

DANONE
COMMITMENTS

NUTRITION
COMMITMENTS



OBJECTIVES AND SCOPE OF THE DOCUMENT

- A base for fundamental principles and commitments: provide principles to guide decisions, stipulate our standards and rules, share our commitments. Back bone of nutrition at Danone, one consistent document, coherence between our actions.
- Our vision of Nutrition: fully embedded in Alimentation vision, as an essential enabler of Alimentation. Match the triple win by Danone, especially healthier choice.
- A guide to implementation of procedure or protocol: aiming for compliance. Base for audit, reporting, monitoring.
- These are the Danone Nutrition Commitments that will be a cornerstone of the Categories engagement plan.

Version: 2

History: April 2017

Approval procedure: Prepared by DANONE NUTRITION STEERING / Approved by R&D EXEC AND WBU BOARDS / PCB VALIDATION: September 23rd 2016

Internal Target Group: General Managers / General Secretary / Danone Nutrition Steering

Document Owner: Global Nutrition Director & VP Corporate Affairs

Level of confidentiality: External use

Number of pages: 16

Language: English

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Danone's key policies

FOREWORD

Health through food is a necessity and a responsibility

At Danone we believe that providing health through food is not only a necessity but also our responsibility.

Today's modern societies, because of more sedentary lifestyles and less healthy eating habits, are facing major public health issues.

In this context, we aim to help people adopt eating and drinking habits that are both healthy and relevant for them, whatever their age, culture or personal preferences. For us, nourishment goes beyond foods and beverages and should be considered in its broadest sense, including nutrition, taste, social and cultural dimensions. This is what we call 'Alimentation'.

Through alimentation, we can play an important role. We are moving from selling food to encouraging the adoption of dietary habits that contribute toward preserving health. Last year, 88% of Danone's

sales were generated in healthy categories, based on official public health recommendations (waters, early life nutrition, medical nutrition and fresh dairy products).

Our portfolio of products, combined with our broad range of activities to promote healthy diets and lifestyles, allows us to have a positive collective impact, ensuring healthier lifestyles and nutrition for all, at all ages.

Danone has thus a significant global footprint. This allows us to have an even more meaningful contribution towards meeting the diet-related health challenges the world is facing today.

We also invest in research to understand local public health challenges and local eating and drinking practices. These research programs enable us to promote healthier choices that are relevant to the communities' habits.

✓ Local patterns as the cornerstone of our model

Because eating habits are rooted in cultural, social beliefs and behaviors, our nutrition model takes into consideration local eating and drinking patterns and relies also on the understanding of local health and nutrition challenges. This is the reason why we have a country – and community-based approach. Thanks to this approach, we can offer healthier options that are relevant to the local diets and preferences and better impact eating and drinking practices.

✓ A healthy diet starts with healthy products

Beyond food composition, a healthy diet is about eating and drinking everyday a variety of balanced nutrient-rich foods and beverages in quantities that meet individual needs. Danone focuses on a portfolio of healthy categories (based on public health recommendations and dietary guidelines) that are beneficial to health on a daily basis as they are of good nutritional quality and considered to be relevant to public nutrition policies and guidance (waters, early life nutrition, medical nutrition and fresh dairy products).

✓ An enjoyable experience represents a key driver for a healthier diet

To help people around the world adopt healthier eating and drinking habits, we believe that an enjoyable experience is key. Beyond variety, portion sizes, number of calories, or nutritional quality, taste and texture play an important role to provide a pleasurable experience. This is why we are able to maintain wherever possible consumer preference while offering a healthier option.

✓ With the best we can do, always

Danone is committed to create, manufacture and provide to consumers products that are safe and balanced. This implies our obligation to act in a sustainable and responsible way worldwide, to respect the highest quality standards, and seek to have a positive impact on the environment. We stand by all our products and services with pride and guarantee their quality – whatever consumers may choose, and wherever they may do so.

✓ Research is our best ally

Danone's Nutrition vision is supported by investment in research, in both hard and social sciences on one hand, and in the continuous nutritional improvement of products on the other. These research activities allow us to simultaneously enhance the nutritional value of our products and inspire consumers to adopt healthier diets and lifestyles. We also aim to measure the current impact of our actions on diet and health.

