



FOREST ANNUAL UPDATE 2022



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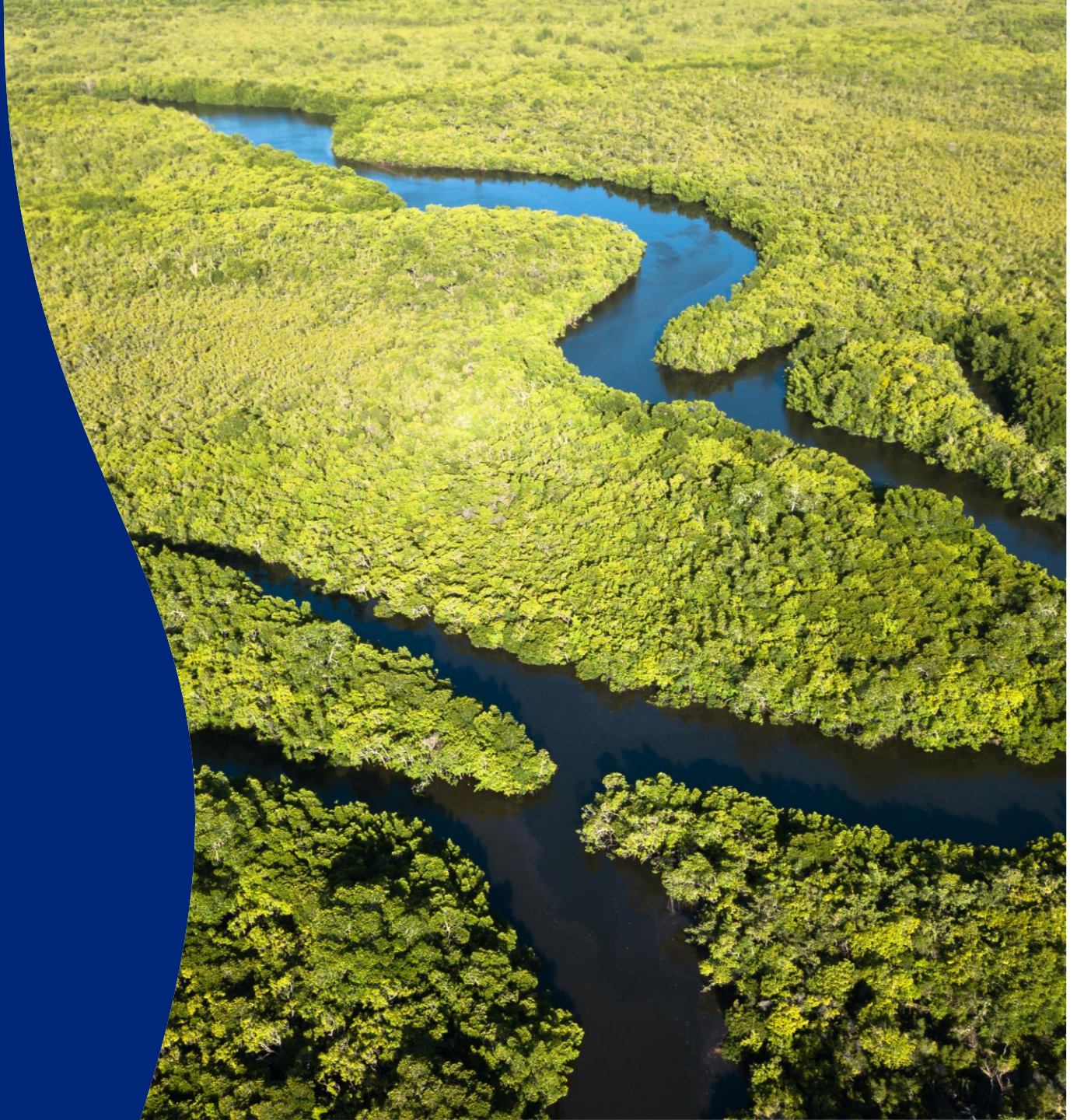
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INTRODUCTION TO DANONE COMMITMENTS



“Forests and land-based ecosystems are crucial for sustaining life on Earth”

Welcome to the **Forest Update Annual Report for Danone**, highlighting the progress made in 2022 in fighting deforestation and conversion. This report provides an overview of the initiatives undertaken and the advancements achieved in our commitment to preserving forests and natural ecosystems.

Forests and land-based ecosystems are crucial for sustaining life on Earth, supporting livelihoods, preserving biodiversity, and mitigating climate change. However, the alarming trend of deforestation and land degradation over the past decades poses a significant threat. In 2021, the world lost 3.75 million hectares of vital tropical primary rainforests, equivalent to 10 football pitches disappearing every minute (WRI, 2023). Recognizing the urgent need to continue and amplify our efforts to protect and restore forests, Danone has made it a central element of our sustainability strategy.

Our **Renewed Forest Policy**, published in December 2022, solidifies our long-term dedication to combating deforestation and land conversion, not only within our supply chain but also across the entire sector. We understand the moral and business imperative of safeguarding these natural resources, as a global food business reliant on healthy ecosystems and thriving communities for sourcing our raw materials.

Collaboration lies at the core of our approach. We believe that to effectively address complex challenges and drive meaningful change, we must work together with others. Our commitments extend beyond our own operations to encompass our suppliers and manufacturers. By collaborating closely with them, we aim to drive action and report progress along the value chain. Our forest-positive vision drives us to forge new alliances, protect

and restore land, and support the livelihoods of smallholders and local communities.

Recognizing the urgency of this challenge, Danone has collaborated with the **Science Based Targets initiative (SBTi)** to develop guidelines specifically for companies in the forest, land, and agriculture sector, known as the FLAG guidance. In 2022, Danone updated our reduction targets to align with 1.5°C pathways, making us one of the first two companies worldwide to set an SBTi-approved near-term **1.5°C FLAG** target against our 2020 baseline. This underscores our commitment to ambitious climate action and our determination to drive meaningful change within our industry.

Moreover, we believe mainstreaming nature action into business and key economic sectors is essential to address nature loss and climate change together. For this reason, through one of our plant-based brands Alpro, Danone is taking part in the official **Science Based Targets for Nature (SBTN)** pilot group together with key food businesses and retailers, leading the way in preparing to set the first science-based targets for nature. This new SBTN will provide crucial guidance for companies to holistically assess and prioritize their environmental impacts, and prepare to set targets, beginning with freshwater and land, alongside climate through the SBTi (above).

Danone's responsible sourcing approach is based on the Company's **Sustainability Principles** that cover labor rights, environmental protection (including preservation of resources, and environmental management, hence covering forest-related commodities) and business ethics topics. In 2022, Danone

updated its Sustainability Principles to its current form. The principles are systematically incorporated into a clause in our contracts with direct suppliers, committing them to align with our sustainability principles. Complementary to this, Danone published its **Human Rights Policy** in 2022. This policy spells out Danone's commitments and expectations with regards to human rights.

Additionally, in 2022, Danone reframed its sustainability strategy, called “**Danone Impact Journey**”, externally published in Q1 2023. It is a blueprint for defining our sustainability priorities and our transformation ambition in our value chain – from farmers and their communities, through our brands, to consumers and their families. The Danone Impact Journey grounds our commitments as an **Entreprise à Mission** and a growing **B Corp**, hardwiring impact into our business structure, management practices, and performance indicators. This ensures that we continue to transparently hold ourselves accountable for progress. It is articulated around three pillars: Health, Nature and People & Communities. The Renewed Forest Policy commitments are firmly embedded within the second and third pillar. Accordingly, the following KPI for Forest is set: Zero deforestation & conversion on key commodities by 2025.

