



**DANONE**  
ONE PLANET. ONE HEALTH

# COMPANY DASHBOARD 2020

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FINANCIAL  
AND  
EXTRA-FINANCIAL  
RESULTS



# DANONE 2030 GOALS

IN LINE WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## OUR BRAND MODEL

OUR  
BUSINESS  
MODEL



OUR  
TRUST  
MODEL



## SUSTAINABLE DEVELOPMENT GOALS







# OFFER SUPERIOR FOOD EXPERIENCES AND INNOVATE, ALWAYS



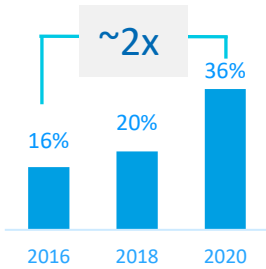
## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020	TARGET
<b>FOOD SAFETY AND QUALITY</b>			
FSSC 22000 certification rate	86%	89%	100% by 2021
<b>PLANT-BASED BUSINESSES</b>			
Tripling the Plant-Based business	€1.9BN sales	€2.2BN sales	€5BN by 2025
<b>DANONE MANIFESTO VENTURES</b>			
Investment by the Danone Manifesto Ventures	€150M	€164M	€380M by 2025

## HIGHLIGHTS 2020

### ANOTHER YEAR OF ACCELERATED INNOVATION

% of Innovation in Net Sales



**36%** of revenue comes from products launched less than 2 years ago (30% in 2019)

Plant-based contributing at a scale



**+15%** LFL sales growth  
**c.20%** of EDP revenues



+21 more markets

2020 revenues

**~€475M**

3 years after launch



2020 revenues

**~€130M**

3 years after launch





# DELIVER SUPERIOR SUSTAINABLE PROFITABLE GROWTH



## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020
<b>FINANCIAL PERFORMANCE</b>		
LFL sales growth	2.6%	-1.5% <sup>(1)</sup>
Net Sales <sup>(1)</sup>	€25.36BN	€23.62BN
Free Cash flow <sup>(1)</sup>	€2.5BN	€2.1BN
Recurring operating margin <sup>(1)</sup>	15.21%	14%
Net debt / EBITDA	2.8x	2.8x
ROIC	9.6%	8.5%

## HIGHLIGHTS 2020

EDP BACK TO SOLID GROWTH, REACHING + 3.4% LFL



Europe is back to growth



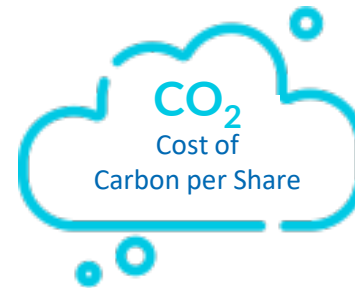
US: Broad-based sales growth



CIS: Modern & Traditional Dairy portfolio fueling growth



## ANOTHER YEAR OF SUPERIOR EXTRA-FINANCIAL PERFORMANCE



↓ 4.1%



74/100  
+ 6 pts vs. 2018. Danone is sector leader



SUSTAINALYTICS SECTOR-LEADER

MSCI ESG RATINGS



AAA<sup>(2)</sup>



FTSE4Good

FTSE4GOOD INDEX  
part of the series



# BE CERTIFIED AS A B CORP



## PERFORMANCE TOWARDS OUR AMBITION

Certified	2019	2020	TARGET
<b>B CORP™ CERTIFICATION</b>			
Company B Corp™ Certification	20 entities	33 entities	100% global certification by 2025
Company net sales covered by B Corp™	~33%	~50% <sup>(1)</sup>	

## 13 NEW ENTITIES CERTIFIED IN 2020

### ESSENTIAL DAIRY & PLANT BASED



Danone Italy



Danone Japan



### SPECIALIZED NUTRITION



ELN Greater China



SN Italy



Nutricia North America



SN Benelux

### WATERS



Waters Benelux



Evian Volvic Salus Uruguay



Volvic



Waters UK

### OTHER ENTITIES



La Laiterie du Berger in Senegal



## HIGHLIGHTS 2020

### MORE BRANDS CONNECTING WITH B CORP™

In digital:



and on packaging:



## LEADING RETAILERS LAUNCHING B CORP E-COMMERCE PLATFORMS



### ECO SHOP

Making greener choices easier.