✓ Not alone, but with partners and stakeholders

Public health challenges require involvement from all players. Industry is only one part of the chain. We will stand firmly by our belief that it is better to walk together than apart, working with local authorities and engaging with other stakeholders in our common quest to find better solutions for health through food. Such partnerships will also allow us to ensure greater relevancy of our actions and a stronger collective impact on the public health challenges the world is currently facing.

OUR 6 COMMITMENTS

Danone has decided to take its nutritional charter one step further and implement nutrition commitments containing stronger, more measurable and time-bound commitments to evaluate its performance.



COMMITMENT #1

Continuously improve the nutritional quality of our products



COMMITMENT #2

Design healthier alternatives relevant for consumers



COMMITMENT #3

Further reinforce our expertise on the understanding of local nutrition practices and public health contexts



COMMITMENT #4

Contribute to address local public health challenges on which Danone can have a most favorable impact through partnerships



COMMITMENT #5

Develop even more responsible marketing practices, especially to children



COMMITMENT #6

Provide the most appropriate product labelling to encourage healthier practices



COMMITMENT #1

Continuously improve the nutritional quality of our products

Danone focuses mainly on categories that are beneficial to health on a daily basis. Compared to other alternatives, most of the company's products (waters, maternal and baby nutrition, medical nutrition and fresh dairy products) are of good nutritional quality and considered to be relevant according to public nutrition policies and dietary guidance.

Danone's ambitious nutritional targets have been continuously updated to improve the nutritional quality of products. Today, Danone has set up new targets with the objective to meet them by 2020 for all its categories of products. They are based on official nutrient intake recommendations (WHO, EFSA, US, IOM, etc.), the latest scientific references on dietary practices as well as in-house targets developed from Danone's research programs.

Concerning Maternal and Baby Nutrition, we support WHO public health recommendations calling for exclusive breast-feeding for the first six months of infancy and continued breast-feeding up to two years of age and beyond, combined with the safe and appropriate introduction of complementary foods.

Find our nutritional targets published on the Danone website at www.danone.com under Publications.

By 2020, 100% of our products will reach our nutritional targets, which are based on our publicly available standards. This will help us optimize the nutrient density of our products to meet the needs of our consumers. In Africa, given the specificities of eating practices and product ranges available in the region, Danone has the ambition to reach the general targets by 2025 and has set intermediary targets for 2020.

FOCUS

Reduce sugar: a priority

Regarding the Fresh Dairy products, Danone has already reduced sugar and fat content of brands in many countries. For example in Brazil, Danonino, the brand aimed at kids between 3 and 6 years old, has been progressively improving since 1999 with reductions in sugar and fat content (of 32% and 35% respectively). It contains calcium, vitamin D plus iron, zinc and vitamin E, based on local deficiencies. In Germany, the kids brand "Fruchtwerge" has reduced its sugar content by 25% since 1991. In Canada, added sugars in Danino drinks have been reduced by 18% since 2013. We reduced the sugar content of our range of Aquadrinks by 25% between 2007 and 2014.





COMMITMENT #2

Design healthier alternatives relevant for consumers

As the leader in its categories of products in most of the countries in which Danone operates, Danone's responsibility is to continue to spearhead these categories. Beyond nutritional quality, Danone believes that a pleasurable consumer experience is the first driver of healthier choices and thus an essential aspect of foods and beverages for ensuring sustainable healthy eating and drinking habits.

“Danone believes that a pleasurable consumer experience is the first driver of healthier choices.”

Therefore, Danone plans to design products which offer healthier choices by combining two criteria: superior product experience for the consumer and superior nutritional quality, compared to the most commonly consumed alternatives. Danone has established an approach aimed at enhancing the nutritional quality of its products and categories, by monitoring and improving the nutritional profile of its products vs. other available choices, analyzing substitution and association dynamics among food categories. Danone's intention is to encourage substitution towards healthier product alternatives.

By 2020, top Danone brands will contribute to providing healthier alternatives in consumers' diet.

