

Danone Canada

# SUSTAINABILITY

# REPORT

2022/2023



**DANONE**  
ONE PLANET. ONE HEALTH

# ABOUT THE REPORT

---

We know that our business's long-term resilience depends on our success in delivering essential health through food in the most sustainable way. As the largest consumer-facing B Corporation in Canada, we have a clear framework to drive our actions and progress for the future. Through the Danone Impact Journey, we are committed to further pushing our impact. It is a blueprint for defining our sustainability priorities and transformation ambition in our value chain – from farmers and their communities, through our brands, to retailers, consumers and their families.

Globally and in Canada, our plan to act for impact is built on three pillars: Health, Nature, and People & Communities. In other words, Danone is committed to driving progress and leading health through food for consumers, preserving and regenerating nature, and creating a thriving environment for people and communities.

Building on our Danone Impact Journey, we have defined a set of long-term goals to embrace the food system's evolution and create sustainable value for our shareholders and ecosystem.

Sustainability permeates Danone's entire organization. Thus, all departments support this ambition and journey through their specific fields of expertise. Danone is proud to have established a sustainability governance structure that ensures global consistency and efficient decision-making throughout its value chain. In this report, we are proud to highlight the ambitions, progress and our journey to delivering an even greater impact in Canada and beyond.

# TABLE OF CONTENTS

## 4 DANONE IMPACT JOURNEY



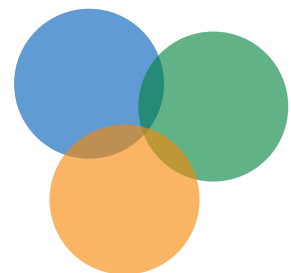
## 6 HEALTH

## 14 PEOPLE & COMMUNITIES



## 23 NATURE

## 33 GOVERNANCE



# DANONE IMPACT JOURNEY

**IN FEBRUARY 2023, DANONE REFRAMED ITS SUSTAINABILITY ROADMAP AS THE DANONE IMPACT JOURNEY, AS PART OF THE RENEW DANONE STRATEGY.**

**Our mission to bring health through food to as many people as possible began over 100 years ago** when Isaac Carasso created the first Danone yogurt in Barcelona. It was a simple food, with the aim to improve health. Over the years, as people's lifestyles and tastes have evolved, Danone has continued to anticipate and innovate to meet people's needs.

We have built a unique health-focused portfolio. Across our business and our brands, health is at the cornerstone of our impact. But we know that our health impact is dependent on a healthy planet, as well as thriving people and communities. Thus, the three pillars of the Danone Impact Journey are intimately interdependent.

**The Danone Impact Journey is our blueprint for defining our sustainability priorities and our transformation ambition in our value chain –** from farmers and their communities, through our brands, to consumers and their families.

**Danone's ambition is to unite sustainability and performance to continue to grow our impact.**

We know that the long-term robustness and resilience of our business is dependent on our success in delivering health through food in the most sustainable way.

With the Danone Impact Journey, we have a clear framework to drive our actions and progress for the future.