As we embark on this journey, **we invite you to follow our progress as we make our ambitious vision on forest become a reality.** Together, we can make a significant difference in combating deforestation and conversion and securing a sustainable future.

DANONE RENEWED FOREST POLICY: COMMITMENTS & MONITORING APPROACH



Priority Commodities & Scope



Soy



Palm Oil



Paper and Board



Cocoa



Animal Feed

GENERAL COMMITMENTS & PRINCIPLES

The [Renewed Forest Policy](#) contains specific targets and timelines for five priority commodities: **soy, palm oil, animal feed, cocoa, and paper & board**. We will address all forms of deforestation and land conversion, regardless of it occurring legally or illegally in production regions, in accordance with the definitions agreed within the Accountability Framework initiative.

The Renewed Forest Policy also sets out the following three core pillars:

Clean Supply Chain by 2025	Our direct supply chains will be verified deforestation- and conversion-free as defined by the Accountability Framework initiative (AFi) with a cut-off date of December 31 st 2020 at the latest, unless a more specific agreement is specified that is in line with our Policy.
Responsible Suppliers by 2025	We will have cascaded DCF commitments in line with our cut-off dates through our direct supply chain.
Regeneration by 2030	We will be supporting landscape projects that protect and restore vital ecosystems.

These concepts are defined in the annex of this report, see Appendix A: Terminology.

Danone pledges to go further to establish a monitoring, reporting, and verification system, with publicly available indicators of progress, grievances, and steps taken to correct non-conformities.

Timelines reflected in our Renewed Forest Policy are aligned with our wider commitments made within the Consumer Goods Forum Forest Positive Coalition, but also with the latest legislation including EU Deforestation free products Regulation that was passed in April 2023.

Our strategy targets five key materials linked to deforestation and land conversion, based on stakeholder consultation and evidence from the WWF Risky Business report and EU deforestation-free products legislation.

All raw materials, not just those in our Renewed Forest Policy, fall under our responsible sourcing policy. Our commitment applies to Danone Group, including operations, third-party manufacturers, and relevant supply chains.

SOY (DIRECT SOURCING)

Soybeans are the most efficient source of protein per hectare in the world. From soy milk to tofu, soybean production is a key part of our global food system which many depend on. One of Danone's brands using soy is Alpro: converting everyone's minds and mouths to the wonders of plant-based. Since 2020, 100% of the soybeans used in Alpro's dairy alternative products are traceable to farm, with all soybeans sourced for our Alpro brand being ProTerra Segregated certified.

Our commitments regarding soy are:

- 1** 100% of direct soybeans traceable to trader and sub-national region by 2023
- 2** Farm-level traceability for all direct soybeans by 2025 in high-risk regions for deforestation and conversion
- 3** Top five direct soybeans suppliers will match our commitments by 2025





CLEAN SUPPLY CHAIN

In 2022, Danone renewed its traceability campaign for soy (*see Appendix B*). 2022 data collection indicates that Danone sourced 57,000 tonnes of soybeans directly and are Proterra SG certified, organic or non-GMO verified:

- **90% is ProTerra Segregated-** and traceable back to farm;
- **10% is non-GMO Project verified or organic certifications;**
- 53% of soybeans used by Alpro are grown in Europe (France or Italy), and the remaining 47% come from Canada. 100% of Alpro soybeans are ProTerra Segregated certified, of which 9% are also organic certified;
- Soybeans used by Danone North America are grown in the United States with a very small % from Canada; 3% is certified organic and the rest is non-GMO Project Verified.

100% is verified DCF, as all soybeans come from areas with no or negligible risk of deforestation and conversion.

In 2022, Danone also estimated its soy production footprint at 23,000 hectares using the CGF-FPC methodology (*see Appendix B*) for all direct consumption volumes of soy. our soy deforestation footprint is estimated to be zero We are happy to say that since all our direct soy is produced in low-risk origins using the CDP country list (*see Appendix A*) as well as certification.

RESPONSIBLE SUPPLIERS

Danone is strongly committed to responsible sourcing and traceability, particularly in low or negligible deforestation and conversion (DCF) areas. We rely on physical certifications, notably Proterra certification, to ensure the sustainability of our supply chain. To assess our commitments, a third-party verification system was implemented in 2022.

In 2022, we launched a traceability campaign, requesting participation from all our Tier 1 suppliers (9 in total). This campaign aimed to gather information on the volumes sourced in 2022 and the policies and commitments in place. We received an **89% response rate for soybeans**, with only one supplier deferring their answers pending commercial negotiations. Danone sources Proterra SG-certified soybeans from this supplier, and they will provide traceability information by the end of summer 2023.

Our cut-off date for deforestation and land conversion is set at December 31, 2020, unless national laws or sector agreements establish an earlier date. For Proterra-certified soybeans, the cut-off date aligns with Proterra's standard, set in 2008. In 2022, 40% of our top five soy suppliers aligned with Danone's cut-off date, while 20% established a target date for 100% deforestation and conversion-free supply.



REGENERATION & COALITION

Danone is committed to supporting landscape projects by 2030 that protect and restore vital ecosystems previously impacted by deforestation or land conversion. Our focus is on strengthening farmer livelihoods where relevant. In line with our Danone Forest Policy commitment and the [Danone Regenerative Agriculture framework](#), we develop and support **on-farm pilot projects that help soybean smallholders improve their agricultural practices and reduce deforestation in their ecosystems.**

Two notable pilot projects were launched in 2022:

In April 2022, **Danone North America** launched a pilot project to support **Danone local dairy farm network grow food grade soybeans.** This project was launched with one key soybean supplier in NORAM. While the total acres is less than 1% of Danone NORAM soybeans annual needs, the goal of the pilot is to prove viability of the model to farmers by collecting data (through Eco Practice). The overall strategy for the program is to provide **traceability from seed to Silk Soy brand**, and by having this traceability, incorporate traceable Reg. Ag. practices in 2023 and years to come.

In Auvergne Rhône Alpes region, France: Danone initiated a 3-year project focusing on biodiversity, partnering with one of our direct soybean suppliers. Three pilot farms planted a minimum of 5,000 m² of auxiliary strips around their fields to foster crop protection agents presence. This method is recognized as a natural method to protect the crops and contributes to reduce insecticide usage. Danone funded the seeds and proposed functional biodiversity trainings for the 10 technicians and 25 producers. Biodiversity description panels near the flower strips were installed to raise public awareness.





PALM OIL

Palm oil is the most efficient oil crop per hectare, widely used due to its neutral flavour and ability to extend product shelf life, reducing food waste. Indonesia and Malaysia produce over 80% of palm oil, with significant growth since the 2000s. Production is concentrated in tropical regions near the equator. The Roundtable for Sustainable Palm Oil (RSPO) promotes responsible production, with around 40% of producers being members.

Our commitments regarding palm oil are:

- 1** 100% RSPO Segregated or Independent Smallholder Credits for all our palm oil use by 2025;
- 2** 100% traceability of palm oil to plantation by 2023;
- 3** Top five direct suppliers will match our commitments by 2025.



CLEAN SUPPLY CHAIN

Certification

In 2022, Danone purchased 69 ktons of palm oil and palm oil derivatives worldwide. On full-year basis Danone sourced **88% RSP0 Segregated (which is DCF) and 9% RSP0 Mass Balance, totalling 97% RSP0 certified volumes**. The remaining 3% was conventional palm oil sourced in and used in Africa.

The drop in certified volumes versus 2021 (93% SG and 5% MB) is partially the result of the 4-week global export ban in Indonesia in Q1 2022, which led to a 6-week supply disruption of SG volumes for NORAM.

