



DANONE
NORTH AMERICA

Rethinking Sustainable Agriculture for Dairy Processors

MARIANO LOZANO, CEO DANONE NORTH AMERICA

IDFA PRESENTATION

22 JANUARY 2019

THE PROBLEM:

Many current agriculture practices
challenge the principles of **sustainability**

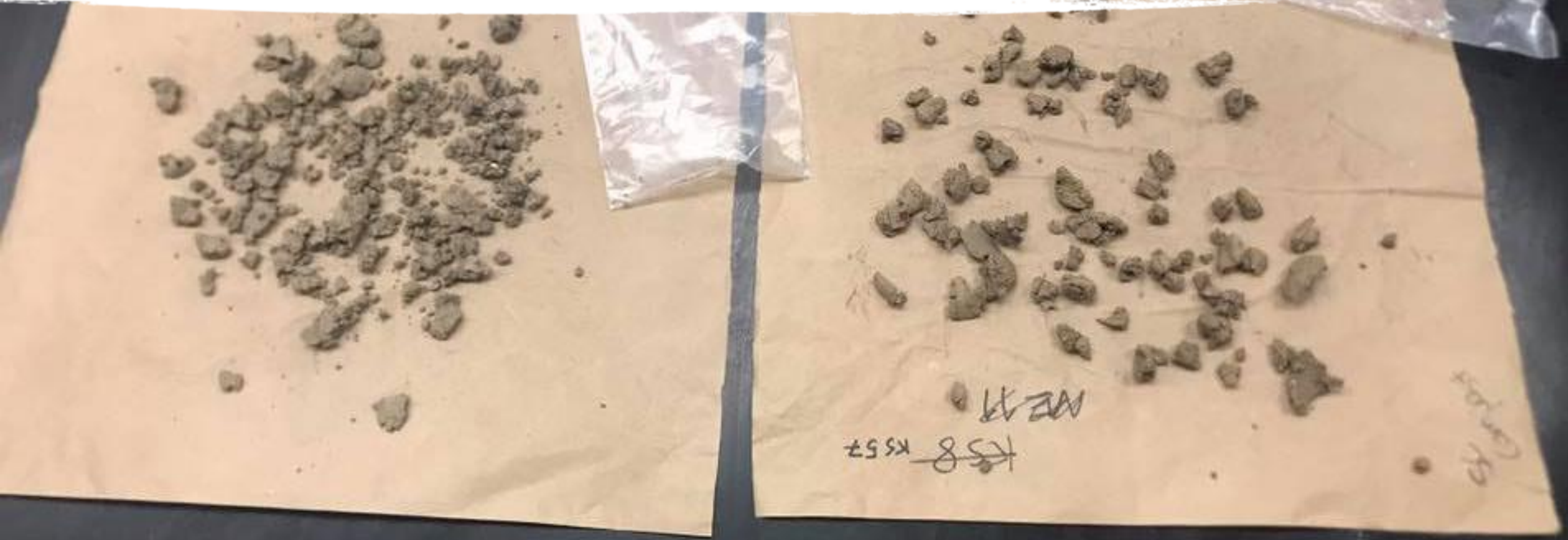
FARMERS

Continually increasing market demands make it harder to stay **profitable**.



SOIL

Land is often stripped of nutrients, eroding, losing capacity to retain water, feed crops and support dairy farms.





BUSINESS

Milk price volatility for producers and processors

OUR PURPOSE:

