



DANONE
NORTH AMERICA

TAKING ON CLIMATE CHANGE

Danone North America's Commitment to Sustainable Growth in the Climate Crisis

Climate change is a profound, systemic challenge that requires urgent action—not in the future, but today. Danone North America is meeting the challenge of climate change head-on by innovating our business practices, forging new partnerships across the food and beverage industry, and driving policy solutions that protect and preserve our precious natural resources.

Globally, Danone has committed to carbon neutrality in our entire value chain by 2050. This commitment extends to all carbon emissions related to our products—from the farms where we source our ingredients to the facilities where our products are made to the collection and recycling of used packaging. Danone has set a trajectory to reduce greenhouse gas emissions to keep global temperature rise this century well below 2 degrees Celsius, consistent with the Paris Agreement. Two important milestones toward this goal are commitments to reduce emission intensity by 50% and to achieve a 30% absolute reduction of emissions, both of which were approved by the Science Based Targets initiative (SBTi).

For Danone North America, carbon neutrality is just the beginning—our approach to addressing climate change extends along our entire value chain. As a public benefit corporation and the largest Certified B Corporation® in the world, it is also our responsibility to create carbon positive solutions that drive long-term change.

DANONE NORTH AMERICA PROGRESS AND IMPACT:



REDUCING OUR CARBON EMISSIONS

- **Imposing an Economic Cost on Carbon Emissions:** We impose a business price on our carbon emissions to reflect the toll it takes on the environment—setting an internal price for carbon and factoring that into our business decisions. For all capital projects, we ensure that an internally applied cost of carbon is assessed and that energy and water efficiency projects are prioritized.
- **Pursuing More Sustainable Transportation:** We have joined the BSR Future of Fuels Forum—a key industry partnership working toward a sustainable, resilient and affordable freight fuel system—and signed on to the BSR Sustainable Fuel Buyers' Principles, which provide a roadmap for freight carriers seeking to transition to sustainable, low-carbon fuel and transportation technology. We are working with our freight carriers to introduce new, more sustainable technology—like hybrid electric technology that enables vehicles engines to stop running when not in motion.



FOSTERING CARBON POSITIVE SOLUTIONS

- **Putting Clean Energy on the Grid:** Danone North America ensures 100% of the electricity we use to manufacture our products comes from renewable sources by purchasing renewable energy certificates for every one of our owned plants.
- **Advancing and Fostering Regenerative Agriculture:** We are advancing regenerative agriculture practices at the farms that supply our milk, to restore the soil's ability to capture and sequester carbon. We have committed \$6M over five years to soil health programs. In our first year, we benchmarked and initiated strategies at 12 dairies across six states, totaling more than 26,000 acres—and plan to expand to 43,000 acres in our second year.
- **Driving Transparent Sourcing to Eliminate Deforestation:** 100% of the liquid palm oil we source for our products follows the “mass balance” supply chain model, the highest standard available in the U.S. today to ensure that farmers are supported. As part of the North America Sustainable Palm Oil Network (NASPON), we are also actively driving changes in the way palm oil is sourced industry-wide to create an infrastructure to ensure that palm oil can be traced all the way from its source to verify that zero deforestation took place in its production.
- **Focusing on Sustainable Packaging:** The fiber we use in our most common beverage cartons is certified by the Forest Stewardship Council (FSC), and the paper products we use in our packaging, and shipping will be from certified, traceable sources by the end of 2020.



BUILDING RESILIENCE IN FOOD AND WATER CYCLES

- **Restoring Water to Natural Sources:** We support more than 15 water conservation projects across the United States and balance 100% of the manufacturing water footprint at our company owned plants. Through our water stewardship partnerships, more than 2B gallons of water has been improved or restored to freshwater ecosystems throughout North America.
- **Supporting Farmer Livelihoods:** The cocoa powder and coffee we source for our products follows the “mass balance” supply chain model, as certified through UTZ (part of the Rainforest Alliance), which works at the intersection of business, agriculture and forests to improve the livelihoods of farmers.
- **Fostering Biodiversity by Building Pollinator Habitat:** To support pollinators like bees and butterflies that are critical to agriculture—and ensure a more resilient and sustainable almond supply for our farmer partners—Danone North America has planted more than 25 linear miles of drought-resistant, flowering, native plants in the California almond groves we source from for our products.