The other reason for drop in certified volumes vs 2021 is the 1% increase of conventional volumes sourced from Nigeria and Ghana. In part, Danone Africa business grew, requiring more palm to be sourced. As well, in 2022, Danone Ghana minimized reliance on imported palm by decreasing volumes of Asian (certified) palm oil and increasing the volumes of Ghana produced palm. The conventional palm is used for local markets. Via the Starling satellite tool, we were able to confirm that 1,939 tonnes conventional palm (78% of African sourced palm, 3% of total) originates from verified DCF plantations.

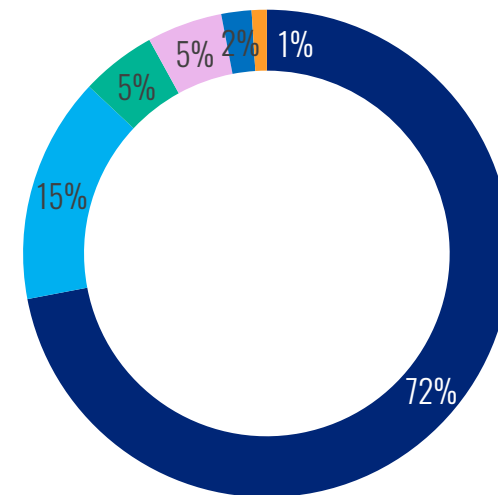
In 2022, Danone reached 91% verified DCF volumes (88% RSP0 SG, 3% vDCF via Starling tool).

	TOTAL VOLUMES (t)		CONVENTIONAL (t)		RSP0 MB (t)		RSP0 SG (t)	
CPO	49,092	71%	2,486		2,960		43,646	
PKO	385						385	
Fractionated products	18,147	26%			1,535		16,612	
Derivatives	1,516	2%			1,516			
Total	69,140		2,486	3%	6,011	9%	60,643	88%

Achieving 100% RSP0 SG or Independent smallholder credits by 2025 is one of the key pillars of our Forest Policy. We are confident to reach the target, as we have been engaging on several levers:

1. Working with our local teams to ensure Danone facilities are certified and able to claim MB.
2. Prioritizing non-compliant suppliers in our supplier engagement roadmap to ensure accelerated compliance with Danone Forest Policy requirements.
3. Continuing to explore Independent smallholder credit schemes in Africa.

PALM OIL FROM HIGH-RISK COUNTRIES





Traceability

Since 2014, Earthworm Foundation supports Danone on palm traceability through a supplier questionnaire (*see Appendix B*). Twice a year, Danone connects with Tier 1 suppliers (9 in total in 2022, 88% response rate) to confirm previous semester volumes. Full-year 2022 results show we have **100% TTM**, **99% TTP**. Recognising that transparency is important to making tangible progress on responsible palm oil, we publish our Mill & Plantation List each semester on our Sustainable Sourcing webpage.

Of the total 69 ktons of palm oil sourced by Danone in 2022, 94.7% is sourced from high-risk countries. More information on the amount of palm coming from high-risk countries can be found in the table below.

Volume Palm Oil (tons)	
Indonesia:	47,442
Malaysia:	9,769
Papua New Guinea:	3,250
Nigeria:	2,906
Guatemala:	1,472
<i>Other</i>	
Ghana:	380
Colombia:	161
Honduras:	134

Palm Footprint

In 2022, Danone also estimated its **palm production footprint** at 21,000 hectares using the CGF-FPC methodology (*see Appendix B*) for all direct consumption volumes of palm. Out of this total, 91% is considered as verified DCF. The deforestation footprint can be estimated at 1,945 hectares.

RESPONSIBLE SUPPLIERS

In 2022, Danone onboarded 2 palm suppliers to the supplier engagement program, bringing our total to **4 suppliers** (44% of tier 1 palm suppliers) with which we have discussed our Sustainable Sourcing commitments and expectations. It's essential that we start with the basics of our Danone Sustainability Principles, including UN International Labour Organization principles and securing Free Prior and Informed consent (FPIC) of indigenous peoples and local communities. Yet, the focus of these meetings was to introduce our Forest Policy (asking for feedback before it was published) and SBTi 1.5 degree commitments. Within our Forest Policy, Danone requests suppliers to set their own DCF commitments across their entire operations, and we support them to develop public time-bound action plans. For 2 of the suppliers, we involved Legal to start to translate our asks to contracts.

In 2022, we also engaged with **2 suppliers that are not yet active suppliers for Danone**, with dedicated meetings involving both Danone and suppliers' Purchasing and Sustainability teams. We introduced our commitments and action plans on DCF and explored potential partnerships to develop.



Grievance Process

Danone's palm suppliers are aware of their commitment to grievance management, as described in our [grievance mechanism](#). When allegations of noncompliance against producers arise, Danone carries out an investigation with support from internal and external experts, and in particular Earthworm Foundation and Tier 1 suppliers. For all non-conformities, we ask our Tier 1 supplier and their suppliers to develop an action plan to resolve it. For high-risk non-conformities, we also assess if a stronger action like suspension of the producer could help to demonstrate progress quicker. A suspension holds until the producer can demonstrate concrete progress in DCF commitments. We communicate findings and suspensions to our suppliers. The cases are monitored in our monthly meetings and followed up with Tier 1 suppliers in regular Grievance meetings.

In 2022, Danone registered 14 new alerts linked to deforestation and human rights violations, 12 of which were related to palm oil (9 in Indonesia, 1 in Malaysia/PNG, 1 in Brazil, 1 in Guatemala) and 2 to other commodities. In total, Danone monitors 28 alerts that have been brought to our attention by organizations such as Earthworm Foundation, Chain Reaction Research, Global Witness and Friends of Earth. According to Danone's grievance mechanism, the alerts are investigated and monitored in dialogue with the parties involved and the supporting NGOs and experts.

In 2023, we are working on extending this grievance process for all our priority commodities.

We are confident to reach the goals stated in our Renewed Forest Policy, such as 100% TTP by 2023 and, by 2025, our Top 5 suppliers who themselves have adopted the same DCF commitments including cut-off dates. This is thanks to our ongoing and strengthened efforts on Supplier engagement, as well as regulations coming into effect regarding traceability.





REGENERATION & COALITION

By 2030, we commit to supporting landscape projects that protect and restore vital ecosystems in areas that have been previously impacted by deforestation or land conversion, with a focus on strengthening farmer livelihoods. Furthermore, Danone is working with other palm oil users to promote strengthening their groupwide commitments and actions to become 'responsible suppliers'. Accordingly, we are a member of the CGF Forest Positive Coalition (as a steering member and palm working group), the Roundtable on Sustainable Palm Oil (RSPO), and the Palm Oil Innovation Group (POIG).

Danone has chosen to prioritize its direct support to smallholders, for example by investing in landscape projects in high-risk deforestation regions. In 2022, at least 1,160 smallholders were engaged through two notable landscape projects:

- Danone has been a Supporter of the **Siak Pelalawan Landscape Programme (SPLP)** since it was launched in 2019 in **Indonesia**. Members are Cargill, PepsiCo, Musim Mas, Unilever, Nestle and L'Oreal, and Supporters are Danone and Sinar Mas. Danone's commitment is on Goal 2: by 2025, for at least 50 high priority villages in Siak and Pelalawan, the livelihoods of palm oil farmers and their communities has improved. Progress is monitored at least annually. Among the 2022 results of Goal 2: 13 villages were part of participatory mapping, 709 people were trained on good agricultural practices, and 351 people were supported to have stronger business legal entities around through Formal Plantation Registry Letter STDB and land titles.
- Since 2021, Danone has worked with the **Livelihoods Fund for Family Farming (L3F)**, Mars Inc, L'Oréal, Musim Mas, SNV and ICRAF to design and launch a Landscape project in **North Sumatra/Indonesia** that demonstrates that a transparent and biodiverse palm oil supply chain model is doable for independent smallholders. By on-site training and technical assistance of local farmers and communities, the project aims to prevent deforestation & conversion, implement Regenerative agriculture practices, for which agri. inputs will be provided, and increase income at the same time. Field activity started in 2022. In 2022, 451 farmers (40% females) were fully enrolled in the program & received Starter Packages to support them in applying Regenerative Agriculture practices on their own farms. It is composed of cover crops seedlings, tunera seedlings & barn owl nests (for IDPM), bio-inputs, compost, and equipment to produce home-based compost. 355 farmers have been trained on financial literacy and Regenerative Agriculture, and palm-based agroforestry demonstration plots have been established in 6 villages. In 5 villages nurseries have been established to support the adoption of oil palm diversification at farm level. A composting unit has been established under the operation of the Smallholders' Association to produce on an industrial scale cheap organic fertilizers for more than 1,000 farmers. Project deliverables are monitored at least every 6 months.