Sustainability is core to our **business model**



DANONE
NORTH AMERICA



Antoine Riboud, 1972



2030 GOALS

OFFER SUPERIOR
FOOD EXPERIENCES
AND
INNOVATE
ALWAYS

IMPACT PEOPLE'S
HEALTH
LOCALLY

ENTRUST DANONE'S
PEOPLE
TO CREATE
NEW FUTURES

DELIVER SUPERIOR
SUSTAINABLE
PROFITABLE
GROWTH

GROW
MANIFESTO
BRANDS

FOSTER
INCLUSIVE
GROWTH

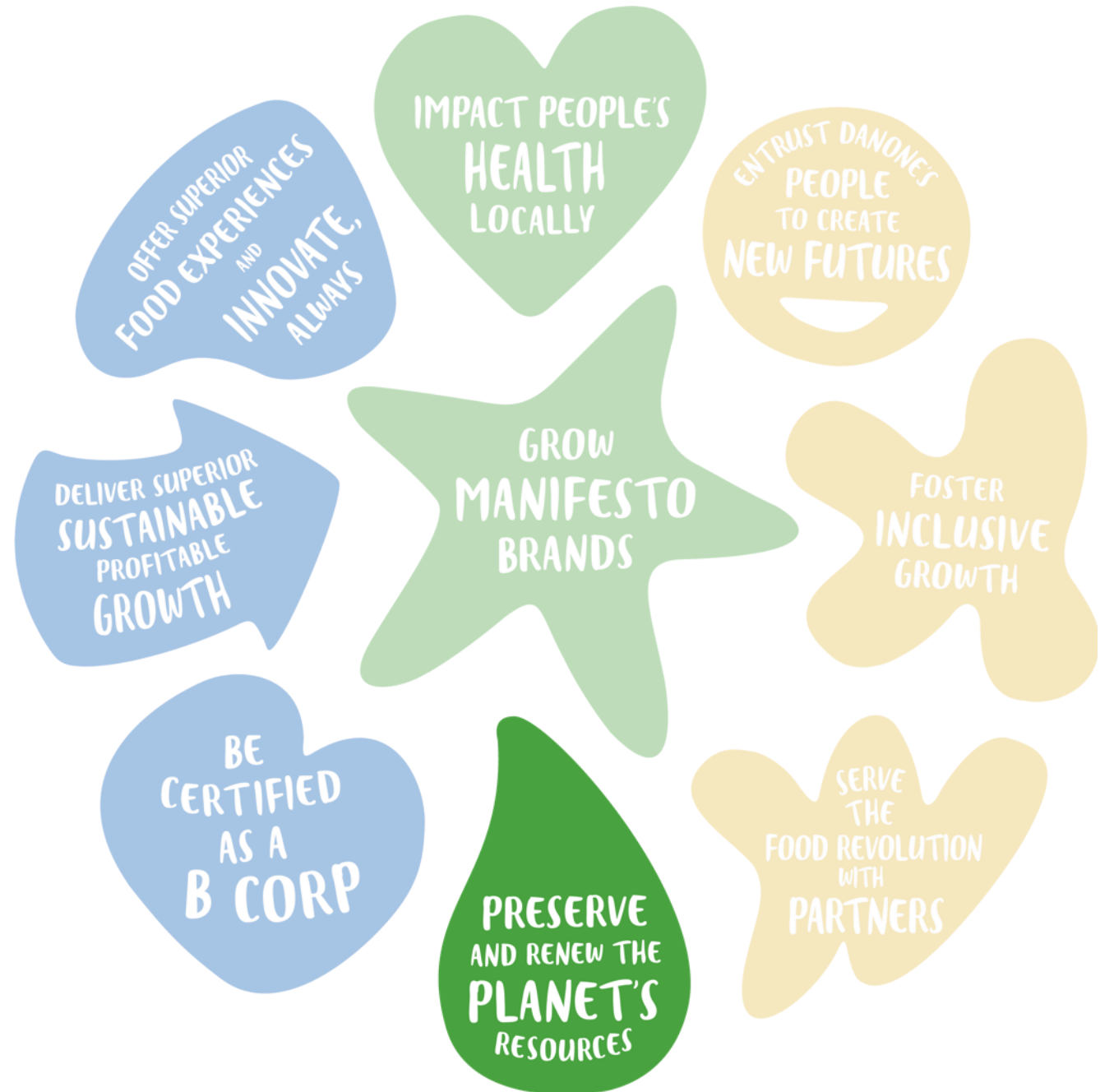
BE
CERTIFIED
AS A
B CORP

PRESERVE
AND RENEW THE
PLANET'S
RESOURCES

SERVE
THE
FOOD REVOLUTION
WITH
PARTNERS



2030 GOALS





-50%

2015-2030

1

CUT EMISSIONS
FULL SCOPE

2

FOSTER "CARBON POSITIVE"
SOLUTIONS

3

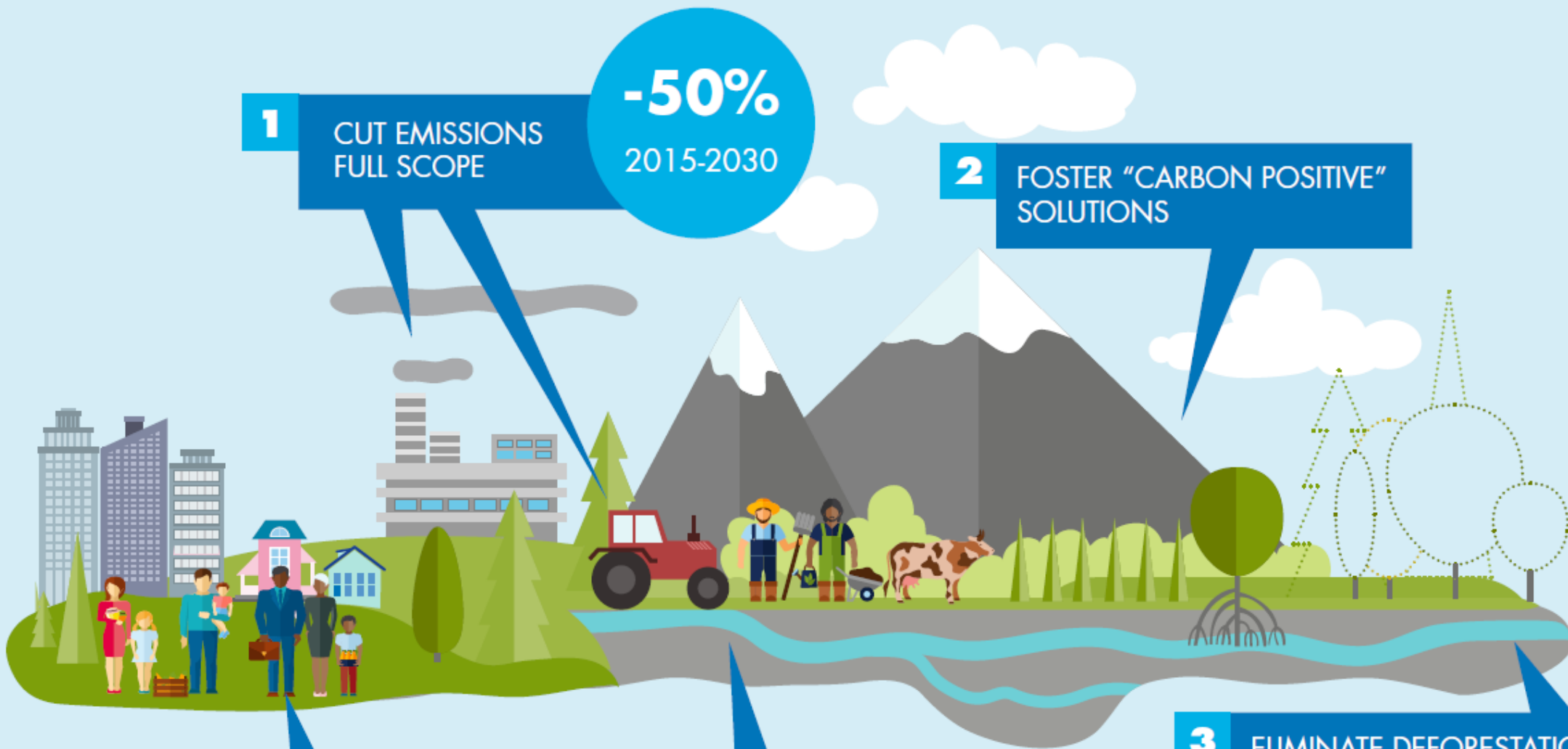
ELIMINATE DEFORESTATION
FROM OUR SUPPLY CHAIN
BY 2020