**SUSTAINABILITY  
WITHOUT PERFORMANCE  
HAS NO IMPACT.  
PERFORMANCE WITHOUT  
SUSTAINABILITY HAS NO  
FUTURE.**



**IMPACT  
JOURNEY**



# Danone Canada

## as the largest consumer-facing B corp in Canada since 2018

**Certified**

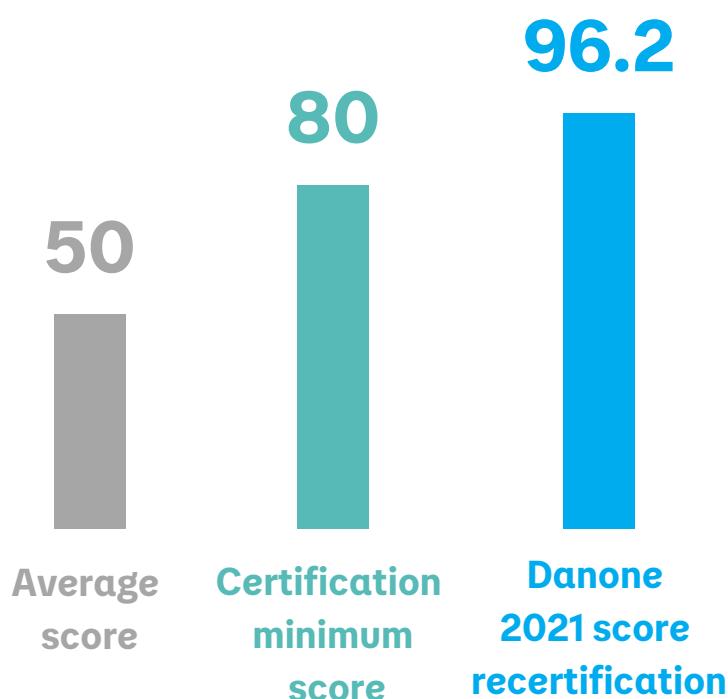


**Corporation**

High social and  
environmental  
performance

Legal commitment to  
be accountable to all  
stakeholders

Transparency



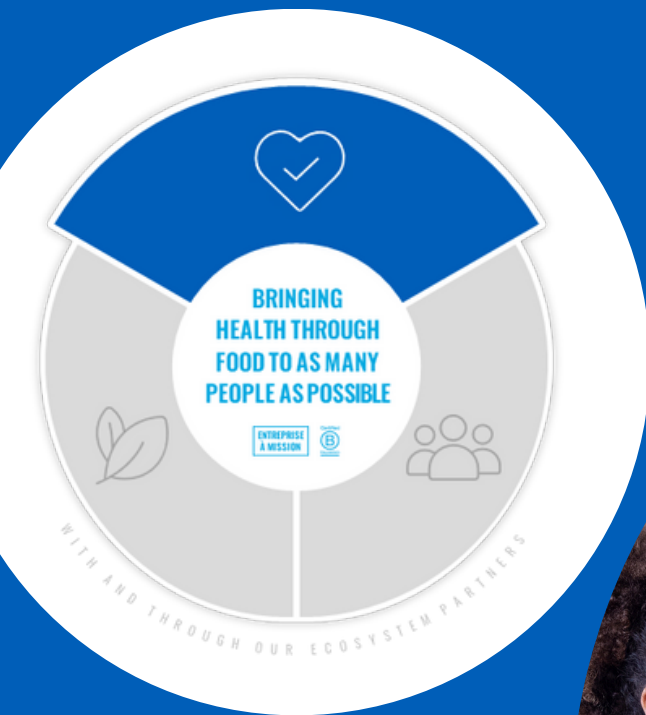
We build trust with consumers, communities, and suppliers, and focus on continuous improvement, leading to their long-term resiliency.

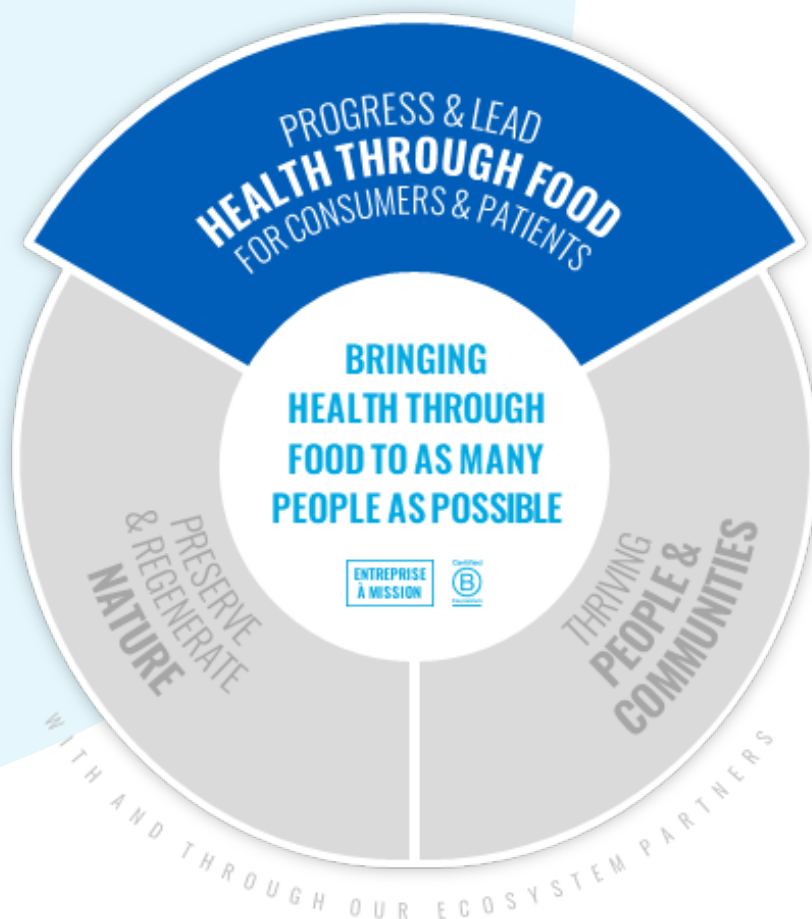
The B Corp Certification is an essential pillar of our Danone Impact Journey.

---

# PROGRESS AND LEAD HEALTH THROUGH FOOD

for consumers & patients





**THROUGH OUR PRODUCTS, WHICH ARE CONSUMED REGULARLY BY MILLIONS OF CANADIANS, WE CAN, AND STRIVE TO HAVE A POSITIVE IMPACT ON NUTRITION AND HEALTH**

Our ambition is to bring health through food to as many people as possible. Leveraging our diverse portfolio and innovative products, we are well positioned to lead and act on this mission. Drawing from decades of research and scientific expertise in health and nutrition, we are empowering consumers to maintain and support their health through nutritious food and sustainable, healthier eating and drinking choices. We fundamentally believe in better health through better nutrition and behaviours for all.



# DANONE CANADA'S 2022/2023 HIGHLIGHTS

## OFFER HEALTHIER AND TASTIER FOOD AND DRINKS

Our aspiration is to foster a future where Canadians have unwavering trust in the products they choose to nourish themselves and their families. Our goal is to set the benchmark for what good food should be - simple, nutritious, and delicious - while becoming a true partner in health and well-being by making important changes to what we put on the shelf. Our Research and Innovation team is constantly improving our product portfolio, offering tastier and healthier food and drink options to meet evolving consumer needs.

### YOGURT INNOVATIONS FOR IMMUNE SUPPORT

In 2022, we proudly launched Activia Immune System probiotic\* drinkable yogurts to expand our range of nutritious on-the-go beverages. These delicious drinkable yogurts contain one billion active probiotics\*, which contribute to maintaining a healthy gut flora, along with Vitamin A which contributes to the normal function of the immune system, and a mix of Vitamin A and B12 which are factors in the maintenance of good health.

\*With more than  $10^9$  CFU Bifidobacterium lactis per serving, a probiotic that contributes to healthy gut flora.

### INNOVATIONS TO PLANT-BASED YOGURTS FOR ADDED NUTRITIONAL VALUE

The consumer demand for plant-based products fortified with protein is on the rise, which is why we are investing in innovation for a great-tasting, high-protein plant-based yogurt offering.

