



DANONE'S POSITION ON BIODIVERSITY AND GMO USE

OUR AMBITION AND GUIDING PRINCIPLES

regarding sustainable agriculture and biodiversity of cultures

Danone's mission is to bring health through food to as many people as possible, understanding health in a very comprehensive way, as defined by WHO: "Health is a state of complete physical, mental and social well-being". Our ambition for our brands is to foster healthier and more sustainable eating and drinking behaviors, which are reflective of local cultures and sustainable, diverse agricultural systems, in balance with nature's ecosystem and can be maintained for generations to come.

We have always believed that biodiversity should be protected and that the food we eat and the water we drink should come from a sustainable and diverse ecosystem. Our ambition is to produce healthy food that is affordable, creates economic and social value and nurtures natural ecosystems through sustainable agriculture (See [Danone White Paper](#)*).

As an integral part of its sustainability strategy, Danone decided to commit to new a breakthrough [Climate Policy](#)* in November 2015, with mid-term (2020-2025) and long term commitments, taking immediate actions to prepare the future.

We believe that long term is critical when it comes to the natural environment. The global efficiency of agricultural models, which sometimes take generations to evolve, can only be fully appreciated over the very long term. The same goes with the evaluation of the sustainability, security and diversity of eating and drinking habits derived from these agricultural models.

The agricultural model mostly inherited from 20th century's transformations relies on a combination of increased concentration on a very limited number of crops and standardization around a few species within each crop variety. This was mainly linked to the critical problem of food scarcity everywhere in the world with particular emphasis at the end of the 2nd World War in Europe. Hybridization techniques and varietal and animal selection were used in that purpose. Later, the development of the GMO technology offered new possibilities to grow plants embedding reinforced productivity patterns.

In today's world environment, some suggest that this global model – which brings apparent simplicity and short term efficiency – may become the source of a systemic risk for global food security, as not sufficiently taking into account long term farmers' autonomy and natural biodiversity, with uncertain long term consequences on soil fertility and carbon, water usage, and fossil energy efficiency.

As a company with a goal to develop meaningful brands, we believe consumers have a fundamental role to play in choosing which agricultural and environmental model they favor through their everyday choices of consumption and usage. We think that civil society conversations and consumer debates on agricultural models should be favored and not be dismissed, when they appear.

Therefore, at local level, opportunities will be reviewed to foster the deployment of capital and resources into alternative solutions both for ingredients sourcing and for cattle feed for our milk. This will enable our consumers through proper information to support the agricultural and environmental practices they favor through their everyday choices.

*All publications including Danone White Paper and Climate Policy on danone.com/publications



▶ OUR POSITION AND INITIATIVES regarding biodiversity and GMO use

The Danone policy on biodiversity and the use or non-use of ingredients or cow feed derived from or containing GMO crops depends on our vision of agriculture and existing biodiversity risks and opportunities in the countries where we operate.

▶ In the European Union, a consensus has been reached and translated into regulation, putting a very low limit above which GMO ingredients must be declared, enabling consumer choice. As we made it possible through our ambition to diversify our sourcing practices, we have chosen to fulfill the spirit of this regulation and to use only direct ingredients of conventional (Non-GMO) origin: in Europe, Danone requires its suppliers to certify that they respect this conventional traceability and guarantees the non-GMO origin of the ingredients used. As a result none of our products carry a GMO label.

▶ In the USA, where much of the agricultural supply of our industry relies on a limited number of species, mostly GMOs, we are striving for more diversified approach for both ingredients and for cow feed so that key issues like farmers' independence, biodiversity, soil preservation and carbon sequestration, water usage and fossil energy efficiency may potentially be better addressed in the long term.

The Dannon company, Inc. ("Dannon") in the USA has decided to declare on labels the presence of GMO ingredients in its products by December 2017. Additionally, Dannon will evolve all products from the 3 flagship brands Dannon, Oikos and Danimals towards the use of fewer ingredients that are all more natural and non-GMO, starting July 2016.

As most of the cattle feed in the USA is genetically modified today, and since Dannon's direct sourcing enables cooperation with farmers on experimenting and innovating in the upstream supply chain, Dannon is working with cow feed suppliers and its farmer partners to start planting non-GMO feed commodities as soon as possible to fulfill its needs. Once those alternative solutions are implemented, the products from the three brand families will contain milk from cows entirely fed with non-GMO feed no later than the end of 2018.

▶ In countries where the supply chain of our ingredients relies on crops of mixed origin without biodiversity threats we include in our product recipes ingredients such as cereals, sugar, proteins, oil that can be derived from corn, soybeans, sugar beet, (...) for which GMO varieties exist. Additionally, the dairy cows supplying milk for our products may be partially fed with rations of soy or corn for which GMO varieties may be used as well. In such cases the ingredients supplied to Danone which are reputed "GMO-derived" are labeled according to local regulations.

We are conscious that these biodiversity challenges and opportunities may appear in a number of other geographies. We have decided to focus our engagement with our farmer partners on these topics in the countries where we have identified the highest long term challenges to biodiversity. We will keep tracking the scientific work, the public debate and monitor closely the learnings from this pioneering move in the USA so that we can nurture our approach in the future.

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