



DANONE
ONE PLANET. ONE HEALTH

**SGCIB
EUROPEAN
ESG CONFERENCE**

March 12th, 2019 - Paris



Agenda

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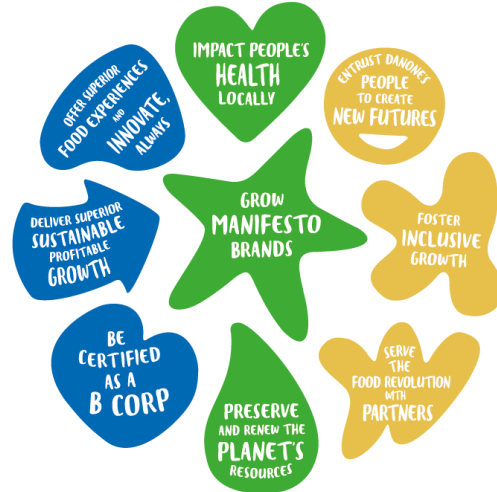


DANONE

ONE PLANET. ONE HEALTH

Danone
at a glance

2



ESG strategy
embedded in
our 2030 goals

3



Governance
practices

4



Appendix
Performance
indicators and
case studies

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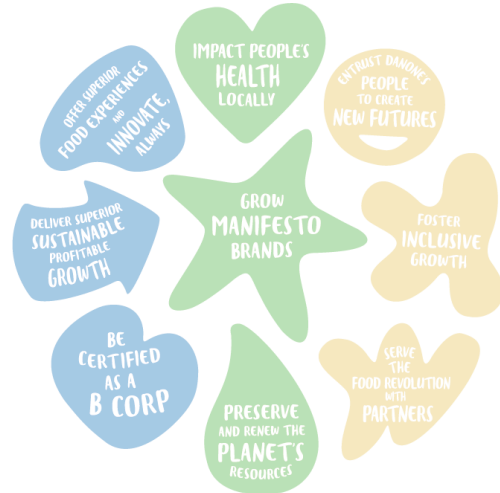


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**Appendix
Performance
indicators and
case studies**

A unique 100% health-focused on-trend portfolio

Almost 90% of volume sold recommended for daily consumption⁽¹⁾



Specialized Nutrition



29%



Essential Dairy and Plant-based



53%



Waters



18%

% of sales 2018. (1) 89% in 2018. Refers to water, yogurt and other daily dairy products, baby milks & foods, milks and milk powders, beverages with 0% sugar and medical nutrition. Based on official public health recommendation, these categories are generally suitable for daily consumption. Excludes former WhiteWave activities.

A multi-local food and beverage leader

Global well-balanced geographic exposure

Global presence



120+

countries where products
are available

~56%

local brands in 2018
as a percentage of sales

100,000+

employees

Well-balanced geographic exposure



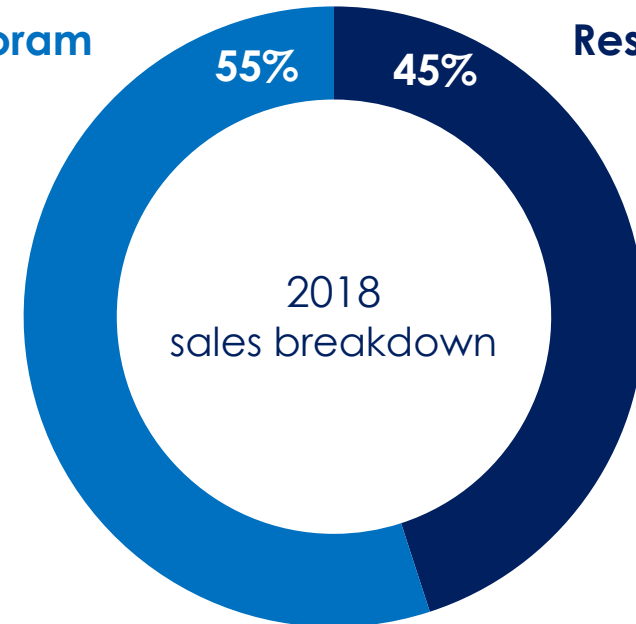
Europe & Noram

55%

Rest of the world

45%

2018
sales breakdown



Strong financial track record since 2014

Consistently delivering against our agenda of strong sustainable profitable growth

Reported sales

+4%

2014-18 CAGR

€21.1bn



2014

€24.7bn



2018

Recurring operating margin

+190 bps

2014-18

12.6%



2014

14.5%



2018

Free cash flow

+15%

2014-18 CAGR

€1.3 bn



2014

€2.2 bn



2018

Recurring EPS

+8% (+11% at constant FX)

2014-18 CAGR

€2.62



2014

€3.56



2018

Dividend

+7%

2014-18 CAGR

€1.50



2014

€1.94



2018

Delivering superior ESG performance

Recognized top performer, continuously improving



68/100
Advanced Performers
+ 3 points compared to 2017
Danone sector leader



68/100
+ 5 points compared
to 2017⁽¹⁾



AAA



1/10
Best score
in Social Reporting⁽²⁾



FTSE4Good

Part of the FTSE4Good
Index Series



**ACCESS TO
NUTRITION
INDEX™**

Among
TOP 3
performing food
companies

1
in marketing
for breastmilk
substitutes



A list
Leadership level

1
in the Food &
Beverage league to
deliver a low carbon
future



Part of the Bloomberg
Gender-Equality Index
since February 2019

(1) Due to stricter and significant methodology changes, all 2017 scores have been recalculated by DJSI on a like-for-like basis.

(2) Danone's score as per March 2019

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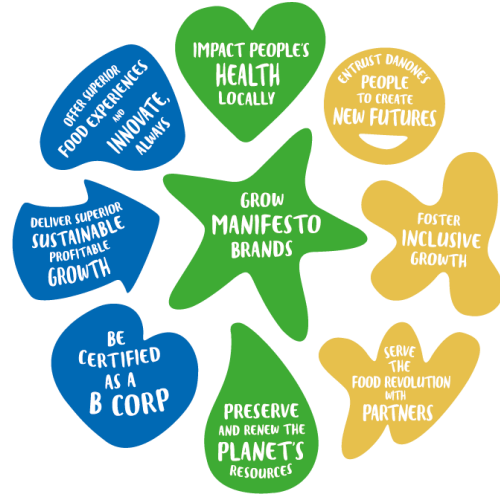


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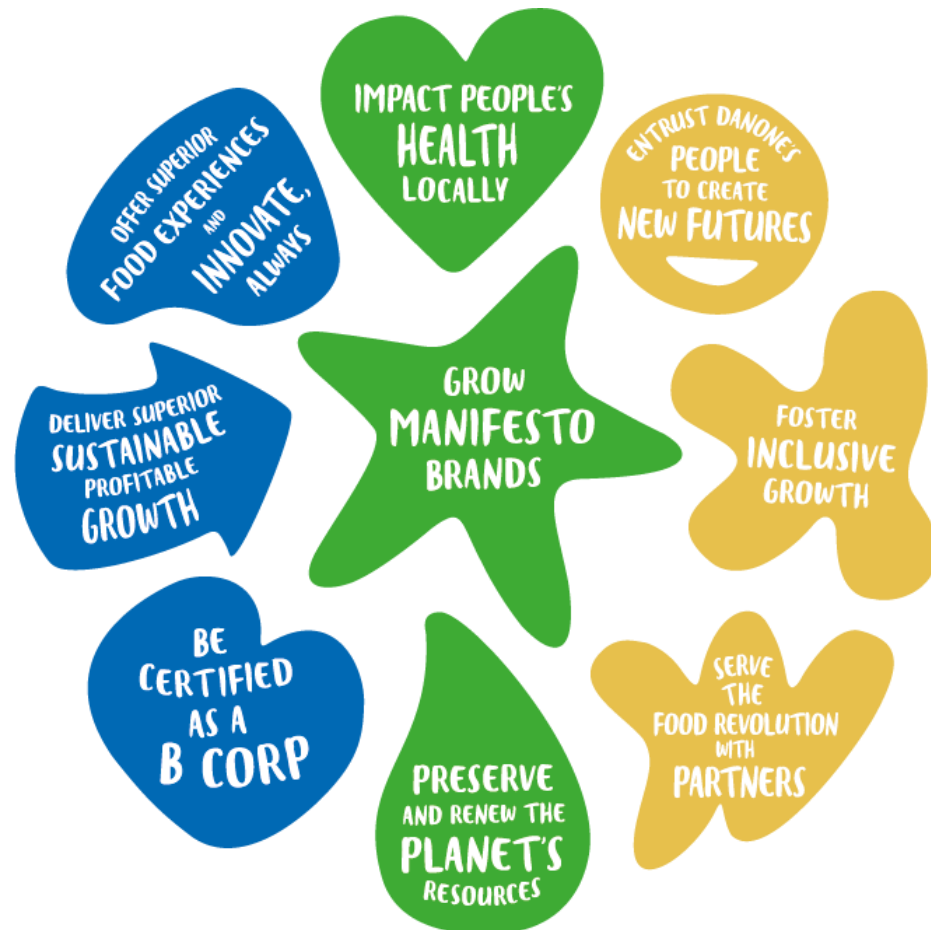
Our strategic roadmap

