



DANONE
ONE PLANET. ONE HEALTH

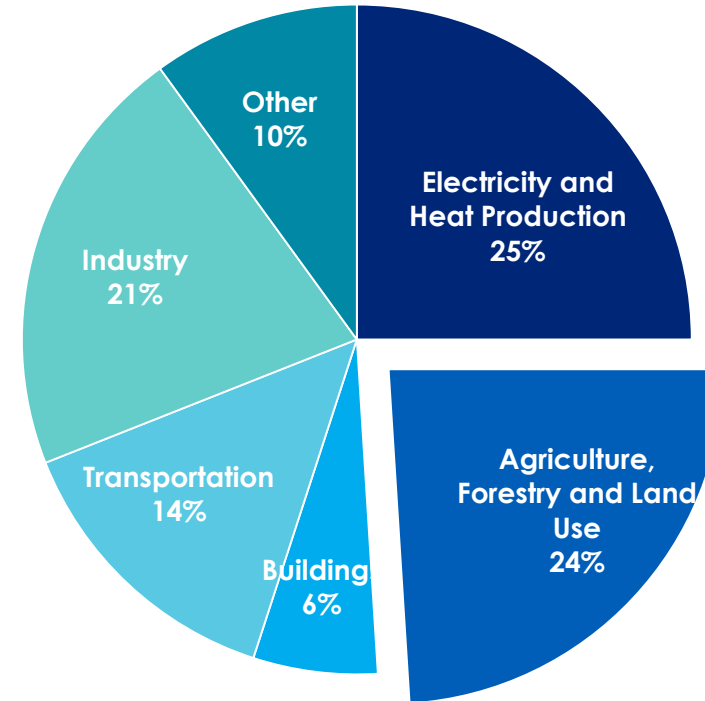
Investor Seminar
October 22, 2018

Climate & Regenerative Agriculture

Eric Soubeiran
Global Nature & Water Cycle & Human Rights Director

**How is Danone's agriculture vision
good for the planet and
a value creation trigger for the company?**

Climate & Agriculture Are Strongly Connected



24% **Agriculture**
of global GHG emissions

Source: [IPCC \(2014\)](#); [Exit](#) based on global emissions from 2010.

Agro-ecology Is key to the Climate agenda



Green Revolution

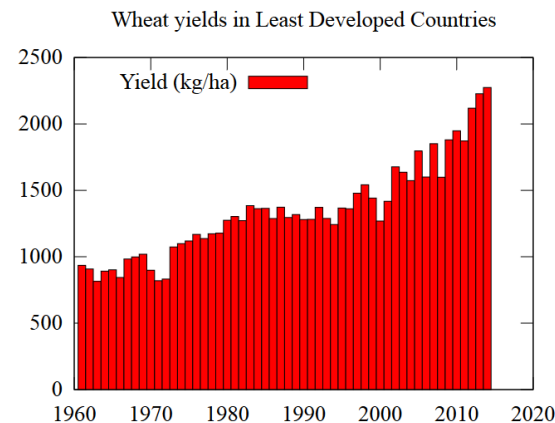
1960-1990

Feeding People
#Increased Yield
#Productivity

High efficiency crops

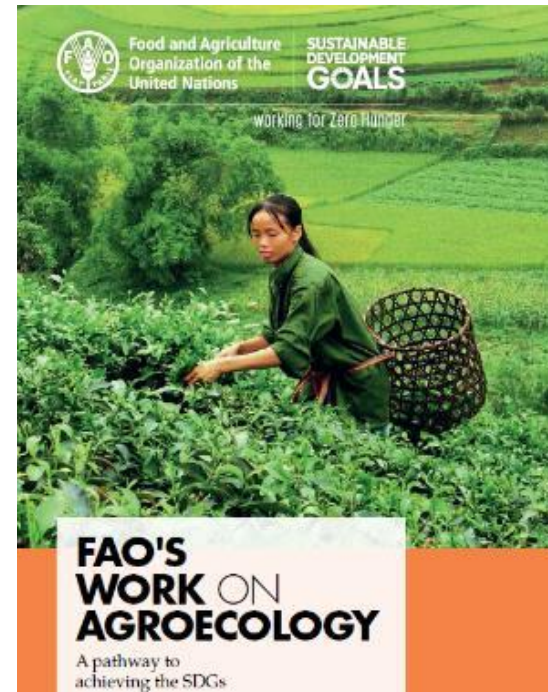
Inputs & pesticides

Water waste &
Deforestation



Agroecology

1990-...