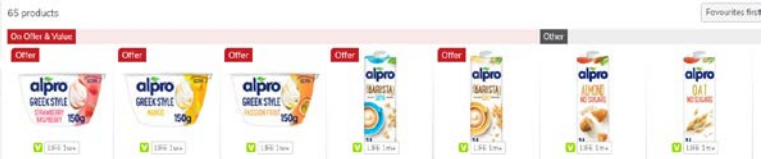


### Certified B Corporation



### Together we can build a sustainable economy

We live in a world where businesses must be part of the solution to the world's biggest challenges. Certified B Corporations – B Corp for short – are a new kind of business, balancing profit with people and the planet. B Corps meet the highest standards of verified social and environmental performance, legal accountability and transparency (publishing their impact score on the B Corp website).







# IMPACT PEOPLES HEALTH LOCALLY



## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020	TARGET
<b>BETTER PRODUCTS</b>			
Volumes sold in Healthy Categories <sup>(1)</sup>	90%	90%	90% by 2021
Volumes sold in line with our Nutritional Targets <sup>(2)</sup>	82%	86%	100% by 2020
Volumes sold in line with our sugar targets <sup>(3)</sup>	85%	93%	95% by 2021
Volumes sold provide a Front of Pack Labeling <sup>(4)</sup>	68%	96%	>96% by 2021



88%

of Volumes sold in 2020 were eligible to the Nutri-Score A or B <sup>(5)</sup>

For example



<sup>(1)</sup> Indicators monitoring Danone's progress as an Enterprise a Mission

## HIGHLIGHTS 2020

### HEALTHY PRODUCT PORTFOLIO TO SUPPORT BETTER CONSUMER CHOICES

83% of volumes sold provide a clear portion size <sup>(6)</sup>  
(74% in '19)



82% of volumes sold are without added sugars <sup>(7)</sup>  
(82% in '19)



41% of volumes sold are fortified <sup>(8)</sup>  
(25% in '19)

## HEALTH & NUTRITION EDUCATION PROGRAMS



Among **TOP 4** performing food companies

**# 1**

in marketing for breastmilk substitutes



18

active education and information programs <sup>(10)</sup>

4.6M

people reached since the launch of these programs <sup>(10)(11)</sup>

'Mom, Dad, I prefer water' campaign to encourage healthier drinking.



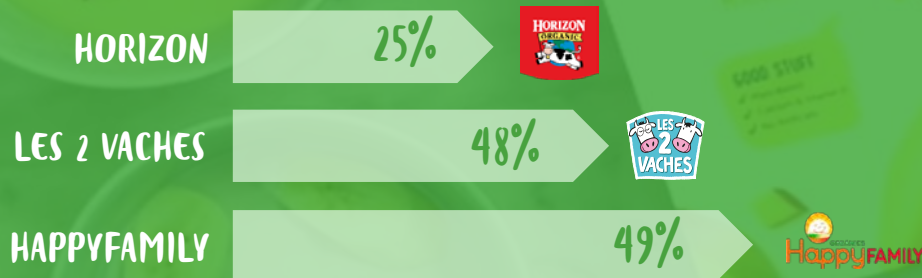
# GROW MANIFESTO BRANDS



## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020	TARGET
<b>MANIFESTO BRAND</b>			
Business already embarked on a Manifesto Brand journey	90%	90%	90% by 2020*

Manifesto Recognized Brands net sales growth, 2017 vs. 2020



\*This target has been adjusted to reflect a number of specialized local brands that are out of scope for the Manifesto Brands strategy.

## HIGHLIGHTS 2020

### MANIFESTO BRANDS SERVING & SOLVING DURING AND BEYOND THE COVID CRISIS.

#### FOOD ACCESS



150k Meals/month donated

#### PARENTAL SUPPORT



24/7 Care-line with expert advise (Covid-19 and beyond)

#### FOOD WASTE REDUCTION



Donations to food rescue

#### WOMEN'S PROTECTION



Fighting domestic violence in Mexico

## MANIFESTO BRANDS PROGRESSING ON THEIR IMPACT JOURNEY:



Pledged to co-create a movement of **250M Flexitarians in Europe** in support of health of people and the planet