PAPER & BOARD

Understanding the significant role the pulp and paper industry has played in tropical deforestation, it is crucial to ensure that timber plantation management does not come at the expense of forests, peatlands, and local populations. Danone's overarching strategy is to increase the utilization of recycled fibres to minimise the reliance on virgin fibres.

Our commitments regarding paper and board are:

- 1** 100% of supply FSC, PEFC or SFI (North America) certified or recycled by 2025;
- 2** Top five direct suppliers, by weight, will match our commitments by 2025;
- 3** 80% of secondary and tertiary packaging by weight contains recycled material by 2025;
- 4** Mill and plantation level sourcing for virgin fibre and risk assessment disclosure by 2024.



CLEAN SUPPLY CHAIN

Certification

In 2022, Danone renewed its traceability campaign for paper (*see Appendix B*). All Tier 1 suppliers (112 in total) were asked to participate in our renewed Traceability campaign, requiring them to rely on their suppliers to provide traceability information on fiber origin. We also asked them to provide details of their Policies and commitments, to make the baseline of what is necessary to cascade DCF principles to the rest of the paper supply chain. In total, we had a **90% response rate** to the campaign. We reached **96% Traceability to mill (4% traceability to country) for all paper sourced**.

In 2022, Danone purchased **569 ktons of paper**. See the table below for more information. With increased traceability, Danone is able to conduct more in-depth risk assessment and verification of DCF. Danone aligns with the DCF definition of CDP: the total volume of physically (COC) certified paper, plus the remaining volume of paper with no or negligible risk (not from a Forest Risk country such as Argentina, Australia, Brazil, Indonesia, Mexico, Thailand). In 2022, Danone had **99% verified DCF Paper**.

	2019	2020	2021	2022
Total paper purchased (tons)	643,799	596,610	590,677	568,859
Recycled (%)	69	67	72	62
Virgin (%)	31	33	28	38
Virgin Certified (%)	84	94	98	92
Compliant (%) = recycled + virgin certified	90	98	99	97
Verified DCF (%)				99

The relative decrease in certified volumes is explained by:

- i) 4k tons from Russia had to be reported as non-certified, due to FSC and PEFC delisting Russia from their certification systems since Q1 2022, in response to the war on Ukraine.
- ii) 9k tons had to be reported as non-certified due to a merger in the US, where a large supplier has to wait until the site audits are finalized to be added to their company SFI certificate. The volumes are expected to be compliant again in Q2 2023.

We recognize that some traceability results changes can also be the result of an improvement in our traceability process, which provided us with a new references.



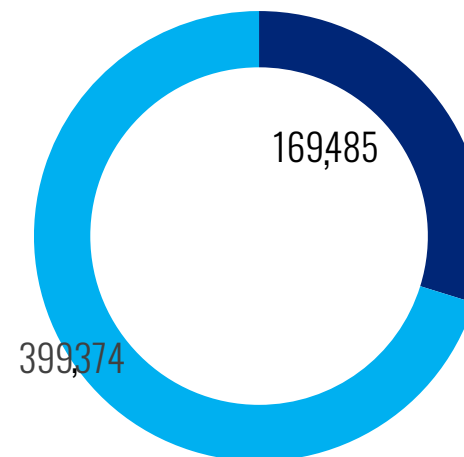
VIRGIN PAPER CERTIFICATION

	2020		2021		2022	
	metric tons	% vs total	metric tons	% vs total	metric tons	% vs total
FSC Chain of Custody (COC)	140,528		96,562		2,894	
FSC Forest Management certified (COC)	-		-		137,466	
FSC Controlled Wood (COC)	-		-		3,763	
Total FSC other (Controlled Wood, Forest Management, Mix)	1,152		32,773		144,124	
total FSC	141,680	76%	129,335	79%	120,157	66%
PEFC Chain of Custody (COC)	10,225		139		-	
PEFC Sustainable Forest Management Certification (COC)	500		53		15,138	
total PEFC	10,725	6%	192	0%	15,138	7%
SFI Chain of Custody (COC)	21,434		30,358		-	
SFI Fiber Sourcing certification (COC)	-		655		36,554	
SFI Forest Management certification (MB)	-		-		3,719	
total SFI	21,434	12%	31,013	19%	40,273	19%
Total Virgin with Chain of Custody	172,187	93%	127,059	77%	195,815	90%
Total Virgin certified	173,839	94%	160,540	98%	199,534	92%
Total Virgin not certified	11,544	6%	3,924	2%	17,571	8%
Total	185,383		164,464		217,105	

Traceability

Danone conducts an annual Traceability Campaign, asking suppliers to provide information on volumes, % recycled content, mill location, and certificate number (*see Appendix B*). 2022 data collection indicates that a total of 169,485 tons (30%) can be traced back to mills in 'Forest Risk Countries' and are disclosed in the following two graphs:

PAPER AND BOARD (TONS) FROM HIGH-RISK COUNTRIES



■ High Forest-Risk Countries ■ Low Forest-Risk Countries



PAPER AND BOARD (TONS) COMING FROM FOREST-RISK COUNTRIES

	RECYCLED TOTAL	VIRGIN TOTAL	TOTAL	% OF GLOBAL TOTAL	VIRGIN CERTIFIED	FSC	FSC / TOTAL VIRGIN	PEFC	PEFC / TOTAL VIRGIN
Indonesia	142,504	-	142,504	25					
Brazil	1,051	10,622	11,673	2.1	10,622	10,622	100%		
Mexico	11,041	-	11,041	1.9					
Argentina	1,645	337	1,982	0.3	331			331	100%
Australia	-	1,677	1,677	0.3	1,677	1,560	93%	117	7%
Thailand	608	-	608	0.1					
Total	12,626	156,859	169,485	30	12,630	12,182		448	

Paper And Board Footprint

In 2022, Danone also estimated its **paper production footprint** at 35,000 hectares using the CGF-FPC methodology (see Appendix B) for all direct consumption volumes of paper. Out of this total, 99% is considered as verified DCF. The deforestation footprint can be estimated at 355 hectares.

RESPONSIBLE SUPPLIERS

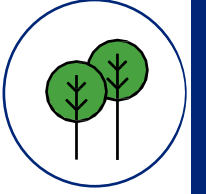
We are confident to reach our 2025 goals (see page 6) due to our ongoing efforts on Supplier engagement, as well as regulations coming into effect regarding Traceability.

In 2022, Danone onboarded **3 new Paper suppliers** to the program, bringing our total to 5 suppliers with whom we have discussed our Sustainable Sourcing commitments and expectations. These interactions focused on introducing our Forest Policy (asking for feedback before it was published) and SBTi 1.5-degree commitments. Within our Forest Policy, Danone requests suppliers to set their own DCF and Decarbonization commitments across their entire operations. By design, our policies require our suppliers to engage with their upstream supply chain, and we support them to develop public time-bound action plans so that they can effectively cascade the requirements to their suppliers.