9 integrated goals for 2030, contributing to the UN SDGs



OUR BRAND MODEL

OUR BUSINESS MODEL



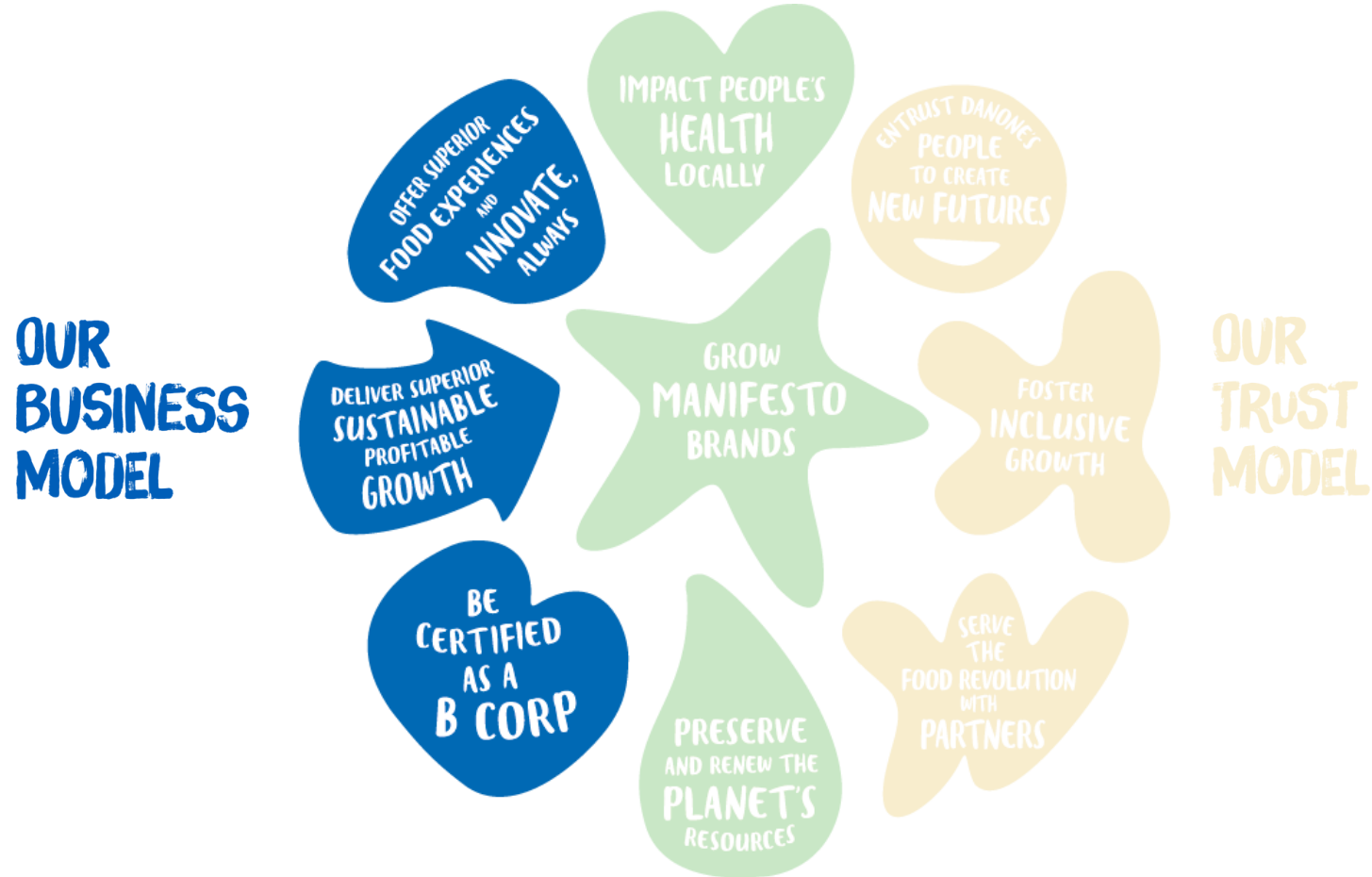
OUR TRUST MODEL



OUR BUSINESS MODEL

We will grow as a B Corp™, innovating to offer superior food experiences

OUR BRAND MODEL



Deliver superior sustainable profitable growth

Superior growth profile as consumers move to healthier nutrition



Growth profile by category
10-year forecast to 2022

Powerful structural growth drivers



Source : Euromonitor

Deliver superior sustainable profitable growth

On track towards mid-term financial objectives



Like-for-like sales
growth
4 to 5%
by 2020

Recurring operating margin
> 16%
by 2020

**Consistent
EPS
Growth**

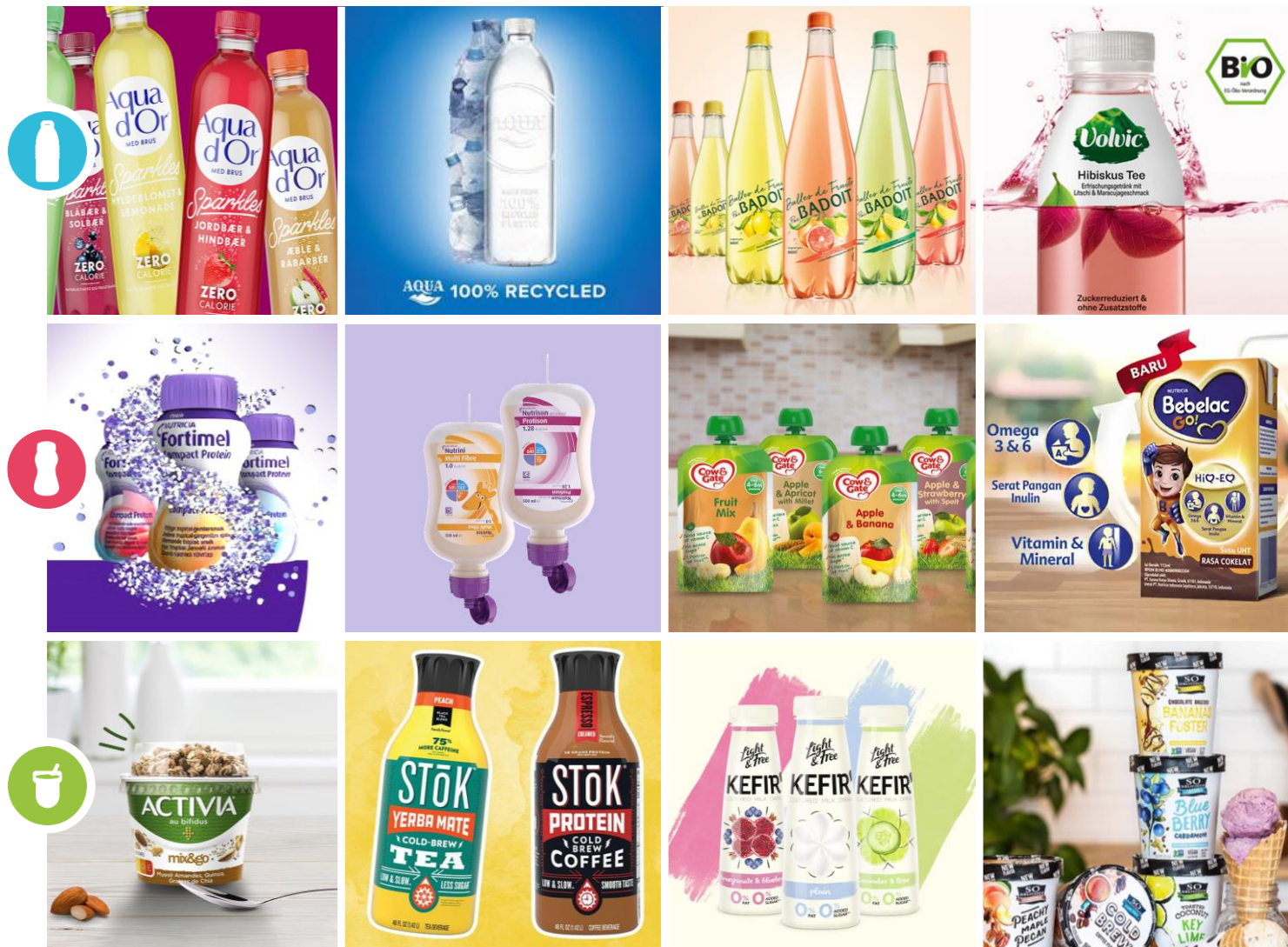
Net debt / EBITDA
< 3.0X
by 2020

ROIC
~12%
by 2022

Offer superior food experiences and innovate, always

Targeted innovation at speed and scale to enhance value

OFFER SUPERIOR
FOOD EXPERIENCES
AND
INNOVATE,
ALWAYS



MORE INNOVATIONS

~1/4 of net sales in 2018⁽¹⁾

+25% vs 2017

FASTER TIME TO MARKET

40% faster on recent innovations

DRIVING VALUE

+ 50% higher net sales/liter in Waters⁽²⁾

+ 25% higher net sales/kg in EDP⁽²⁾

(1) Innovations over the last 24 months; (2) compared to core range

Be certified as a B Corp™ globally

Paving the way towards highest sustainability standards



~30% of sales covered by B Corp™ certification to date

Pioneer social bond in 2018

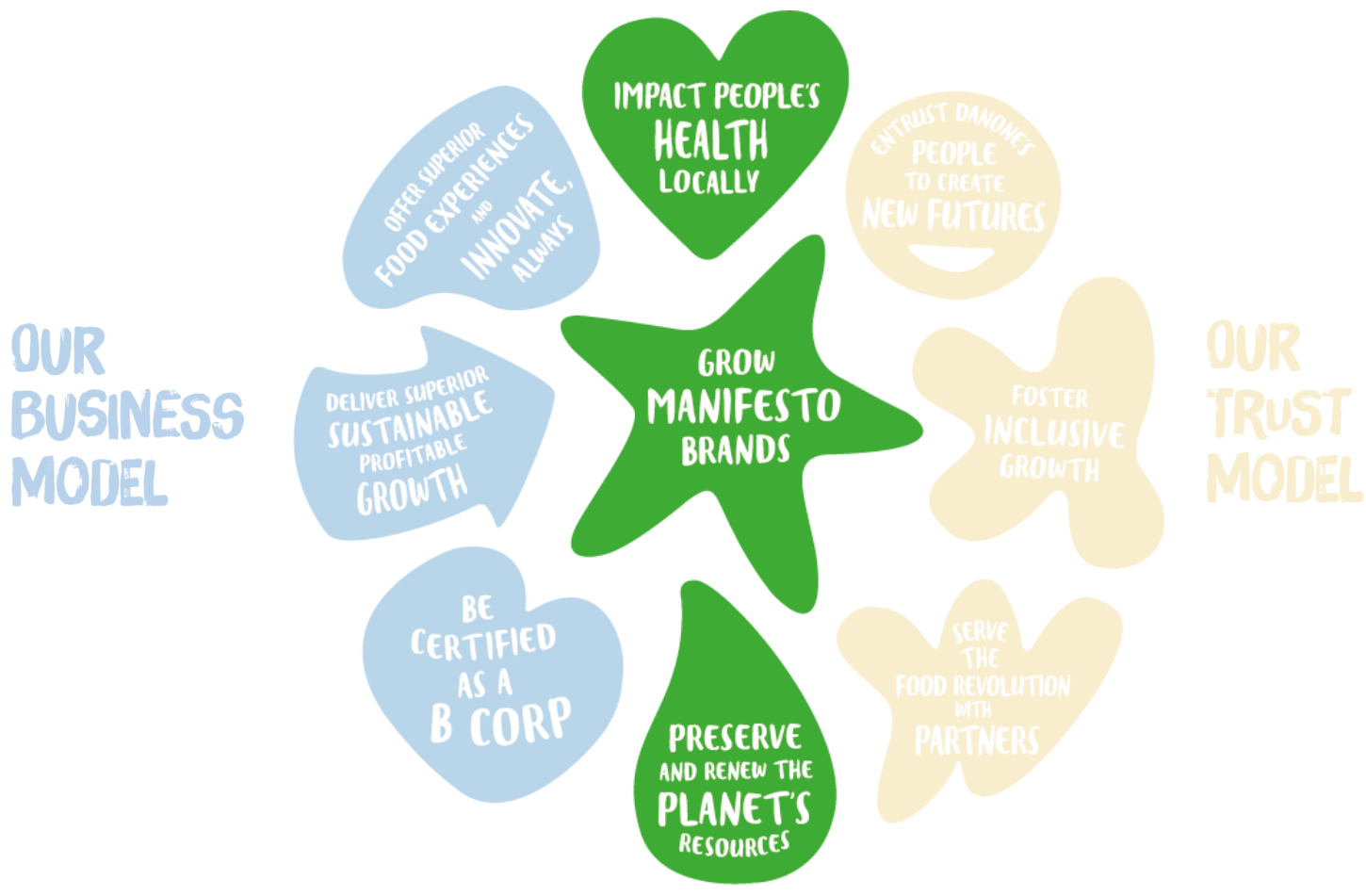


