



DANONE
ONE PLANET. ONE HEALTH

COMPANY DASHBOARD 2019

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



Danone 2019 Integrated Annual Report is structured around Danone 2030 Goals

For more information: <https://www.danone.com/integrated-annual-report-2019/performance.html>



OFFER SUPERIOR FOOD EXPERIENCES AND INNOVATE, ALWAYS



PERFORMANCE TOWARDS OUR AMBITION

	2018	2019	TARGET
FOOD SAFETY AND QUALITY			
FSSC 22000 certification of our production sites	74%	86%	100% by 2020
PLANT BASED BUSINESS			
Tripling the Plant-Based business	€ 1.7bn	€ 1.9bn	≈ € 5bn By 2025
DANONE MANIFESTO VENTURES			
Investment by the Danone Manifesto Ventures	€100M ≈	€150M ≈	€200 M by 2025

2019 KEY HIGHLIGHTS



iCare
Culture of Quality

ALWAYS DRIVING CONTINUOUS IMPROVEMENT THROUGH A STRONG AND SHARED CULTURE OF QUALITY.



DELIVER SUPERIOR SUSTAINABLE PROFITABLE GROWTH



PERFORMANCE TOWARDS OUR AMBITION

	2018	2019
FINANCIAL PERFORMANCE		
LFL sales growth	2.9%	2.6% ⁽¹⁾
Recurring operating margin	14.45%	15.21%
Net debt / EBITDA	2.9x	2.8x
ROIC	9.0%	9.6%
PROTEIN		
Protein gross savings ⁽²⁾	≈ €300M	≈ €700M

2019 KEY HIGHLIGHTS

€ 25.3bn (+2.6%) SALES ⁽¹⁾	15.2% (+76 bps ⁽³⁾) RECURRING OPERATING MARGIN ⁽¹⁾	+8.3% (€ 3.85) RECURRING EPS GROWTH ⁽¹⁾	€ 2.5bn (+9.9%) FREE CASH FLOW ⁽¹⁾
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CARBON ADJUSTED RECURRING EPS

- Its evolution takes into account an estimated financial cost for the absolute GHG emissions on our entire value chain⁽⁴⁾.
- It grew in 2019 at +12%, faster than the +8.3% recurring EPS growth.
- It is set to grow faster than recurring EPS.

2020 – 2022
around **€2bn**
accelerated investment plan

WE INVEST TO ACT NOW !
Accelerating climate action of our brands and strengthening our growth model
Brands / Climate and agriculture / Packaging / Digitalization

72/100
+ 4 pts vs. 2018
Danone is sector leader*

Danone achieved sector-leading score*

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

75/100
+ 7 points compared to 2018

AAA

Part of the FTSE4Good Index Series

*as of October 2019

(1) Like-for-like.
 (2) Cumulated savings since the launch of the Protein program in 2017
 (3) On a reported basis
 (4) Carbon-adjusted recurring EPS is equal to the recurring EPS less an estimate financial cost for carbon / number of shares after dilution. The estimated financial cost for carbon is based on Danone's full scope (1, 2 and 3) carbon emissions of 27.2 mT for 2019 (26.3 mT for 2018) x a constant carbon cost estimate of 35€/ton, aligned with CDP disclosure.



BE CERTIFIED AS A B CORP



PERFORMANCE TOWARDS OUR AMBITION

	2018	2019	TARGET
B CORP™ CERTIFICATION			
Company B Corp™ certification	11 entities	20 entities	by 2030

ESSENTIAL DAIRY & PLANT-BASED

Danone North America in the U.S.	Danone Canada (Danone Inc.)	Alpro in Belgium	Danone dairy entity in Belgium	Dairy NL
Danone dairy entity in Ireland	Danone dairy entity in the U.K. (Danone Ltd)	Les Prés Rient Bio in France	Danone dairy entity Iberia (Danone S.A.)	