We're enhancing our coconut mass with added calcium, B12, and vitamin D. This new offer not only boasts fortification but also brings added nutritional value, including increased protein.



## REDUCING FAT AND SUGAR IN DAIRY PRODUCTS

Building on our overall nutritious product portfolio, we continuously strive to reduce sugar and fats in our dairy products.

In 2022, Danone launched Two Good™ low sugar yogurt, a game-changing product innovation that meets Canadians' nutritional needs and demands, while also supporting Canadian communities. Two Good offers eight grams of protein with only two grams of sugar per 95 g serving for flavoured. In addition to helping Canadians make healthy, simple choices that offer more nourishment, Two Good is committed to supporting a more waste-conscious food system that discards less food, while nourishing more people.

In 2023, select Activia and Oikos products made significant reductions in sugars and fats:

- 10 % fat reduction across Activia yogurts and Activia Source of Fibre products.
- 2.8% sugar reduction in Oikos Pumpkin Spice yogurt.

## INTRODUCTION OF SUGAR-FREE COFFEE ENHANCERS

Aligned with our mission to offer healthier products, we've introduced three new 'Sugar-Free' coffee enhancers under our International Delight brand: Peppermint Mocha, Pumpkin Spice, and White Chocolate Mocha.

## INNOVATIONS IN PLANT-BASED BEVERAGES

In 2022, Danone redefined the plant-based category by launching Silk Nextmilk™ under the Silk Canada brand – a new dairy-free beverage made from a delicious blend of oats, coconut and soy. Silk Nextmilk™ product offering will help dairy-loving consumers overcome plant-based barriers and find the familiar taste and creaminess of dairy milk. Silk Nextmilk™ is an excellent source of vitamin B12 and riboflavin, a good source of calcium, and a source of vitamin D, vitamin A, zinc and fibre. It contains 3 g of sugar per 250 mL and is a non-GMO Project Verified product. It is free from lactose, gluten, carrageenan and artificial colours and flavours.

Danone Canada is committed to reducing the number of ingredients in its products, which is why in 2023 we removed sunflower lecithin and locust bean gum from our almond beverages. We've also increased the vitamin D in our almond and oat beverages from 10% to 25% of the daily recommended value, making it an "excellent source" of vitamin D.

## PROMOTE HEALTHIER CHOICES

We aim to promote healthier dietary habits and improve knowledge of nutrition. We believe that investing in health education and partnering with relevant stakeholders is key in order to positively impact health.

### RAISING GUT HEALTH AWARENESS THROUGH ACTIVIA'S PARTNERSHIP WITH THE CANADIAN DIGESTIVE HEALTH FOUNDATION

Activia is a brand that is passionate about promoting gut health for all Canadians and has been the pioneer of probiotic yogurt, paving the way for innovation in the category for several decades. The brand also engages in health education initiatives to help consumers make better choices for their gut health. To further this cause, Activia partnered with the Canadian Digestive Health Foundation (CDHF) to develop a comprehensive probiotic toolkit. The toolkit is a valuable resource that includes a variety of informative articles, engaging infographics, and educational videos. These resources are designed to educate consumers on various aspects of gut health, nutrition, and probiotics. The toolkit is available online, making it accessible to anyone who wants to learn more about maintaining a healthy gut.



At the Activia We've Got Guts forum in Toronto, CDHF was present to share the educational resources developed. The forum was a unique consumer event that had a dual mission of promoting gut health and female empowerment. Attendees had the opportunity to learn about gut health from experts and participate in a range of activities that encouraged healthy living. Overall, the partnership between Activia and CDHF is a testament to their shared commitment to improving gut health and promoting education on the topic.

## **COLLABORATION, THROUGH OIKOS AND SILK, WITH OSTEOPOROSIS CANADA**

As more consumers adopt a plant-based diet, it becomes crucial to ensure they receive the necessary nutrients for bone health. In 2022, Silk collaborated with Osteoporosis Canada (OC) to create recipes and host virtual cooking demonstrations emphasizing the value of calcium and protein in your diet.

In 2023, Oikos partnered with Osteoporosis Canada (OC) to educate Canadians on the importance of nutrition for healthy aging. OC developed recipes using Oikos High Protein Greek Yogurt, demonstrating how simple nutritional choices can help Canadians get the nutrients needed for optimal bone and muscle health. In addition, Oikos sponsored an OC webinar and podcast on the importance of protein for health.



## **COLLABORATION, THROUGH SILK AND OIKOS, WITH OBESITY MATTERS**



**OBESITY  
MATTERS**

In an effort to help consumers maintain and support their health through nutritious food and sustainable, healthier eating choices, we are proud to champion the adoption of a flexitarian diet. To achieve this goal, Silk Canada partnered with the organization Obesity Matters in 2022 to educate on the health and environmental benefits of a flexitarian diet during the OM Wellness Workshop and through an online article and video.

In 2023, Oikos sponsored the Eat Better, Live Better Workshop series, aiming to deliver evidence-based resources focused on nutrition through six interactive sessions hosted by a roster of weight management experts, including obesity medicine physicians, registered dietitians, a lifestyle coach, and a patient advocate. This partnership extended to the creation of informative and science-based articles addressing dietary fats and dispelling myths related to obesity.

## SUPPORTING DIETITIANS OF CANADA'S NUTRITION MONTH

Since 2021 and in line with our commitment to advancing knowledge about nutrition and health, we sponsored the Dietitians of Canada's Nutrition Month "Unlock the Potential of Food: Find a Dietitian" campaign in March, to reinforce the pivotal role and value of dietitians in promoting healthy eating patterns.