Feeding The Planet
#Be Resilient
#Efficiency

Soil Health
> Ecosystem protection

Less Chemicals
> Water protection

Animal welfare

Danone 's Agriculture footprint

Cost Footprint



We are sourcing **45+ agricultural products**

50 % of Danone material costs (4.8 B€)

Social Footprint

75% (Volume) from direct sourcing = **130,000 farms**

25% (Volume) from indirect sourcing > **400,000 farms**

Environmental Footprint

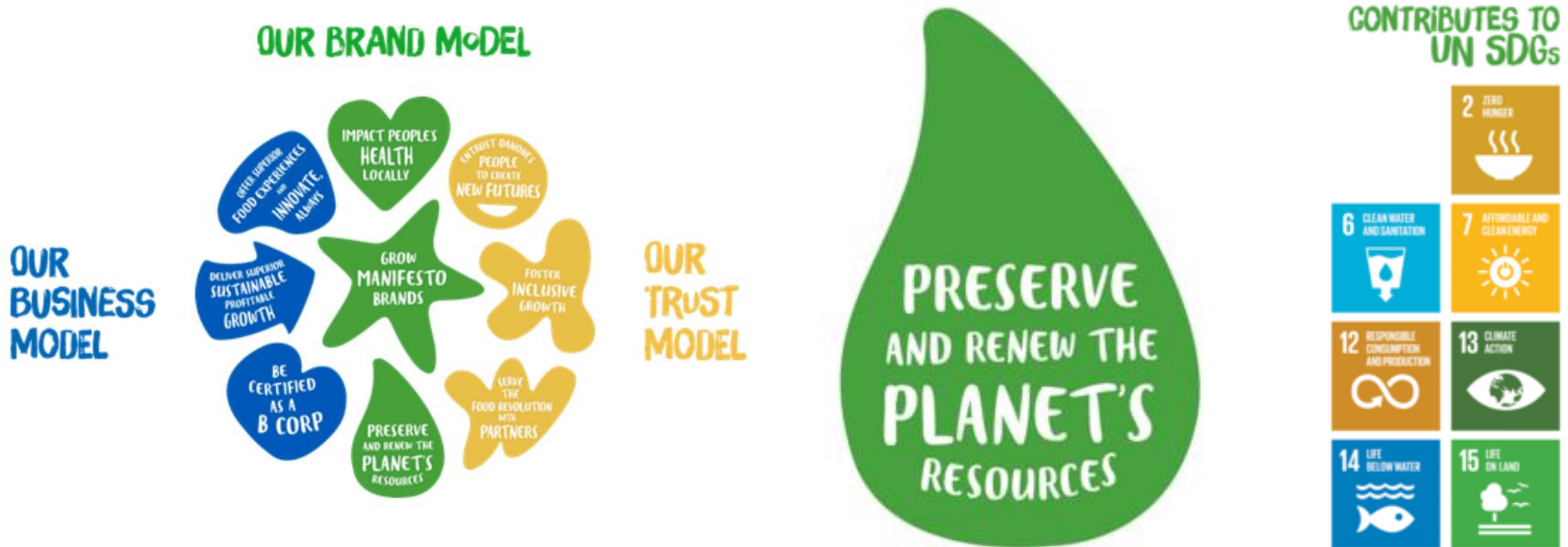


60% of CO₂ Footprint

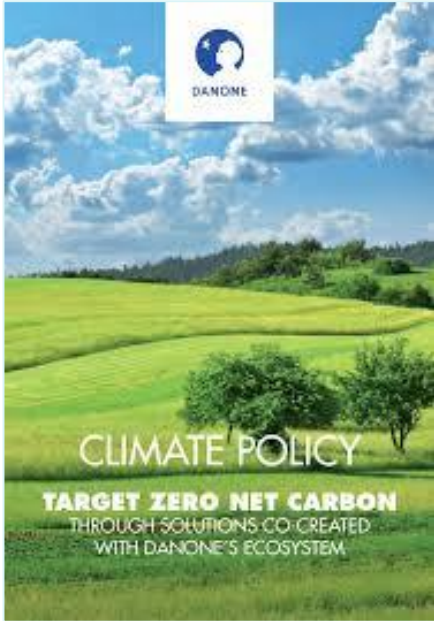
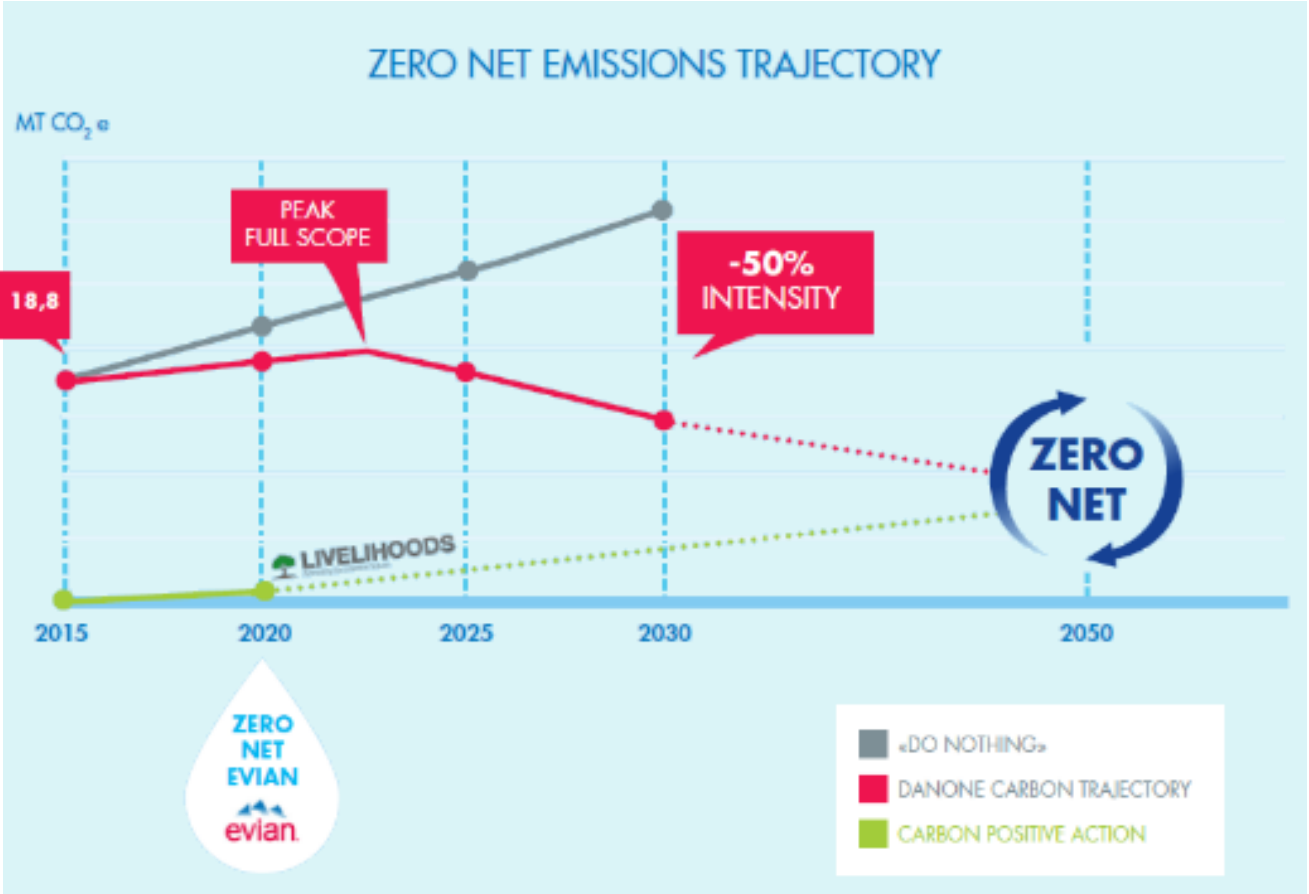
75% of Water Footprint

1.5 million hectares = half of Belgium !

