

SOCIAL AND
ENVIRONMENTAL
COMMITMENTS

2019



DANONE

A Word From The President

Bringing our **ONE PLANET. ONE HEALTH** vision to life in Canada

Now more than ever, Canadians expect more from their food. They want to know how it arrived on their plates and how it impacts their health, the health of the planet and the health of their communities. And we care too.

That is why, at Danone, we see our job as more than serving healthy dairy and plant-based foods. We work hard to continuously find new, more responsible ways of working, including the promotion of more sustainable food, regenerative agriculture and waste reduction.

This is our purpose, and with the support of Canadian consumers, our passionate team and our global partners across the food supply chain, we'll keep driving the One Planet. One Health movement, providing healthy, sustainable foods to as many people as possible.

Dan Magliocco
President & CEO of Danone Canada



A Glance at Danone 2019

Danone Worldwide

25,3 billion €
Global turnover

100,000 +
Employees worldwide
in 55 countries

120 countries
Where Danone products
are available worldwide

100 years
The first Danone yogurts
were marketed by Isaac
Carasso in 1919

Danone Canada

2 headquarters
In Boucherville,
Quebec and in
Mississauga, Ontario

511 employees
In Canada

23 years
Partnership with
the Breakfast Club
of Canada

14 brands
Danone Canada
owns dozens of
healthy and tasty
products

1 year
Certified B Corp™

50 years
Contributing to
the health of
Canadians

Danone Canada In 2019: Our most distinguished accomplishments



Named as one of "Canada's Top 100 Employers 2019"



Winner of the "DUX" award presented by Prix GAÏA, 7th edition



Selected by the "The Career Directory" guide for recent graduates



Among the winners of the 2019 Vendor Partner Awards presented by Sodexo Canada

What is a B Corp?

Certified B Corporations (B Corps) meet the highest standards of overall social and environmental performance, transparency and accountability, and aspire to use the power of business to solve social and environmental problems.

Did you know?

Danone is the largest consumer-oriented company to be certified B Corp™ in Canada

Assessment available online:
<https://bcorporation.net/directory/danone-canada>



To contribute to the recognition of the certification among consumers

B Corp Campaign February-March 2019

Danone participated in the activation of the B Corp brand and helped to build its reputation with the launch of a new Danone product with 100% Natural Source Ingredients.

For more information: <https://danoneyogurt.ca>



2019 B Corp Achievements



To build awareness of B Corp certification among consumers

Back to School Campaign September 2019

Danone took advantage of the annual Back to School campaign in stores to promote the B Corp certification across the country and share with consumers the impact of being a B Corp certified company.

To build awareness of B Corp certification among our employees

Internal activation events

Danone's B Corp certification was highlighted during internal events, such as the Danone Open Day, the Danone Day, the celebrations of our 1st anniversary as a certified B Corp.

This helped to reinforce the importance of the certification, and to involve and inform employees about their role in the B Corp movement.