## PARTNERSHIP WITH THE CANADIAN NUTRITION SOCIETY

Danone Canada's commitment to supporting the advancement of scientific research and knowledge on nutrition and health made our sponsorship of the Canadian Nutrition Society (CNS) Annual Conference in both 2022 and 2023, a perfect fit. Held in May, it is a leading conference that brings together food and nutrition researchers, healthcare professionals, opinion leaders, industry representatives, and government officials to present and learn from scientific, policy, clinical, and community nutrition research.

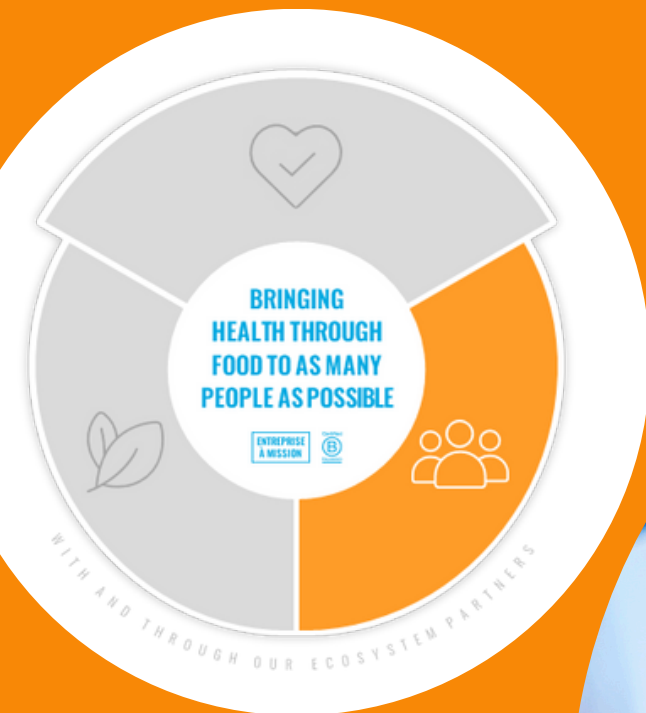
In 2023, Danone also sponsored a CNS webinar, during which interdisciplinary research teams funded by the Danone Institute of North America presented their community-based projects promoting sustainable food systems in Canada.

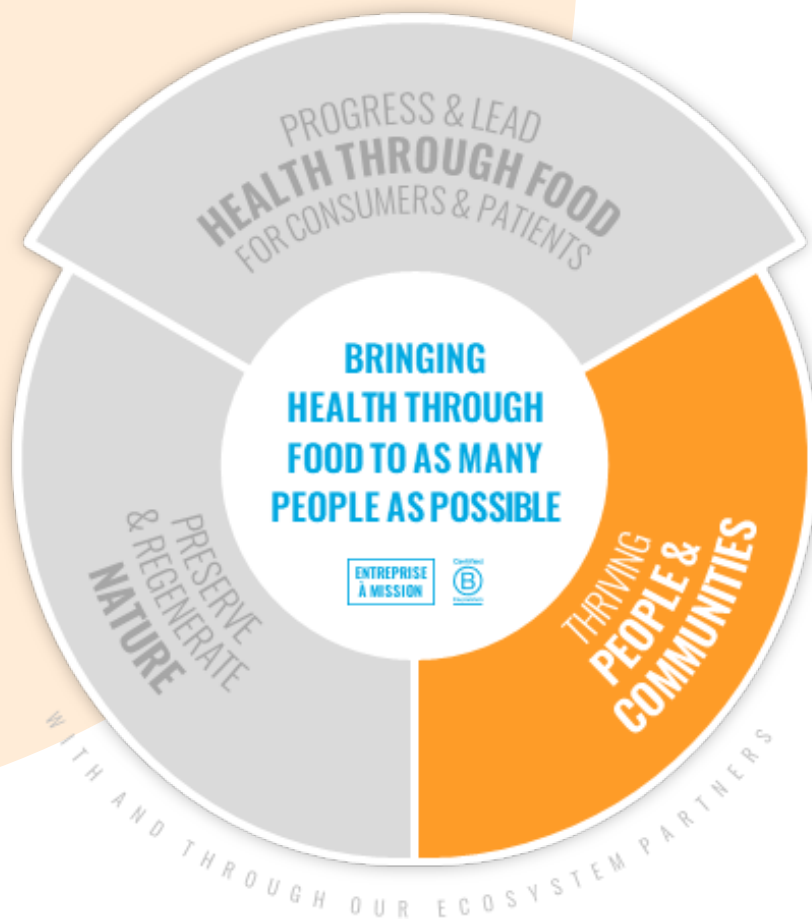


Canadian Nutrition Society  
Société canadienne de nutrition



# THRIVING PEOPLE & COMMUNITIES





## **DANONE HAS A STRONG LEGACY OF SOCIAL IMPACT**

From Antoine Riboud's groundbreaking speech in 1972 and the launch of Danone's Dual Project, to the integration of social objectives into our company bylaws as a "Société à Mission", Danone's social heritage has forged a unique culture across its global network, where purpose is deeply integrated into how we do business. 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, such as our fight against food insecurity among children in Canada and our inclusive diversity journey.



# DANONE CANADA'S 2022/2023 HIGHLIGHTS

## SOCIAL IMPACT

### BREAKFAST CLUB OF CANADA



Aligned with our mission of bringing health through food to as many as possible, we take immense pride in our role as a founding member of the Breakfast Club of Canada, having maintained a steadfast partnership for the past 27 years. Our commitment to addressing food insecurity among Canadian children is underscored by a substantial multi-year engagement, pledging \$1.2 million to support the establishment of breakfast programs where needs are the greatest.