Agriculture is a key lever for our Company Goals



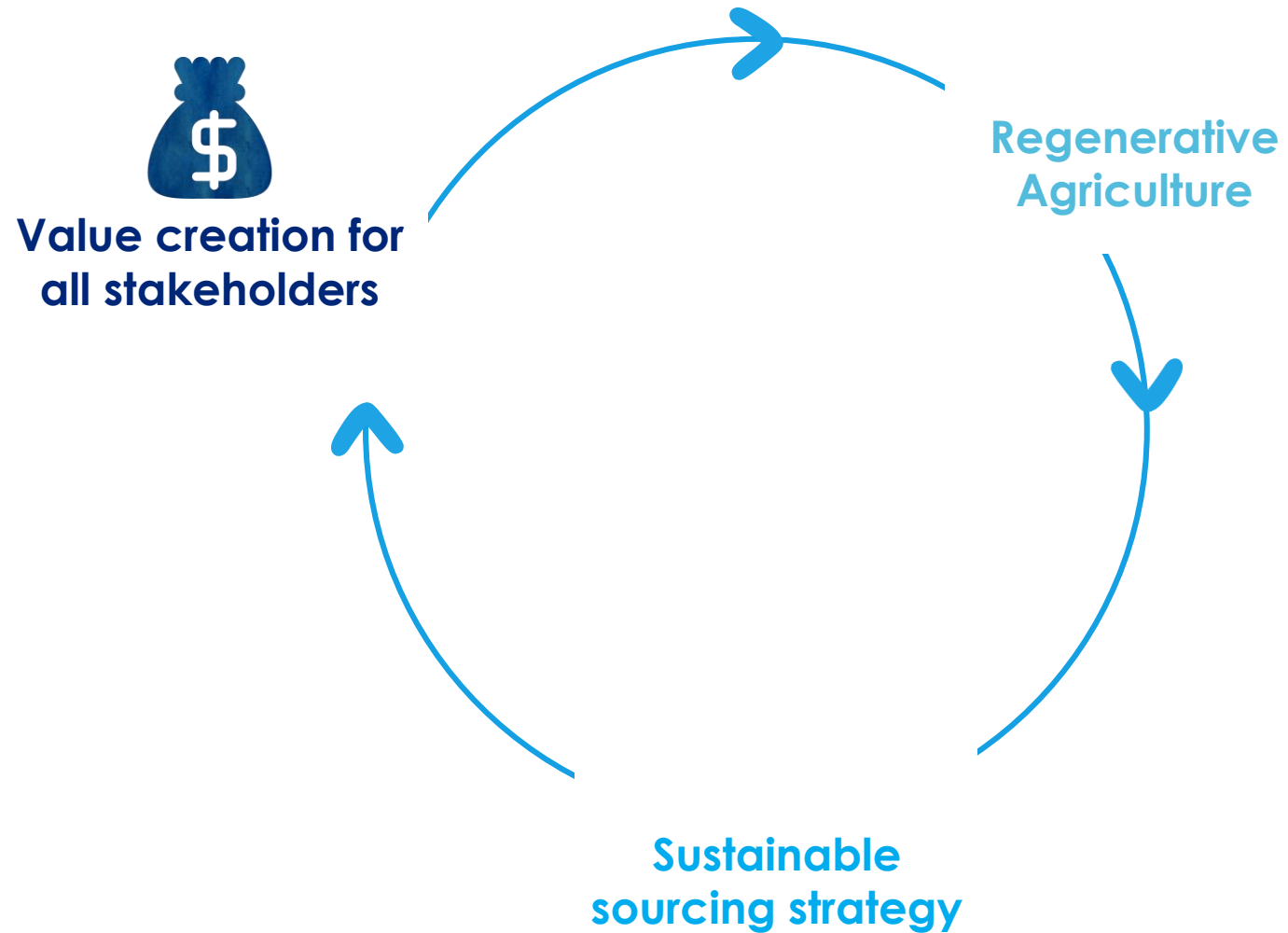
Danone is science based and committed to Carbon Neutrality (for full scope 1, 2 & 3)