4

BUILD RESILIENCE IN OUR
FOOD & WATER CYCLES

5

OFFER HEALTHIER
AND SUSTAINABLE
DIET SOLUTIONS



WHAT IS A B CORP™?



It's a certification

Like fair trade (or organic or LEED), but for the whole company



It's an approach

A better way to do business -- better for workers, communities, the environment



It's a community

A community of practice to increase our individual and collective impact



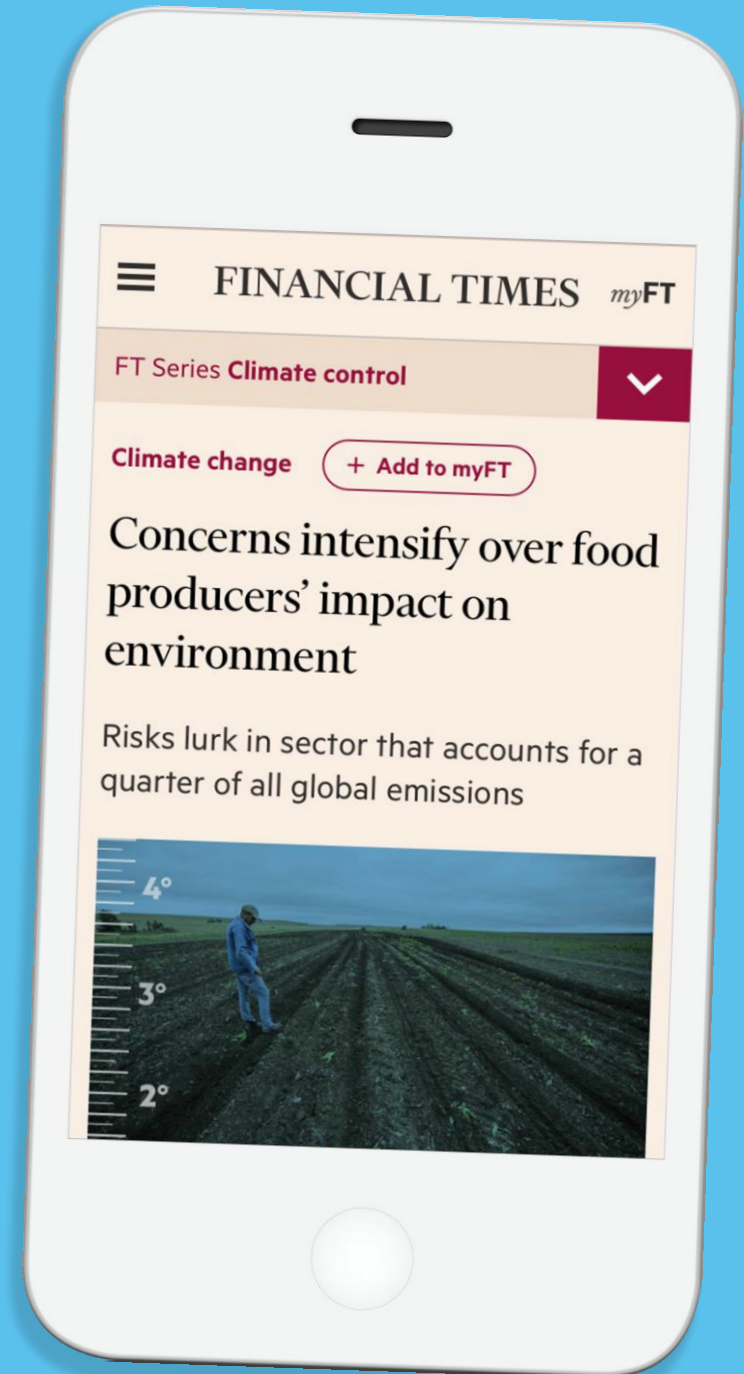
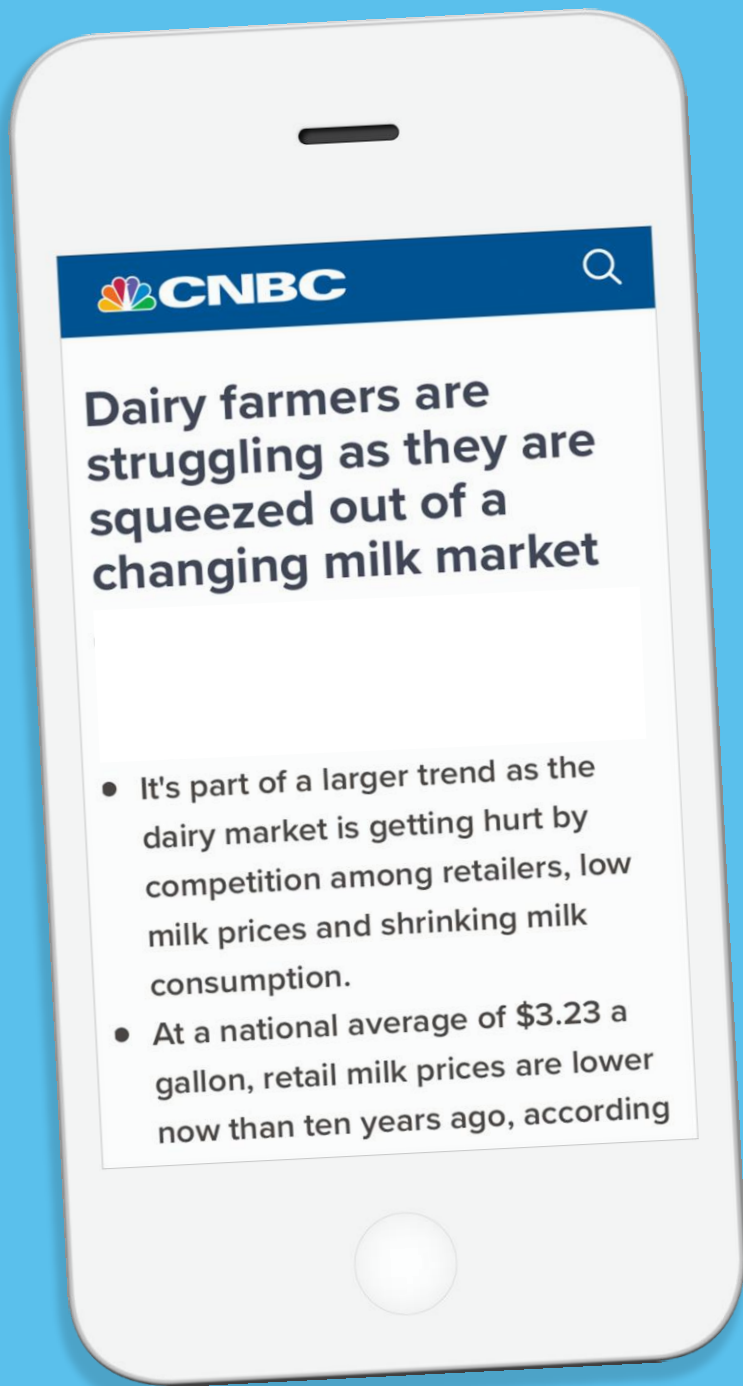
It's Unique

Meets the highest standards of verified performance, transparency, and accountability



It's a movement

Leaders of a global movement of people using business as a force for good™



OUR APPROACH:

One size does not fit all—in our business or
how we think about **sustainability**



DANONE
NORTH AMERICA

A woman with long blonde hair is drinking from a clear glass. A circular graphic with three overlapping colored segments (purple, teal, and green) is overlaid on the image. The purple segment is at the top, the teal segment is on the left, and the green segment is at the bottom. Text is placed within these segments. To the right of the woman, the word 'SUSTAINABILITY' is written in a large, blue, hand-drawn font.