€2bn syndicated credit loan

with interest payment lowering as a function of Danone sales B Corp™ certified

OUR BRAND MODEL

We will grow what we call Manifesto brands to protect and nourish both the health of the people and the health of the planet



Impact people's health locally

Promoting better food behaviours



Better Products

We continuously improve our products' nutritional profile

89%

of volumes sold on healthy⁽¹⁾ categories in 2018

87%

of volumes sold in 2018 in line with 2020 Nutritional targets⁽²⁾ for added sugar



Better Choices

We innovate to create and promote healthier alternatives



Better Habits

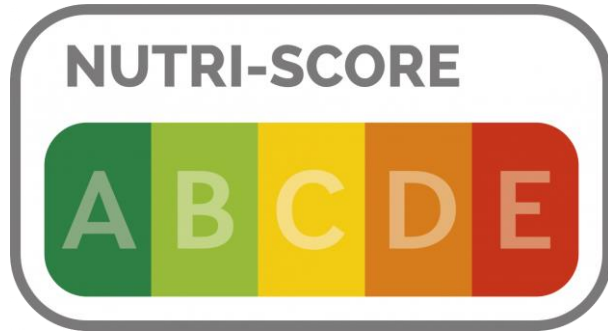
We encourage healthier eating and drinking practices

30 education programs were active in 2018, impacting **35** million of people

(1) Refers to water, yogurt and other daily dairy products, baby milks & foods, milks and milk powders, beverages with 0% sugar and medical nutrition. Based on official public health recommendation, these categories are generally suitable for daily consumption. Excludes former WhiteWave activities.
 (2) In 2017, Danone has unveiled its targets on Health & Nutrition including targets on sugar, salt and saturated fat reduction. Added sugars targets are defined for most of our product categories, and summarized in the publicly available leaflet "Danone Nutritional Targets 2020". These targets are maximum values, and are expressed in terms of grams of added sugars per 100g or per 100 kcal.