Achieved **carbon neutrality** in 2020



Committed to reducing and offsetting **100% of its carbon emissions**



## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020	TARGET
<b>CLIMATE CHANGE</b>			
Total reduction of energy intensity since 2000	47%	46%	60% by 2020
Percentage of renewable electricity purchase	42.4%	54.3%	100% by 2030
Full Scope CO <sub>2</sub> Emissions Reduction on a LfL basis 	10.8%	4.6%	
Scope 1&2 CO <sub>2</sub> emissions Absolute Reduction since 2015 on a LfL basis	29.1%	38.1%	30% by 2030
<b>REGENERATIVE AGRICULTURE</b>			
% volume directly sourced from farms having started the transition towards Regenerative Agriculture 	-	12%	15% in 2021
<b>WATER</b>			
Water consumption in operations Intensity Reduction (vs. 2000)	49%	49%	60% by 2020
<b>CIRCULAR ECONOMY</b>			
Packaging recyclable/ reusable/ compostable 	81%	81%	100% by 2025
<b>FOOD WASTE</b>			
Non-recovered Food Waste Ratio: Reduction (on a like-for-like basis vs. 2016)	7,0%	15.6%	50% by 2025

 Indicators monitoring Danone's progress as an Enterprise a Mission

PRESERVE AND RENEW THE PLANET'S RESOURCES

## PRESERVE AND RENEW THE PLANET'S RESOURCES



### HIGHLIGHTS 2020



Of carbon emissions reduction vs. 2019



Thanks to **Regenerative Agriculture Initiative**

70% of entities are transitioning to **Regenerative Agriculture** for the main raw materials

12% of volumes directly sourced come from **Regenerative Agriculture**



Launch of the **Water Policy**: dedicated to having a positive impact on nature and local communities



**Circular Packaging**: Danone x LOOP - launch of a **refillable and reusable** glass pot



of **Renewable Electricity** use achieved for the first time



**Triple CDP ranking for the 2nd year in a row**  
One of only 10 companies globally.  
The only consumer food company






# ENTRUST DANONE'S PEOPLE TO CREATE NEW FUTURES



## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020	TARGET
<b>INCLUSIVE DIVERSITY</b>			
Percentage of female at executive level	27%	30%	30% by 2020
Percentage of female at director level	42%	42%	42% by 2020
Percentage of executives from under-represented nationalities <sup>(1)</sup>	30%	32%	30% by 2020
Percentage of directors from under-represented nationalities <sup>(1)</sup>	48%	50%	50% by 2020
Gender Pay Gap 	-3.4pts	-3.2pts	< 3pts by 2021
<b>HEALTHCARE</b>			
Employees covered by Dan'Cares <sup>(2)</sup>	99,627	100,109	All
<b>HEATH &amp; SAFETY</b>			
Reduction of workplace accidents with lost-time (Baseline 2014)	1.4	1.0	- 50% by 2020
Employees with access to a Health & Wellness program at work	64,718	71,054	

 Indicators monitoring Danone's progress as an Enterprise a Mission

## HIGHLIGHTS 2020



101,819 employees in 53 countries

## PROTECTING DANONE EMPLOYEES DURING COVID-19

**GLOBAL EXPANSION**

of Dan'Cares standards: Extended Family Coverage and Employee Assistance benefits

84%

of local entities provide **psychological assistance** to employees to address the particular challenges of Covid-19

## RESKILLING DANONERS FOR THE FUTURE



Danone, together with IUF, developed the "FutureSkills" initiative to prepare employees for the job market of the future, offering re-skilling training program while participants retain employment benefits.



Part of the Bloomberg Gender-Equality Index  
**3rd year in a row**

**ONE PERSON, ONE VOICE, ONE SHARE (OPOVOS)**

**86,000+**

Danone's employees took part in the 'One Voice' consultation

**91%**

Danone's employees recommend Danone as a great place to work



# FOSTER INCLUSIVE GROWTH



## PERFORMANCE OF FUNDS WE ARE ASSOCIATED WITH\*

	2019	2020
<b>DANONE COMMUNITIES<sup>(1)</sup></b>		
Funds Invested by danone.communities	12.8M	14M
Countries with active investment projects	15	17
Total beneficiaries with access to safe drinking water and fortified food	6M	10M
Beneficiaries with access to safe drinking water	5.7M	9.7M
<b>DANONE ECOSYSTEM FUND<sup>(2)</sup></b>		
Funds donated and mobilized by the Fund	191M	197M
Jobs created	4574	4928
People professionally empowered	62k	69k
<b>LIVELIHOODS FUNDS<sup>(3)</sup></b>		
Funds Invested by the Carbon Funds	92.9M	105M
People positively impacted by the Carbon Funds (I & II)	1.6M	+1.62M
Hectares converted to sustainable farming practices by the Family Farming Fund	868	5,700

Indicators monitoring Danone's progress as an Enterprise a Mission

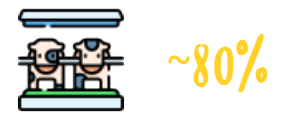
\*The information does not represent direct performance of Danone but an independent performance of Funds Danone supports or invests in or is otherwise associated with.