MILK

Conventional,
organic, non-GMO,
grass fed

PRODUCTS

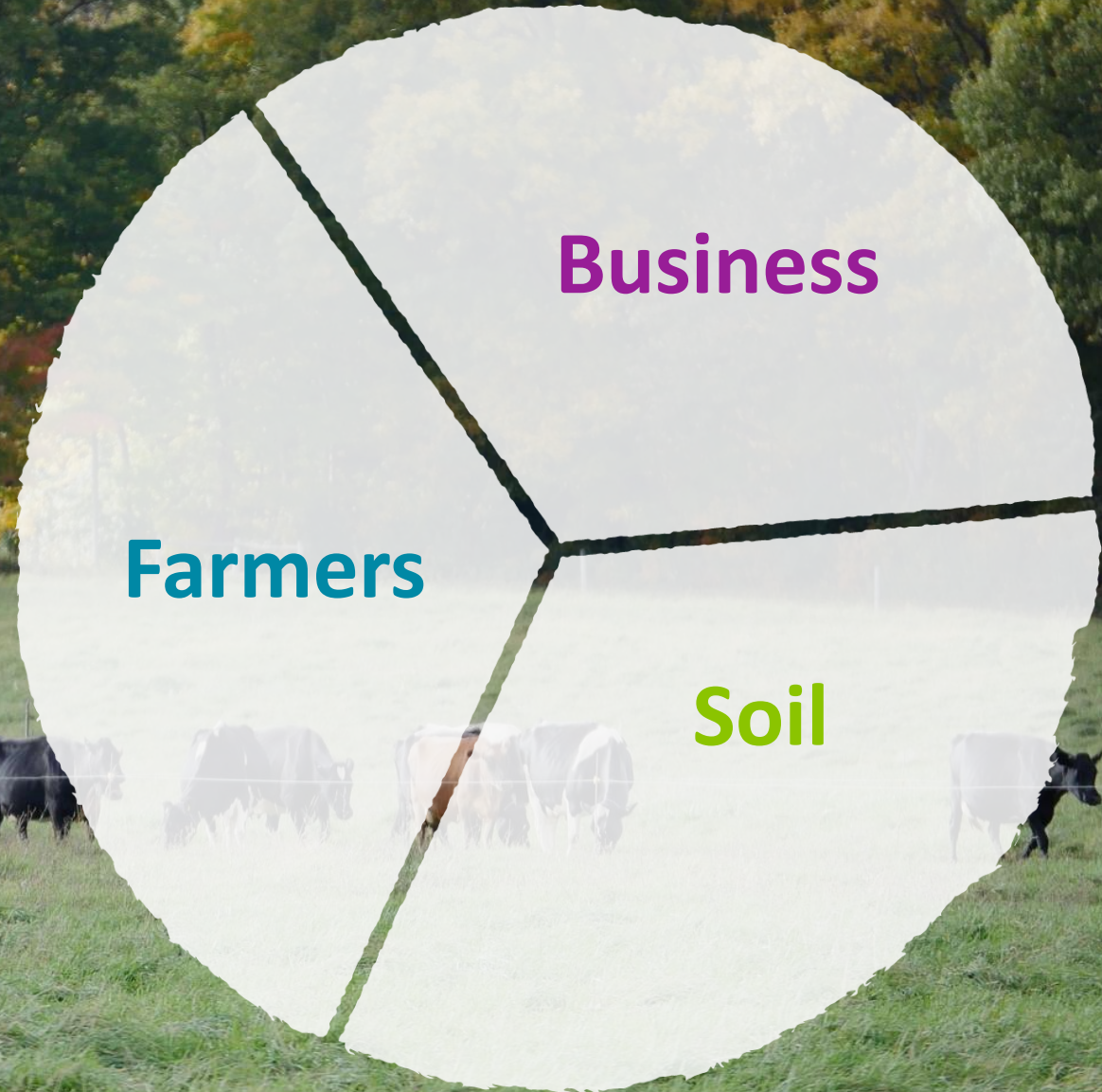
Dairy and
plant-based

FARMS

From 20 to
4,000 milking
COWS

SUSTAINABILITY

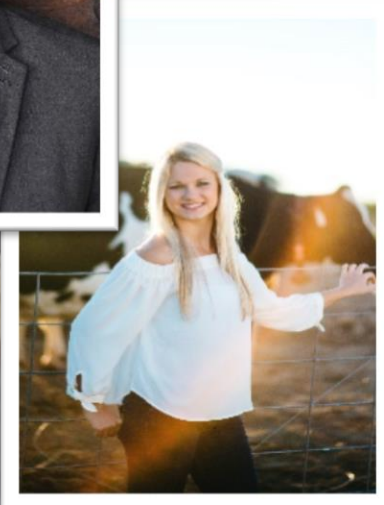
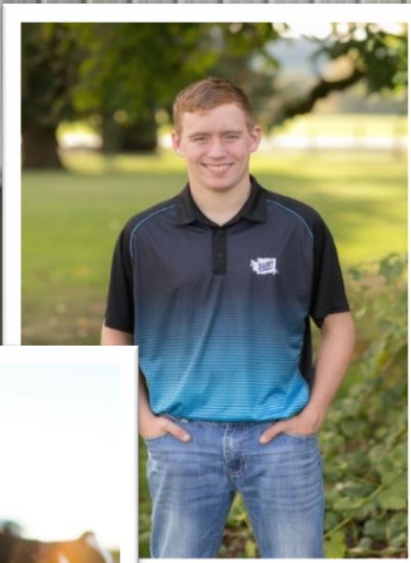
SUSTAINABILITY





FARMERS: PROFIT & GENERATIONAL STABILITY

By addressing the root causes of volatility, we help farmers focus on farming and generational transfer instead of short-term costs.



FARMERS: PARTNERSHIP

By focusing on people, we support shared learning for generations of farmers to come.