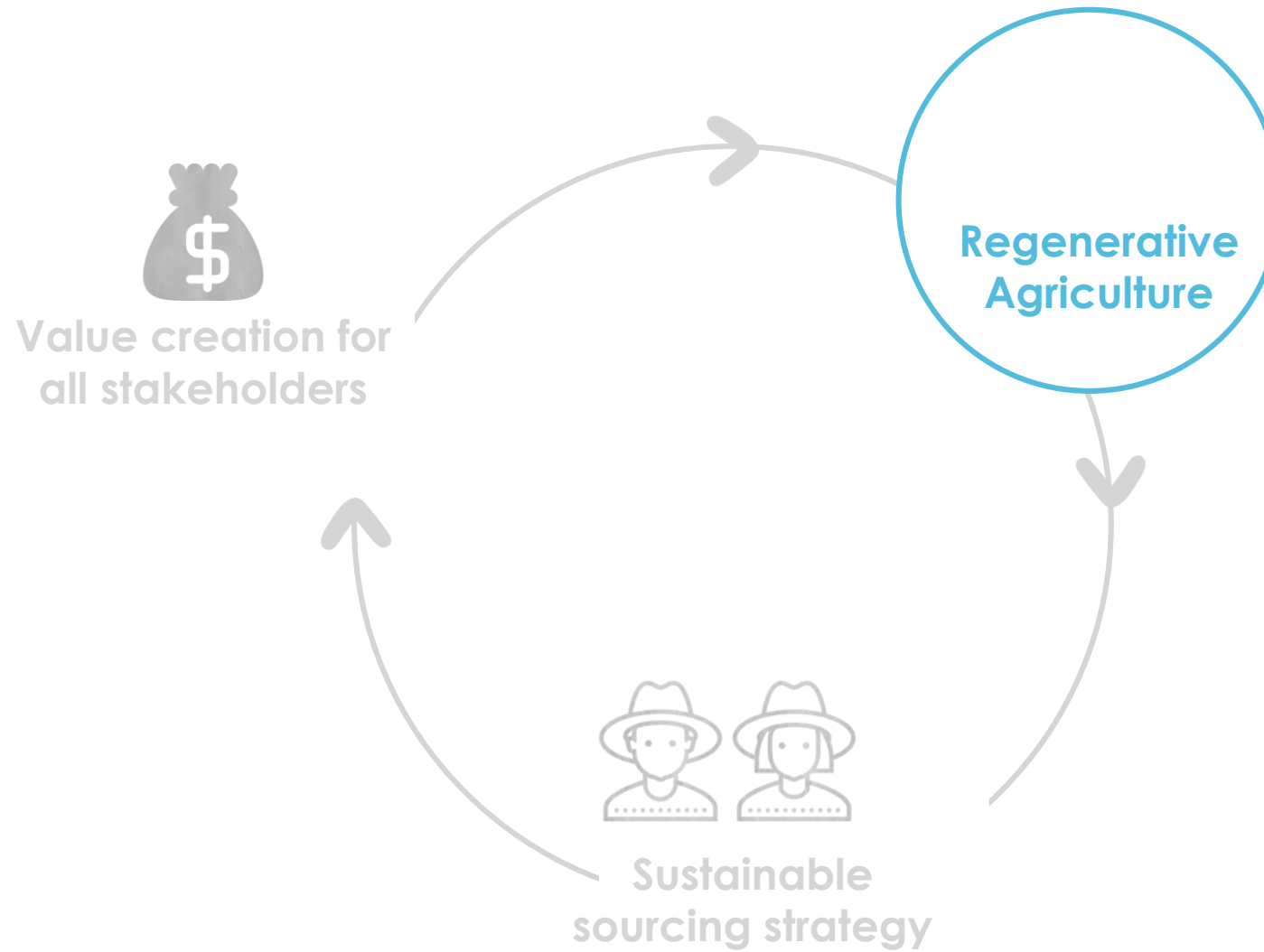
Agriculture represents 60% of our CO₂ footprint



Thanks to agriculture, we can build a virtuous cycle



Thanks to agriculture, we can build a virtuous cycle





Regenerative Agriculture by Danone

“ A set of farming practices that protect **soil, water and biodiversity**, and respect **animal welfare**

This system acknowledges the **key role of farmers** and the **positive impact of farming** while taking into account its **economic viability**.

