



FOR ALL

FOR YOU

O U R M I S S I O N A C T I O N B R A N D S N O V A T I O N

Material Aspects

Key Performance Indicators

Healthier Future KPIs

Danone Way

Responsible Procurement & Human Rights

Social Innovations

External evaluations

At Danone, we believe that healthy food starts with a healthy planet; which is why we've identified the four following priorities to build the Nature Strategy: climate, water, packaging and sustainable agriculture. Danone's overarching goal is to promote sustainable farming, make water cycles healthier, achieve zero net carbon emissions in the long term, and give all of our packaging a second life.



Discover our Nature Strategy and our 2016 results in the dashboard below.

DANONE NATURE DASHBOARD

2016

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## ENVIRONMENTAL INDICATOR COVERAGE RATE

For 2016 data\*, the environmental indicator coverage rate represents around 99% of the total production.

In the following KPIs, variations compared with 2015 may be expressed on a like-for-like basis, which means the scope of production sites present during both financial years (excluding the production sites acquired or launched in 2016 and production sites sold or shut down in 2015).

The table below provides information relative to Danone sites' environmental data coverage rate at December 31, 2015 and 2016 (marked "sites' environment scope" for relevant indicators).

*\*2016 figures verified in the 2016 Registration Document*

## NUMBER OF ISO 14 001 CERTIFIED SITES

Danone bases its environmental management policy on the international ISO 14001 standard. ISO 14001 certification is a prerequisite set by the company for achieving the highest performance level in its GREEN environmental risk assessment audits (see following paragraph).

## GREEN PROGRAM

In 2006, Danone has developed the GREEN (*Global Risk Evaluation for the Environment*) program, which it implements worldwide to monitor the main environmental risks related to its industrial sites (risk of accidents, risk to reputation and non-compliance with environmental regulations) based on internal audits.

At December 31, 2016, we've reached 64% of Danone's industrial sites (Production Sites Environment Scope, see *Methodology Note*), i.e. 120 sites, which had undergone an external GREEN audit at least once since 2006. Of these 120 sites, 98 complied with the company's standards (scoring over 800 out of 1,000). By contrast, in 2015, 70% of the group's production sites had undergone an external GREEN audit at least once.

 CLIMATE

 WATER

 PACKAGING &  
WASTE

 SUSTAINABLE  
AGRICULTURE

## MEASURE CO2 INTENSITY ACROSS OUR FOOD CHAIN

Danone applies two methodologies for measuring greenhouse gas emissions (*on its full scope*):

- a "product life cycle" approach
- an "organization" approach

### > PRODUCT LIFECYCLE APPROACH

The product life cycle approach is based on conducting an analysis based on almost all products' life cycle. This takes into account emissions at every stage (full scope): raw materials (including milk and upstream agriculture), packaging, production, logistics, storage, use of sold product at retail and at home, and end of life of sold products. The ambitious targets in Danone's climate policy are based on this methodology.

Greenhouse gas emissions (through product life cycle analysis) are measured via Danprint and SAP Carbon. At year-end 2016, 94% of Danone sales volumes were covered (95% in 2015).

SAP Carbon is an innovative solution co-developed with a software editor (SAP) to integrate greenhouse gas emissions measurement into existing information system.

In 2016, 26 subsidiaries representing 36% of Danone's consolidated net sales measured their carbon footprint using this tool. In 2015, it was used by 24 subsidiaries representing 35% of Danone's consolidated net sales.

### > ORGANIZATION APPROACH

The approach chosen by Danone is to integrate all emission sources only at the company's production site level. Danone measures greenhouse gas emissions by organization (scope 1 and 2, see description below) using the methodology described in the GHG Protocol Corporate Standard (revised in 2015), in which emissions from offices, warehouses and vehicles are not included.

Direct emissions (**scope 1**) are emissions arising from consumption of fuels (natural gas, heating oil, coal, etc.) and refrigerant leaks.

Indirect emissions (**scope 2**) are emissions arising from the production of electricity, steam, heat or cold purchased by the company.

## REDUCE GREENHOUSE GAS EMISSIONS



## THROUGH THE "PRODUCT LIFECYCLE" APPROACH

The most meaningful actions for reducing emissions are energy conservation measures at company plants, reduction of packaging, and optimization of logistics supply routes.

In this context, and to decrease transport-related direct emissions, evian and Volvic in the Waters division, implemented a road-to-rail modal transfer starting in 2010. This substantially reduced the number of trucks on the road and their CO<sub>2</sub> emissions. In a second stage, to avoid having containers return to France empty, it developed a strategy to avoid traffic using delayed differentiation at the German platform level.