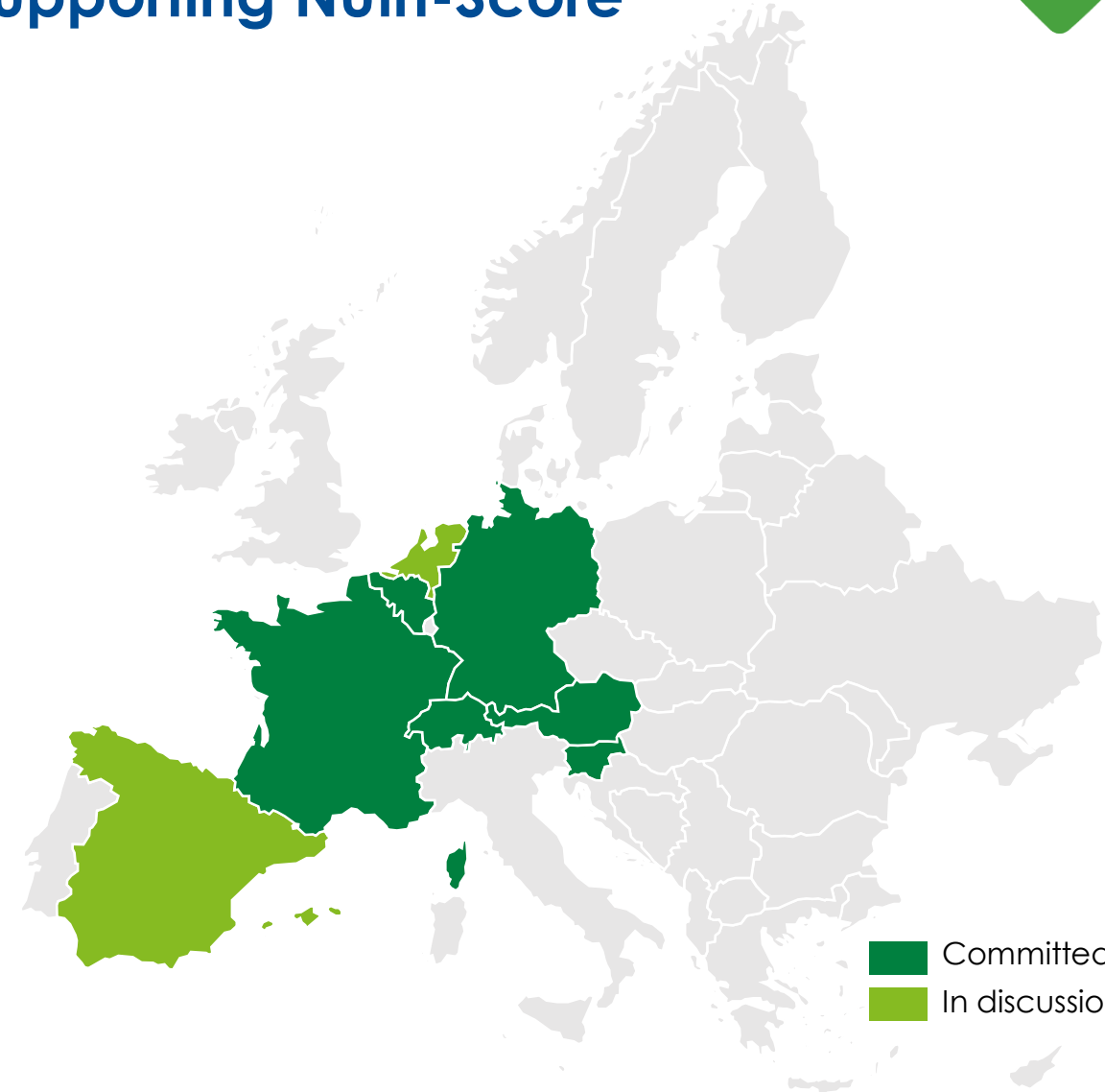
Impact people's health locally

Better choices through transparency: supporting Nutri-Score



A voluntary information on nutritional quality

A robust, science-based, consumer-tested system with proven impact on consumer understanding and nutritional quality of food basket



■ Committed
■ In discussion

Grow Manifesto brands

Purpose-driven brands with a positive impact on health, society and planet

gender equality

circular economy

lower impact on the planet

support to farmers

nourishing happiness



Purpose-led Manifesto brands
growing 3 times faster
than the average

Preserve and renew the planet's resources

One Planet strategy based on four pillars



Climate



Water



Circular Economy
(Packaging & Food Waste)



**Regenerative
Agriculture**



Preserve and renew the planet's resources

Climate: committed to carbon neutrality by 2050



Reduction in CO₂ footprint

Emission intensity (g/CO₂ equivalent/Kg product)

2018

16%

Intensity reduction⁽¹⁾ full scope baseline 2015



TARGET

50%

Reduction in emission intensity on Danone's full scope by 2030

Reduction in CO₂ footprint

Absolute emissions (in kTCO₂e)

2018

20%

Absolute reduction⁽¹⁾ of scope 1 and 2 emissions baseline 2015



TARGET

30%

Absolute reduction on Danone scope 1 and 2 emissions by 2030

Renewable electricity

2018

34%

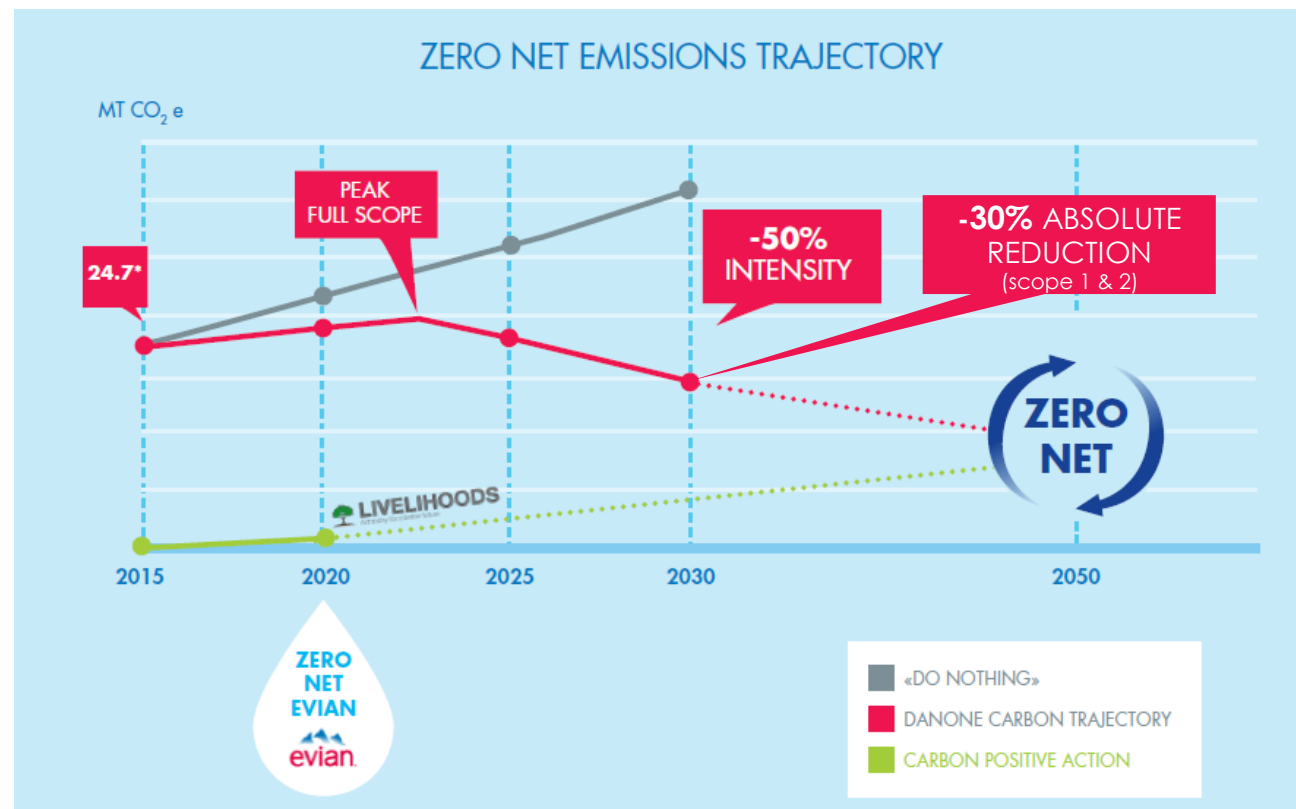
Renewable electricity



TARGET

100%

renewable electricity by 2030
50% by 2020



SCIENCE
BASED
TARGETS

(1) At constant scope and methodology

Preserve and renew the planet's resources

Protect water, preserve its quality and gives access to safe drinking water



WATER RESOURCES & ECOSYSTEMS



We protect and restore our watersheds and natural ecosystems especially in water-stressed areas

100% of Waters division sites have run SPRING⁽¹⁾ audits in 2018

Evian and **Villavicencio** belong to the **Ramsar** Convention list on wetlands

(1) Sustainable Protection and Resources managING audit tool

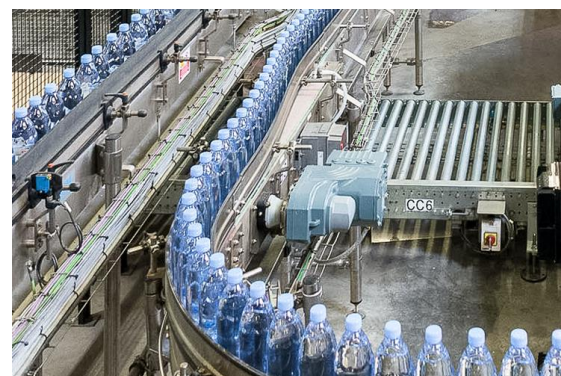


WATER IN AGRICULTURE



We work with farmers to promote agricultural practices optimizing water efficiency

Aqueduct Water Risk Atlas tool used to manage risks in supply chain in 20 countries covering 8,000 milk collection centers



WATER IN OPERATIONS



We reduce water use in operations

Danone has reduced its water intensity by **48%** in 2018 vs. 2000



WATER ACCESS



We expand access to safe drinking water and sanitation

800,000 beneficiaries had access to safe drinking water and sanitation with Danone Communities

Preserve and renew planet's resources

Accelerating the transition towards a circular economy of packaging



LEVERAGING THE ACTIVIST
ROLE OF OUR BRANDS

PURSUING 100%
CIRCULAR BRANDS

OFFERING ALTERNATIVES
BEYOND PLASTIC & SINGLE USE

CO-DESIGNING
COLLECTION SYSTEMS



By 2025

- 1 All packaging will be **100% recyclable, reusable or compostable**⁽¹⁾ and **alternatives to plastic packaging** or **single-use packaging** launched in all major water markets
- 2 **Collection and recycling initiatives** launched or supported in all top-20 markets
- 3 **50% of recycled PET** in water and other beverage bottles⁽²⁾ and use of **renewable bio-based materials** developed at commercial scale

Collaboration through new alliances to address roots causes of plastic waste and pollution

(1) vs. 87% in 2018, according to Ellen MacArthur foundation definition – Total packaging put on the market, based on sales volumes

(2) vs. 17% in 2018 in countries where allowed

Preserve and renew planet's resources Accelerating the transition towards a circular economy of packaging



100% rPET
oct/2018

**Indonesia's First
100% Recycled Plastic.
100% Recyclable.**

AQUA 100% RECYCLED

We commit to accelerate packaging innovation to address plastic waste challenges in Indonesia
#BijakBerplastik #BaiknyaBerulang

USA Q1 2018

fall in love with the bottle too. We start with renewable sugarcane* which is turned into your bottle. made from at least 80% plants** it is also recyclable***. That's a choice you can celebrate with every sip.