FOCUS

Offer Argentinean women a healthier snacking alternative

Danone is addressing calcium deficiencies and unhealthy snacking habits among women in Argentina, investing in research into understanding taste and consumption practices of on-the-go foods. With local academics, Danone simulated a switch from the current practices to healthier choices. To encourage healthier snack alternatives that are relevant to Argentinean consumers, Danone has developed a high-protein, low-calorie yogurt filled with natural dairy calcium ingredients, packed with fruit and sold under our Ser brand.



COMMITMENT #3

Further reinforce our expertise on the understanding of local nutrition practices and public health contexts

For Danone, to have a good understanding of the local nutritional context, public health concerns and eating practices from a socio-cultural perspective is key to defining appropriate strategies that promote healthier diets.

There are multiple causes of disease or disability and they can vary from one country or community to another.

“A good understanding of local eating practices is key.”

Because Danone believes that eating goes beyond nutrition, and in order to have the greatest impact on promoting healthier eating habits, Danone must continue to build its knowledge of local eating and drinking patterns, practices and beliefs (what people eat and drink, when, why and how).

By 2020, in its top businesses, Danone will have implemented and published outcomes of research programs supported by local experts to understand eating and drinking habits and food cultures.



Danone 'Liq.In 7' surveys combine **15** harmonized country surveys on the amount and type of fluids consumed during **7** consecutive days among **16,300** adults and **12,000** children and teens.

FOCUS

Fighting infant anemia in Africa

To help reduce the problem of infant iron deficiency among babies in Ivory Coast and Cameroon, we conducted studies with local sociologists to understand the attitudes and beliefs of mothers. These data have been shared locally with experts, local authorities and pediatricians. The outcome led to a reformulated Blédina® Phosphatine infant cereal that is now enriched in iron.

Nutriplanet in 53 countries

Danone's comprehensive Nutriplanet program provides hard scientific facts on nutritional deficiencies and local public health challenges, as well as useful insights into local traditions, preferences, values and beliefs relative to food and beverages. NutriPlanet was extended to 53 countries at the end of 2015.



COMMITMENT #4

Contribute to address local public health challenges on which Danone can have a most favorable impact through partnerships

Danone believes that the best way to act is to create alliances and join existing movements to contribute together to local public health challenges. This is why Danone engages in the co-development of services and education programs that can have the greatest impact on health and wellness of individuals living in various communities.

Danone implemented 148 education programs to promote healthy diets and lifestyles targeting over 500 million people. These programs were developed in collaboration with academic and government partners and are targeting food and/or drinking practices among children and adults.

By 2020, Danone will have contributed to a local public health cause, with relevant actions and programs in the top 15 countries where it operates.



FOCUS

Promoting a nutrition education program in the UK

Eat Like a Champ is an education program to tackle the growing issue of poor nutrition and obesity among children, delivered yearly to 40,000 children in 1,500 classrooms across the UK.

Highlight the importance of water in Poland

'Mom, Dad, I prefer water' – a comprehensive educational program targeting children, parents and teachers. In Poland after seven years, this program has reached already 800,000 children from 7,000 educational institutions and 800,000 parents.

Fighting youth obesity in the US

Danone has joined the Partnership for Healthier America, and has already exceeded its sugar and fat reduction targets, especially in its products for children. The company has invested more than \$2 million in nutrition education and research to develop healthy eating habits.



COMMITMENT #5

Develop even more responsible marketing practices, especially to children

The adoption of even more responsible marketing practices is key for encouraging healthier behaviors. This is all the more important in children whose improved behavior will benefit a greater lifespan.

“Danone makes specific commitments with regards to supporting breastfeeding.”

Danone contributes to the advancement of business practices through cross-sector voluntary commitments based on the Danone Business Conduct policy. The company also believes in joining local pledges, such as the EU pledge for responsible marketing to children.

Regarding nutrition for mothers, infants and young children, the Danone Business Conduct policy and other internal compliance procedures are aligned with the WHO International Code of Marketing of Breast Milk Substitutes. These policies and procedures are uniformly applied throughout all countries where Danone operates.

Furthermore, as a maternal and baby nutrition company, Danone also makes additional specific commitments, especially with regards to supporting breastfeeding.

By 2020, each country in which Danone operates will have disclosed and embedded a local comprehensive policy on responsible marketing practices. This will include our commitment regarding breast milk substitutes*.

