies

At end of each year, the Alimentation Science Department compiles an updated list of countries covered by specific dietary intakes studies and fluid intakes studies (specific for the Waters business).

Studies must not be prior to 2013.

Number of countries covered by Food Cultures studies

At end of each year, the Alimentation Science Department compiles an updated list of countries covered by Food Cultures studies. Studies must not be prior to 2013.



For all indicators on volumes

“Sales volumes” excludes all export volumes, non-food products, private labels (products manufactured for a non-Danone company) and sprays (for the Water business).

All figures are calculated on volumes of products as consumed. A conversion factor is applied to give the volume that is actually consumed by the consumer (i.e. for a powder product what is counted is the “reconstituted” volumes it means powder added with a liquid). It concerns mainly the Early Life Nutrition and Advanced Medical Nutrition products. Each subsidiary must use a common conversion table.



Percentage of volumes sold in healthy categories

This indicator refers to plain water, yogurt and other daily dairy products, baby milks & foods (except finger foods and drinks), milks and milk powders, beverages with 0% sugar and medical nutrition products.

This indicator aims at assessing which part of the portfolio is or could be supported by official recommendations supporting a sustained or increased consumption.



Percentage of the volume of nutritionally improved products

This indicator is calculated for the product categories where it is relevant: Essential Dairy Products, Early Life Nutrition and sweetened Aquadrinks. It includes volumes of previously sweetened Aquadrinks whose sugar level has been reduced to 0g / 100mL, moving them to the sugar-free Aquadrinks category.

By improvement, we understand a reduction of the quantity of nutrients of public health concern (added sugars, saturated fat, salt); an improvement of the quality of nutrients (fat quality, sugar quality) or an increase in the quantity of shortfall nutrients (essential fatty acids, fibers, minerals, vitamins) or the addition of functional ingredients.

Only the volumes improved in the year 2018 were considered, whereas previously a period of 3 years was requested.



Percentage of the volume of products without added sugars

This indicator is calculated for the Essential Dairy Products, Early Life Nutrition and Waters businesses. Advanced Medical Nutrition products and Tailored nutrition products from Early Life Nutrition business were excluded because not relevant.

By without added sugars, we mean all products with an added sugars content equal to zero g.



Percentage of volumes of fortified products sold

The indicator is calculated only for the Essential Dairy Products (EDP). More specifically, this figure is calculated for a scope of 16 subsidiaries covering 80% of the sales of one business.

A product can be counted as fortified only if three elements are met for at least one nutrient: 1) It is an essential nutrient (essential fatty acid, fiber, mineral, vitamin); 2) The enrichment is justified by nutritional issues of the targeted population(s) documented by national surveys OR the enrichment is mandatory by law and 3) The enrichment has been approved by local experts or validated by the EDP central nutrition team.



Percentage of products compliant to the Danone Nutritional Targets 2020

All information on what is required to reach the targets is described in the “Danone Nutritional Targets 2020” document available in www.danone.com website, in the Impact part.

If there is a legal constraint that applies locally on one nutrient, and makes it impossible to comply on this nutrient, then the nutrient is not considered.



Percentage of products for which a salt target has been defined and which are in line with these targets

All information on what is required to reach the targets is described in the “Danone Nutritional Targets 2020” document available in www.danone.com website, in the Impact part.

This indicator represents the % of sales volumes 2018 meeting the salt threshold for their category in the Danone Nutritional Targets 2020. The compliance is weighted by volumes of products sold. This rule applies both at portfolio and product (i.e. multipack) levels.



Percentage of products for which a sugar target has been defined and which are in line with these targets

All information on what is required to reach the targets is described in the “Danone Nutritional Targets 2020” document available in www.danone.com website, in the Impact part.

This indicator represents the % of sales volumes 2018 meeting the sugar threshold for their category in the Danone Nutritional Targets 2020. The compliance is weighted by volumes of products sold. This rule applies both at portfolio and product (i.e. multipack) levels.