#### Breakfast programs

In 2022, three new breakfast programs were launched in Northern Alberta, providing breakfast every morning to nearly 400 children. In October, a delegation from Danone Canada and the Breakfast Club of Canada had the privilege of visiting two of these programs. They volunteered at Mistassiniy School and Gift Lake School, where they listened to inspiring stories.

In 2023, we supported the launch of four new breakfast programs in addition to the three existing. These newly added programs reached an additional 400 children in Indigenous communities and provided them with daily nutritious breakfasts that are essential for their growth and well-being, enhancing our impact in Northern Saskatchewan. This concerted effort contributes to our ongoing commitment to alleviate food insecurity among the most vulnerable populations.





## Employees involvement

Crucial to the success of these initiatives is the active involvement of Danone Canada employees, who demonstrate their dedication to this deeply rooted cause. In a remarkable display of collective generosity, our employees raised nearly \$85,000 between 2022 and 2023 through internal initiatives such as auctions during our annual all-company employee event called Danone Day, and a specially designed employee-led challenge, the Danone Canada's Feed a Child Challenge.

Furthermore, since January 2023, nearly 30 employees have chosen to volunteer on a weekly basis, actively participating in schools alongside the Breakfast Club of Canada to serve breakfast to children. This hands-on involvement not only emphasizes our commitment to the cause but also establishes a tangible connection between our employees and the communities we aim to support. Through these combined efforts, we are contributing to the fight against food insecurity, promoting the health and well-being of Canadian children, and fostering a culture of corporate social responsibility within our organization.





## VOLUNTEERING AT DANONE CANADA

We deeply value the spirit of giving back and believe in the power of collective efforts to make a positive impact in our communities. That's why we actively encourage and support our employees' participation in volunteering activities throughout the year, fostering a culture of corporate social responsibility that goes beyond the workplace.

One prominent initiative is our Summer Volunteering program, where employees are encouraged to dedicate their time to meaningful causes during the summer months. Danone supports employees in this process by organizing volunteer opportunities across the country. Whether it's supporting a local food bank like Second Harvest in Toronto or Moisson Rive-Sud in Montréal, engaging in environmental projects, or contributing to community development, we believe that summer is an ideal time to channel our collective energy towards creating a lasting difference.

During the holiday season, a time that holds special significance for many, we also encourage our employees to engage in various volunteer opportunities that align with the spirit of giving and sharing joy. Additionally, we seize this season to address food insecurity through our annual Food Drive. Employees come together to organize and participate in food drives, collecting and donating non-perishable items to local food banks and shelters. This initiative not only helps fight food insecurity but also strengthens the bond within our company as we work collectively towards a common goal.

*In 2022-2023*

**947** Volunteers hours

**8** Charities assisted



## DIVERSITY, EQUITY AND INCLUSION

In 2023, Danone marked a significant stride in championing Diversity, Equity, and Inclusion (DEI). Recognizing the pivotal role of DEI, the organization established a dedicated position within the team to oversee and drive the development of Danone Canada's DEI initiatives.

Simultaneously, the formation of the Diversity, Equity, and Inclusion Council underscored Danone's commitment, operating with a clear mandate to create synergies among Danone Employee Resource Groups (ERGs) and ensuring alignment with company goals while also setting and upholding standards for external DEI partnerships.

Within Canada, four active Employee Resource Groups, managed by employee-led committees with the full support of Danone Canada's leadership team, have been instrumental in raising awareness and fostering inclusivity. LIFT, focusing on empowering women in the workplace, stands alongside 1DANONE, which champions inclusive diversity and fostering a safe space for Black, Indigenous and People of Color at Danone. PRIDE contributes to an open environment for the LGBTI+ community, while ABLE is dedicated to creating a supportive community for Danoners of all mental and physical abilities.

This multi-faceted approach not only showcases Danone's commitment to diversity, equity, and inclusion but also highlights its proactive efforts to cultivate a workplace that thrives on equity and openness.



# Diversity, Equity & Inclusion



# Employee Resource Groups Calendar

## February

In 2023, 1DANONE BIPOC marked Black History Month with an insightful session led by Deborah Cherenfant, Regional Director for Women Entrepreneurs. The discussion delved into "Raising awareness on conscious and unconscious bias, microaggression, and their impact on our inclusiveness and work environment."

## March

LIFT, a group dedicated to inspiring, empowering, and supporting women, offered a session during International Women's Day to "Break the Biais" in 2023 and "Embrace Equity" featuring Ann Gomez, author of Workday Warrior in 2023. Concurrently, they held the second and third edition of their internal Awards, recognizing individuals who inspire or empower others in the workplace.

## April

In 2022 and 2023, ABLE organized an event for Mental Health Awareness Week, aiming to destigmatize mental conditions in the workplace and discuss the importance of caring for our psychological health. Several employees bravely shared their stories, some anonymously.

## June & August

PRIDE mobilized in 2022 and 2023 volunteers among employees to participate in both Toronto and Montréal Pride Parades. They marched alongside Pflag, an organization dedicated to supporting LGBTI+ families and allies.





# Employee Resource Groups Calendar

## September

1DanONE BIPOC supports inclusive diversity through education, recruiting, and developing. During Truth and Reconciliation day, they offered every employee an orange shirt and took the time to raise awareness on Indigenous People history and contributions. In 2023, 1DANONE invited the Gord Downie & Chanie Wenjack Fund to engage with employees, focusing on the organization's commitment to improving the lives of First Peoples in Canada. This session served as an opportunity for collective reflection on working towards reconciliation. This event also served as the official opening of a Legacy Space in our Toronto office as the first step in our commitment toward taking ReconciliActions.