In order for our suppliers to comply with our definition of a Responsible Supplier, no deforestation or land conversion may have occurred since 1994 (FSC) or 2010 (PEFC). Globally, if no other agreement or law is in place, we require an absolute cut-off date for deforestation and land conversion of December 31st 2020. In 2022, 20% of our top five paper suppliers aligned with Danone's cut-off date, while 60% established a target date for 100% deforestation and conversion-free supply.

According to our updated traceability campaign (*see Appendix B*), in 2022, a **total of 112 suppliers have been engaged**.

If volumes are not compliant with our old or current Forest Policy, we define time-bound targets with the commercial contact, this is the case for TTM target (5 out 112 suppliers were not able to provide us with this info in 2022). When a supplier has inadequate commitments according to Danone Renewed Policy, we involve their broader Sustainable Sourcing team in our Supplier engagement program.



REGENERATION & COALITION

Danone collaborates with the supply chain on innovations to reduce forest-related impacts in products and services. Danone works with indirect suppliers by visiting production locations and developing innovation projects, i.e. to transition to green energy, improve paper properties enabling down gauge of paper, and find replacements for plastic.

Furthermore, as a member of the **Forest Positive Coalition (FPC)**, Danone endorsed the Consumer Goods Forum (CGF) and participates actively in achieving zero net deforestation in key commodity sectors by 2025 and in transitioning to forest-positive (deforestation- and conversion-free) and taking a more integrated land use approach. In line with Danone's Forest Policy, the coalition aims to encourage more transformational change in key production landscapes as well through stakeholder collaboration. In 2022, The FPC announced publicly at COP26 that members would take action in landscapes equivalent to their production footprint and FPC is currently working on the ambition. It was agreed as well that engagement with traders needs to be strengthened.

Danone leverages the coalition's commodity roadmaps and supplier assessments, focusing on supply chain engagement, transparency & accountability. Danone is a **member of the steering group and 3 commodity (palm, soy, paper) working groups**, where priority actions per commodity are being defined to maximize the impact of the coalitions. In 2022, each working group (palm, soy, paper) identified priority areas to maximize the impact of the coalitions. The focus for paper is DCF methodology and risk approach.

In 2022, Danone CPO on behalf of Danone Deputy CEO joined 2 dedicated sessions organized by CGF-FPC co-chairs. 12 FPC companies attended (including a key timber producer active on all the paper supply chain phases), and 8 of these companies were represented by their CEOs. The objective of this CEO call was to progress collectively on FPC commodity reporting progress and production landscape approach. One key topic was to focus on how to drive trader transformation on deforestation and conversion-free supply chains.

COCOA

Deforestation resulting from cocoa sourcing is a significant issue. Between 2002 and 2019, Côte d'Ivoire and Ghana experienced significant forest loss, with 25% and 8% of their primary forests being lost, respectively, largely due to cocoa farming (World Cocoa Foundation, 2023). Recognizing the gravity of this issue, Danone has prioritized cocoa as a new key commodity in its Forest Policy 2022. This report represents a milestone as it marks the first time Danone shares its progress in sustainable cocoa sourcing.

Our commitments regarding cocoa are:

- 1** 100% of cocoa verified deforestation- and conversion-free cocoa by 2025;
- 2** Third-party farm-level traceability for all forms of cocoa;
- 3** Top three direct suppliers will match our commitments by 2025.





CLEAN SUPPLY CHAIN

In 2022, Danone sourced a total of **6,776 tons of cocoa**. Of the total amount of cocoa sourced, **75% is certified**.

Versus 2021, we noted a decrease in total volumes purchased and % certified volumes. However, we recognize the change is also the result of an improvement in our traceability process, which provided us with a new baseline.

COCOA CERTIFICATION

	2021	2022
	% VS TOTAL	% VS TOTAL
Rainforest Alliance (formerly UTZ)	86%	74.2%
Fair for Life and Organic		1.4%
Noncertified or unknown	14%	24.4%

In 2022, Danone collaborated with sustainability experts 3Keel to enhance traceability efforts. A questionnaire was sent to cocoa suppliers, resulting in **a high response rate of 98%**. We conducted research to determine the extent of traceability to cocoa farms, suppliers' implementation of deforestation-free supply chain policies, and their transition plans. With improved tracking of cocoa origins, our focus now shifts to measuring the proportion of verified deforestation- and conversion-free (vDCF) cocoa. We have established that physical evidence of material flows from deforestation-free sources to Danone is required to achieve vDCF status, surpassing certification alone.

Regarding the origins of the cocoa sourced: in 2022 Danone sourced 618 tons from Brazil and 96 tons from São Tomé & Peru. The rest of the cocoa is mixed-origin and sourced from the countries Ecuador, Cameroon, Ghana, Ivory Coast, Ecuador, Indonesia, Dominican Republic, Peru, Sierra Leone, Uganda, Congo, Liberia, and Tanzania.



RESPONSIBLE SUPPLIERS

Specific requirements apply for cocoa: this includes a strict cut-off date, whereby no deforestation or land conversion should have occurred in Côte d'Ivoire or Ghana since 2018. Globally, in the absence of any other agreements or laws, no deforestation or land conversion should have taken place after December 31, 2020.

In 2022, we increased the pace and connected with our top 3 suppliers to share the Danone Forest Policy and Danone's commitment to the SBTi 1.5 degree roadmap. We worked on co-building a time-bound action plan with clear milestones and have identified several options being explored to reach a 30% reduction by 2030 and verified DCF cocoa. Based on 2022 data, we conclude that **2 out of 3 of our top cocoa suppliers established a target date of 100% deforestation and conversion-free supply.**

Moving forward, we will collaborate closely with our suppliers over the coming years to implement these action points, enabling us to meet our commitments for 2025 and ensure compliance with the heightened regulations and European Union deforestation guidelines.

REGENERATION & COALITION

In 2022, we made effort to explore cross-sector initiatives aimed at preserving and expanding native vegetation and forests. Collaborating closely with our suppliers, we are actively assessing various initiatives and coalitions that Danone can support to make a significant contribution in protecting ecosystems and combatting deforestation and land conversion in cocoa-producing regions.

Furthermore, we reinforced our connection with certification organizations including **Rainforest Alliance** to help us finalize our roadmap.

In 2023, we aim to identify and engage even more with initiatives or coalitions that prioritize the preservation and expansion of native vegetation and forests, and through collaboration with our suppliers, we seek to actively participate in these impactful initiatives.



ANIMAL FEED

The utilization of soy and palm in animal feed, whether in the form of meals or oils, constitutes a relatively small portion, generally less than 5%, of the overall animal feed mix. It is important to recognize that approximately 75% of the world's soy production is traded and utilized specifically within animal feed. Therefore, the significance of these commodities in the context of animal feed should not be underestimated or disregarded.

Our commitments regarding animal feed are:

- 1 100% mapping and risk assessment of animal feed by 2025;**
- 2 Working with farmers on local feed or alternative protein transition;**
- 3 Preferred commodity trader list for feed suppliers by 2023 and encourage milk producers to only buy feed from traders that meet commitments and/or with credible certification by 2025;**
- 4 Top 5 Dairy ingredients suppliers engaged within Sustainable Dairy Partnership (SDP) and meeting DCF goals by 2025.**





CLEAN SUPPLY CHAIN

Certification

In 2022, Danone started **assessing soy feed for the remaining 9% of milk volumes** that were still unmapped, based on the best available market data using some importation mix resources such as the European Soy Monitor Report, published by the Sustainable trade initiative (IDH) and global trade data. In 2023, Danone aims to integrate those 9%volumes in Cool Farm tool assessments.