## HIGHLIGHTS 2020

### INCLUSIVE SOURCING



farms from which we source directly or indirectly our milk



are smallholder farms (less than 10 cows)



of soy used by Alpro is Proterra certified (environment and community focused certification)

### COST-PERFORMANCE MILK SOURCING MODEL



of total milk volume collected come from producers working with Danone under long-term contracts <sup>(4)</sup>



of total milk collected in EU



of total milk collected in US

### SUPPLY CHAIN DILIGENCE



Responsible Supply Chain Due Diligence<sup>(5)</sup> (96% in '19)

### ADDRESSING THE COVID-19 CRISIS

#### EXAMPLES OF SUPPORT TO VALUE CHAIN PARTNERS



Danone Egypt helped to re-organize milk farms for health & safety and increased the price of milk during Covid-crisis



Żywiec Zdrój Poland extended payment plans to HoReCa partners facing difficulties due to Covid business restrictions.






# SERVE THE FOOD REVOLUTION WITH PARTNERS



## PERFORMANCE TOWARDS OUR AMBITION

	2019	2020	TARGET
<b>STAKEHOLDER CONNECTION</b>			
Markets having identified material risks and opportunities by engaging with external stakeholders	76%	76%	100% by 2025
<b>PARTNERSHIPS</b>			
Markets having established works and partnerships with various stakeholders to improve behavior or performance on social or environmental issues in the last two years <sup>(1)</sup>	84%	88%	100% by 2030
<b>RESPONSIBLE LOBBYING</b>			
Danone score in the "Responsible Lobbying" section of the Vigeo-Eiris (V.E) rating. 	64/100	70/100	



## HIGHLIGHTS 2020

### LEADING THE WAY ON FOP NUTRITION LABELLING

Danone joined a group of consumer associations, MEPs, scientific experts, retailers and food companies **calling on the EU to adopt Nutri-Score as the mandatory front of pack nutrition label**. End 2020, the label was on our EDP packs in 11 EU countries: Austria, Belgium, France, Germany, Latvia, Luxembourg, Poland, Portugal, Slovenia, Spain and Switzerland.



### ERADICATING FOOD WASTE



Danone joined **Too Good To Go-led coalitions** in France, Spain, the UK, Switzerland, Austria, and Belgium to help people cut food waste at home.

### 10x20x30

Danone also joined the food waste coalitions of **Champions 12.3** and **10x20x30**, as well as signed an agreement with the **Global Food Banking Network** to further tackle the food waste issue and optimize the redistribution of food surplus.

### FIGHTING PLASTIC POLLUTION



Danone, together with partners, took an active part in a **call for a UN treaty on plastic pollution** to address the fragmented landscape of regulation and complement existing voluntary measures.

In partnership with **TESCO, CARREFOUR** and **LOOP**, the Zero-waste shopping platform, Danone launched on-line and in selected stores evian mineral water in reusable glass bottles and a first ever yogurt in a reusable glass pots!



# Methodology Notes

## GOAL DELIVER SUPERIOR SUSTAINABLE PROFITABLE GROWTH:

- (1) Like-for-like.
- (2) Update expected: Q2'21 The use by Danone of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Danone by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

## GOAL B CERTIFIED AS A B CORP:

- (1) Excluding Grameen Danone, Danone Manifesto Ventures and La Laiterie du Berger turnover, not consolidated as treated as equity affiliates

## GOAL IMPACT PEOPLE'S HEALTH LOCALLY:

Data are calculated through the One Health Scorecard scope, representing 85 subsidiaries and about 82% of Danone's consolidated sales reporting health & nutrition indicators in 2020.