### > DIRECT RESPONSIBILITY SCOPE

In 2008, Danone set the goal of reducing its carbon intensity by 30% by 2012—a goal it more than met—wherever it exercises direct responsibility (packaging, production, transport, distribution, warehousing and product end of life). A specific strategy and priorities were also set for each sub-component of the supply chain.

In 2013, Danone reaffirmed this commitment by announcing a new target calling for a 50% reduction of its carbon intensity (for the same base year and scope) by 2020.

It reached this goal at the end of 2016 with a 50.1% decrease in intensity (on a like-for-like basis) in its scope of direct responsibility. As a reminder, in 2015, the reduction was 46.4% compared to 2007 (baseline).



### > TOTAL SCOPE

Danone's total emissions in 2016 (including upstream agriculture) are estimated at approximately 23 million tons of CO<sub>2</sub> equivalent (covering 94% of Danone's sales volume).

Expressed in grams of CO<sub>2</sub> equivalent per kilogram of product, Danone's emissions amount to:

- **direct responsibility scope:** 199.5 grams of CO<sub>2</sub> equivalent per kilogram of product (industrial activities, packaging, logistics, product and packaging end of life).
- **total scope:** 655.8 grams of CO<sub>2</sub> equivalent per kilogram of product (Greenhouse Gas Emissions Scope, see *Methodology Note*).

This can be broken down by stage of the product lifecycle as follows:

*Emission distribution over the lifecycle (in %)*

## THROUGH THE "ORGANIZATION" APPROACH

In January 2015, the GHG Protocol amended the Corporate Standards through the publication of the GHG Protocol Scope 2 Guidance (see Methodology Note). The Guidance introduces "dual reporting" for scope 2 accounting:

- Location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data)
- A market-based method reflects emissions from electricity that companies have purposefully chosen.

The ratio of total emissions in kg of CO<sub>2</sub> equivalent per ton of production (market-based ratio) fell by 9% between 2015 and 2016. On a like-for-like basis, this ratio fell by 4.8% which is mainly due to the impact of purchasing renewable sources with guarantee of origin certificates.

(in tons equivalent CO <sub>2</sub> )	2015		2016	
	Location-based	Market-based	Location-based	Market-based
Scope 1 emissions	561,641	561,641	547,480	547,480
Scope 2 emissions	915,747	928,645	920,124	865,451
<b>Total emissions</b>	<b>1,477,387</b>	<b>1,490,286</b>	<b>1,467,604</b>	<b>1,412,931</b>
<b>Ratio of total emissions in kg of CO<sub>2</sub> equivalent per ton of product</b>	<b>43.3</b>	<b>43.7</b>	<b>41.3</b>	<b>39.7</b>

## REDUCE ENERGY CONSUMPTION OF FACTORIES

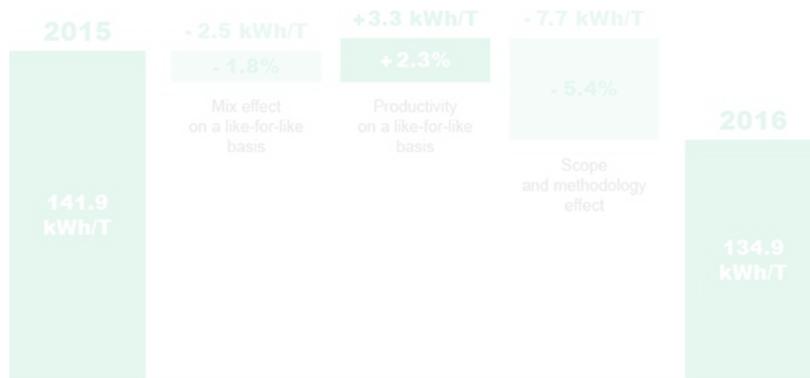
### ENERGY CONSUMPTION WITHIN ORGANIZATION