The sugar target corresponds to added sugars content, except for Essential Dairy products for which the compliance to total sugar content is also mandatory.



Percentage of products for which a saturated fat target has been defined and which are in line with these targets

All information on what is required to reach the targets is described in the “Danone Nutritional Targets 2020” document available in www.danone.com website, in the Impact part.

This indicator represents the % of sales volumes 2018 meeting the saturated fat threshold for their category in the Danone Nutritional Targets 2020. The compliance is weighted by volumes of products sold. This rule applies both at portfolio and product (i.e. multipack) levels.



Percentage of products sold with ON-Pack nutritional information

This indicator is calculated for Essential Dairy Products, the Early Life Nutrition and Advanced Medical Nutrition businesses, and Aquadrinks (not relevant for plain waters, which are subject to separate regulations).

The Early Life Nutrition and Advanced Medical Nutrition businesses must follow specific local legislation.

For Essential Dairy products and Aquadrinks, Danone provides corporate guidelines: for example, nutritional information on-pack means that the following information is indicated on the pack per 100 g or per portion = Energy; Fat (of which saturates); Carbohydrates (of which sugars), Protein and Salt. The guidelines will apply in all countries unless there is a contradiction with local regulations. In that case, the subsidiary will be excluded from calculation.

All volumes distributed in the away from home channel (canteens, restaurants, ...) are assessed as they are when they leave the Danone plant, knowing that the final presentation to the consumer is not under the control of Danone, and that, in that final presentation, the nutritional labeling may disappear: products can be presented by the restaurant in single pots without the initial cardboard wrapping, or (for bulk products) transferred to another container.

Last year, this indicator was assessed on volume excluding the away from home volumes. The calculation has changed in 2018, taking into account total volumes.



Percentage of products sold with off-pack nutritional information

This percentage indicator is calculated for the Essential Dairy Products, the Early Life Nutrition and Advanced Medical Nutrition businesses and Aquadrinks (not relevant for plain waters, which are subject to separate regulations).

The Early Life Nutrition and Advanced Medical Nutrition businesses must follow specific local legislation.

For Essential Dairy products and Aquadrinks, Danone provides corporate guidelines explaining which information need to be provided through a consumer info line or a website.

Last year, to homogenize the calculation, this indicator was assessed on volume excluding the away from home volumes. The calculation has changed in 2018, taking into account total volumes.



Percentage of products sold providing an indication of the portion size

This indicator is calculated for the Essential Dairy Products, the Early Life Nutrition and Advanced Medical Nutrition businesses and Aquadrinks (not relevant for plain waters, which are subject to separate regulations).

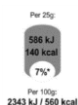
For the Advanced Medical Nutrition business, 100% is by definition applied due to the fact that products are prescribed by Healthcare Professionals and labelling has to follow the local legislation.

The Early Life Nutrition business must follow specific local legislation.

For Essential Dairy products and Aquadrinks, Danone provides corporate guidelines explaining that a “portion” is the quantity that the consumer is supposed to eat in one occasion. It can be a single consumption unit. The portion must be easily recognized by the consumer; and must be quantified on the label. The number of portions contained in the package must be stated. The guidelines will apply in all countries unless there is a contradiction with local regulations. In that case, the subsidiary will be excluded from calculation.

All volumes distributed in the away from home channel (canteens, restaurants, ...) are assessed as they are when they leave the Danone plant, knowing that the final presentation to the consumer is not under the control of Danone, and that, in that final presentation, the nutritional labeling may disappear: products can be presented by the restaurant in single pots without the initial cardboard wrapping, or (for bulk products) transferred to another container.

Last year, this indicator was assessed on volume excluding the away from home volumes. The calculation has changed in 2018, taking into account total volumes.



Percentage of products sold with front-of-pack nutritional information

This indicator is calculated for Essential Dairy Products and Aquadrinks (not relevant for plain waters and Early Life Nutrition and Advanced Medical Nutrition businesses, which are subject to separate regulations).