SPECIALIZED NUTRITION

Happy Family in the U.S. (Nurture)	Blédina in France	Nutricia Bago Argentina	Danone Egypt
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OTHER ENTITIES



WATERS

AQUA in Indonesia (PT Tirta Investama)	Danone Waters America in the U.S.	Danone water entity in Spain	Danone water entity in Germany	Aguas Danone de Argentina
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WATERS BUSINESS EXPECTED TO BE CERTIFIED BY 2022

2019 KEY HIGHLIGHTS

>1/3

OF OUR GLOBAL BUSINESS IS COVERED BY THE B CORP™ CERTIFICATION⁽¹⁾



LEVERAGE THE CERTIFICATION FOR BRANDS COMMUNICATIONS

CONTRIBUTION TO THE SDG ACTION MANAGER



CONTRIBUTION TO RETAIL ACTIVATION

SPAIN RETAILER ACTIVATION



WAITROSE & PARTNERS

Virtual shelf dedicated to products from B Corp™ certified companies on Waitrose online shop.

(1) Excluding Grameen Danone and Danone Manifesto Ventures turnover, not consolidated as both are treated as equity affiliates.



IMPACT PEOPLE'S HEALTH LOCALLY



PERFORMANCE TOWARDS OUR AMBITION

	2018	2019	TARGET
BETTER PRODUCTS			
Volumes of products compliant with our 2020 Nutritional Targets ^{(1) (2)}	78%	82%	100% by 2020
Volumes of products in line with the sugar target	86%	85%	100% by 2020
Volumes of products in line with the saturated fat target	98%	98%	100% by 2020
Volumes of products in line with the salt target	86%	97%	100% by 2020

90% OF VOLUMES OF PRODUCTS SOLD ARE IN HEALTHY CATEGORIES⁽³⁾

2019 KEY HIGHLIGHTS

BETTER PRODUCTS

82% of volumes of products sold are without added sugars

25% of volumes of products sold are fortified products



Global Access to Nutrition Index⁽⁵⁾

- We are among the **TOP 3** performing companies.
- We are **1st** on Breast-Milk Substitutes Marketing sub-ranking.

BETTER CHOICES

RESPONSIBLE MARKETING
Danone's [Pledge on Marketing to Children](#) was enhanced in December 2019

LABELING

99% of volumes of products sold with on-pack information

74% of volumes of products sold providing an indication of the portion size

68% of volumes of products sold providing a Front-Of-Pack summarized information



Nutri-score labeling
In 2019, Nutri-Score was adopted in Austria, Belgium, France, Germany, Luxembourg, Slovenia, Spain and Switzerland.

HEALTH AT WORK

64,718 employees have access to a Health & Wellness programme at work

CONSUMER EDUCATION AND INFORMATION

23 active education and information programs

>12M people potentially reached since the launch of these programs

Data are calculated through the One Health Scorecard scope, representing 66 reporting subsidiaries and about 74% of Danone's consolidated sales reporting health & nutrition indicators in 2019.

(1) Danone Nutritional Targets are available [here](#)

(2) All product categories except packaged water, cooking aids, and products for which a target is not yet defined, and plant-based products that are not included in the scope of our 2020 Nutrition Commitments. Products must attain all nutrient thresholds for their category in the 'Danone Nutritional Targets 2020.' Compliance is weighted by volumes of products sold. This rule applies both at portfolio and product (i.e. multipack) levels.

(3) In operational terms, 'healthy product categories' for Danone refers to water, yogurts, milks and other daily dairy products, daily plant-based products (not yet included in our performance figures), 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.

(4) This indicator is calculated on the Danone Way reporting scope, representing 99% of Danone's consolidated sales.

(5) Danone's 2018 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/>



GROW MANIFESTO BRANDS



PERFORMANCE TOWARDS OUR AMBITION

	2018	2019	TARGET
MANIFESTO BRAND			
Business already embarked ⁽¹⁾ on a Manifesto Brand journey	65%	90%	100% by 2020

Manifesto brands are **purpose driven brands** that act as true activists towards their point of view. They pursue a purpose based on **social, health and / or environmental issues** that matter to its consumers and communities, and are committed to **creating a positive social impact** whilst delivering sustainable, profitable growth.

69% of Danone's entities have implemented at least one purpose-driven manifesto action, related to One Planet, One Health, on a single brand and/or at the cross-brand level⁽²⁾.

