



Danone reaffirms climate commitment with official recognition from the Science-Based Targets Initiative and steps up focus on regenerative agriculture

Press Release - Paris, 15 November 2017

- **Danone's emission reduction targets received official approval by the Science Based Targets initiative.**
- **Danone joined the international 4 per 1000 Initiative on agriculture, food security and climate.**
- **Danone sharpens its focus on regenerative agriculture as a way to broadly reduce emissions in the future and respond to consumer demand for naturality and transparency.**

Danone confirmed today that its Greenhouse Gas (GHG) reduction targets were officially approved by the Science Based Targets initiative (SBTi) as being in line with the global measures necessary to keep global warming below 2°C. Danone also announced today that it is joining forces with the French government's 4/1000 international initiative on soil health, as part of its sharpened focus on supporting Regenerative Agriculture.

As announced in its 2015 Climate Policy, the company is working to make its full value chain carbon neutral by 2050. Within this journey, Danone has pledged ambitious targets for 2030, both of which were approved by the SBTi: to reduce full scope (scopes 1, 2, and 3) emission intensity by 50%; and to achieve a 30% absolute reduction of scope 1 and 2 emissions.¹ Between 2008 and 2016, Danone has achieved a 50% reduction in emissions intensity on its value chain, excluding agriculture but including operations, packaging and logistics.

The SBTi is a collaboration between CDP (formerly the Carbon Disclosure Project), the World Resources Institute, the World Wide Fund for Nature (WWF) and the United Nations Global Compact. Alberto Carrillo Pineda, leader of the Science Based Targets initiative, said: "We congratulate Danone on having their science-based target approved by our team. They join leading companies worldwide whose decarbonization pathways are now aligned with the goals of the Paris Agreement. By setting a science-based target, Danone is positioning itself to thrive in the low-carbon transition, future-proof growth and seize the opportunities that await."

As part of its "One Planet. One Health" commitment announced in 2017, Danone is taking further steps to push forward the alimentation revolution that is transforming the global food system, in particular the challenges posed by agriculture.

"As a food company, Danone's business is inherently reliant on agriculture" said Danone CEO, Emmanuel Faber. "We want to help transform the food system and work with our partners, starting with the 140,000 farmers in our supply chain, to build regenerative models of agriculture that are based on healthy and resilient soils. We believe

¹ Following its recent acquisition of the U.S.-based organic and plant-based dairy company White Wave, Danone agreed with the SBTi that it will adjust its science-based targets a full calendar year after White Wave company has been fully integrated into Danone's inventory boundaries.

these models can address a number of global challenges, from climate change to water scarcity and biodiversity, while driving sustainable and inclusive economic growth."

Agriculture is the world's second-largest emitter of carbon after the energy sector, and represents 60% of Danone's carbon footprint. Practices like reducing tilling and leaving crop residue on the ground can transform soil from a source of GHG to a sink for atmospheric carbon. In addition to sequestering carbon, healthy soils boost productivity and reinforce climate resiliency.

Danone is working directly with farmers in its supply chain to co-create action plans that will help them lower their carbon footprint and strengthen water retention and biodiversity in soils. The company is actively leading pilot projects on regenerative agriculture via its social innovation funds. The Danone Ecosystem Fund supports the transformation of agricultural practices in the company's supply chain through 35 projects across the world; Lait Pieds sur Terre, for instance, aims to help farmers in France reduce their carbon footprint while increasing revenue and leveraging innovative financing tools. The Livelihoods Carbon Fund is financing environmental restoration, agroforestry and energy projects to avoid the emission of 10 million tons of CO₂. The Livelihoods Fund for Family Farming will empower 200,000 family farms with sustainable practices to boost productivity while preserving the environment.

By joining forces with 4 per 1000, Danone aims to broaden these efforts and expand collaboration with experts, NGOs, governments and private companies. Launched by the French government in 2015, during the COP21, 4 per 1000 is an international platform to catalyze collaboration on soil health and soil carbon sequestration among different stakeholders.

Danone is also looking to cooperate with experts, NGOs and companies to develop and test a methodology on soil health that will refine existing models, create an evidence base for soil health practices; and build a set of techniques that can be replicated and adapted on a broad scale.

The company expects these efforts to strengthen its business. Emmanuel Faber added: "When you talk about soil, you talk about where food comes from and how it is produced. More and more, consumers are demanding transparency and naturalness. This is why agriculture is at the center of our efforts to bring the alimentation revolution to life. With a deep transformation of our practices, we are laying the foundations for our future offers."

Note to editors on Scope 1, 2, and 3:

The most widely used international accounting tool for emissions, the Greenhouse Gas (GHG) Protocol, categorizes emissions into three "scopes":

- Scope 1 covers direct emissions from company-owned equipment, like vehicles, furnaces, boilers, etc.
- Scope 2 refers to emissions from electricity that has been purchased by the company.
- Scope 3 involves all indirect emissions that occur due to the activities of an organization, including emissions from both suppliers and consumers. For example, scope 3 emissions can include agriculture, transportation and distribution of products, and various purchased goods and services.

Measuring scope 3 emissions can be difficult, but sometimes a company's greatest emissions reduction opportunities lie in scope 3 activities.

About Danone

Dedicated to bringing health through food to as many people as possible, Danone is a leading global food company built on four business lines: Essential Dairy and Plant-Based Products, Early Life Nutrition, Waters and Medical Nutrition. Through its mission and dual commitment to business success and social progress, the company aims to build a healthier future, thanks to better health, better lives and a better world, for all its stakeholders—its more than 100,000 employees, consumers, customers, suppliers, shareholders and all the communities with which it engages. With products being present in over 130 markets, Danone generated sales of approximately €22 billion in 2016. Danone's brand portfolio includes both international brands (Activia, Actimel, Alpro, Danette, Danonino, Danio, evian, Volvic, Nutrilon/Aptamil, Nutricia) and local brands (Aqua, Blédina, Cow & Gate, Bonafont, Horizon Organic, Mizone, Oikos, Prostokvashino, Silk, Vega). Listed on Euronext Paris and present on the OTCQX

market via an ADR (American Depositary Receipt) program, Danone is a component stock of leading social responsibility indexes including the Dow Jones Sustainability Indexes, Vigeo, the Ethibel Sustainability Index, MSCI Global Sustainability, MSCI Global SRI Indexes and the FTSE4Good Index.

About the Science Based Targets initiative

The Science Based Targets initiative mobilizes companies to set science-based targets and boost their competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP (formerly the Carbon Disclosure Project), the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), the United Nations Global Compact (UNGC) and one of the We Mean Business Coalition commitments. The initiative defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets. www.sciencebasedtargets.org @sciencetargets

About 4 per 1000

Launched by France in 2015, 4 per 1000 sets out to bring together all willing contributors in the public and private sectors (farmer organizations; national, regional and local governments; companies; international organizations; NGOs; research facilities; and others) under the framework of the Global Climate Action Agenda (GCAA), with the aim of demonstrating that agriculture, and agricultural soils in particular, can play a crucial role where food security and climate change are concerned. The goal of the Initiative is to engage stakeholders in a transition towards a productive, resilient agriculture, based on a sustainable soil management and generating jobs and incomes, hence ensuring sustainable development.

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