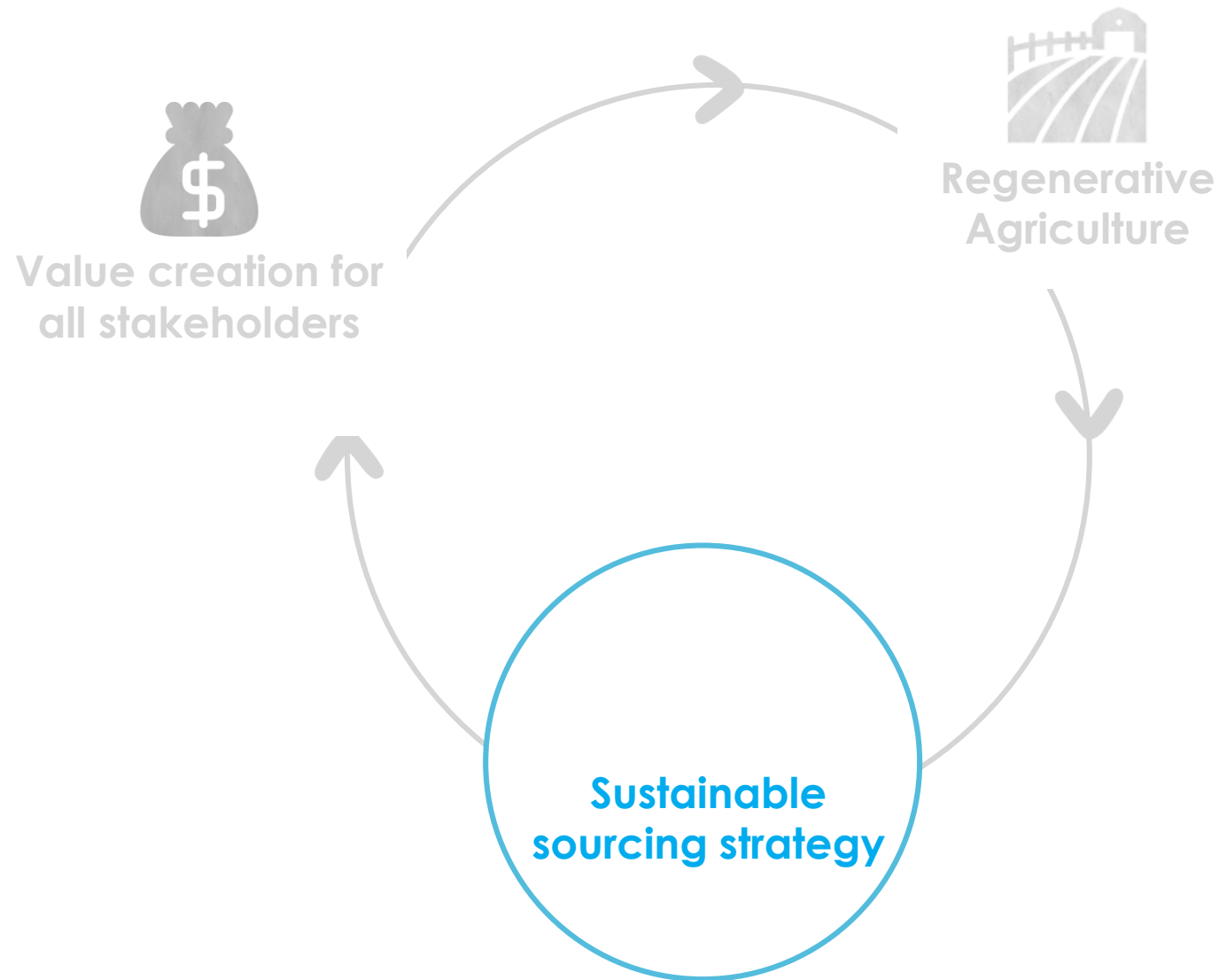
It helps restore **ecosystems**, contributes to **climate change** mitigation, and ensures resilient agro-food systems to **feed future generations**