2019 KEY HIGHLIGHTS

27 MANIFESTO BRANDS⁽³⁾ > Number of Manifesto Brands tripled in 2019

EXAMPLES OF MANIFESTO BRANDS



Gender equality

Circular economy

Plant-Based diet

Organic farming

Kids' nutrition

(1) Embarked Manifesto Brands are brands that have defined their purpose and are working on defining their levers of action.
 (2) This indicator is calculated on the Danone Way reporting scope, representing 99% of Danone's consolidated sales.
 (3) These brands are considered as active Manifesto Brands meaning they activate their purpose through concrete Manifest' actions.



PRESERVE AND RENEW THE PLANET'S RESOURCES

PERFORMANCE TOWARDS OUR AMBITION

	2018	2019	TARGET
CLIMATE CHANGE			
CARBON NEUTRALITY By 2050			
Reduction in CO ₂ emissions intensity on Danone's full scope (g of CO ₂ eq/kg products sold) ⁽¹⁾	15.6%	24.8%	50% by 2030
Absolute reduction on Danone's scope 1 and 2 CO ₂ emissions ⁽¹⁾	20.3%	29.1%	30% by 2030
Renewable electricity	RE 100 34.2%	42.4%	100% by 2030
REGENERATIVE AGRICULTURE			
Fresh milk volumes worldwide assessed against animal welfare requirements in EDP Business ⁽²⁾	43%	81%	80% by 2020
WATER STEWARDSHIP			
Waters Business sites having run a SPRING audits <i>SPRING: Sustainable Protection and Resources managING</i>	100%	100%	100% by 2020
Reduction in water consumption intensity in operations since 2000	48%	49%	60% by 2020
CIRCULAR ECONOMY			
Packaging recyclable, reusable or compostable	80.3% ⁽³⁾	81.3%	100% by 2025
Recycled PET used in average in Waters Business	12%	16%	50% by 2025



2019 KEY HIGHLIGHTS

CLIMATE ACTION



We are one of only 6 companies – among 8,400 organizations assessed – with a 'triple A' score by CDP.

PEAK REACHED FOR FULL SCOPE CARBON EMISSIONS 5 YEARS AHEAD OF PLAN

WE SIGNED THE BUSINESS AMBITION 1.5°C

27.2M tons CO₂ eq for our total scope of responsibility in 2019 (scopes 1, 2 and 3 according to GHG protocol)

One Planet Business for Biodiversity (OP2B)

We co-built with the WBCSD the OP2B business coalition which unites 21 leading companies in a collective effort to promote biodiversity - by scaling up regenerative farming practices, diversifying crop production, eliminating deforestation and conserving ecosystems.

WeActForWater

The collective of our water brands taking major steps to tackle global water challenges and water access in the communities where we operate.

It is a set of urgent actions, ambitious objectives, and new investments in regards to carbon neutrality, packaging, water access and water preservation.

(1) The data is based on a constant consolidation scope and a constant methodology, 2015 baseline.
 (2) Include the following countries : Algeria, Argentina, Belgium, Brazil, Egypt, France, Germany, Poland, Romania, Russia, South Africa, Spain, and the U.S.A..
 (3) The data is reported on a like-for-like basis with 2019 consolidation scope and methodology. 2018 data previously reported was 87%.



ENTRUST DANONE'S PEOPLE TO CREATE NEW FUTURES



PERFORMANCE TOWARDS OUR AMBITION

	2018	2019	TARGET
INCLUSIVE DIVERSITY			
Percentage of female at executive level	26%	27%	30% by 2020
Percentage of female at director level	40%	42%	42% by 2020
Percentage of executives from under-represented nationalities ⁽¹⁾	28%	30%	30% by 2020
Percentage of directors from under-represented nationalities ⁽¹⁾	48%	48%	50% by 2020
Roll-out of Danone Parental Policy (number of countries)	9	18	All by 2020
HEALTHCARE			
Employees covered by Dan'Cares ⁽²⁾ or equivalent health coverage standards	74,420	99,627	100%
HEALTH & SAFETY			
Reduction of workplace accidents with lost-time (Frequency rate of workplace accidents with lost-time) (Baseline 2014)	1.8	1.6	50% by 2020

(1) Under-represented nationalities are nationalities within the Africa, Americas, Asia, Eastern Europe and Oceania regions.
 (2) The Dan'Cares 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.
 (3) This indicator is calculated on the Danone Way reporting scope, representing 99% of Danone's consolidated sales.
 (4) Danone People Survey : % of people who feel enabled and energized to work beyond what's required to help Danone succeed and who are ready to recommend Danone as a good place to work.