SOIL: PRACTICES

By advancing regenerative agriculture practices, we help to restore the soil so it works harder for us.



Soil Health

Healthier soils for future generations



Water

Water resiliency and quality



Biodiversity

Ensure plants, animals and microorganisms above and below the soil are within a equal balance



Carbon & energy

“A mere **2% increase** in the carbon content of the planet's soils could **offset 100% of all greenhouse gas...**” Dr. Rattan Lal



Economy & Productivity

Ensure fair returns/acre
Prove self sustainability in the program



Cornell University



THE OHIO STATE UNIVERSITY



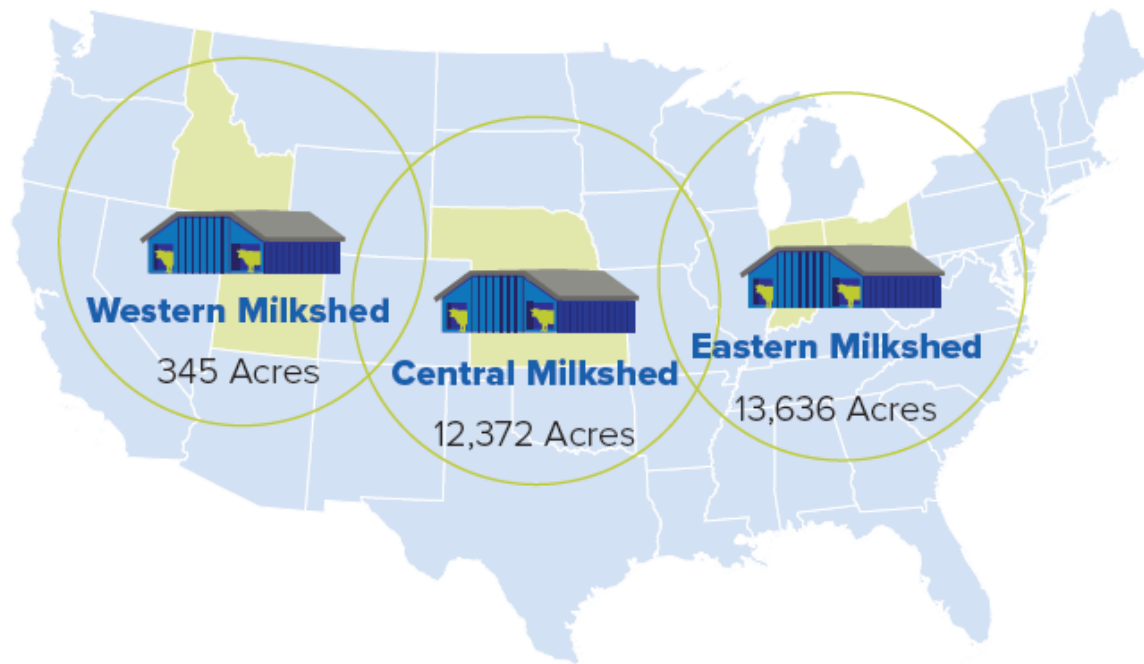
SOIL HEALTH
INSTITUTE



Danone North America Soil Health Program: Year One

12 Dairies in **5** States with **26,183** Acres from **330** Fields

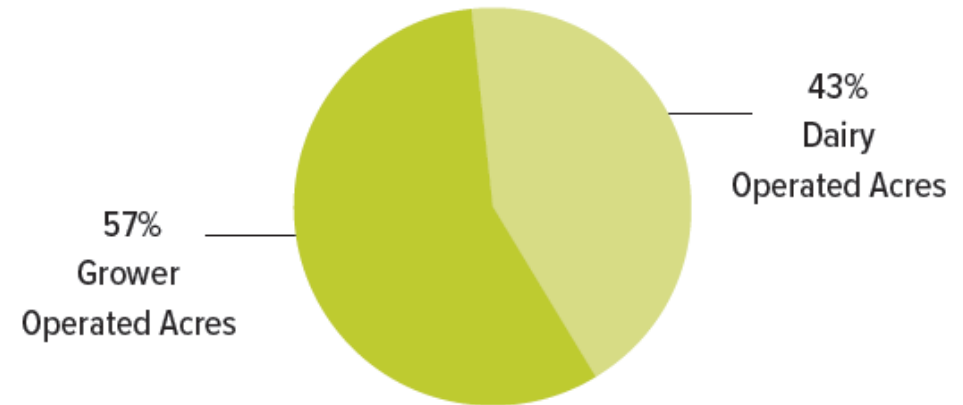
THREE MILKSHEDS



24,620 Milking Cows

32,942 Total Cows

DAIRY OPERATED AND GROWER OPERATED ACRES



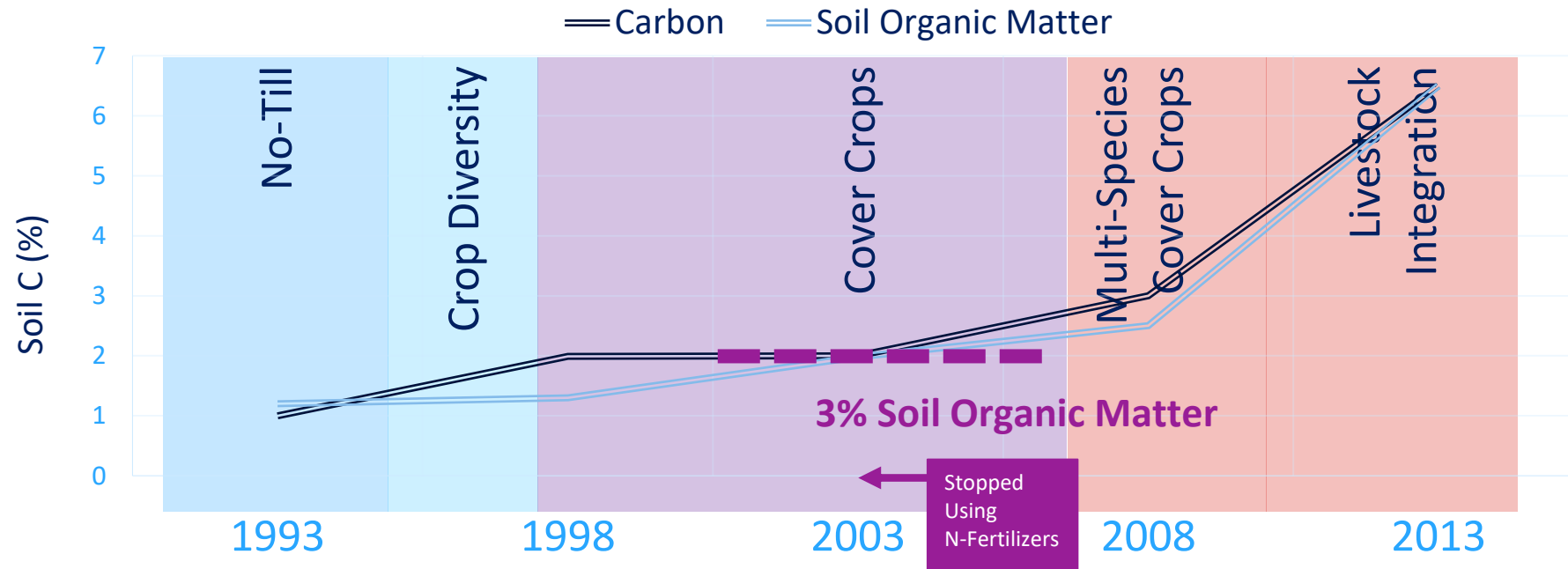
16 Total Growers Included in Year 1

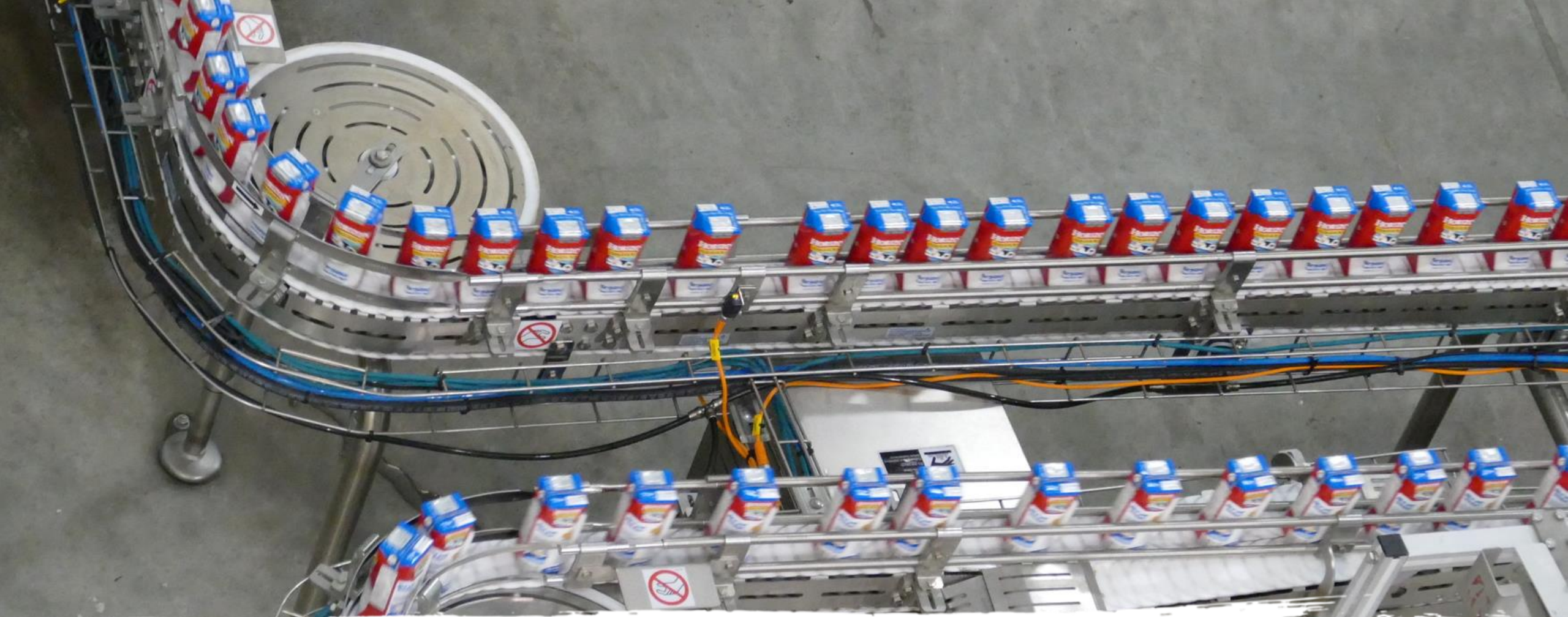
SUPPLY CHAIN SUSTAINABILITY RISK & PERFORMANCE ASSESSMENT