The total soy-based products fed to cows is 372 ktons, of which 92% (343 ktons) were measured through data collection and 8% were quantified by extrapolation.

Of the 343 ktons 56% is from low-risk origin, 7% is certified, and the remaining 37% potentially at risk, of which 29% are compensated through RTRS book and claim credits. Another 28 ktons estimated volume are at risk; these are the countries that have not yet been mapped.

VIEW OF MEASURED SOY VOLUMES THROUGH COOL FARM TOOL	2021	2022
Total indirect soy purchased (tons)	240	343
Low-risk origin (%)	36%	56%
Certified (Mass balance or Area Mass balance) (%) (including Proterra, RTRS)	9%	7%
Compensated through RTRS book and claim credits (%)	55%	29%

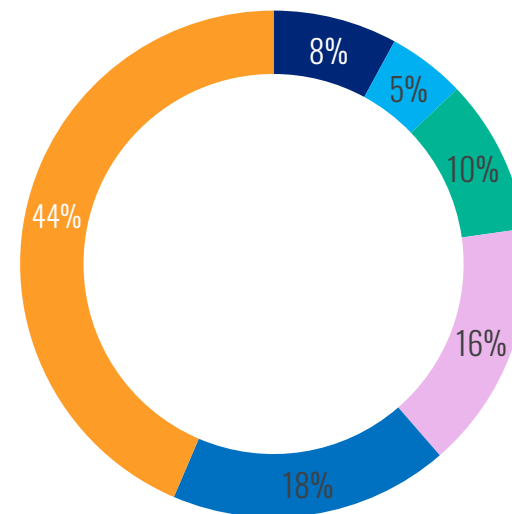


Traceability

In order to identify the deforestation risks in its fresh milk collection accurately, since 2017 Danone has been conducting country assessments* of soy feed volume through **Cool Farm Tool (CFT)** worldwide (15 countries) and **CAP2ER tool for France** and whether there is a risk of deforestation linked to certain origins. At the end of 2022, Danone analyzed **soy sourcing for 91% of its milk volume** (compared to 86% last year, after the integration of Morocco in Cool Farm Tool scope), and total soy-based feed (soybean meal, soy hull, soy concentrates) accounts for less than 5% of the feed consumed by the dairy cows in its supply chain which are mostly forage-fed (grass and silage) complemented by cereals (in total 85% of diet). In 2023, Danone continues the expansion of **soy feed mapping** through CFT assessments for the remaining 9% of milk volumes.

For indirect soy, Danone aims to co-develop local alternatives to soy or to favor soy from low-risk areas (US or Europe). When soy is sourced from risky areas (Brazil, Argentina), traceability back to the plantations through partnerships or certification is required. To this end, Danone made a first assessment project in Brazil to review its whole Brazilian supply chain, highlighting the suppliers that can be at risk and taking action with tier-1 suppliers to transform the supply chain reducing the dependency with those suppliers at risk (non-compliant).

COUNTRY/REGIONS OF SOY PRODUCTION



* Covered countries are Algeria, Argentina, Belgium, Brazil, Egypt, France, Germany, Mexico, Morocco, Poland, Romania, Russian Federation, South Africa, Spain, Ukraine and the United States



RESPONSIBLE SUPPLIERS

Danone is actively engaged in the SAI Platform. **In 2022, Danone was chairing the Sustainable Dairy Partnership and was on the governance committee of the Dairy Working Group (DWG).** The DWG launched in 2021 to collectively find ways to address the issues around deforestation for embedded soy in the supply chain of animal feed. In 2021, the DWG started with performing an in-depth supply chain assessment, to understand the role and context of each supply chain actor. In 2022, this evolved to a deeper assessment, to understand problems at the source and to develop recommendations on how to transition to deforestation-free soy in animal feed in a phased approach of Verification, Engagement, Transparency and Transformation. In 2023, the DWG will design the way forward, by looking at how to scale these recommendations, while taking into context the needs of the industry and how to use the SDP as a vehicle for implementation.

Moreover, in 2022, **Danone has been engaging with 3 major upstream traders** linked to Danone-embedded soy supply chains. The objective was to share the Danone Forest Policy and Danone's regenerative agriculture ambition. We worked in co-building a time-bound action plan to reach verified DCF materials not only for direct but also for indirect sourcing including embedded soy.





REGENERATION & COALITION

Danone is dedicated to reducing dependence on imported soy and proactively mitigating the risk associated with sourcing soy from deforestation and conversion free areas. To achieve this, we have undertaken initiatives that focus on **promoting local soy alternatives for cow feeding**, aiming to support farmers in adopting regional sources of protein and improving their feeding practices.

One notable on-farm project, in **Romania**: Danone has implemented comprehensive measures to achieve **autonomy from imported soy across the entire country scope**. We have collaborated with local nutritionists to develop and incorporate alternative feed options such as sunflower and rapeseed cakes into the diet of cows. Simultaneously, we have facilitated the **development of local soy production and processing facilities**, ensuring a sustainable supply chain.

As a result, in 2022, a total of **1,150 tons of locally grown soy** was consumed, completely eliminating the need for imported soy, which denotes a high impact of our engagement.

In another case, this time in Africa, **particularly Egypt**, Danone is **currently in the trial phase of cultivating soy locally**. The ultimate objective is to replace imported soy by utilizing a combination of locally grown soy in collaboration with farmers, along with our expertise and knowledge-sharing efforts. Additionally, we are actively involved in reformulating animal diets to minimize the overall requirement for soy, further reducing the need for imports.





CATTLE (BEEF & MILK)

Danone recognizes the importance of addressing deforestation within its supply chain and extends this commitment to cattle, which encompasses both milk and beef production. With a firm goal of eradicating deforestation by 2025, Danone acknowledges the environmental impact of activities such as dairy products and aims to ensure that these practices do not compromise forests, peatlands, and the well-being of local communities.

By reporting on cattle-related deforestation, Danone aims to promote transparency, accountability, and responsible sourcing throughout its entire supply chain, demonstrating its dedication to sustainable practices across all aspects of its operations.



BEEF

In 2022, Danone took steps to improve traceability by sending a reinforced traceability questionnaire to its 6 beef suppliers. This initiative aimed not only to enhance traceability in the beef supply chain but also to gather information about the suppliers' commitments, policies, and certifications on Forest. As a result, this undertaking provided Danone with valuable insights into the practices employed by its beef suppliers to ensure sustainability and responsible sourcing.

Danone sourced **2,070 tons of beef, coming from Ireland, France, Spain, and Russia in 2022**. Of the total amount of beef sourced, almost 50% of the suppliers state they can trace the sourcing back to the farm.

Moreover, in 2022 the buying teams have started to introduce keen concepts related to deforestation with their suppliers, by using traceability a questionnaire and interviews: due diligence regulation, and Danone Forest Policy requirements. In 2023, we aim at reinforcing this engagement by building a roadmap with our key suppliers.

Beef Footprint

In 2022, Danone also estimated its **beef production footprint** at 2,550 hectares using the CGF-FPC methodology (see Appendix B) for all direct consumption volumes of beef. Out of this total, 100% is sourced from low-risk country.