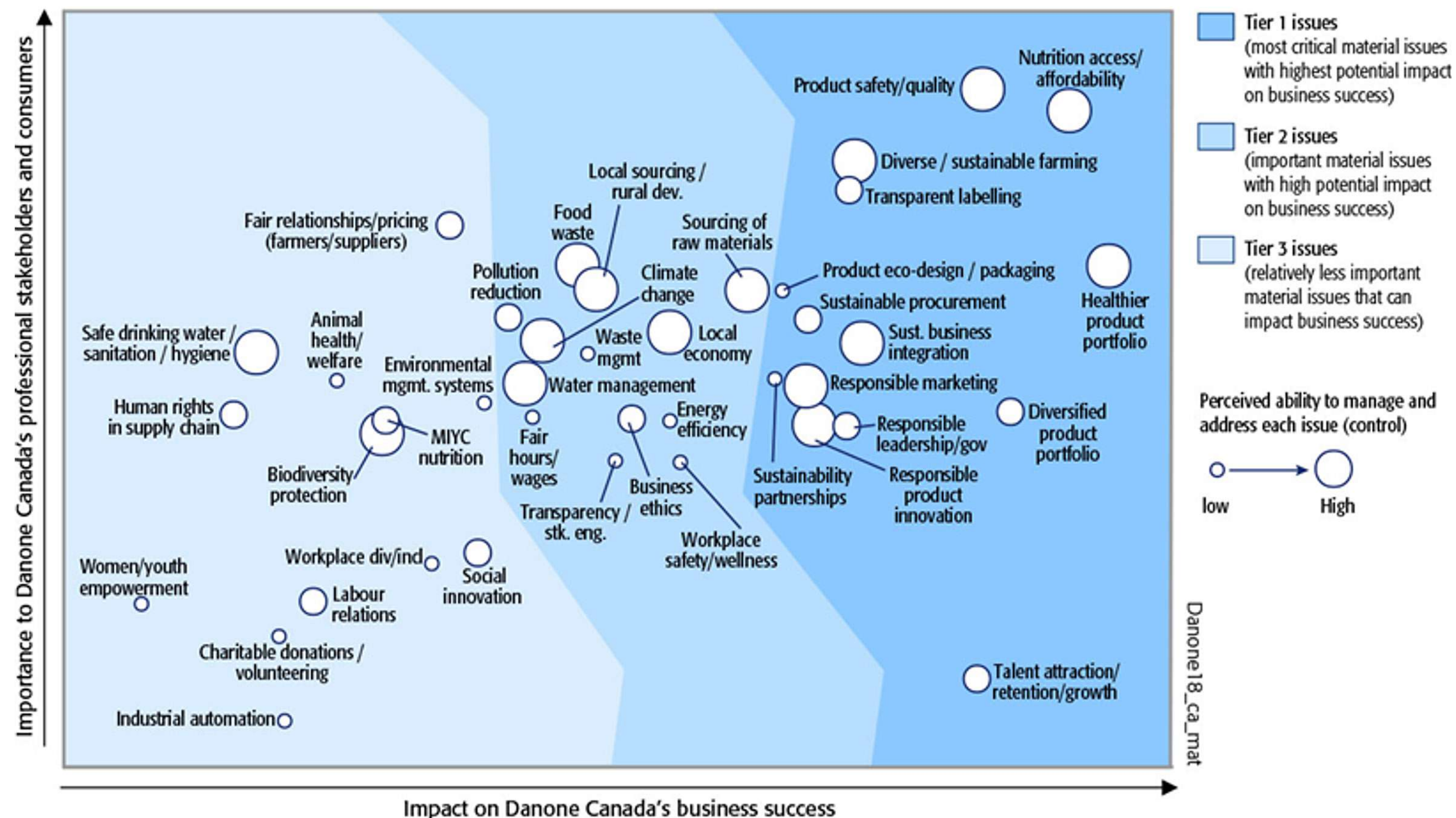


Materiality Assessment

Produced in 2018 by the firm GlobeScan, the materiality matrix identifies issues relating to sustainability that are relevant to Danone Canada.

This analysis has been used to create an action plan that takes into account the most important topics for the company's stakeholders.

Danone Canada's Materiality Matrix





2030 GOALS

OUR BUSINESS MODEL
Grow as B Corp™, innovating to offer superior food experiences.