Restoring Soil Increases Carbon in Soil by a Factor of 10x

EXAMPLE: SOUTH DAKOTA FARM

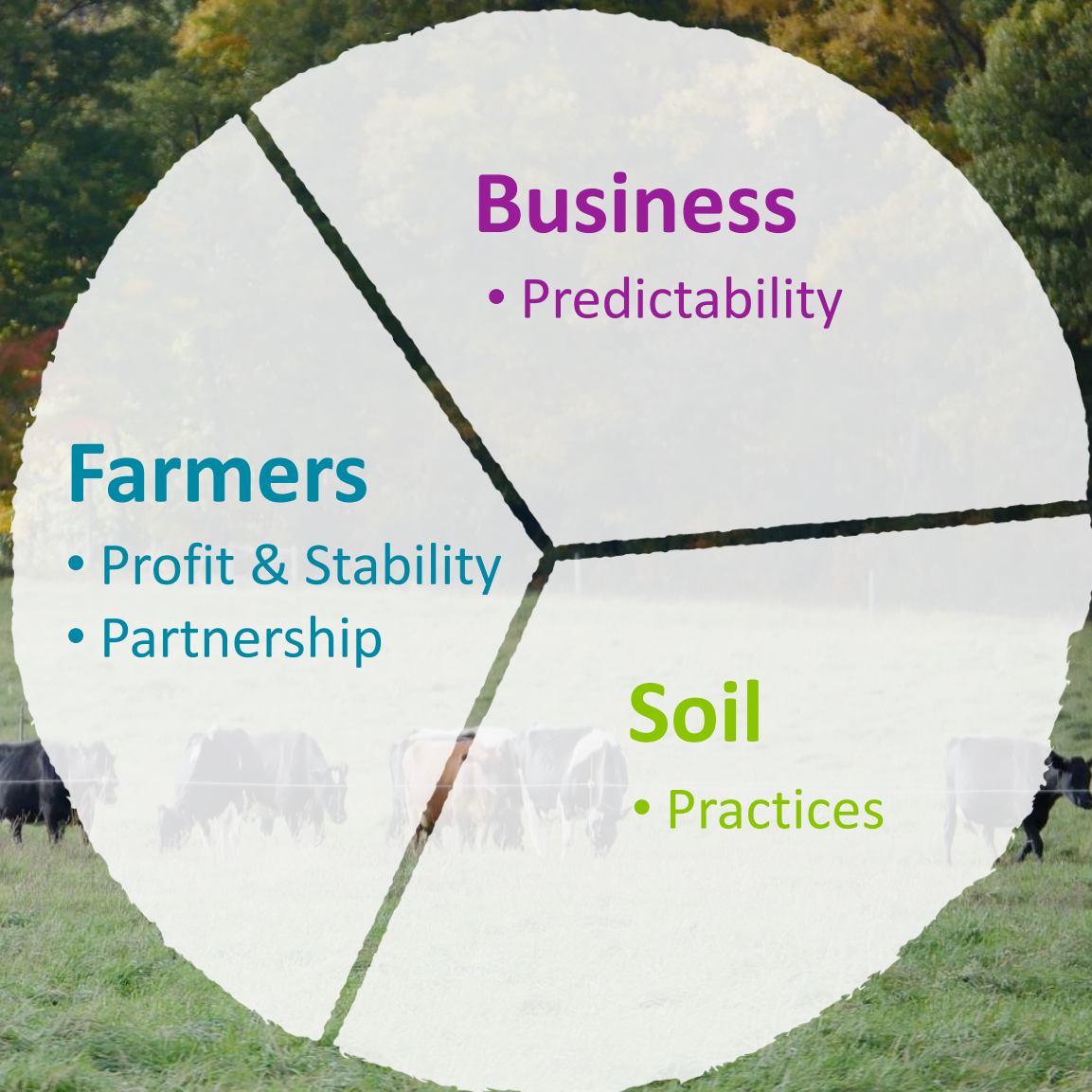




BUSINESS: PREDICTABILITY

By investing in a sustainable approach to agriculture, we reduce uncertainty in our own costs, leading to more innovation.

SUSTAINABILITY



Business

- Predictability

Farmers

- Profit & Stability
- Partnership

Soil

- Practices



OUR FUTURE:

“At Danone, we believe that each time we eat and drink, we can vote for the world we want.”

EMMANUEL FABER AT CONSUMER GOODS FORUM SUMMIT, JUNE 2017