”

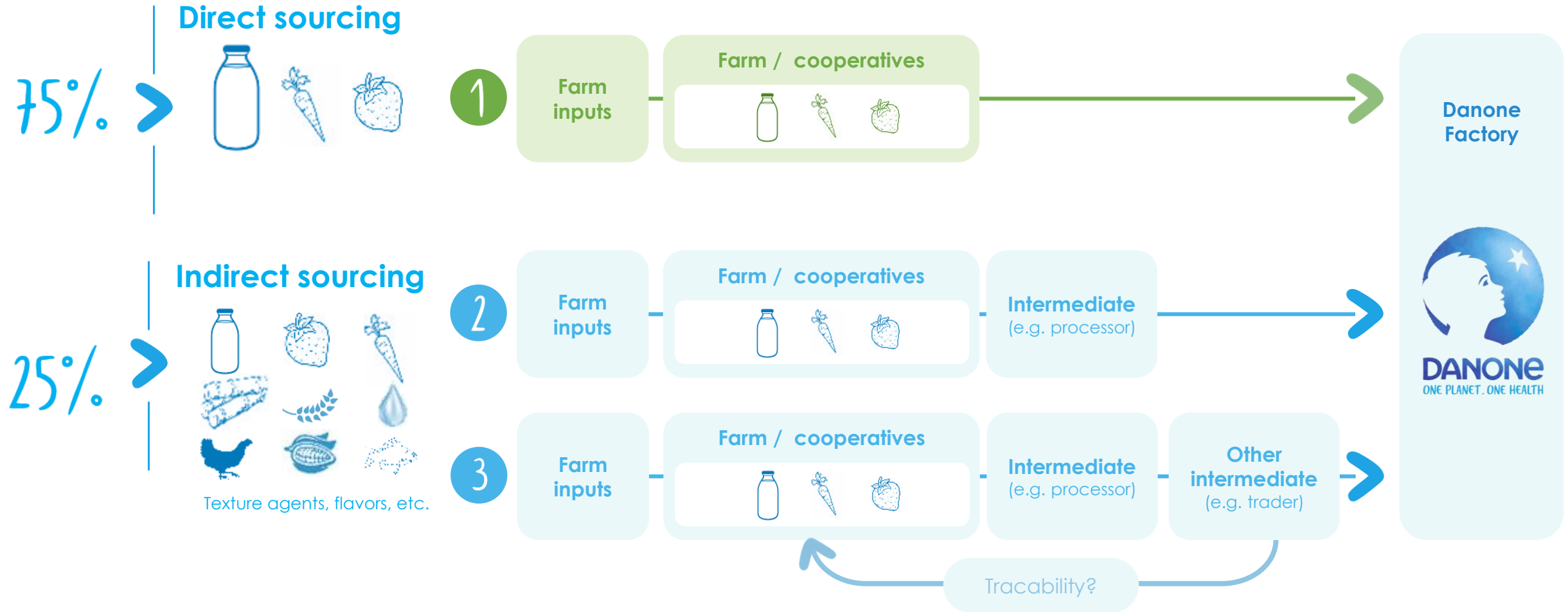
SCOPE: Conventional, Organics, Non-GMO



Thanks to agriculture, we can build a virtuous cycle



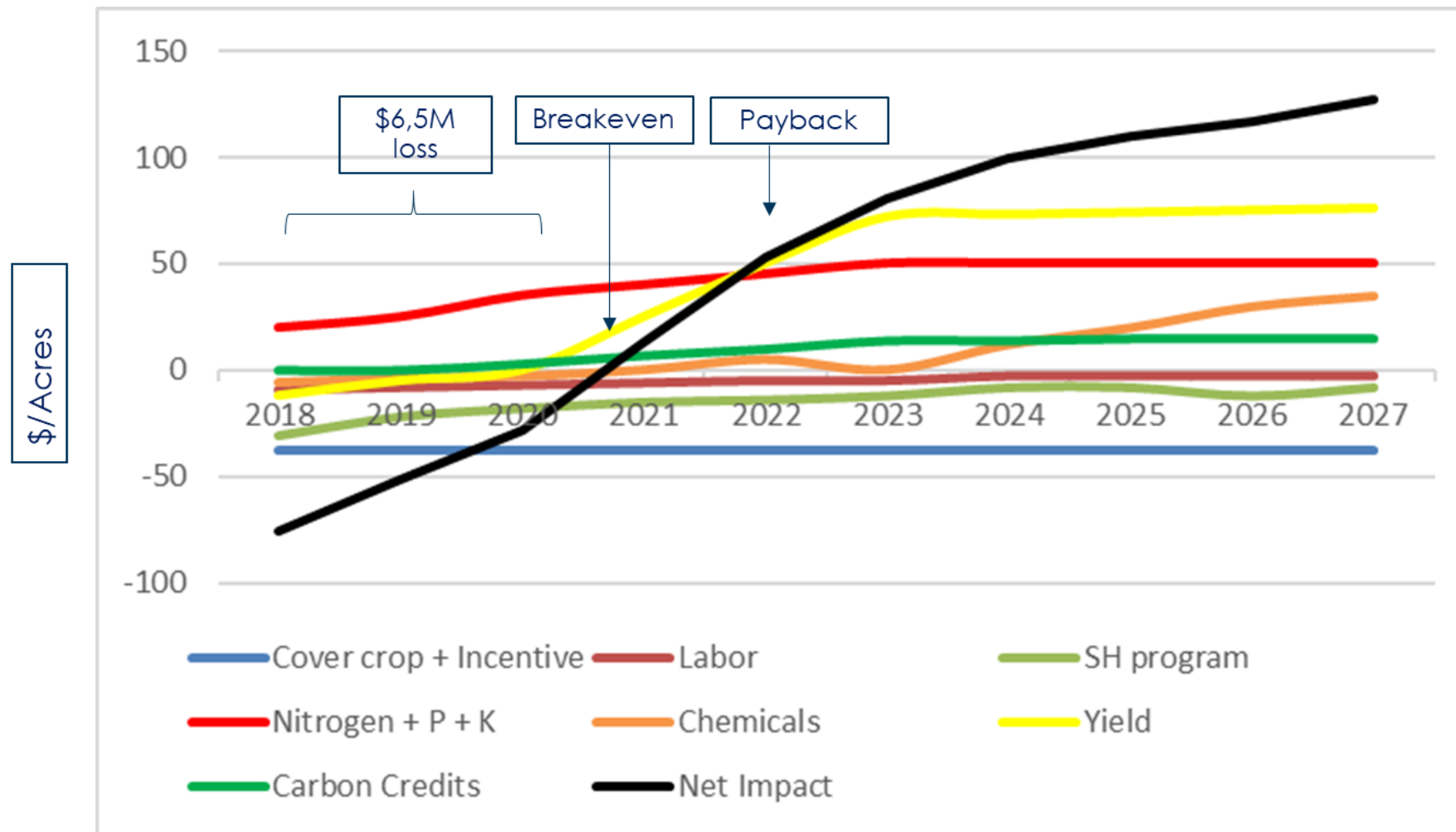
Direct sourcing is our main model



Value Creation: Sustainable Supply Chain

US growers plan

Example of soil health program for animal feed in US: 100,000 Acres or 400 Km²



Value Creation: Efficiency in the supply chain

For our suppliers – Case study on sugar cane and the Balbo Group in Brazil



The Balbo group:

1.2 million tons of cane

75,000 tons of organic sugar annually, i.e. 34% of the world market

Supplier of Danone Organic Brands and Brazilian CBU

The need: to reduce the cost of farms inputs (pesticides and fertilizers) and preserve soil health

The solution: regenerative agriculture at scale (investment in new equipment to reduce compaction and enhance the soil)

The results in 3 to 5 years: double win - reduced costs and increased productivity

complete elimination of chemical inputs & water savings

20% increase in productivity

Thanks to agriculture, we can build a virtuous cycle



Value Creation

Differentiation for growth



All « organics » categories outpacing category growth by +7% ⁽¹⁾



(1) Euromonitor



Grassfed

Soil & Farmers



Decrease volatility
Expl. Cost Performance Model (CPM)
Long term approach



Economic viability for the farmers



Cost management for Danone



#BeRegenerative
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#BeRegenerative

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