COUNTRY OF ORIGIN	VOLUMES (T)	% VS TOTAL
Ireland	201	10%
France	324	16%
Spain	480	23%
Russia	1,065	51%
Total	2,070	



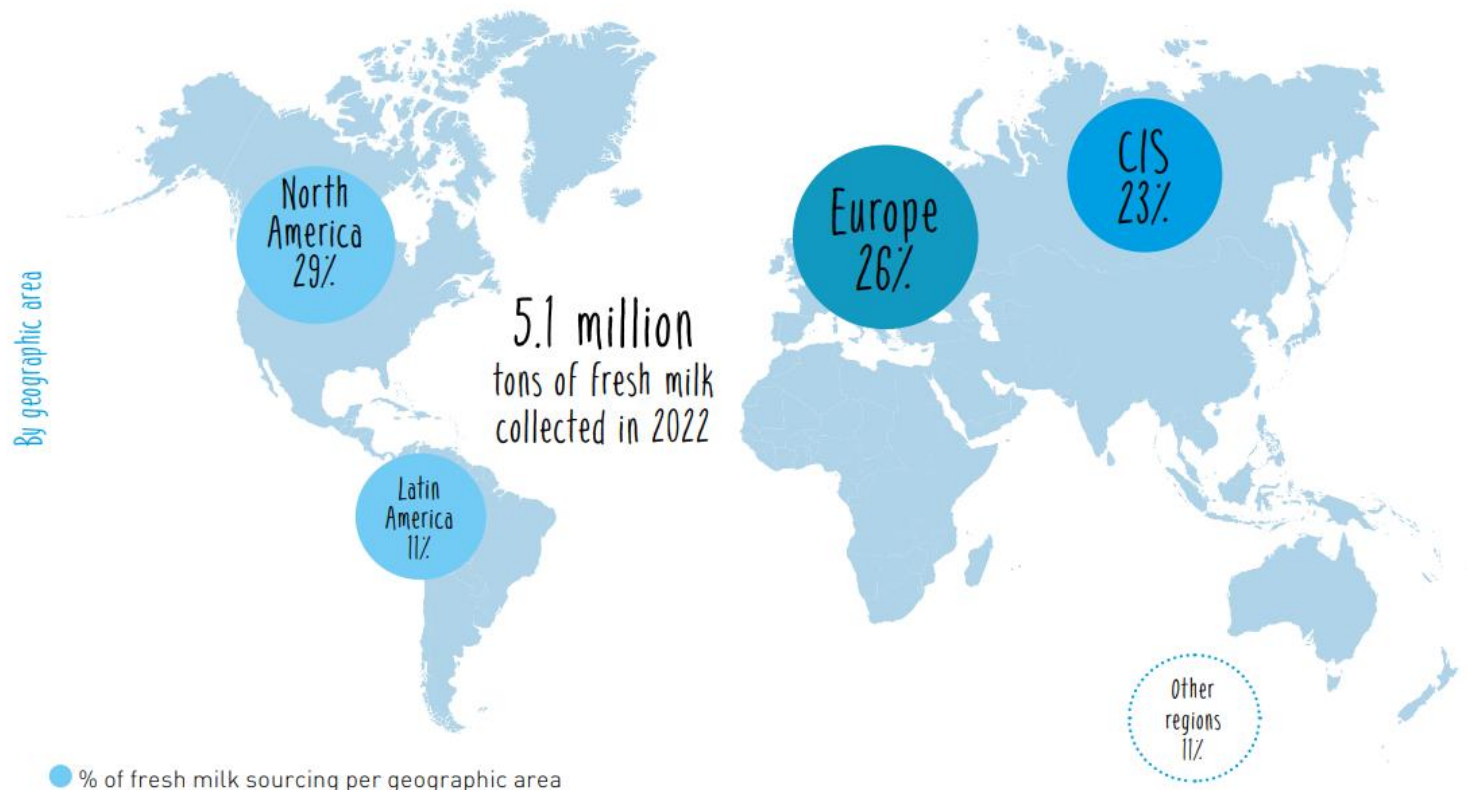
MILK

Clean Supply Chain

About 94% of the partner producers own small family farms with fewer than 25 cows and are located primarily in emerging countries in Africa and Latin America. These small farms supply about 12% of Danone's total milk volume.

Additionally, Danone works with larger family farms (with herds ranging from a few dozen to thousands of cows), which represent about 6% of the Group's suppliers and nearly 88% of milk volumes, the latter being generally directly collected by the Group. In North America and some Middle Eastern countries, Danone occasionally works with larger farms to ensure reliable access to sufficient volumes of quality milk.

Danone's direct sourcing of fresh milk





Regeneration & Coalition

Danone supports dairy farmers by providing them with training and technical support to transform their practices while ensuring the viability of their business models. For example, the **Farming for Generations alliance**, which was created in 2019 and in which Danone participates, has identified 75 best practices and innovations across various farming models, farm sizes and geographic areas. In total 2,600 farms have already taken notice of the practices and taken action. Through the Sustainable Dairy Partnership, the Group has continued to work for a more sustainable dairy industry by supporting the prevention of deforestation, the protection of human rights and animal welfare, as well as compliance with local legislation. In addition to these collaborative actions, specific tools and methodologies have been deployed and monitored by Danone's Agriculture cycle including, among others, the projects on the right.

- **Cool Farm Tool and Cap2Er:** Since 2017, Danone has been conducting country-by-country assessments on 85% of its milk volumes using the Cool Farm Tool (CFT) worldwide (14 countries) and CAP2ER tool for all Danone entities in France. In 2022 Danone started the roll out of CFT assessments in Morocco, which will bring an assessment coverage from 85% to 92% of purchased milk volumes. The CFT was developed and is overseen by a multi-stakeholder coalition that includes food manufacturers, retailers, input suppliers, NGOs, and universities. The tool's strength lies in its global application, it is designed for continuous improvement;
- In 2021, Danone Brazil launched the **Flora Project**, to implement regenerative practices for different dairy production models, such as rotational grazing with tree shading, no-tillage, cover crops and manure management. The project started with 22 hectares, scaling up to 350 hectares in 2022 and the expectation is that Flora will cover around 1,400 hectares with these regenerative techniques in 2023, contributing to the farms having improvements in soil health and biodiversity, feed autonomy and quality in the forage used.

APPENDIX A: TERMINOLOGY

Throughout the report, we make use of several abbreviations and terminology. Let's make sure everyone is on the same page!



Accountability Framework initiative (Afi)	<p>AFi is the framework we draw on for operational guidance, expert knowledge, technology, supplier commitments and credible certification to ensure raw materials we buy do not originate from that landscapes and communities affected by:</p> <ul style="list-style-type: none"> • Plantings on high carbon stock (HCS) forests or those with high conservation value (HCV); • Planting on peatland, grassland or wetland - Land clearing by burning or cutting; • Exploitation or other human/indigenous rights violations.
Area mass balance	Traders can purchase certified production credits directly from growers, while buying conventionally grown material on the spot market. These credits must originate from growers that operate in the same area from which the materials are sourced. The certificates from the purchase area are administratively connected to the delivery of materials from that area via a mass balance model.
CDP	CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.
CGF	Consumer Goods Forum.
Chain of custody	Documented sequence of production, transfer, and sale of commodities from origin to final point of sale.
Cut-off date	The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, respectively.
DCF	Deforestation- and conversion-free.
Conversion	“Change of a natural ecosystem to another land use or profound change in the natural ecosystem’s species composition, structure, or function” (Afi , 2023).
Deforestation	“The loss of natural forest as a result of: conversion to agriculture or other non-forest land use; conversion to a plantation; or severe or sustained degradation” (Afi , 2023).
Derivatives	Materials that are derived from core commodities following a manufacturing process to create a co-product that we use.