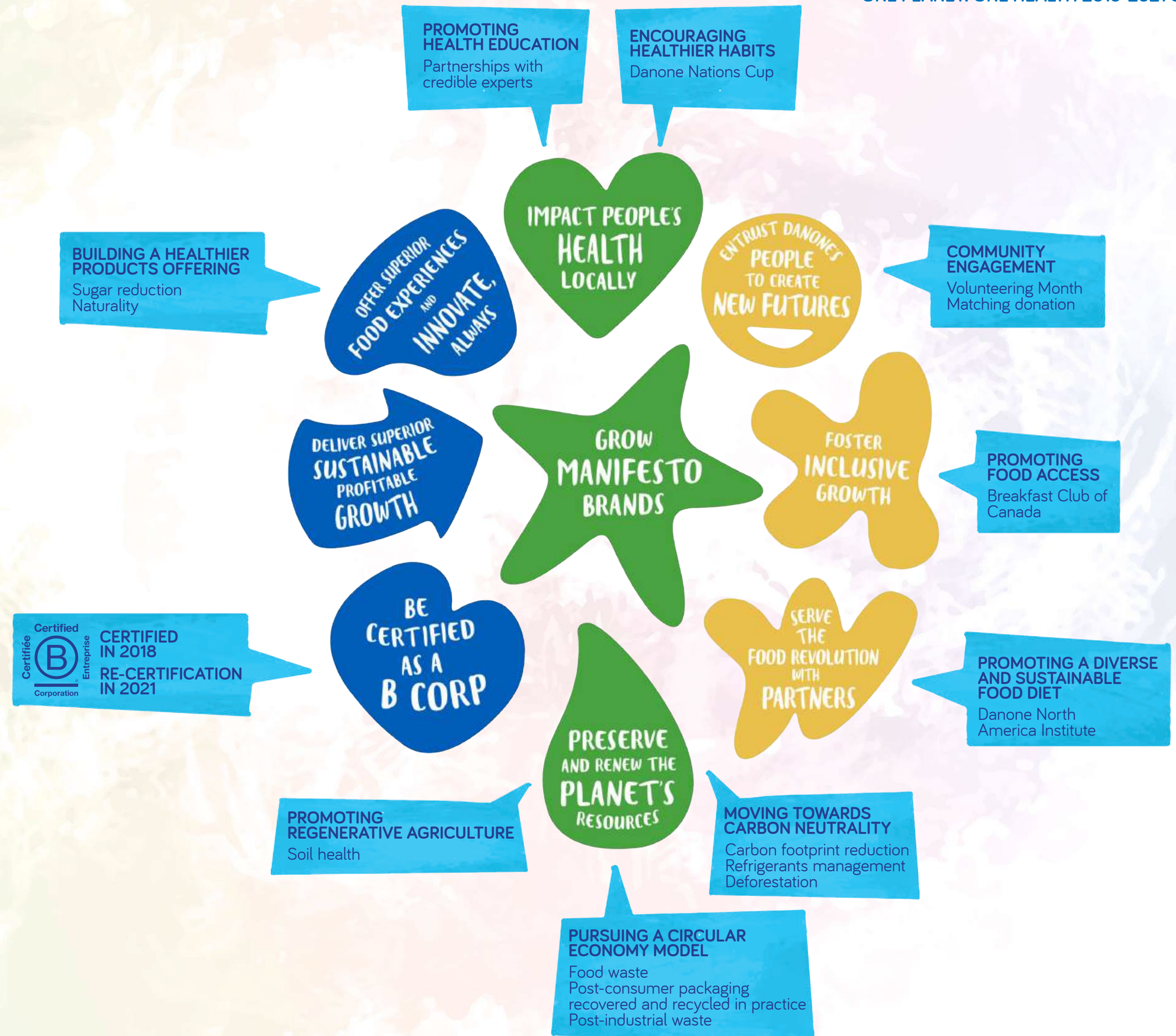
OUR BRAND MODEL
Grow Manifesto brands to protect and nourish the health of the people and the health of the planet.



OUR TRUST MODEL
Grow in an inclusive way, empower our people, work with partners to create and share sustainable value.



OUR ONE PLANET. ONE HEALTH COMMITMENTS



Environment




We believe that choosing food also involves making a decision for the planet. Danone is continuously reviewing its practices and setting up projects to offer products that benefit the health of people and our planet.

Our environmental projects and the continuous improvement of our practices allow us to make progress and evolve in this direction.



2019 Environmental Objectives

PROMOTING REGENERATIVE AGRICULTURE			
DANONE CANADA'S OBJECTIVE	2019 ACHIEVEMENTS	STATUS	COMMENTS
<p>For 2019: Co-creation of an action plan for regenerative agriculture.</p> <p>For 2020: The implementation of the action plan is launched with partners.</p>	In 2019, we carried out a series of actions that helped improve our knowledge, promote and support our partners in connection with regenerative agriculture. These steps were part of the process of creating the action plan. See the following pages for more details.		Regenerative agriculture is about working with nature, rather than competing and exhausting it. It's about reviewing its agricultural practices for animal welfare, communities support and the health of soils and water.

PURSUING A CIRCULAR ECONOMY MODEL			
DANONE CANADA'S OBJECTIVE	2019 ACHIEVEMENTS	STATUS	COMMENTS
By 2021: Zero post-industrial plastic waste going to landfill.	In 2019, 100% of post-industrial plastic has been sent to landfill.		Ongoing discussions with different suppliers to find the best local solution for plastic recycling.
By 2021: Zero post-industrial waste* sent to landfill.	In 2019, 3.42% of our post-industrial residual materials has been sent to landfill.		*The zero waste level is considered to have been achieved when the amount of waste sent to landfill reaches a percentage equal to or less than 1%.
By 2021: Co-create at least one project that will enable the recycling of greater quantities of post-consumer plastic packaging.	In 2019, the Circular Plastic Taskforce (CPT) project was launched to reduce post-consumer plastic waste.		See the following pages for more details.