The calculation scope excludes countries where regulations forbid the use of front-of-pack nutritional information.

All subsidiaries must follow the Danone Corporate guidelines explaining which front of pack icons and logos can be used and giving rules for their implementation.

All volumes distributed in the away from home channel (canteens, restaurants, ...) are assessed as they are when they leave the Danone plant, knowing that the final presentation to the consumer is not under the control of Danone, and that, in that final presentation, the nutritional labeling may disappear: products can be presented by the restaurant in single pots without the initial cardboard wrapping, or (for bulk products) transferred to another container.

Last year, this indicator was assessed on volume excluding the away from home volumes. The calculation has changed in 2018, taking into account total volumes.



Number of employees trained on nutrition, health and/or hydration

This indicator tracks the number of unique employees who received at least one training course related to nutrition, health and/or hydration over a two-year period.

The training received must have lasted at least one hour.

Each subsidiary must provide evidence of the number of people trained. For lack of proof, the number reported is 0.

Number of employees trained to WHO code and Danone Policy of marketing for breastmilk substitutes

This indicator tracks the number of unique employees, who are working in the Early Life Nutrition (part from Specialized Nutrition business) and who received the training related to the Danone Policy of marketing for breastmilk substitutes over a two-year period.

Each subsidiary must provide evidence of the number of people trained. For lack of proof, the number reported is 0.



Number of active education and information programs during the year

An education / information program must:

- 1) address a local Public Health issue;
- 2) define a clear objective linked to a public health cause or its determinants;
- 3) be co-constructed with academia and/or the government;
- 4) target an identified population group and
- 5) define measurable impact indicators (the initial state of which has been documented - “baseline”- and the impact is measured).

A program can be counted as program only if these criteria are respected.

The impact measurement doesn't need to be conducted every year.

Number of people potentially impacted by these active programs

The people considered to be potentially impacted are consumers (for the Essential Dairy Products and Waters businesses), parents, patients and caregivers (for the Specialized Nutrition business).

Subsidiaries count the people reached by the program (for example the number of unique visitors to a website, the number of participants in conferences or training sessions, etc.). We consider that these people are potentially impacted to the extent that they have received the messages conveyed by the program and their awareness increased. It is not yet mandatory for subsidiaries to prove that these people have really been impacted, meaning that they have changed their eating and drinking habits.

People who are impacted by several programs may be counted several times.

If the subsidiary can justify that people are not counted twice, people reached can be counted since the beginning of a program (i.e. if a program implements a training to children from the same class level, we can estimate that each year new children will be reached).



Percentage of employees who had access to the Health @ Work program

This indicator is calculated on the total number of employees in the subsidiaries from the One Health Scorecard scope. In 2018, 61 out of 61 subsidiaries had a Health @ Work program.

A program is characterized as Health @ Work if it includes one of the three dimensions (Healthy Diet, Healthy Body, Healthy Mind) and if at least one activity/initiative is offered for free.

Definition of access is based on practicality:

- ✓ For instance, if there is a fitness room in an office building, only the employees located in this building were counted, even those not actually using the fitness room (they have access if they want);
- ✓ For instance, employees in the sales force, if they are always away from office, can't take advantage of the gym - so in reality they do not have access. Therefore, sales force can be counted only if the subsidiary is organizing something accessible to them like i.e. a running outside during the Weekend or informations sent by email (on nutrition, health, physical activity, ...).

One subsidiary, out of 61, reported the data only from its head offices and didn't collect the data from its plants.



Number of active expert advisory panels

A panel of experts is defined as a group of scientists/healthcare professionals, from international or local reputed organizations, recognized for their expertise, who exchange on a regular basis (minimum one meeting during the last 3 years) with Danone teams to evaluate the relevance, credibility and effectiveness of product innovations, research plans, scientific communication, etc.

Each entity must provide evidence of the meeting(s) organized with the panel. For lack of proof, the panel is not counted.