FOCUS

The first 1,000 days

Danone's pledge with regards to health and nutrition in the first 1,000 days is based on protecting and promoting breastfeeding on one hand, and ensuring the best nutrition for infants, young children and mothers on the other. To implement these commitments, Danone first engaged its own employees and has gone on to work with partners with whom the company shares its research data and promotes ethical marketing practices throughout the industry.

FTSE4Good Index

Danone's recent entrance into the FTSE4Good Index recognizes the value of both its achievements and commitments to the over 100 environmental, social and governance practice indicators, that were assessed, of which 30 were specific to breast milk substitutes.

*DANONE Policy for the Marketing of Foods for Infants and Young Children 'Green Book'.



COMMITMENT #6

Provide the most appropriate product labelling to encourage healthier practices

Danone wants to provide consumers around the world with nutritional information to guide healthier dietary choices and habits. All of its product labels are thus designed to provide all necessary information to ensure appropriate use of its products in accordance with local laws and regulations. Danone will develop a transparent policy for nutritional value on all the labels of its products to encourage healthier choices.

By 2020, 100% of Danone products will display comprehensive nutritional information to guide consumers, in particular regarding portion guidance.



FOCUS

Providing reference intake

'Reference intake' refers to the nutrient intake levels most people are advised to consume daily for a healthy diet. Given that people vary in many ways, such as size and activity levels, RIs are not targets for individuals, but provide a benchmark against which the contribution from specific nutrients per serving of a food product can be assessed. The RI values for adults will also be used for children's products, in the absence of official RI values for children. Depending on the categories of products, reference intakes can cover energy, macronutrients (total fat and saturated fat, carbohydrates, etc.), and micronutrients (such as vitamins or potassium).

Danone commits to providing a summary of nutritional information on the front of each pack that indicates how the product meets the reference intake for energy and often other relevant nutrients.

The commitment, to be applied to all CBU's in the European Union, is actually already in place for 96% of our dairy products and Aquadrinks. It will be extended to other countries and categories providing local or product-specific regulations are respected.

Operating with structured processes and transparency

To sustain a clear, coherent, consistent strategy and positioning around its nutrition topics, Danone has set up a specific governance structure. The three core principles driving this governance are:

- Danone's strategic vision, based on relevant expertise and resources
- Stakeholder dialogue
- Transparency.

The purpose of our governance structure dedicated to Nutrition is to have a clear and coherent strategy and positioning on nutrition topics. This structure reports to the Executive Committee.

Transparency and stakeholder dialogue are at the heart of Danone's governance.

To better meet local public health and nutrition challenges as well as prepare for a healthier future, we commit to actively engage with global, national, and local experts, public authorities, civil societies and academia. We are also working with ATNI and other CSR players on transparency and new methods to measure progress.

We commit to publishing our Nutrition & Health reports, which are now systematically verified by an independent 3rd party, each year. Further policies and position papers on various nutrition topics can be found on the Danone corporate website.

Find below some of Danone's key policies, commitments and position papers

- Danone Sustainability Report
- 2016: Danone Nutrition Targets
- Updated Danone Nutrition Standards
- Danone commitments to Health and Nutrition in the first 1,000 days
http://www.danone.com/fileadmin/user_upload/Danone_s_Commitment_to_Health_and_Nutrition_in_the_First_1000_Days.pdf
- Danone pledge on advertising aimed at children
- Our Nutrition & Health Commitments – 2015 achievements
http://www.danone.com/fileadmin/user_upload/Danone_Nutrition_and_Health_commitments_achievement_2015_BD.pdf
- Danone Policy for the Marketing of Foods for Infants and Young Children “Green Book”
- Danone Policy on advocacy (lobbying)
- Danone position on Biodiversity and GMO use
- Danone Sustainable Agriculture white paper
http://www.danone.com/fileadmin/Food_chain_vision_2_01.pdf
- Danone Business Conduct Policies
http://www.danone.com/fileadmin/user_upload/Investisseurs/Gouvernance/ANG/Business_Conduct_Policies_version_anglaise_V3.2_avr_06_.pdf

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Photography credits

Philippe Lassalle
Studio Paggy - Gettyimages

Design and production: Burson-Marsteller i&e

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