35% SUGARCANE UNSWEETENED ORGANIC almondmilk WITH CASHEW unsweetened SIMPLY 6 INGREDIENTS Featuring Organic Almonds & Cashews. CARRAGEENAN-FREE I'm green

simplicity has never tasted so good. When you're as passionate about deliciousness as we are, it's easy to understand why we love this simple, tasty recipe. Every ingredient has a purpose. Coconut sugar brings a subtle caramel-like sweetness. Light tasting and smooth. And made with only what's needed—nothing else. Sounds pretty great, right? Wait until you taste it.

48 FL. OZ (1.5 QTS) 1.4 L

Argentina EU Q2/Q3 2018

France 100% rPET
apr/2019

Argentina 100% rPET
oct/2019

Villavicencio ÚNICA 100% BOTELLAS RECICLADAS

USA 50% rPET
nov/2018

evian. ENSEMBLE, CONSTRUÍMOS UNE ÉCONOMIE CIRCULAIRE. SÁMBEN ASA ENN CIRCULÁRE EÉCONOME SÁMBEN. 6x1,5L

Spain 100% rPET
aug/2018

100% Reciclada Reciclable

¡Ya disponible!

PROYECTO Lanjarón ASOR MINERAL NATURAL 1.25L

Preserve and renew the planet's resources

Fostering regenerative agriculture practices



Protect soils



Sourcing **100%**
of ingredients produced in France from
regenerative agriculture by 2025.

“Green Day”

All Danone's brands in France donated a full day
sales to support regenerative agriculture projects

€5.4M

donated



1,500

Danone
employees in store



Empower farmers



> 90%

of milk suppliers are smallholder farms (i.e. less than
ten cows)

43%

of total milk volumes collected in the EU and in the
U.S come from producers working under CPM
contracts ⁽¹⁾



Respect animal welfare



43%

of fresh milk volumes worldwide assessed on animal
welfare ⁽²⁾

50%

of non-organic fresh milk volumes are non-GMO ⁽³⁾ in
the U.S. in 2018

⁽¹⁾ CPM contracts: Cost Performance Contracts reducing milk price volatility, offering farmers greater financial stability and enabling them to plan ahead

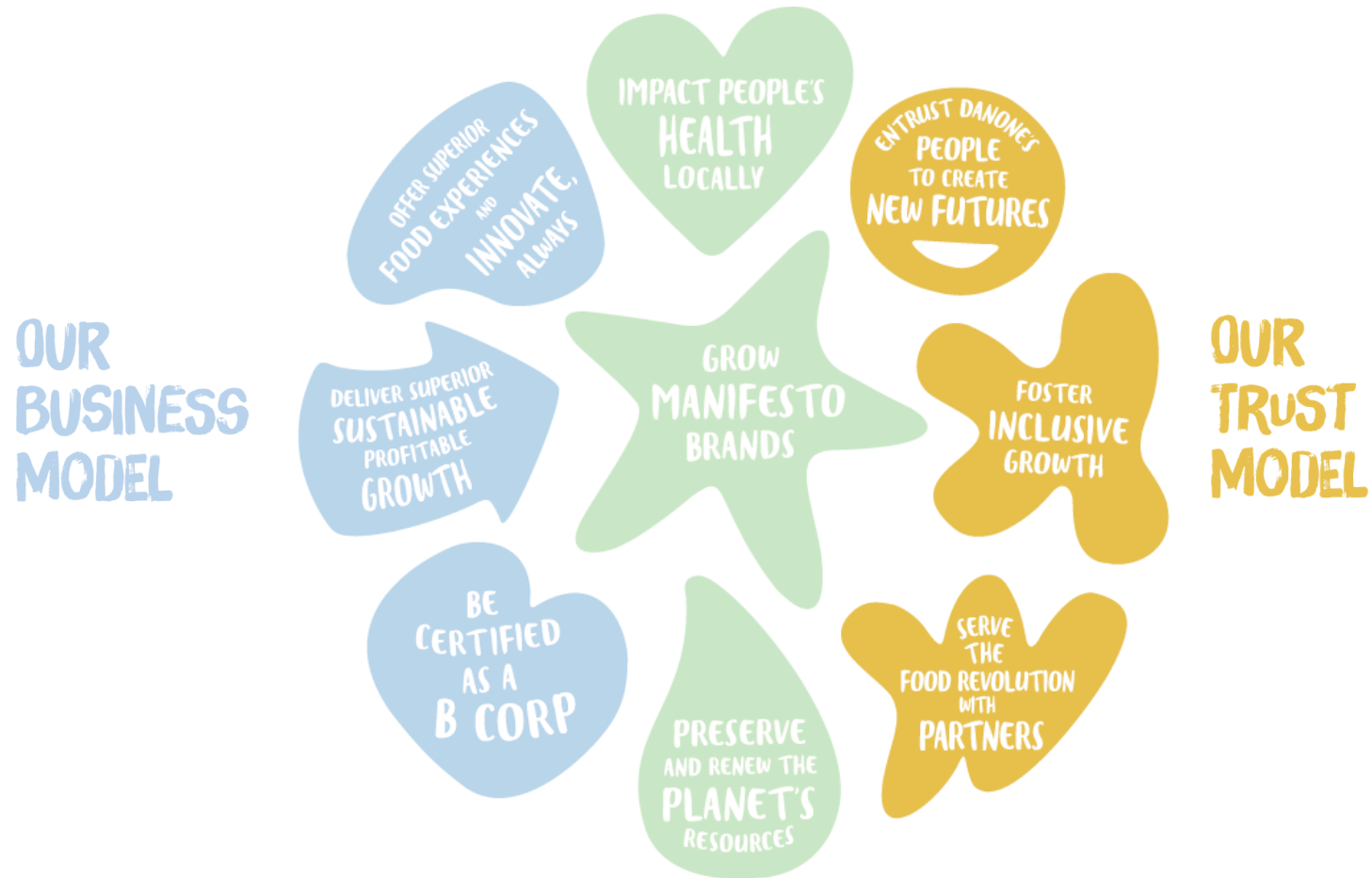
⁽²⁾ Assessed in 15 countries covering more than 80% of fresh milk volumes through the animal welfare assessment tool or via Validus certification in the Essential Dairy and Plant-Based Division

⁽³⁾ Milk volumes converted to non GMO project verified in the U.S.

OUR TRUST MODEL

We will grow in an inclusive way, empowering our people and working with partners to create and share sustainable value

OUR BRAND MODEL



Entrust Danone's people to create new futures +100,000 employees as a driving force of the food revolution



Danone's People Health



Providing all employees with quality healthcare coverage

>74,000

employees have a healthcare coverage with quality standards defined by Dan'Cares⁽¹⁾



Inclusive Diversity



Gender-neutral parental policy to be deployed globally by 2020

50%

of Danone managers, directors and executives are females in 2018



Talents



Offering training & career development programs for all employees

94%

of Danone employees trained in 2018

(1) The Dan'Cares program provides with quality healthcare coverage for major risks: hospitalization and surgery, maternity care, medical exams and pharmacy services

Entrust Danone's people to create new futures One Person, One Voice, One Share.



ONE
PERSON

ONE
VOICE

ONE
SHARE

Let's shape Danone TOGETHER

FROM SEPTEMBER 25TH TO OCTOBER 21ST
CONSULTATION

October 2018:
digital consultation
Sharing voices to
shape the future

> **75,000** participants
35,000 volunteers
360,000 verbatim

MAKE YOUR VOICE COUNT
PARTICIPATE IN THE SURVEY

DANONE 2030 GOALS



April 2019:
shareholders' meeting
Fostering an ownership mindset

One share
granted to every Danone employee

—

Employee
share purchase plan

Foster inclusive growth

Pioneering social innovation through dedicated platforms



Growing inclusive business solutions

Mutual investment fund fighting against poverty by giving access to safe drinking water and alleviating malnutrition

10 social businesses in 14 countries

800,000 beneficiaries with access to drinking water

300,000 beneficiaries in the fight against malnutrition and poverty



Fostering inclusive growth in our value chain

Endowment fund supporting activities of general interest to strengthen Danone's ecosystem, promote job creation and develop micro-entrepreneurship

85 projects

since creation in 2009

4.4 million indirect beneficiaries

> 57,000 people professionally empowered



Building resilient communities, natural ecosystems & businesses

Investment funds dedicated to carbon assets restoration and family farming

LIVELIHOODS CARBON FUND #1

LIVELIHOODS CARBON FUND #2

LIVELIHOODS FUND FOR FAMILY FARMING

1.2 million

people positively impacted since 2011

126 million trees planted since 2011

1,550,000 tons of carbon emissions avoided or sequestered since 2014

Serve the Food revolution with partners

Building on partnerships to achieve our vision



THEMATIC PARTNERSHIPS

EMBRACING CIRCULAR ECONOMY

Global partnership with Ellen MacArthur Foundation



PROMOTING HEALTHY SUSTAINABLE DIET

Initiative led by WBCSD (World Business Council for Sustainable Development) and the EAT Food foundation



INDUSTRY COLLABORATION

COLLABORATION FOR HEALTHIER LIVES

Global partnership to make healthier decisions easier for people around the world.



