



One Health Scorecard process 2019: 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 19 countries covering all of Danone's Businesses and geographic regions. However, plant-based products have not yet been included in the scope in 2019.

In 2019, 66 subsidiaries representing about 74% of consolidated sales reported One Health indicators.

Definition of the Businesses

 <p>Essential Dairy and Plant-Based (EDP)</p>	<p>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 2019.</p>
 <p>Specialized Nutrition (SN)</p>	<p>Production and distribution of specialized food for babies and young children (Early Life Nutrition Business - ELN) to complement breast-feeding specialized food for people afflicted with certain illnesses or frail elderly people (Advanced medical Nutrition business – AMN).</p>
 <p>Waters</p>	<p>Production and distribution of plain waters along with low sugar beverages and beverages with 0% sugar (waters flavored or enriched with natural fruit juice extracts, fruit juice and vitamins).</p>

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 finally 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 headcount 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 headcount accounting methods for expatriate employees (this 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 headcount 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 headcount.

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 2010.

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 2014.

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 2014.



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 products from the Specialized Nutrition business. Each subsidiary must use a common conversion table.

It may happen that a product has only negatives volumes (because it has been discontinued). In the tool used to manage the Essential dairy products’ portfolio, such negatives volumes can’t be taken into account by the system. They are not integrated in the calculation of all indicators in volumes. This happens rarely. It represented in 2018 only 0,00002% from total essential dairy volumes. It has therefore a non-significant impact on whole volume.

There is no prorata calculation for all indicators in volumes. It means that if a product has been improved in march, all volumes from this product over a full year are taken into account.



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, drinks and foods for children beyond 3 years), 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: low sugar beverages and all products from the Essential Dairy Products and Early Life Nutrition businesses.

It includes volumes of previously low sugar beverages whose sugar level has been reduced to 0g / 100mL, moving them to the category of beverages with 0% sugar.

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 2019 were considered.



Percentage of the volume of products without added sugars

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

Last year Tailored nutrition products from Early Life Nutrition business were excluded but due to consistency with all other indicators, they were included again. It represents a small part of total volume and had no impact on the global figure.

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 70% of the sales of this 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.

Last year Tailored nutrition products from Early Life Nutrition business were excluded but due to consistency with all other indicators, they were included again. It represents a small part of total volume and had no impact on the global figure.

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 2019 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 2019 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 2019 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 the Essential Dairy Products and the Specialized Nutrition businesses, low sugar beverages and beverages with 0% sugar (not relevant for plain waters, which are subject to separate regulations).

The Specialized Nutrition business must follow specific local legislation.

For Essential Dairy products, low sugar beverages and beverages with 0% sugar, 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.



Percentage of products sold with off-pack nutritional information

This percentage indicator is calculated for the Essential Dairy Products and the Specialized Nutrition businesses, low sugar beverages and beverages with 0% sugar (not relevant for plain waters, which are subject to separate regulations).

The Specialized Nutrition business must follow specific local legislation.

For Essential Dairy products, low sugar beverages and beverages with 0% sugar, Danone provides corporate guidelines explaining which information need to be provided through a consumer info line or a website.



Percentage of products sold providing an indication of the portion size

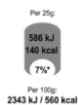
This indicator is calculated for the Essential Dairy Products and the Specialized Nutrition businesses, low sugar beverages and beverages with 0% sugar (not relevant for plain waters, which are subject to separate regulations).

For the Medical products from the Specialized 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 part from the Specialized Nutrition business must follow specific local legislation.

For Essential Dairy products, low sugar beverages and beverages with 0% sugar, Danone provides corporate guidelines explaining that a “portion” is the quantity that the consumer is supposed to eat or drink 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.



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

This indicator is calculated for Essential Dairy Products, low sugar beverages and beverages with 0% sugar (not relevant for plain waters and the Specialized Nutrition business, 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.

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 the 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.

Due to the integration of the Early life Nutrition and Advanced Medical Nutrition businesses into a new and unique Specialized Nutrition business in 2019, some subsidiaries couldn't anymore distinguish employees from the former Early Life Nutrition business. In such cases, all employees from the whole Specialized Nutrition business were taken into account.



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 2019, 66 out of 66 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, ...).



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.