Forest Risk Countries	<p>Throughout the report, we make a distinction between low and high-risk countries. This regards the risk of deforestation and land conversion in the country. To make this distinction, we maintain the list of forest-risk countries provided by CDP, where a forest-risk country is one of the following tropical and subtropical countries selected based on current and/or future deforestation risk (based on GCP, 2018; WWF, 2015 & TFA, 2019):</p> <p>Angola, Argentina, Australia, Bolivia (Plurinational State of), Brazil, Cambodia, Cameroon, Central African Republic, Colombia, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Ecuador, Gabon, Ghana, Guatemala, Guinea, Guinea-Bissau, Honduras, India, Indonesia, Kenya, Lao People's Democratic Republic, Liberia, Madagascar, Malaysia, Mexico, Mozambique, Myanmar, Nepal, Nicaragua, Nigeria, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Sierra Leone, Thailand, United Republic of Tanzania, Venezuela (Bolivarian Republic of), Viet Nam, Zambia, and Zimbabwe.</p>
FPC	Consumer Goods Forum Forest Positive Coalition, a coalition of 20 CGF member companies.
FSC	Forest Stewardship Council.
L3F	Livelihoods Fund for Family Farming.
Mass balance	Certified and non-certified materials are mixed in the supply chain. An administrative system ensures the output of certified product supplied to customers does not exceed the input of certified materials received at the location.
NDPE	No-deforestation, No-peat and No-exploitation.
NORAM	Zone that includes the United States and Canada.
PEFC	Programme for the Endorsement of Forest Certification.
Physically certified	Materials are certified deforestation- and conversion-free using either an Identity Preserved, Segregated, or Mass Balance system.

ProTerra	Not-for-profit sustainable supply chain organization and provider of the ProTerra certification standard.
Responsible Suppliers	We refer to the definition provided in page 12 of Danone Renewed Forest Policy .
RSPO	Roundtable on Sustainable Palm Oil, a not-for-profit sustainable palm oil organization and provider of the RSPO certification standard for palm oil.
RTRS	Roundtable on Responsible Soy, a not-for-profit sustainable soy organization and provider of the RTRS certification standard for soy.
Segregated (SG)	Certified materials are separated from non-certified materials throughout the supply chain, such that it can be assured that the product originates from certified sources, though it may not be possible to identify exact source at farm-level.
SFI	Sustainable Forestry Initiative, a certification program in NORAM that is recognized by PEFC.
SPLP	Siak Pelalawan Landscape Program, palm oil project in Riau, Indonesia.
TTM	Traceable To Mill.
TTP	Traceable to Plantation.



APPENDIX B: METHODOLOGY



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METHODOLOGIES TO MONITOR OUR PROCESS

Traceability Process

To trace the products sourced by Danone back to their origins, we collaborate with **third-party organizations**.

1) With the support of an external commodities consultancy (3Keel), in 2022 Danone renewed its traceability process for 3 key forest commodities: soy, paper & cocoa.

The purpose of this annual traceability process is to track, monitor and verify the volumes, origin, certification status, and deforestation and conversion risk of these commodities provided to Danone by its suppliers. To meet the required standards outlined in the Renewed Forest Policy, Danone requests all direct suppliers to provide data disclosure in two parts. Firstly, the volume of commodities supplied in FY 2022, associated certification status of these commodities and origin of the commodity including traceability data to country and sub-national region. Secondly, details of the policies, targets, action plans and procedures of suppliers within their own supply chains and for their entire group (not only Danone supply chains). Suppliers were requested to submit datasets via a secure reporting portal, and then 3Keel checked the policy-set data provided by suppliers, including validation checks against reported FY 2021 volumes. Danone buying teams were engaged to provide validation checks for volume disclosure and certification claims made by suppliers for FY 2022 volumes.

We actively engage our Tier 1 suppliers in the traceability process on an annual basis, starting in November by identifying relevant contacts and finalizing the

engagement in Q2 when we publish our Forest Update. Any uncertainties or non-compliance issues are addressed with the respective suppliers. We work collaboratively with suppliers to define time-bound targets and ensure compliance with our Forest Policy. For suppliers that require a transitional approach to meet our commitments, we involve their broader Sustainable Sourcing team in our supplier engagement program.

2) **Concerning palm oil:** since 2014, we have had a traceability system in place to map our supply chain at least annually. 2022 full-year results showed that 100% of volumes can be traced to Mill level and 99% to Plantation level. Earthworm Foundation supports Danone on this twice a year, in Q1 and Q3. Danone connects with the suppliers, onboards them in the traceability process and confirms purchased volumes. Earthworm Foundation supports Danone to verify the (certified) volumes, using self-declared data provided by Danone's suppliers, who collect info from Tier 2 onward. Earthworm Foundation compiles the list of mills and plantations from our suppliers and calculates % traceability to mill (TTM) and plantation (TTP). The information is used to monitor compliance with our vDCF commitments set out in Danone's Renewed Forest Policy. Finally, Earthworm Foundation supports us in Grievance monitoring, following our [grievance mechanism](#). Recognizing that transparency is important to making tangible progress on responsible palm oil, Danone publishes the results of our mapping exercise every semester. Please find here the most recent [Palm Oil Mill + Plantation List H2 2022](#).

CGF-FPC methodology used for calculating Forest Commodity Footprints

SOY Footprint:

- Direct soy oil and derivative consumption is converted into land area by first assessing the total volume of material purchased by Danone in the reporting period. This is then converted into 'soybean equivalent', as we buy processed materials that require greater inputs to produce the specific co-products we use in our products. We use the RTRS calculator conversion factors to estimate the whole soybean requirements of our demand using the economic allocation method for co-products.
- Using the soybean equivalent we determine the land use impact by dividing our demand by the yield efficiency of soybean production in the producing nation. This country-level view allows us to estimate the total hectareage of land connected to our demand using the co-product that drives our overall company material requirements.
- Finally, risk is then determined by assessing national level deforestation rates for soybeans to allow us to have an estimated level of deforestation risk.

PALM OIL Footprint:

- First, direct palm oil and derivative consumption is converted into land area by first assessing the total volume of material purchased by Danone in the reporting period. This is then converted into 'fresh fruit bunch equivalent' as we buy some processed materials and derivatives that require greater inputs to produce the specific co-products we use in our products. We use industry estimates for the conversion of palm oil and palm kernel oil to fresh fruit bunches using the economic allocation method for co-products.
- Using the fresh fruit bunch equivalent, we determine the land use impact by dividing our demand by the yield efficiency of palm oil in the producing nation. This country-level view allows us to estimate the total hectareage of land connected to our demand using the co-product that drives our overall company material requirements.
- Finally, risk is determined by assessing national level deforestation rates for palm oil to allow us to have an estimated level of deforestation risk.

PAPER and BOARD Footprint:

- Paper and board material consumption are converted into land area by first assessing the total volume of mass purchased by Danone in the reporting period. Recycled content mass is deducted from the total tonnage figure. This is then converted into cubic meters as we buy pulp and board which are not directly connected to trees using conversion factors from [Forest Research](#).
- Hectare requirements are determined by using the species-level mean annual increment (MAI) cubic meters per hectare multiplied by the volumetric demand by production region using [FAO conversion factors](#).
- Finally, risk is determined by assessing country-level risk using the designated CDP list.

BEEF Footprint:

- First, direct beef consumption is converted into land area by first assessing the total volume of material purchased by Danone in the reporting period. This is then converted to beef product land requirement per country (if provided, otherwise average applied) using the WWF Riskier Business report methodology developed by 3Keel with updated FAO data and economic allocation. This method allocates total country pastureland to different grazing animals based on relative feed conversion efficiencies and overall sector production. The national pasture area is apportioned between the three main livestock types: beef cattle, milk cattle and sheep. Economic allocation factors were applied to the area assigned to beef cattle to determine a pasture allocation per product per country, to avoid double counting where multiple products were produced from a country. Average weighted factors were used from a review of allocation methods (Kyttä et al). The area assigned to each product is divided by the national production of that beef product to give a hectare per ton estimate per product per country.
- Finally, risk is then determined by assessing national level deforestation rates to allow us to have an estimated level of deforestation risk.



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