MWh	2015	2016
Natural gas	2,073,073	2,003,944
Fuel oil	167,619	159,563
Light fuel oil / diesel	82,754	54,202
Propane / Butane / LPG	88,088	140,931
Coal	83,667	87,145
Other non-renewable sources	415	4,035
<b>Direct Energy consumption</b>	<b>2,495,616</b>	<b>2,449,820</b>
Renewable thermal energy (produced on site)	119,936	117,171
Purchased steam	200,822	202,072
Purchased Cold	9,598	14,528
<b>Total thermal energy consumption</b>	<b>2,825,972</b>	<b>2,783,591</b>
<b>Intensity of thermal energy consumption (kWh/Tprod)</b>	<b>82.9</b>	<b>78.2</b>
Electricity purchased	2,011,204	2,016,524
> Including purchased low carbon electricity (specifically generated by 100% renewable sources)	85,251	139,540
Electricity from renewable sources produced and used on site	261	246
<b>Total electricity consumption</b>	<b>2,011,464</b>	<b>2,016,770</b>
<b>Intensity of electricity consumption (kWh/Tprod)</b>	<b>59.0</b>	<b>56.7</b>
<b>Total Energy consumption</b>	<b>4,837,437</b>	<b>4 800,360</b>
<b>Intensity of total energy consumption (kWh/Tprod)</b>	<b>141.9</b>	<b>134.9</b>

■ 2016 figures verified in the 2016 Registration Document

The table above presents data relative to Danone sites' Total energy consumption at December 31, 2015 and 2016 (Production sites environment scope, see Methodology Note).

### ENERGY CONSUMPTION INTENSITY

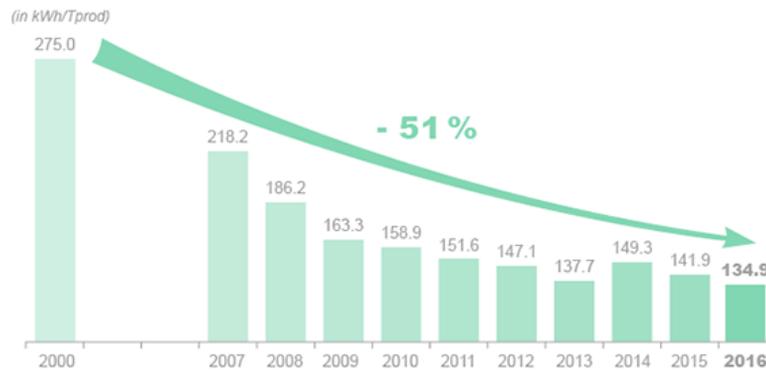


The table above presents the total energy intensity (in *Kwh/T product*) evolution between 2015 and 2016.

Danone's energy consumption intensity fell by 4.9% in 2016 related to 2015. The decrease was mainly due to the integration of Sirma (Waters, Turkey), which had a ratio lower than Danone's average.

On a like-for-like basis, Danone's energy consumption intensity increased slightly by 0.5% between 2015 and 2016.

### REDUCTION OF ENERGY CONSUMPTION



The graph above shows the variation in total energy consumption intensity at the production sites since 2000, for the reporting scope of each of the years concerned. Danone has reduced its total energy intensity by 51% since 2000. The goal set for 2020 is 60%.

### USE ONLY NATURAL REFRIGERANTS

EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS) in T eq. CFC	2015	2016
CFC	0	0
HCFC	0.205	0.158

Emissions arising from the use of refrigerants that deplete the ozone layer (only HCFC is used) decreased in 2016. This reduction was achieved through gradual replacement of the refrigerants used, but also thanks to a decrease in HCFC leakage which fell by 23% between 2015 and 2016.

Some refrigerants also have a significant impact on greenhouse gas emissions, particularly HFCs. As part of the Consumer Goods Forum, Danone has committed to cease buying refrigerators with HFCs for its own fleet and move to natural refrigerants where these are legally allowed and available.

Under a policy known as the BCool initiative, Danone began updating its proprietary refrigerator fleet at points of sale in 2010 to ensure that only natural refrigerants based on climate-friendly CH or CO2 technologies are in use. By also selecting refrigerators with better energy performance and ensuring their end-of-life recycling, Danone achieves both reduced energy consumption and a reduction in ozone-depleting emissions.

At year-end 2016, 100% of total newly purchased refrigerators and coolers installed at point of sale used climate-friendly refrigerants in regions where this is legally allowed and available. This figure is 75% for all regions.

## CARBON POSITIVE WITH LIVELIHOODS



Consistent with its commitment, and after reducing its carbon footprint by more than 40% over the 2008–2014 period, the Evian brand offset its remaining emissions in 2012 by supporting several high quality projects. Starting in 2013, following consultation with its stakeholders, Evian decided to refocus its “carbon positive” efforts on the Livelihoods Fund. Evian is strengthening its participation over the long term, and the expansion of Livelihoods projects will progressively enable Evian to offset its remaining emissions. Evian’s goal is to achieve zero net emissions by 2020.



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