## October

On Invisible Disability week 2022, ABLE, a group committed to creating a supportive and open community for all mental and physical abilities, invited all Danoners to join a session to demystify invisible disabilities with the participation of a psychologist from Telus Health.

In 2023, as a part of Danone Global's DEI Week local activations were planned to focus on acknowledging our global commitment to Diversity, Equity, and Inclusion at Danone, emphasizing the company's motto: "Diversity is a fact. Inclusion is a choice."

## November

In 2022 and 2023, LIFT encouraged all employees to contribute to a Clothing Drive in support of Dress for Success, an organization that empowers women to achieve economic independence by providing professional attire and development tools, fostering success in both work and life.





## Gord Downie and Chanie Wenjack fund's Legacy Partner

In October 2023, during Diversity, Equity, and Inclusion week Danone Canada proudly unveiled its commitment to the Gord Downie and Chanie Wenjack Fund by pledging \$25,000. This five-year partnership designates the main room of our Toronto office as a Legacy Space—an inviting and safe environment that fosters conversations and education about Indigenous history and our collective journey towards reconciliation.



The establishment of this Legacy Space serves as a beacon, encouraging and supporting discussions on Indigenous cultures, experiences, and histories. This initiative reflects our dedication to continuous learning, allowing employees to delve deeper into the rich tapestry of Indigenous Peoples' heritage and diversity.

### First chance employment program

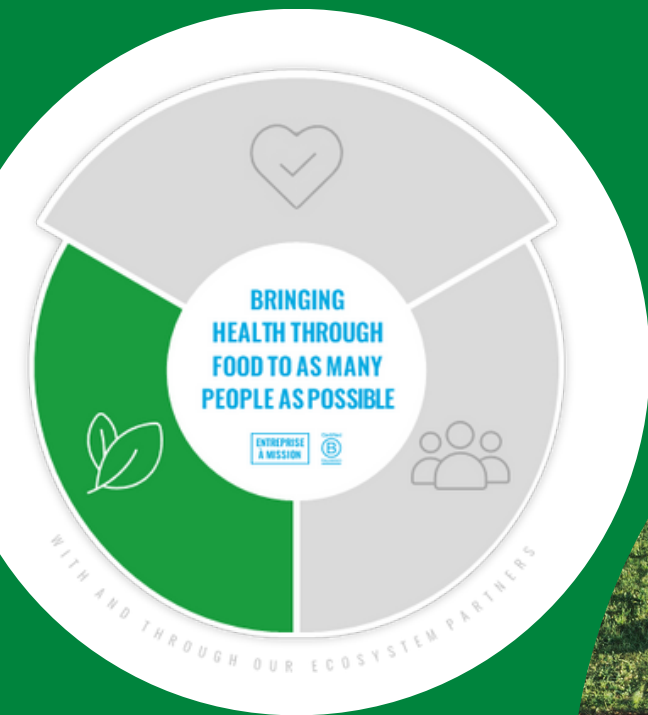
2023 also marked the launch of our transformative First Chance Employment Program, a dedicated initiative designed to provide a crucial "First Chance" at career advancement for high potential youth who may face employment barriers. Spanning 12 months, the program strategically operates across multiple provinces.

Our multifaceted approach encompasses the creation of substantial job opportunities, offering participants not only remunerated work experience but also a comprehensive suite of resources. This includes capacity building sessions, personalized coaching, targeted training programs, and ongoing support systems. The holistic nature of the initiative empowers these young individuals to not only navigate and surmount various challenges but also to take substantial strides in their career development journey. Through this program, we are committed to fostering inclusive growth and providing a solid foundation for the future success of youths in our communities.





# PRESERVE AND REGENERATE NATURE





## **PRESERVE & REGENERATE NATURE TO DELIVER ON OUR MISSION, WE DEPEND ON NATURE**

Today, the natural environment on which we depend is facing many interrelated threats, from climate change and nature loss to water scarcity and pollution. As a global leader in the food and beverage sector, our ambition at Danone is to make food in a manner that respects, preserves and regenerates nature.



# DANONE CANADA'S 2022/2023 HIGHLIGHTS

## CARBON REDUCTION

In 2022, Danone's 1.5°C reduction targets were officially approved by Science Based Targets initiative (SBTi), and Danone reaffirmed its commitment to our decarbonization journey, covering each and every scope of our direct and indirect emissions. Danone is also among the first companies to have a specific target on forest, land and agriculture.

In 2023, Danone developed a roadmap to reduce its carbon footprint by 2030. This initiative aims to support global objectives and meet SBTi requirements on climate change by reducing carbon emissions in line with the Paris Agreement's 1.5C goal.

Our carbon reduction targets for 2030, from a 2020 baseline, include:

- reducing absolute scope 1 and 2 GHG emissions by 47.2%
- reducing absolute scope 3 GHG emissions, from purchased goods and services, fuel-and energy-related activities, upstream transportation and distribution, waste generated in operations, downstream transportation and distribution and end-of-life treatment of sold products, by 42%
- reducing absolute scope 1 and 3 FLAG\* GHG emissions by 30.3%

Reducing our carbon footprint is a continuous effort that translates to multiple initiatives such as prioritizing rail transport over trucking within our supply chain, whenever possible.

In 2023, our commitment to carbon reduction was underscored by the shipment of over **4,500 tons** of products to the Atlantic region via train, which equated to a near 150-ton decrease in GHG emissions.

Furthermore, by relocating some of Danone's product manufacturing operations closer to our warehouses or sales points, we made substantial strides in efficiency.

Notably, we transferred certain product volumes from Florida to New Jersey in the USA, further contributing to our sustainability goals.

\* FLAG stands for Forest, Land and Agriculture.