2019 KEY HIGHLIGHTS

102,398 employees (105,783 in 2018) in 57 countries

DIVERSITY	TALENT	SOCIAL DIALOGUE
51% of female manager, director and executive	82% of our entities have anticipated the need for transmission of rare and specific competencies that are key for the business ⁽³⁾ .	10 worldwide agreements signed between Danone and the International Union of Food Workers



We also received the GEEIS-SDG (Gender Equality European and International Standard-Sustainable Development Goals) trophy of the Arborus Foundation.

'ONE PERSON, ONE VOICE, ONE SHARE' PROGRAM

- Global consultation enabling employees to share their views on the Company's priorities and on the definition of local and global roadmaps. In 2019, it included the Danone People Survey.
- 26 employee volunteers selected to represent all Danone employees and interact with the Company's Board of Directors and Executive Committee.
- Every eligible employee was granted one DANONE share, which gives them the right to vote at the Shareholders' Meeting.

90% of employees took part in the second edition of our 'One Voice' consultation

> 86% strong sustainable employee engagement⁽⁴⁾



FOSTER INCLUSIVE GROWTH



2019 KEY HIGHLIGHTS



Social businesses fighting against poverty by giving access to safe drinking water and adapted alimentation.

€ 12.8M invested

For the Danone Communities FPS Fund

12 social businesses in **15 countries**

6 million

Beneficiaries in total

300,000

Beneficiaries in the fight against malnutrition

5,7 million

Beneficiaries with access to safe drinking water



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

€ 191M in funding

Including € 114M of co-funding from project partners

36 active projects

in 2019

4,574

jobs created

62,331

People professionally empowered



Investment funds dedicated to carbon assets restoration and family farming.

LIVELIHOODS CARBON FUND (compartment #1)

€ 37.9M invested by the fund's shareholders

1.5 million people positively impacted since 2011

126 million trees planted since 2011

1,975,000 tons of carbon emissions avoided or sequestered since 2014

LIVELIHOODS CARBON FUND (compartment #2)

€ 55M invested by the fund's shareholders

100,000 people positively impacted

LIVELIHOODS FUND FOR FAMILY FARMING

15,187 people reached

1,180 farms connected to markets or supply chains of investors in the fund



FOSTER INCLUSIVE GROWTH



2019 KEY HIGHLIGHTS

WORKING WITH RAW MATERIAL PRODUCERS

58,000

farms from which we source directly or indirectly our milk

≈ 80%

are smallholder farms (less than ten cows)



COST-PERFORMANCE MODEL

28%

(24% in 2018)

of total milk volume collected come from producers working with Danone under long-term contracts also called Cost-Performance Model (CPM)⁽¹⁾ contracts



41%

of milk collected under CPM contracts



53%

of milk collected under CPM contracts

INGREDIENTS TRACEABILITY

CANE SUGAR

36%

traceability back to the mill

50%

traceability back to plantation

FRUITS

100%

fruit supplies are traceable to the Company's Tier 2 suppliers

CACAO

70%

traceability back to country

PALM OIL

48%

of palm oil purchased is certified RSPO segregated

51%

of palm oil purchased is RSPO Mass Balance

RESPECT PROGRAM

Our responsible procurement program for our direct suppliers*

82% of audits completed

for our two-year audit plan (2018-2019) of some 200 suppliers' sites identified at risk particularly in regard to human rights**.

573 SMETA audits

were carried out on Danone tier 1 suppliers identified as high-risk, either by the Company itself or by its peers (vs 333 in 2018)

*Program scope: suppliers except milk producers

**The remaining audits are scheduled for 2020 first quarter.

(1) The 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.