Legend:  Ongoing objective  Achieved objective  Objective at risk

Environment

In 2016, Danone launched a climate policy that aims to achieve carbon neutrality by 2050.

A few milestones have been established to ensure that the main objective will be achieved by 2050. For more details on the policy click [here](#).

2019 Environmental Objectives

MOVING TOWARDS CARBON NEUTRALITY			
DANONE'S OBJECTIVES	2019 ACHIEVEMENTS	STATUS	COMMENTS
By 2030: 50% reduction in CO ₂ emissions intensity on Danone's total scope (g of CO ₂ eq/kg of products sold).	-2.6% g of CO ₂ eq/kg products sold (2019 vs. 2018)		-----
By 2030: Absolute reduction of 30% of CO ₂ emissions on Danone Scope 1 and 2.	+19,9% (2019 vs 2018)		The increase in energy consumption is related to: <ul style="list-style-type: none"> • The addition of production equipment that consumes energy; • The increased complexity of Danone's portfolio, which is continually diversifying.
By 2030: RE100 - 100% renewable energy.	We offset 100% of electricity purchased with renewable energy credits (RECs).		-----
As of 2025: 100% of newly purchased refrigeration systems for our sales outlets are free of hydrofluorocarbons (HFCs).	In 2019, 79% of the new refrigeration units purchased for our points of sale are on target, HFC-free.		We are constantly looking for suppliers that would allow us to reach our goal. Our suppliers are always working with us to find alternatives.
By 2020: 100% of our palm oil used is certified RSPO segregated type.	The team worked on a project in 2019 to set up supply of certified and segregated palm oil in North America.		 Segregated: Sustainable palm oil from various RSPO-certified sources that remains separate from conventional palm oil throughout the supply chain.
By 2020: 100% of our paper and cardboard is recycled or FSC-certified.	In 2019, 99% of our paper and cardboard is FSC certified and/or 100% recycled material for our Boucherville plant.		The scope of this indicator applies only to products manufactured at the Danone plant in Boucherville, Quebec.

Legend:  Ongoing objective  Achieved objective  Objective at risk

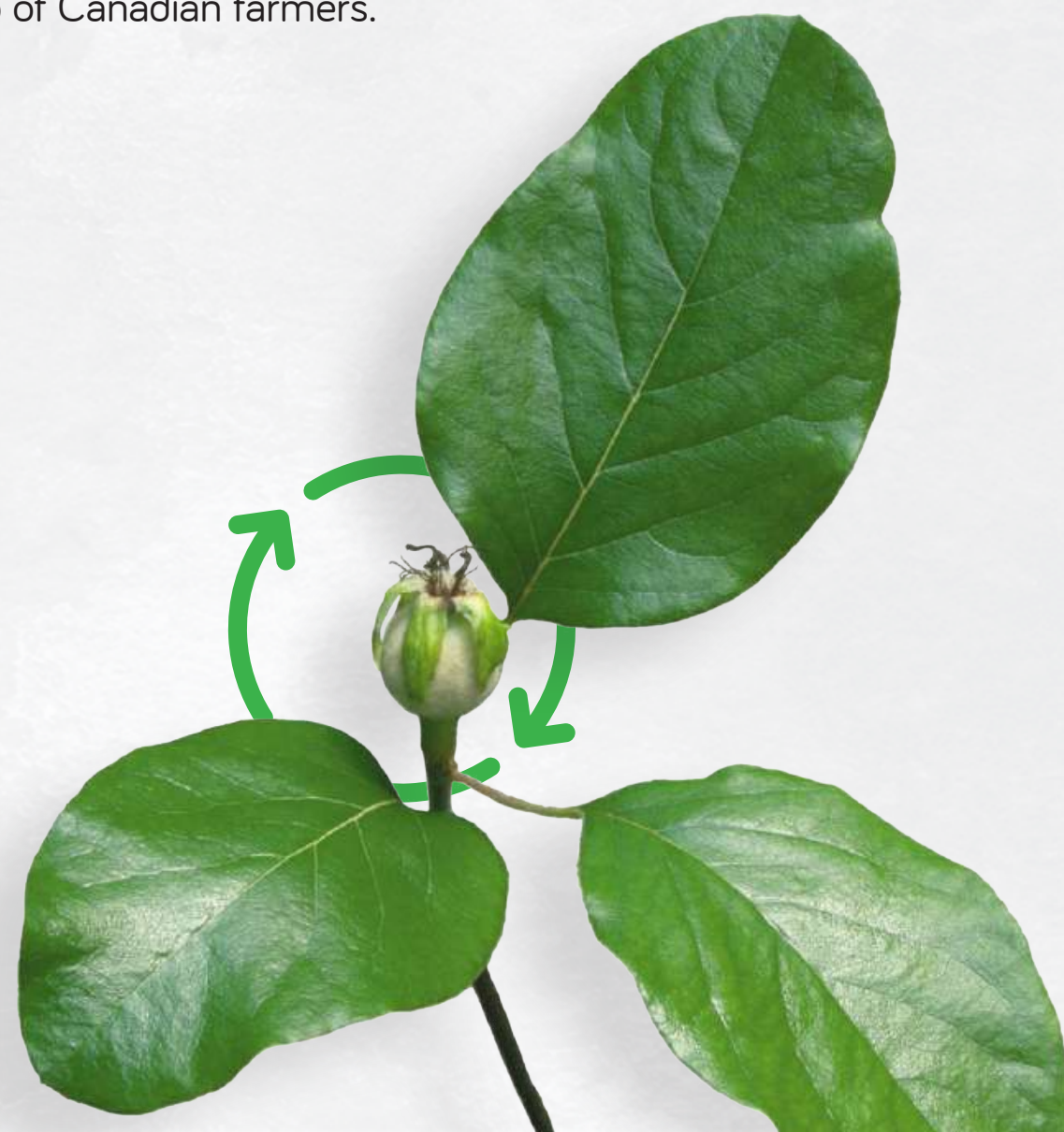
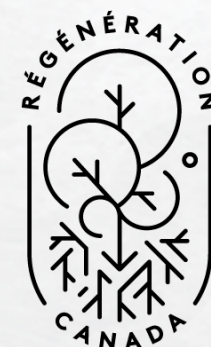
Some Environmental Achievements