FOSTER BIO-BASED PACKAGING

Partnership with Origin Materials and Nestlé to develop and launch at commercial scale a PET plastic bottle made from bio-based material



MULTILATERAL ORGANIZATIONS

ADVOCATE FOR INCLUSIVE DIVERSITY



Emmanuel FABER UN Inaugural Thematic Champion

WETLANDS PROTECTION

Global partnership raising awareness on the importance of wetlands and supporting integrated watershed management at the local level



STRENGTHEN INCLUSIVE GROWTH

OECD and Danone initiative to strengthen inclusive growth through public-private collaboration



Serve the Food revolution with partners

Investing in innovative companies



MANIFESTO
VENTURES



Invest

in innovative companies

Support

them to their next stage of development

Cross-fertilize

Danone with an entrepreneurial mindset

AGRICOOOL
Urban farming



mitte 

Purified & Personalized mineral content home water



YUMBLE

Direct-to-consumer kids meal kits



Innovative oat offering for plant-based foods



epigamia

Creating a modern Greek Yogurt in India



2018



2019...

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Governance driving long term sustainable value creation

Balanced board composition focused on efficiency, diversity and expertise

 Emmanuel FABER Chairman & CEO <i>Board leadership</i>	 i Michel LANDEL Lead independent director	 i Guido BARILLA	 Frédéric BOUTTEBA
 Cécile CABANIS	 i Gregg L. ENGLS	 i Clara GAYMARD	 i Gaëlle OLIVIER
 Benoît POTIER	 Franck RIBOUD Honorary Chairman	 Isabelle SELLIER	 i Jean-Michel SEVERINO
 i Virginia A. STALLINGS	 Bettina THEISSIG	 i Serpil TIMURAY	 i Lionel ZINSOU-DERLIN

i Independent Director

16 members

57% independent

43% women

36% non-French

~7 years average length

Increased focus on **Consumer** expertise

Directors representing employees are not taken into account in the determination of above percentages

Incentives supporting sustainable value creation

Balancing economic, social & societal, and managerial criteria

Short-term incentives

Mix of economic, social and managerial KPIs for annual variable compensation

- Economic (60%)
- **Social and societal (20%)**
- Managerial (20%)

Long-term incentives

Three financial criteria for grants of long-term performance shares, vesting after 4 years

- 3-year like-for-like net sales growth relative to peers
- Achievement of designated 3-years free cash flow level (between €6bn and €6.5bn)
- **Sustainability criteria, weighting for 20%: 3 consecutive years ranking in CDP Leadership List for Climate change (A or A-)**

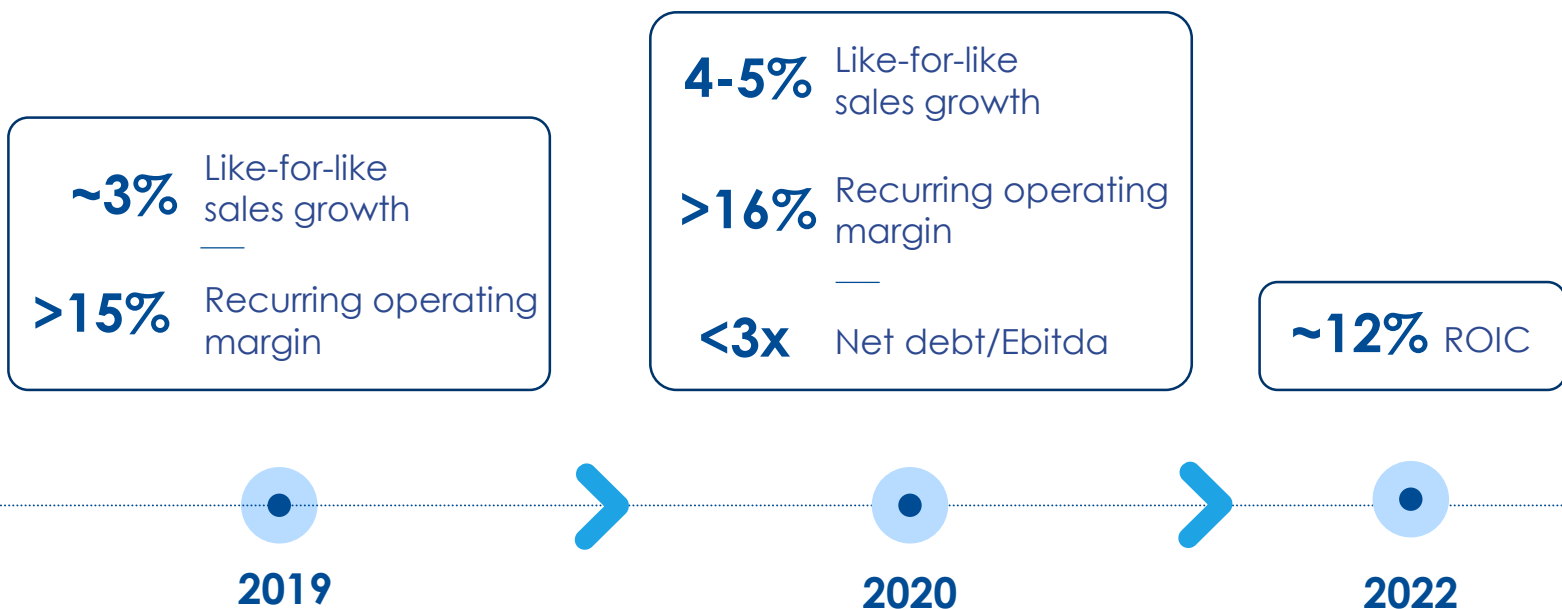


Transformation and delivery towards 2030

Sustainable value creation

2030 GOALS

SUPERIOR SUSTAINABLE PROFITABLE GROWTH



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Our Nutrition strategy and commitments to provide health through food



(1) Danone has decided that, for media and advertising where the target is mainly made up of children between the ages of 3 and 12 - and where there is no state recognised self-limitation programme (such as PAOS in Spain), Danone restricts its advertising to products whose nutritional profile and portion size are suitable for the requirements of children aged 3 to 12, in line with public health priorities.

2018 Health and Nutrition achievements⁽¹⁾



Understand local nutrition practices and public health issues

57 countries are covered by in-depth studies of local nutrition and health contexts⁽²⁾

Among these 57 countries :

11 countries are covered by studies focusing on food habits related to dietary⁽³⁾ and fluid intakes⁽⁴⁾

10 countries are covered by studies focusing on food cultures⁽⁵⁾



Better products : the nutritional quality of our product portfolio

89% of volumes sold are in healthy Categories⁽⁶⁾

78% of volumes sold are in line with the 2020 Nutritional Targets

10% of volumes sold are products that have been nutritionally improved within the year



Better choices : encouraging "healthy habits"

98% of Danone's television advertising is compliant with the EU Pledge criteria

100% of Danone's websites and brand profiles are compliant with the EU Pledge criteria



Contribute to addressing local public health challenges

30 education and information programs are active and **35** million people were potentially reached since their launch

13,000+ employees are trained in nutrition and/ or hydration in the last two years

(1) Nutrition and Health Scorecard: representing 61 reporting entities and 68% of Danone's annual turnover.

(2) Nutriplanet program which covers: syntheses on the local nutritional and health context, more precise surveys on the consumption of food and/or fluids, socio-anthropological studies;

(3) Dietary intake assessments are used to understand what people are eating and drinking and to compare their intakes with dietary recommendations;

(4) Fluid intakes studies: scientifically validated and published original approach developed by the Waters division to gather data of individual drinking habits of population groups;

(5) FoodStyles studies: comprehensive study generating data, for a given community and at country level, on people's real-life practices, norms and representations associated with food;

(6) These data do not include WhiteWave entities. In operational terms, "Healthy product categories" for Danone include: water, yogurts and other daily dairy products, beverages with 0% sugar, early life nutrition products (except biscuits and beverages for children under 3 years old) and medical nutrition.