- (1) In operational terms, 'healthy product categories' for Danone refers to packaged water, yogurts, milks and other daily dairy products, daily plant-based products, beverages with 0% sugar, and specialized nutrition products (except the following early life nutrition products: foods for children over 3 years old as well as biscuits and beverages for children under 3 years old). The remaining categories are mainly low sugar beverages and indulgent products.
- (2) All product categories except packaged water, cooking aids, plant-based products and products for which a target is not yet defined. Products must meet all nutrient thresholds for their category in the "Danone Nutritional Targets 2020". The compliance is weighted by volumes of products sold. This rule applies both at portfolio and product (i.e. multipack) levels.
- (3) % of sales volumes 2020 meeting the sugar threshold for their category in the "Danone Nutritional Targets 2020". The compliance is weighted by volumes of products sold. This rule applies both at portfolio and product (i.e., multipack) levels.
- (4) This percentage indicator is calculated on the scope of the One Health Scorecard for the Essential Dairy and Plant-Based Business (excluding plant-based products), and Aquadrinks (excluding countries where regulations forbid the disclosure of this information).
- (5) « Nutri-Score » is an interpretative nutritional labeling system using five levels (A dark green to E red), based on the nutritional value of the food or beverage. It is intended for use on the front of packs to help consumers make healthier dietary choices. This system has been established officially by the French authorities in 2016 and has then been adopted by other European member states, for use by the food and beverage industry on a voluntary basis. Official website in English version : <https://www.santepubliquefrance.fr/en/nutri-score>  
Danone is among the early supporters and adopters of the Nutri-Score, we have now deployed it on our EDP products in 11 countries.
- (6) This percentage indicator is calculated on the scope of the One Health Scorecard (see Methodology Note) for the Businesses Essential Dairy and Plant-Based (excluding plant-based products), Aquadrinks (not relevant for Waters, which are subject to separate regulations and Specialized Nutrition (for medical nutrition products, 100% is by definition applied due to the fact that products are prescribed by health care professionals and labeling has to follow the local legislation).
- (7) % of sales volumes 2020 containing no added sugars. This percentage indicator is calculated on the scope of the One Health Scorecard (see Methodology Note), for the product categories where it is relevant: Essential Dairy and Plant-Based (excluding plant-based products), Specialized Nutrition (except medical products), and all packaged water and Aquadrinks.
- (8) % of sales volumes having a nutrient fortification. This percentage indicator is calculated on the scope of the One Health Scorecard (see Methodology Note), for the Essential Dairy and Plant-Based (excluding plant-based products) and Specialized Nutrition (except medical products) .2019: EDP only (excluding plant-based products); 2020: EDP (excluding plant-based products) and SN (excluding medical products)
- (9) Danone's 2021 Global Access to Nutrition Index (ATNI) rank. The ATNI assesses major food and beverages companies on their nutrition-related performance every two years: <https://www.accesstonutrition.org/>.
- (10) The decline in figures is mainly due to the continued strengthening of Danone's expectations in terms of education and information programs and the COVID pandemic (refer to our Methodology Note).
- (11) People reached by several programs can be counted several times.



# Methodology Notes

## **GOAL ENTRUST DANONE'S PEOPLE TO CREATE NEW FUTURES:**

- (1) Under-represented nationalities are nationalities within the Africa, Americas, Asia, Eastern Europe and Oceania regions.
- (2) The Dan'Care program aims to provide all Danone employees with quality healthcare coverage for major risks, while taking account of different market practices. The three main risks are hospitalization and surgery, outpatient care and maternity care.

## **GOAL FOSTER INCLUSIVE GROWTH:**

- (1) Relates to FCPE Danone Communities
- (2) Danone ecosystem Fund: general interested fund co-creates inclusive business solutions that answer local challenges through the professional empowerment of vulnerable stakeholders in Danone's value chain.
- (3) The Livelihoods Fund –impact investment funds designed to support the efforts of agricultural and rural communities to live in sustainable ecosystems which serve as foundation for their food security and provide necessary resources for their livelihoods. Danone holds minority of the shared.
- (4) CPM: Cost-Performance Model (CPM) contracts with producers are deployed in the U.S., in Europe and in Russia to reduce milk price volatility, offering better visibility and financial stability.
- (5) Percentage of Danone's suppliers in scope that have completed registration and self-assessment in designated ethical trading platform(s). Scope: All Danone suppliers based on risk assessment and spend level, excluding farmers.