Regenerative agriculture

- Danone Canada's participation in Équiterre's Regenerative Agriculture Advisory Committee
- Evaluation of the environmental performance of three farms in Quebec in partnership with Nutrinor with the aim of continuously improving regenerative agriculture practices. The performances are evaluated using a questionnaire from the firm EcoPractices®.
- Partnership with Regeneration Canada for the 2019 Living Soil Symposium in Montreal to promote and mobilize people through discussions and conferences on regenerative agriculture and its impact on climate change and a healthy food system.
- Exploratory visit of farms in France about regenerative agriculture practices with a group of Canadian farmers.

équiterre

SUSTAINABLE
Environmental Consultants
Powered by EcoPRACTICES



Moving towards carbon neutrality

Manufacturing production

In 2019, Danone made significant changes to its Boucherville plant, enabling it to optimize its transformation processes and reduce its CO₂ emissions by 1,381 tons per year.

This optimization work has also had a positive impact on the supply chain, reducing its CO₂ emissions by 2,790 tons per year in transportation.

Logistics and transport

Danone is constantly evaluating its manufacturing and distribution network. The changes made to this network in 2019 reduced the number of trucks on the road by 680, which would have covered 370,335 kilometres on an annual basis.

In collaboration with two major Canadians retailers, Danone has implemented a new strategic plan for its product distribution network and improved the payload of its shipments. This resulted in an increase in the quantity of product per truck. As a result, the optimization of loads for both clients has prevented 450 transport trucks from being on the road in 2019, thus avoiding the emission of several tons of CO₂.

