Why B Corp™ creates value

June 2020
B Corporations are for-profit companies certified by the nonprofit B Lab™ for meeting rigorous standards.
At the origin of B Corp certification
From good products to good companies

- Today consumption is a powerful statement
- Brands under greater scrutiny by consumers
- Consumers expecting from companies higher verified levels of
  - Social and environmental performance
  - Transparency
  - Accountability

90% of Americans say that companies must not only say a product or service is beneficial, but they need to prove it.
Cone Communications

73% of consumers care about the company, not just the product when making a purchasing decision.
BBMG
A fast-growing movement across regions and sectors
3,300+ B Corp community to date
B Impact Assessment
A holistic and demanding framework

B Impact Assessment (BIA)

- A tool for measuring the social and environmental performance of a company, developed from best international sustainability frameworks (ISO 26000, GRI, SASB, Global Compact)

- 200 questions on 5 themes
  - Governance
  - Workers
  - Community
  - Environment
  - Customers

- Total of 80 points required for B Corp Certification. Only positive practices are assessed. Background checks performed before certification is approved

- Update of certification every three years

Performance standards

80 AVERAGE B IMPACT SCORE

70,000 companies using the BIA tool
3,300+ companies certified to date

Aligned with the United Nation SDGs

SDG ACTION MANAGER

Developed by

Developed by

UN GLOBAL COMPACT Lab
**B Impact Assessment tool**
*An integrated assessment of practices impacting business model*

<table>
<thead>
<tr>
<th>Impact Assessment</th>
<th>Governance</th>
<th>Workers</th>
<th>Environment</th>
<th>Community</th>
<th>Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATIONAL IMPACT QUESTIONS</strong></td>
<td>Accountability, Transparency, Ethics, Mission</td>
<td>Compensation, Benefits, Training, Career development</td>
<td>Facilities, Supply chain, Manufacturing, Packaging</td>
<td>Community Engagement, Diversity &amp; Inclusion, Suppliers</td>
<td>Services, Products, Value Chain</td>
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<td>on the daily operations / activities of the company (~140 points)</td>
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<tr>
<td><strong>BUSINESS MODEL IMPACT QUESTIONS</strong></td>
<td>Mission Lock</td>
<td>Worker Owned</td>
<td>Resource conservation (i.e. renewable energy), Toxin reduction (i.e. organic)</td>
<td>Fair Trade Supply Chain, Poverty Alleviation, National Economic Development</td>
<td>Health &amp; Wellness, Provision of Basic Services, Education, Economic Empowerment</td>
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<td>on the Company structure to create a specific positive benefit / result (~60 points)</td>
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A consumer-facing certification, still in its early days
High purchase intent, growing consumer awareness

*Research over 1000 adults nat rep, Prompted awareness (NMI / Toluna) – 2019
Danone is committed to sustainable value creation as a B Corp
Lead the way to create and share sustainable value for all

> 1/3 of sales covered by B Corp certification to date*
Average B Corp score of 85.5

- Danone North America in the U.S.
- Danone Canada (Danone Inc.)
- Alpro in Belgium
- Dairy Belgium
- Dairy Netherlands
- Danone dairy entity in Ireland
- Danone dairy entity in the U.K. (Danone Ltd)
- Les Prés Rient Bio in France
- Danone dairy entity Iberia (Danone S.A.)
- Happy Family in the U.S. (Nurture)
- Bléïna in France
- Nutricia Bago Argentina
- Danone Egypt
- AQUA in Indonesia
- Danone Waters America in the U.S.
- Danone water entity in Spain
- Danone water entity in Germany
- Aguas Danone de Argentina
- Volvic (Société des Eaux de Volvic)
- Danone EDP Japan
- Grameen in Bangladesh

*as of June 2020

Objective to be the 1st very large company to achieve global B Corp certification in five years
How B Corp helps to drive sustainable shareholder value?
The only model of business that covers all facets and players of our ecosystem

- **Driver of brand equity**
  - Meeting consumers’ expectations for trusted and purpose-led brands
  - Consumer-facing certification contributing to differentiation vs competition

- **Driver of sales**
  - Retailers: growing traction, specific activation campaigns
  - Consumers: high purchase intent, growing consumer awareness

- **Driver of de-risking**
  - Risk avoidance in large business scope

- **Driver of team engagement**
  - Growing employee expectations for driving societal change

- **Lower cost of capital**
  - Cost of syndicated credit loan linked to B Corp progress

- **More transparent and holistic framework to address ESG investors’ agenda**
  - Link with UN Sustainable Development Goals
Danone Essential Dairy and Plant-based in the UK as a case study
A 3-year B Corp journey
Danone Essential Dairy and Plant-based in the UK as a case study

A 3-year B Corp journey

A lever to increase engagement with retailers and partners

Waitrose
Dedicated B Corp store hosted on online grocery store

What is B Corp?
Certified B Corporation is a group of companies that use business as a force for good. A B Corp uses a consistent, independent, and rigorous process to having verified social and environmental goals for its mission.

Danone is on a mission...

We're not just a tasty yogurt

A lever for differentiated product innovation and brand model

First B Corp born brand in the UK launched in Jan-20

DANONE

Simply what matters

100% Recyclable Pot

50% of employees volunteers for B Corp
75% pledged to contribute to the goal

A consistent framework of actions and employee engagement

50% of employees volunteers for B Corp
75% pledged to contribute to the goal