2018 Nature achievements



CLIMATE

2018 Performance

Targets

We are fighting climate change by reducing our carbon footprint and helping nature sequester more carbon

Reduction in CO₂ footprint Intensity (g CO ₂ equivalent/Kg product)	15.6 % Intensity reduction Danone Full scope vs 2015	50% intensity reduction Full scope 2015-2030 Zero net Carbon by 2050
Reduction in CO₂ footprint Absolute reduction (ktons CO ₂ equivalent)	20.3% absolute reduction on Danone's scope 1 and 2 emissions vs 2015	30% absolute reduction on Danone's scope 1 and 2 emissions by 2030
Renewable electricity	34% renewable electricity	100% renewable electricity by 2030; 50% by 2020
Reduce energy consumption of factories Intensity (KWh/tons of products)	46% energy reduction vs 2000	60% energy reduction by 2020
Eliminate deforestation from our supply-chain Relevant standards specific to each commodity	Palm oil : 58% RSPO Segregated and 96% RSPO segregated excluding WhiteWave	Eliminate deforestation by 2020 for commodities at risk: Paper & Board; Palm Oil; Soy for animal feed; Sugar; timber
evian Zero net carbon	Carbon neutrality in NORAM achieved in 2017	Zero net carbon by 2020

WATER

We are protecting water resources, particularly when scarce, and using them in harmony with local ecosystems and communities

Protect natural mineral water resources in our watersheds % Waters division sites	100% of Waters division sites have run SPRING audits	100% of Waters division sites have run SRPING audits by 2020
Reduce water consumption in production sites water consumption intensity related to production process (M ³ /tons of products)	48% water consumption intensity reduction vs 2000	60% of water consumption intensity reduction by 2020

CO₂ and food waste reduction data are based on a constant consolidation scope and a constant methodology. All other KPI are followed based on historic value;

2018 Nature achievements



PACKAGING

2018 Performance

Targets

We are committed to playing our part in accelerating the transition towards a circular economy and to having all of our packaging recyclable, reusable or compostable by 2025.

Use 100% recyclable, reusable or compostable packaging	87% of our total packaging is recyclable, reusable or compostable	100% of our total packaging is recyclable, reusable or compostable by 2025
Reintegrate recycled materials % of rPET used in Waters division	12% rPET in Waters division and 17% in countries where local standards and regulations allow it	50% rPET on average in the Waters division by 2025 and 25% by 2020 in countries where local standards and regulations allow it
Zero plastic landfill for post-industrial packaging waste % post-industrial packaging waste diverted from landfill	97% of post-industrial packaging waste diverted from landfill	Zero plastics landfill by 2020 in countries with developed collection systems and by 2025 in all our production sites

REGENERATIVE AGRICULTURE

We are working with our partners to develop regenerative farming models that are competitive, inclusive and resilient.

Respect animal welfare Animal welfare in dairy farms in the Essential Dairy and Plant-Based division	43% of fresh milk volumes worldwide assessed through the new Animal Welfare Assessment Tool or via Validus Animal Welfare Certification, in Essential Dairy and Plant-Based division	80% of fresh milk volumes worldwide assessed through the new Animal Welfare Assessment Tool or via Validus Animal Welfare Certification by 2020 in Essential Dairy and Plant-Based division
Promote regenerative agricultural practices	50% of non-organic fresh milk volumes converted to non-GMO Project verified in the U.S	50% of non-organic fresh milk volumes converted to non-GMO Project verified in the U.S by 2018
Source raw materials sustainably	Palm oil: 58% RSPO Segregated and 96% RSPO segregated excluding WhiteWave	

PREVENTING FOOD WASTE

We are preventing food-waste and maximizing its recovery within our own operations

Reduce by 50% non recovered food waste Baseline defined according to FLW Protocol	1.6% increase of food waste within Danone operations vs 2016 (mainly due to Morocco boycott)	50% reduction by 2025
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Social innovations key performance indicators



SOCIAL

10 BUSINESSES

14 COUNTRIES

(including Bangladesh, Cambodia, China, France, Haiti, India, Kenya, Madagascar, Mexico, Uganda, Rwanda, Senegal)

1.1 Million

Beneficiaries in total.

The indicator refers to the total number of social business beneficiaries supported by Danone Communities.

300,000

Beneficiaries in the fight against malnutrition and poverty.

The indicator refers to the total number of nutrition social business beneficiaries supported by Danone Communities.

800,000

Beneficiaries with access to drinking water.

The indicator refers to the total number of nutrition social business beneficiaries supported by Danone Communities.

MEASURING THE COMMITMENT OF DANONE'S EMPLOYEES

30%

Danone's employees hold 30% of the Danone Communities mutual investment fund (SICAV) in 2018.

56%

Of Danone France employees subscribed to the FCPE Danone Communities fund.

SICAV

> 5%

Total performance of the mutual investment fund (SICAV).

The indicator refers to the total performance net of fees over 5 years.

Social innovations key performance indicators



SOCIAL IMPACT

85 projects since creation in 2009

4,087 jobs created

35,701 women professionally empowered

57,259 professionally empowered people

4.4M indirect beneficiaries

€196M total funding

81 partners

ENVIRONMENTAL IMPACT

3,252 tons of PET plastic collected annually through Danone Ecosystem Fund projects

6,000 waste pickers have received support and training through Danone Ecosystem Fund project to support inclusive recycling since 2014

46,000 tons of waste are recycled through Danone Ecosystem Fund project to support inclusive recycling

Social innovations key performance indicators



LIVELIHOODS CARBON FUND #1

9 active projects:

- 3 ecosystem restoration projects
- 3 agroforestry projects
- 3 rural energy projects

ENVIRONMENTAL IMPACT

Achievements since 2011

126 million trees planted up to 2018

Objective

130 million trees planted

CARBON IMPACT

Achievements since 2014

1,550,000

tons of carbon emissions avoided or sequestered

Objective

10,000,000 carbon offsets to deliver over 20 years (tons of CO₂)

LIVELIHOODS CARBON FUND #2

OBJECTIVES OVER A 20-YEAR SPAN.

1.5 Million beneficiaries in Africa, Asia and Latin America

170 Million trees to be planted

13 Million tons of CO₂ to be sequestered or avoided

LIVELIHOODS FUND FOR FAMILY FARMING

7 active projects:

- Cocoa in Ivory Coast
- Watershed protection in Mexico and Brazil
- Coconut, organic and rice in the Philippines
- Vanilla in Madagascar

1,500 farms

connected to markets or supply chains of investors in the funds

13,900 people reached

2,200 people directly empowered by the projects

Becoming the first carbon-neutral and circular global brand of Danone



By **2020**: evian global brand to become **carbon neutral**

- Revamped bottling site in France certified as carbon neutral by the Carbon Trust in 2017

By **2025**: evian global brand to become a **100% circular brand** making all of its plastic bottles from 100% recycled plastic (rPET)

Lines able to produce **100% recyclable bottles**

60% of the products are shipped **by train**

Creation in 1992 of the **Association for the Protection of the evian Mineral Water Impluvium** together with 13 municipalities around the catchment area

Converting **40,000 tons** of organic waste annually into natural fertilizer used by local farmers, while producing biogas to provide power for **1,200 inhabitants**, equal to the annual gas consumption of evian's bottling site

Livelihoods Carbon Fund

Mangrove restoration in Senegal



This project to restore a mangrove forest — the biggest initiative of its kind in the world to date — proved hugely popular, with 100,000 people from 450 villages pitching in to plant trees. Local communities have now planted 80 million mangrove trees over an area of nearly 8,000 hectares, with backing from the Livelihoods Carbon Fund and French tour operator Voyageurs du Monde. The project will be monitored over 20 years. It is expected to sequester — i.e. capture and store in the soil — around 600,000 tons of CO₂.

WHY DOES IT MATTER?

Senegal's Casamance and Sine Saloum river deltas have lost more than 100,000 acres of mangrove forests to drought and human activities since the 1970's. This has put the livelihood of local communities at risk: farming is being jeopardized as salt water infiltrates and degrades arable land. Stocks of fish and firewood, two of the resources that local people depend on, are also being rapidly depleted as mangroves — one of the world's most complex ecosystems — disappear.

HOW DOES IT WORK?

The Livelihoods Carbon Fund and Senegalese NGO Oceanium set up the project, building on widespread community participation. Local project representatives travelled to villages to spread awareness of the importance of mangroves. Villagers were asked to choose the plots where they wanted to plant and turned out in great numbers to collect and plant the mangrove propagules or seed pods.

HOW DOES THIS PROJECT CREATE VALUE?

Restoring mangroves not only sequesters atmospheric CO₂, it also boosts depleted fish stocks along with the shrimps, oysters, and molluscs that shelter in mangrove forests. Mangroves also prevent salt water from entering rice fields. This results in more food being available for local communities, and higher incomes for fishermen and farmers.