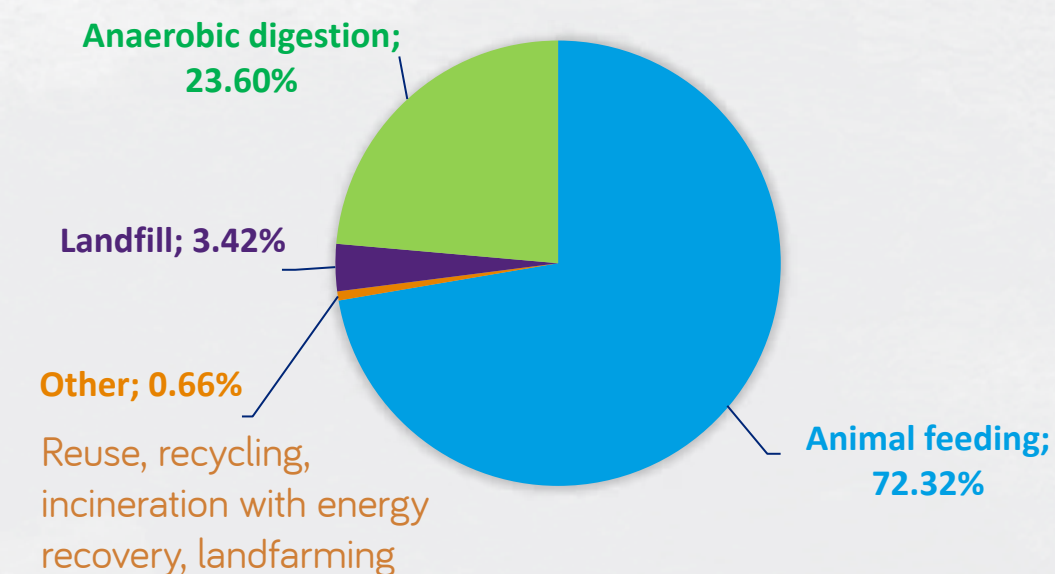
Zero waste to landfill plant

In 2019, the majority of post-industrial residual materials from the Boucherville plant in Quebec did not end up in landfill.

A very large portion of our food waste from the plant (72%) was used for animal feed and anaerobic digestion (23%).

Only 3.42% of our residual materials ended up in a landfill site.

Disposal methods for post-industrial waste from Boucherville plant in 2019.



Circular Economy

In 2019, Danone Canada joined forces with a group of Canadian companies to create the Circular Plastics Taskforce (CPT) to address post-consumer plastic waste in Canada and implement a circular economy.

CPT received \$475,000 in funding over two years from Environment and Climate Change Canada to launch the project.






For more information, visit GAPC.ca



Health

As stated by our vision One Planet. One Health. we truly believe that the health of people and the health of the planet are interconnected. It is a call to action to all consumers and everyone who has a stake in food to join the food revolution: a movement aimed at nurturing the adoption of healthier, more sustainable eating and drinking habits.

2019 Health Objectives

BUILDING A HEALTHIER PRODUCT OFFERING			
DANONE'S OBJECTIVES		2019 ACHIEVEMENTS	STATUS
By 2021: Danone Canada is committed to increasing its category of products with no added sugar and no refined sugar.*	Baseline data: In 2018: 2 products without added sugar 13 products without refined sugar	In 2019*: 4 products without added sugar 15 products without refined sugar	
By 2021: Danone Canada is committed to progressively reduce the sugar content in all Oikos, Activia, Danactive and Danone products according to consumer demand.	Baseline data: In 2018, average quantity of sugar in products belonging to the following brands: Oikos: 9.5% Activia: 8.7% DanActive: 10.6% Danone: 9.1%	In 2019*: Oikos: 8.8% Activia: 8.1% DanActive: 10.6% Danone: 7.5% Silk beverage: 3.0% (added in 2019)	
For 2021: Danone Canada is committed to increasing the offer of certified organic and non-GMO products in its plant-based and dairy product lines.*	Baseline data: In 2018, 2 products were certified organic and GMO-free.	In 2019, 8 products are certified organic and non-GMO.	
For 2020: Danone Canada is committed to offer zero products containing artificial flavours and colours.*	Baseline data: In 2018 100% of products were free of artificial flavours and colours.	In 2019, 100% of the products are free of artificial flavours and colours even with the addition of new products to our portfolio.	
For 2020: Danone Canada is committed to reducing the number of ingredients in its products.*	Baseline data: In 2018, the number of ingredients contained in products belonging to the following brands, Oikos: 11 ingredients Activia: 18 ingredients Danactive: 15 ingredients Danone: 17 ingredients	In 2019: Oikos: 10 ingredients Activia: 17 ingredients Danactive: 15 ingredients Danone: 13 ingredients Silk: 17 ingredients (added in 2019)	


* Targeted products: all products for daily consumption -> Danactive, Activia, Oikos, Danone, Silk