## DRIVE THE TRANSITION TO A CIRCULAR AND LOW-CARBON PACKAGING SYSTEM

In 2020, the Circular Plastics Taskforce (CPT) was created through a collaboration between Danone, Cascades, Dyne-a-Pak, Éco Entreprises Québec (ÉEQ), Keurig Dr Pepper Canada, TC Transcontinental and the Chemistry Industry Association of Canada (CIAC), who joined forces to help build a circular economy for plastics in Quebec and Canada.

Since its inception, the group's unique collaborative approach has attracted support from government and industry partners across North America. The collective became officially a registered non-profit organization in December 2022.

### LOW CARBON PACKAGING SYSTEM

In 2023, at our Boucherville facility in Quebec, we implemented three projects to reduce the weight of our packaging and take a step towards a circular and low-carbon packaging system.

As part of these projects, we developed new cups for our tub format that are shorter, lighter and do not require colorant. We also reduced the thickness of our Greek yogurt cups and shortened the overwrap on various Activia multipacks.

As a result of our efforts, we managed to reduce the total CO<sub>2</sub> emissions of all included projects by about 950 tons.





## REDUCING WASTE ACROSS THE VALUE CHAIN

As a global leader in the food and beverage sector, our ambition at Danone is to make food in a manner that respects and preserves nature.

### BATTLE AGAINST WASTE

The Battle Against Waste initiative aligns with our commitment to reduce waste across various facets of our operations. We are proud to say that we've reached a 27% reduction in Canada (2023 vs 2022).

In the spirit of “no waste is acceptable,” we forged key initiatives to cut waste across the value chain:

- Distribution
  - Forecast accuracy: always targeting the right production level.
  - Clearance and discount offering rebates and last-minute promotion to consumers
- Manufacturing
  - New tools and technologies: allow us to track losses in real time in the factory.
- Waste culture
  - Internal communications on finished goods losses, to foster a culture of accountability and proactive management within the company.

When we identify products that we won't be able to sell in any of our distribution channels, our next first step is to donate the products to local food banks to ensure that any consumable items are not wasted. In 2023, we donated 349 tons of finished products to food banks across Canada.



## ZERO WASTE TO LANDFILL

At the end of 2022, the Danone manufacturing facility in Boucherville achieved Zero Waste to Landfill Status. The Zero Waste journey, an initiative for Danone's production facilities in North America, involves constant evaluation to optimize the choice and usage of materials and a strong commitment to eliminating waste, not just treating it. Danone Canada defines "Zero Waste to Landfill" as follows:

- Less than 1% of non-hazardous waste is disposed to landfill;
- No hazardous waste is sent to landfill;
- Incineration without energy recovery is prohibited, except for hazardous waste disposal as required by law; and
- Less than 50% of waste is processed into a fuel source.

The waste produced at our Quebec-based manufacturing facility is either reused, upcycled, recycled, composted, or sent for energy recovery. As a result, we are setting new company standards on waste production across our food and beverage portfolio. All steps of the value chain are taken into consideration including handling, storage, processing, packaging, and distribution. This has been a very engaging initiative for plant employees and was a milestone highlighted by the broader Danone executive team.



## TWO GOOD™ AGAINST FOOD WASTE

Two Good™, our low-sugar yogurt brand launched in 2022, has committed to supporting a more waste-conscious food system. The brand aims to reduce food waste and ensure that more people are nourished with healthy food options. To raise awareness about their mission, Two Good™ partnered with Chef Dev, a renowned Canadian chef who is passionate about fighting food waste. Together, they hosted a demonstration of a zero-waste recipe. Two Good™ also proudly partners with Second Harvest, the largest food rescue initiative in Canada.

## REGENERATIVE AGRICULTURE IN NORTH AMERICA

At Danone, regenerative agriculture is defined by a set of farming practices designed to protect soils, water, and biodiversity, as well as uphold animal welfare. This approach recognizes the crucial contribution of farmers and the beneficial effects of sustainable farming practices, while also ensuring economic viability. By restoring ecosystems and reducing the impact of climate change, regenerative agriculture supports the resilience of agro-food systems, securing the means to nourish future generations.

This commitment is a global initiative that extends to local levels through a network of diverse brands. These brands work to ensure that the commitment is met with consistency and effectiveness, providing a collective effort towards achieving the shared goal.

We're proud to share the work done on the sourcing of Silk's ingredients. As of 2023, Silk has sourced a volume of 15% of its key ingredients –almond, oat, soy– from farms enrolled in Danone's regenerative agriculture program, with an objective of reaching 30% by 2025 (following a mass balance model\*). Notably, 100% of our almonds now come from suppliers who are enrolled in Danone's regenerative agriculture program. Accordingly, the majority of the initiatives described below are linked with our almond sourcing operations.

### SOIL HEALTH

Soil health plays a crucial role in Danone's Regenerative Agriculture program. Farmers participating in this program have adopted various practices to mitigate soil erosion, including using shredded prunings as mulch in orchards, recycling trees from previous orchards by chipping them and incorporating the resulting matter back into the soil, and implementing cover cropping between orchard rows to enhance organic matter and biodiversity while reducing erosion. Due, in part, to the implementation of these practices, the acres located in California and enrolled in Danone's regenerative agriculture program experience soil erosion rates below the average for California soil.

Danone's sustainable environmental consultants identify specific areas for orchard improvement through customized annual Sustainable Continuous Improvement Plans (SCIP). These plans recognize growers' progress and provide guidance on future focus areas, aligning with the challenges and opportunities faced by growers in California.