SERVE THE FOOD REVOLUTION WITH PARTNERS



2019 KEY HIGHLIGHTS

BUILDING BUSINESS COALITIONS AND INITIATIVES FOR GREATER IMPACT

BUSINESS FOR INCLUSIVE GROWTH (B4IG)

We partnered with the OECD to build a coalition of more than 40 companies, organizations and philanthropic organizations, to help tackle social inequalities and promote inclusive growth.

ONE PLANET BUSINESS FOR BIODIVERSITY (OP2B)

A unique international cross-sectorial, action-oriented business coalition on biodiversity with a specific focus on agriculture and soil health (21 members end April 2020).



FARMING FOR GENERATIONS

Support dairy farmers in the U.S., Europe and Russia in preserving and renewing resources, respecting animal welfare and ensuring economically viable farming for the next generations.

COLLABORATING WITH MULTILATERAL ORGANIZATIONS TO ADVANCE ON GLOBAL ISSUES

ADVOCATE FOR INCLUSIVE DIVERSITY



Emmanuel FABER UN Inaugural Thematic Champion

EDUCATE ON CLIMATE CHANGE

Knowledge and skills sharing to empower both our employees and the UN Climate Change:Learn online community to take action against climate change thanks to better-informed food choices.



PROMOTE REGENERATIVE AGRICULTURE AND HEALTHY, SUSTAINABLE DIETS

Collaboration to improve global nutrition, encourage more diverse and healthier diets, and promote responsible farming.



FReSH: Initiative led by the WBCSD (World Business Council for Sustainable Development) and the EAT Forum.





SERVE THE FOOD REVOLUTION WITH PARTNERS



2019 KEY HIGHLIGHTS

WORKING ACROSS THE INDUSTRY TO CREATE NEW CONSUMPTION MODELS



Co-chairing of the Consumer Goods Forum with Migros since June 2019.

COLLABORATION FOR HEALTHIER LIVES

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

INFORMING AND GUIDING CONSUMERS TOWARDS HEALTHIER EATING AND DRINKING HABITS

Migros collaborated with Danone and other brands to develop a pioneering app providing personalized nutritional recommendations to shopper in Turkey.



ACCELERATING THE TRANSITION TO A CIRCULAR ECONOMY OF PACKAGING

EMBRACING CIRCULAR ECONOMY

Global partnership with the Ellen MacArthur Foundation.



REINVENTING SUSTAINABLE SHOPPING

Danone is a partner of Loop™ by Terracycle, a new innovative approach to shopping, born out of a desire to offer a zero-waste option for the world's most popular consumer products.



SUPPORTING LARGE SCALE TECHNOLOGIES

Danone AQUA and evian participate in the River Clean Up System (RCS) Interceptor™ 001 in Indonesia, the world's first scalable solution for removing plastic from rivers.



INVESTING IN THE FUTURE OF FOOD

FOSTERING COOPERATION IN FOOD, HEALTH AND SUSTAINABILITY RESEARCH

Opening of the access to our historical collection of 1,800 lactic and bifidobacterial ferment strains.

Cooperation to advance the understanding of the connection between the diet and the human gut.



UC San Diego

SUPPORTING INNOVATIVE FOOD ENTREPRENEURS



epigamia
Healthy dairy products

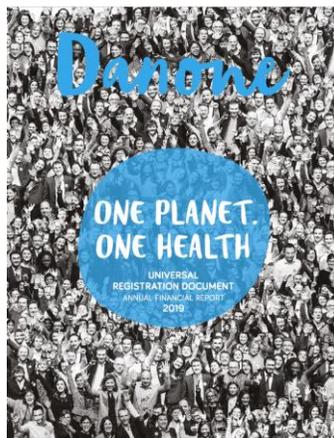


HowGood
Evaluate brand and food sustainability



Organic plant-based food and beverages

FOR MORE INFORMATION



Danone Universal Registration Document

www.danone.com

> Investors > Publications & events > Registration documents



Danone Integrated Annual Report:

www.danone.com

> Annual Report

**For methodological information regarding our extra-financial KPI's, refer to the methodology note available in the report*