Legend:  Ongoing objective  Achieved objective  Objective at risk


Health

2019 Health Objectives

PROMOTE HEALTH EDUCATION

DANONE'S CANADA OBJECTIVE	2019 ACHIEVEMENTS	STATUS	COMMENTS
<p>By 2021: Danone is committed to maintaining its collaborations with key health organizations, such as the Canadian Nutrition Society, Dietitians of Canada, The Canadian Digestive Health Foundation and Diabetes Canada.</p>	<p>In 2019, all of our collaborations with these organizations were maintained. However, there were no educational activities with Diabetes Canada this year.</p>		<p>Danone collaborates with its partners in a variety of ways. These may include sponsoring conferences or webinars, supporting the creation of educational materials, videos or articles, and participating in trade shows to inform attendees of innovative products related to healthy eating.</p>

PROMOTE A DIVERSIFIED AND SUSTAINABLE DIET

DANONE'S CANADA OBJECTIVE	2019 ACHIEVEMENTS	STATUS	COMMENTS
<p>Promote the work of the Danone Institute North America (DINA) in all major Canadian universities with programs on sustainable food systems.</p>	<p>In 2019, Danone Institute North America will continue to support research and universities on sustainable food systems.</p> <p>In 2019, the first edition of the “One Planet. One Health Initiative” project grant program took place.</p>		<p>The Danone Institute North America is a non-profit foundation created by Danone North America that encourages transdisciplinary and community-based work to promote sustainable food systems. In 2019, it launched the “One Planet. One Health Initiative”, a grant program for U.S. and Canadian projects that promote the sustainability of local food systems and contribute to the health of the population. A Canadian team from the University of Guelph was among the winners.</p> <p>For more information, visit www.danoneinstitutena.org</p>

Some Health Achievements

Reduction of sugar in our products

In 2019, Danone reduced the sugar content in several of its products. These included Danino yogurt drinks, whose sugar content was reduced by 40%, or 5g of sugar per 93 ml.

Improving the naturality of our products

In 2019, Danone completed a project to reformulate its vanilla-flavoured Oikos yogurt to use only naturally sourced ingredients and reduce its sugar content. In addition, the yogurt is made using a gentle mechanical process that allows us to preserve the texture and smoothness of the product, as well as its nutritional value.

YoPRO

In 2019, Danone launched YoPRO, a brand designed to offer nutritious products for athletes and physically active individuals. These products are high in protein thanks to a manufacturing process that triples the amount of natural protein in YoPRO yogurts. They are also free of artificial sweeteners and artificial flavours. YoPro offers two protein shake flavours and 3 skyr yogurt flavours.

Danone

In 2019, Danone launched Canada's first naturally flavoured yogurt with no added sugar or artificial sweeteners. Danone yogurt products are made with simple ingredients from a 100% natural source that are easy to pronounce and draw their benefits from fresh milk from local dairy farms, real fruit jam and natural flavours, in addition to being a source of calcium.









Community Engagement

We believe in the importance of mutual aid, community and team spirit for the realization of ideas of greatness. This is why, over the years, Danone has made commitments to develop and carry out projects that contribute to the growth of community well-being and health.



2019 Community Engagement Objectives




FOOD ACCESS		
DANONE'S OBJECTIVES	2019 ACHIEVEMENTS	STATUS
Danone is committed to donating a minimum of \$45,000 each year to the Breakfast Club of Canada.	In 2019, thanks to several fundraisers and our initial commitment, Danone Canada donated \$68,097 to the Breakfast Club of Canada.	
Danone is committed to donating 2.3 million individual product units to the Breakfast Club of Canada every year.	In 2019, Danone donated 2.4 million individual product units to the Breakfast Club of Canada.	
Danone is committed to having at least 75 of its employees volunteer their time to the Breakfast Club of Canada.	In 2019, 64 Danone Canada employees volunteered their time to serve the Breakfast Club of Canada.	
By 2021: Danone is committed to opening at least 1 club per year in partnership with the Breakfast Club of Canada.	In 2019, Danone opened 1 club in partnership with the Breakfast Club of Canada in the Calgary area, Alberta.	

PROMOTE HEALTHY HABITS		
DANONE'S OBJECTIVES	2019 ACHIEVEMENTS	STATUS
Danone is committed to sending a minimum of one team of girls and one team of boys to the final of the Danone Nations Cup until 2021.	In 2019, we sent one team of girls and one team of boys to the final.	
Danone is committed to having more than 2,000 children involved in camps in Ontario and Quebec each year.	Unfortunately, there were no camps in Canada in 2019. It was our 2018 teams that represented Canada at the World Final in 2019.	