PERFORMANCE 2018

100,000

INHABITANTS OF 450 VILLAGES

80

MILLION MANGROVE TREES PLANTED

600,000

TONS OF CO₂ SEQUESTERED OVER A 20-YEAR SPAN

Livelihoods Carbon Fund

Danone Ecosystem Fund: 'Les 2 Pieds sur Terre'



HELPING FRENCH DAIRY FARMERS TO REDUCE THEIR ENVIRONMENTAL FOOTPRINT

'Les 2 Pieds sur Terre' supports French milk farmers in their environmental footprint reduction. Apart from reducing their costs, carbon footprint reduction will allow them to improve the profession's reputation and profitability. The project was created by the Danone Ecosystem Fund, Danone Produits Frais France, Les Prés Rient Bio (brand Les 2 vaches), Idele organization (French Livestock Institute), and Miimosa (a crowdfunding platform dedicated to agricultural and food projects).

WHY DOES IT MATTER?

The milk sector represents 6% of France's greenhouse gas emissions. The project aims at reducing farmers' carbon footprint as well as increasing the attractiveness and reputation of agriculture with civil society for future generation.

HOW DOES IT WORK?

The project aims to help farmers reduce their environmental footprint, by managing audits to identify best practices to implement. Once these best practices are identified, farmers can share their carbon reduction-related projects on the Miimosa crowdfunding platform, potentially gaining extra funding from the civil society as well as visibility for their efforts to fight climate change. The best practices identified will be disseminated to inspire and support all farmers.

HOW DOES THIS PROJECT CREATE VALUE?

By reducing their carbon footprint, farmers have the opportunity to adopt an environmentally-friendly approach while having a better control over their costs, and an improved income. This project will help restore pride within the farming profession and show civil society that farmers are taking action to combat climate change at their own level. Thus, this project participates to rehabilitate the reputation of the whole livestock sector.

PERFORMANCE 2018

€ 2.6M

FUNDING BY THE DANONE ECOSYSTEM FUND

38

PEOPLE TRAINED ON CARBON REDUCTION

23

FARMERS HAVE BENEFITTED FROM A CROWDFUNDING CAMPAIGN

Danone Ecosystem Fund

'Cartoneros', Inclusive recycling in Argentina



To support the development of the recycling industry and improve working and living conditions for waste pickers in Argentina, the 'Cartoneros' project is professionalizing cooperatives, investing in the infrastructure of recycling cooperatives and building the capacity of large generators to increase recycling rates. Cartoneros tackles social, economic and environmental issues at the same time. The project was created with support from the Danone Ecosystem Fund, Aguas Danone de Argentina and its local partners, the Regional Initiative for Inclusive Recycling (IRR) and Fundación Avina.

PERFORMANCE 2018

€ 1.8M

FUNDING BY THE
DANONE
ECOSYSTEM FUND

WHY DOES IT MATTER?

Following the 2001 crisis in Argentina, many people lost their jobs and became waste pickers to support their families. Except in Buenos Aires where public policies exist, most waste pickers work informally, under poor safety conditions.

HOW DOES IT WORK?

The project is increasing recycling rates from large waste generators, connecting them with the cooperatives, and investing in infrastructure, including several recycling sorting facilities in Buenos Aires and Mendoza operating under a cooperative model. Both cooperatives and large waste generators receive training and technical assistance is offered to the cooperatives. Local partners work closely with public authorities, supporting the implementation of policies that recognize the contribution of waste pickers.

HOW DOES THIS PROJECT CREATE VALUE?

'Cartoneros' empowers waste pickers through management, safety and life skill trainings. It helps them secure a fair wage along with better living and working conditions. The project contributes to the organization and professionalization of Argentina's recycling industry, thus increasing recycling rates. In the middle to long run, this will also positively impact the environment.

Danone Ecosystem Fund

Eyes wide open in Mexico



SUPPORTING SOCIAL INCLUSION OF BLIND PEOPLE IN MEXICO

To support social inclusion for blind people in Mexico and improve their working conditions, Eyes Wide Open provides entrepreneurship training and creates new opportunities to become a successful vendor in Mexico City's subway stations.

The project was created by the Danone Ecosystem Fund, Bonafont and its local NGO partner Yo quiero Yo puedo (Mexican Institute of Family and Population Research).

PERFORMANCE 2018

€562,000

FUNDING BY THE DANONE ECOSYSTEM FUND

504

PEOPLE WITH SECURED OR INCREASED REVENUE

486

BLIND PEOPLE WITH ACCESS TO MEDICAL SERVICES

WHY DOES IT MATTER?

In Mexico City, people with disabilities are isolated from the labor market. Authorities seek to support social inclusion, including by providing allocated spots in the subway system where blind and visually impaired people can sell products.

HOW DOES IT WORK?

The Eyes Wide Open project aims to train and empower blind and visually impaired people in Mexico City who sell various products in the subway stations. The project offers physical rehabilitation and entrepreneurship training to support the salespeople, build their life skills and enable them to create new sales opportunities; while bringing health and social benefits to not only the salespeople but also their families at one centralized location.

HOW DOES THIS PROJECT CREATE VALUE?

The project supports the recognition of blind people in Mexico and encourages their social inclusion, improving working conditions, revenues and fullness of life for blind people currently selling in the subway. The number of subway sales stands being limited, the project supports other income generating activities, including massage therapy certification. All of these individuals, as well as their children, grandchildren and other family members who they often support, are also able to access health, educational and social benefits.

Danone Ecosystem Fund

Reine Mathilde, organic dairy farming in France



The Reine Mathilde project, supported by the Danone Ecosystem Fund, Danone France, Les 2 Vaches and l'Institut de l'Élevage, is developing and strengthening the ecosystem around organic milk producers in Normandie in France, by training farmers, technical advisors, veterinaries on the most organic and sustainable agriculture practices. The project aims to experiment new types of cultures to support farmers autonomy and economic resilience to feed their cows while protecting soils, water resource, and biodiversity.

WHY DOES IT MATTER?

The French government has set a target of 20% organic milk production by 2020, but today a very low percentage of total milk production is organic (4% in 2018). The protection of soils fertility and biodiversity by reducing the tillage, while maintaining yield, is a growing challenge for organic agriculture.

HOW DOES IT WORK?

The project leverages its network of farmers, technical experts, and representatives of the agricultural sector, to support more farmers for their conversion to organic, and test new agricultural practices to tackle these challenges. The project includes trainings, sharing sessions with farmers, experimentations, and open source knowledge formalization to develop the expertise in organic milk production of farmers as well as veterinaries, teachers and students in agriculture.

HOW DOES THIS PROJECT CREATE VALUE?

The project promotes basic organic practices such as no uses of pesticides and will also deploy innovative organic regenerative agriculture practices by 2021, ensuring high-quality milk production, preserving the natural environment and soil quality.

PERFORMANCE 2018

€1.6

MILLION FUNDING BY DANONE ECOSYSTEM FUND

552

PEOPLE TRAINED TO SUSTAINABLE AGRICULTURE PRACTICES

3,200

HECTARES OF LAND WITH SUSTAINABLE AGRICULTURE

Among projects

TO RECEIVE FUNDING FOLLOWING DANONE'S GREEN DAY IN FRANCE

Danone Communities

Grameen Danone



FIGHTING POVERTY AND MALNUTRITION IN BANGLADESH

In October 2005, Danone Chairman and CEO Franck Riboud met Muhammad Yunus, who had founded Grameen microcredit bank and would soon win the 2006 Nobel Peace Prize. Together, the two men decided to explore the possibility of a Danone-Grameen partnership in Bangladesh, and in March 2006 announced the creation of Grameen Danone Foods, Ltd (GDFL) in Dhaka. GDFL aims to fight poverty and malnutrition in Bangladesh and to create positive social impact throughout its value cycle.

WHY DOES IT MATTER?

In Bangladesh, over 54% of preschool-aged children—some 9.5 million youngsters—are malnourished, and 56% of them are underweight. Bangladeshi children also suffer from high rates of micronutrient deficiencies, particularly vitamin A, iron, iodine and zinc. And all of these deficiencies have an immediate impact on physical and cognitive development. Malnutrition is nearly as prevalent in towns and cities as in rural areas, affecting 38% of children, while stunting affects 42% of urban youngsters.

HOW DOES IT WORK?

GDFL aims to overcome poverty in Bangladesh while being financially and economically sustainable and as community-relevant as possible. The company sells Shokti + yogurt—designed to deliver 30% of the daily requirement for iron, zinc, vitamin A and iodine—at an affordable price through a dense distribution system serving both urban and rural populations.

HOW DOES THIS PROJECT CREATE VALUE?

GDFL produces Shokti but the company generates broader social benefits as well. On the supply side, it supports small local farmers by buying their milk, and on the distribution side it provides work and empowerment for the 'Grameen Ladies' who sell GDFL products in rural areas.

PERFORMANCE 2018



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