## SILK PARTNERSHIPS TO RESTORE NATURE

In 2022, through its \$100,000 3-year commitment, Silk supported ALUS Canada's network of farmers and ranchers in 3 provinces – Alberta, Ontario and Quebec. In total, 13 farmers and 110 acres of nature-based solutions were funded through ALUS' New Acre Project. The collective action of ALUS farmers delivering New Acre Project contributes a suite of ecosystem services including carbon sequestration, biodiversity, water purification and climate resilience.

The three year partnership helped regenerate:

- 57 acres of grassland which provide habitats that benefit species at risk
- 8 acres of trees and shrubs
- 323 tCO<sub>2</sub>e of carbon reduction based on total 90 acres
- 710 acre-feet of water replenished, based on total 90 acres



*Photo 1: Before photo of a low-point of an agricultural field, prior to wetland installation. Credit: Greg Van Every (Lower Thames Valley Conservation Authority)*



*Photo 2: After photo of a wetland installation at the low-point of an agricultural field, which holds water and reduces run-off. This wetland also provides habitat for a number of amphibians and is used by various species of waterfowl. Credit: Greg Van Every (LTVCA)*



## WATER CONSERVATION

Water conservation is another important pillar of Danone's Regenerative Agriculture program. Since 2020, we have been assisting farmers enrolled in our program with the implementation of various water conservation measures. These include:

1. **Micro-irrigation in orchards:** This technique minimizes water losses due to evapotranspiration.
2. **Installation of pressure compensating emitters:** Installed on undulating properties to ensure uniform distribution of irrigation systems.
3. **Adoption of best practices for irrigation technology:** Including installation of soil moisture probes, weather stations, and consulting with a third-party agronomist to optimize water usage in orchards.
4. **Annual third-party monitoring:** Assessment of the efficiency of irrigation systems regularly.
5. **Prioritization of surface water:** Emphasizing the usage of surface water over groundwater.
6. **Groundwater improvement:** Development of a large private water recharge to enhance groundwater supplies in the area.
7. **Wastewater pretreatment system:** Removing up to 99% of wastewater contaminants. The resulting high-quality water can be reused for agricultural irrigation. Additionally, production and addition of vermicompost—a valuable soil amendment—to improve crop yield, soil health, and carbon sequestration.

Off the farm, Silk is also a sponsor of water restoration projects. Through Bonneville Environmental Fund, Danone balances all the water used in its own manufacturing facilities to make Silk products and support a groundwater recharge program in drought-stricken California (where our almonds grow!). Additionally, through the New Acre Project, we support a project called the Wetland and Riparian Enhancement, which has been implemented in the Ontarian Counties of Elgin, Middlesex, Norfolk and Lambton. The New Acre Project is a Canadian initiative that's dedicated to giving oxygen back through nature-based solutions such as enhancing Canadian community wetlands, improving riparian buffer zones and expanding wildlife habitats to produce cleaner air and water and more biodiversity. Since the beginning of the partnership with Bonneville Environmental Fund in 2009, more than 13 billion gallons of water have been restored through the initiatives supported by Silk in Canada and the United States.

## BIODIVERSITY AND OUR POLLINATOR FRIENDS

Biodiversity is the third important pillar of our Regenerative Agriculture program. We've been working hard to help the bees and the pollinators. Bees help conserve biodiversity and are responsible for a third of our food. Without them, there would be no almonds. And no Silk almond drinks. In return, we strive to go beyond with our commitment to support the bees through multiple actions.

### 1st Bee Friendly Certified Almond Beverage in Canada

In 2023, the Silk Almond beverage received the prestigious Bee Friendly Farming™ certification by Pollinator Partnership Canada. This registered non-profit is dedicated to protecting pollinators and their ecosystems. Given to attendants that, based on a mass balance model\*, preserve and protect pollinator populations and nesting habitats, the BFF flagship certification has resulted in more acres that reduce threats to pollinators and increase floral resources than any other certification. To find out more about the Bee Friendly Farming™ Certification, visit [pollinatorpartnership.ca](https://pollinatorpartnership.ca)

### Flowers. Flowers. Flowers

With the assistance of Pollinator Partnership, we also installed pollinator habitat gardens with permanent seasonal live plants and flowers in the farms that are involved in our regenerative agriculture program, to help increase pollinator health and improve water filtration on site.

#### \* Mass Balance Model

*As mentioned previously, Silk leverages regenerative agriculture practices, following a mass balance model. Similarly, the Bee Friendly Farming™ certification is awarded by Pollinator Partnership Canada, following a mass balance model.*

*Mass balance is a model of traceability in which certified and non-certified materials can be mixed. The exact volume of certified material entering the value chain is controlled and an equivalent volume of the certified product leaving the value chain can be sold as certified.*

### Bee hotels across Montréal

From 2021 to 2023, we partnered with PATTISON Outdoor Advertising and a research team at Université de Montreal for a buzzing initiative. With their support, we installed Bee hotels (houses made of local wood that allow pollinators to rest and reproduce) on multiple of their outdoor locations in Montreal to study native bee populations and pollination around the billboards.



# GOVERNANCE

We pride ourselves in integrating our Danone Impact Journey in all aspects of the organization as it is deeply engrained in our DNA and way of doing business. As such, the entire leadership team at Danone is accountable for ensuring their contribution to the company's social and environmental objectives and long-term roadmap in Canada.

**President and Vice Presidents are actively involved in the committee**

## THE IMPACT STEERING COMMITTEE

This committee sets and aligns Danone Canada's strategy and roadmap and reviews progress and sustainability performance.

### Three sub-committees aligned with each pillar of the roadmap

Monitor progress and performance of the action plan and report on key performance indicators

**Health**



sponsored by  
Research & Innovation  
Vice-President

**People  
& Community**



sponsored by  
Human Resources  
Vice-President

**Nature**



sponsored by  
Operations  
Vice-President