Legend:  Ongoing objective  Achieved objective  Objective at risk

Community Engagement

2019 Community Engagement Objectives

COMMUNITY ENGAGEMENT		
DANONE'S OBJECTIVES	2019 ACHIEVEMENTS	STATUS
Until 2021: Danone is committed to offering at least 1,250 hours of volunteer work to communities.	In 2019, 1,085 volunteer hours were donated to the communities.	
Until 2021: Danone is committed to ensuring that at least 80% of its employees participate in Volunteering Month, which takes place in June of each year.	In June 2019, 83% of employees participated in the 4 th edition of Volunteer Month.	
Through its DNA Impact donation platform, Danone is committed to doubling its employees' donations to a maximum of \$150 per employee per year, allowing them to contribute to causes that are close to their hearts.	The DNA Impact platform raised more than \$2,500, which was donated to Canadian organizations.	

Legend:  Ongoing objective  Achieved objective  Objective at risk



Some Community Engagement Achievements



Breakfast
CLUB
of Canada

Breakfast Club Of Canada

Danone has been working alongside the Breakfast Club of Canada for 23 years to help children develop their potential by giving them access to a nutritious breakfast in an environment that allows them to build their self-esteem and blossom.

To learn more about the Breakfast Club of Canada:
<https://www.breakfastclubcanada.org/>

Our 2021 commitments

In 2019, our employees volunteered more than 1,092 hours serving breakfast to school children in Longueuil, Quebec and Mississauga, Ontario.

Danone employees who volunteer their time to the Breakfast Club of Canada

2017: 60 volunteers
2018: 61 volunteers
2019: 64 volunteers
2021 objective: 75 volunteers

Individual yogurt cups donated each year

2017: 1.9 M
2018: 2.1 M
2019: 2.4 M
2021 objective: 2.3 M

Annual cash donation

2017: \$45K
2018: \$63K
2019: \$68K
2021 objective: \$45K



Some Community Engagement Achievements

Breakfast Club of Canada

Throughout the year, Danone integrates the Club into its internal and external events, enabling our company to strengthen its commitment. From Danone Canada's presence on the Club's Board of Directors to the annual BBQ and auctions as fundraising events, Danone Canada continuously provides support to the organization.

Volunteer Danone employees ready to serve lunches to children in local schools. Danone organizes an annual employee volunteer thank-you event at the Club.



Integration of the Breakfast Club in internal events, such as the Open House, Danone Day, B Corp Celebration, etc.



The new packaging for the new Danone yogurts, launched in January 2019, features the Breakfast Club logo and informs consumers of the partnership that has existed between the Club and Danone Canada for 23 years now.



The Celebrity Pancake Challenge to benefit the Breakfast Club at the Macleod Trail Co-Op Stampede in Calgary in July 2019.



The efforts and engagement of Danone and its employees made it possible to hand a \$68,097 cheque to the Club.

Some Community Engagement Achievements

Danone Nations Cup (for 19 years)

In 2000, Groupe Danone created the Danone Nations Cup, an international soccer tournament for children between the ages of 10 and 12. More than ever, the Cup offers an unforgettable experience for everyone involved thanks to its growing notoriety.



DANONE
NATIONS CUP

The Danone Cup is:

- An opportunity for teams to play in major international stadiums, to meet celebrities from the soccer world and to create friendships from all over the world.
- To promote the importance of healthy eating, an active lifestyle and good sportsmanship.
- To allow Danone employees to be involved through volunteer work.

In 2019, the 20th edition final of this tournament was held in Barcelona, Spain. Teams of the 2018 edition represented Canada in 2019.

For more information, please visit:
<https://www.danonenationscup.com>



Volunteering Month (June 2019 - 4th edition)

Every June, Danone offers all its Canadian employees the opportunity to donate their time to help their local community.

For instance, employees from our offices in Mississauga, Ontario and Boucherville, Quebec have volunteered more than 1,000 hours to their communities, supporting 13 different Canadian organizations.



Our 2021 commitments

Community hours

2016: 707 hours
2017: 1,026 hours
2018: 1,076 hours
2019: 1,085 hours

2021 objective: 1250 hours

Participation rate

2016: 39%
2017: 69%
2018: 95%
2019: 83%

2021 objective: 80%