

CONSUMERS

OUR STAKEHOLDER COMMITMENTS	OUR OBJECTIVES	2010 PERFORMANCE ^(*)
CONSUMERS		
Invest in research and development to develop healthy products	<ul style="list-style-type: none"> Develop (internal and external) nutrition and health expertise, understand global and local nutrition/health issues, develop tools and methods for managing product nutritional quality, reformulate products while retaining consumer preference, scientifically demonstrate product benefits. 	<ul style="list-style-type: none"> 108 clinical studies underway. 140 articles published in peer-reviewed scientific journals. 43 patents pending.
Call on external experts	<ul style="list-style-type: none"> Form panels of external experts and/or call on individual external experts to identify nutrition and health issues, examine Danone's product development strategy, reflect on the definition of nutrition standards, etc. 	<ul style="list-style-type: none"> 78% of Country Business Units (CBUs) benefit from at least one expert panel. 92 expert panels formed. 1,125 experts involved in the various panels.
Understand and monitor changes to issues and needs related to consumer health and nutrition	<ul style="list-style-type: none"> Extend (in terms of geography, populations and approach) the deployment of Nutripack*. Carry out epidemiological studies if necessary to establish nutritional intake (including fluids) and identify any local deficiencies. Update and provide access to this data in real time for the relevant Danone teams. <p>* <i>Nutripacks: summary of bibliographic references and expert opinions concerning health/nutrition policies, nutritional intake, nutrition status and recommendations, prevalence of nutritional deficiencies and diet-related diseases, etc.</i></p>	<ul style="list-style-type: none"> 8 new countries covered (34 countries total). Extension to new populations (babies and the elderly), new data (fluid intake) and new approach (sociological).
Offer relevant products that contribute to a balanced diet	<ul style="list-style-type: none"> Offer products belonging to food categories recommended by health authorities and suitable for daily consumption, or meeting specific nutritional needs. 	<p>Composition of the product portfolio:</p> <ul style="list-style-type: none"> 64% of products intended for the general public belonging to food categories recommended by public health authorities for daily consumption, including: <ul style="list-style-type: none"> - 48% of Dairy products; - 16% of Waters. 24% of products intended for people with specific nutritional needs or medical conditions, of which: <ul style="list-style-type: none"> - 18% of Baby nutrition products; - 6% of Medical nutrition products; 10% of other retail products (beverages, other).
Adapt products' nutritional content to consumer needs	<ul style="list-style-type: none"> Define internal nutrition standards based on health authority recommendations, regularly assess the nutritional quality of the products portfolio with regard to these standards and compared to competitors' products (NutriProgress program), define reformulation goals if necessary (reduction of sugar, fat, salt; enrichment with vitamins and minerals, etc.). 	<ul style="list-style-type: none"> 98% of products evaluated in terms of nutritional profile: <ul style="list-style-type: none"> - 62% of products comply with internal nutrition standards for daily consumption (Dairy products: 63%, Baby nutrition: 62%, Waters: 58%); - 23% of products improved in terms of quantity/quality of fats, sugars and/or salt during the 2008-2010 period (Dairy products: 19%, Baby nutrition: 27%; Waters (beverages): 25%); - 27% of products fortified with micronutrients during the 2008-2010 period (Dairy products: 26%, Baby nutrition: 27%; Waters (beverages): 25%).
Develop new products suitable for daily consumption and contributing to improved overall nutritional intake	<ul style="list-style-type: none"> Develop new products complying with internal nutrition standards for daily consumption. 	Not assessed.

(*) Unless otherwise indicated, percentages noted in this column are percentages of number of references.

Scope of consolidation: 66% of 2010 references coming from 12 countries: Argentina, Brazil, China, France, Germany, Great Britain, Indonesia, Italy, Mexico, Poland, Spain, United States.

(**) Unless otherwise indicated, percentages noted in this column are percentages of revenues.

Scope of consolidation: 68% of 2011 net revenues coming from 12 countries: Argentina, Brazil, China, France, Germany, Great Britain, Indonesia, Italy, Mexico, Poland, Spain, United States.



2011 PERFORMANCE ^(*) AND OUTSTANDING ACHIEVEMENTS	OUR 2012 COMMITMENTS AND OUTLOOK
<ul style="list-style-type: none"> • 100% of CBUs have an expert, in-house "Nutrition master". • 12,086 employees trained in nutrition over the past 2 years. • €228 million invested in R&D. • 126 clinical studies underway. • 119 articles published in peer-reviewed scientific journals. • 51 patents pending. 	<ul style="list-style-type: none"> • Capitalize on expected new results of clinical studies (ongoing) regarding specific product benefits.
<ul style="list-style-type: none"> • 100% of CBUs benefit from at least one expert panel. • 158 expert panels formed. • 1,052 experts involved in the various panels. 	<ul style="list-style-type: none"> • Expand the number of panels and constantly diversify the expertise on the panels.
<ul style="list-style-type: none"> • 94% of group CBUs covered by the Nutripack approach: <ul style="list-style-type: none"> - 95% of the Dairy products division (population of adults); - 98% of the Baby nutrition division (population of babies); - 93% of the Waters division (fluid intake for adults). • Expansion of the type of data analyzed: sociological data (dietary behavior, change factors, barriers to consumption, etc.) and dietary behavior data (specific regional diets, etc.). Algeria identified as a pilot country. • Expansion of the availability of Nutripack data in real time on the NutriPI@net intranet for all relevant functions. 	<ul style="list-style-type: none"> • Update and provide access in real time to all data for all relevant functions by 2013. • Explore the value and possibility of sharing this data with the scientific community and policy-makers.
<p>Composition of the product portfolio:</p> <ul style="list-style-type: none"> • 66% products intended for the general public belonging to food categories recommended by public health authorities for daily consumption, of which: <ul style="list-style-type: none"> - 50% of Dairy products; - 16% of Waters. • 25% of products intended for people with specific nutritional needs or medical conditions, of which: <ul style="list-style-type: none"> - 19% of Baby nutrition products; - 6% of Medical nutrition products. • 9% of other retail products (beverages, other). 	<ul style="list-style-type: none"> • Maintain a high proportion of products beneficial to health (products in the categories recommended by public health authorities, meeting specific nutritional needs, or contributing to improving overall nutritional intake).
<ul style="list-style-type: none"> • Updating of internal nutrition standards for the Dairy products, Baby nutrition (reinforcement) and Waters divisions (standards available upon request). • 63% of products comply with internal nutrition standards for daily consumption (Dairy products: 59%, Baby nutrition: 50% - rate decreased due to higher nutrition standards introduced in 2011; Waters: 72%). • 20% of products improved in terms of quantity/quality of fats, sugars and/or salt during the 2009-2011 period (Dairy products: 14%, Baby nutrition: 47%; Waters (beverages): 12%). • 42% of products fortified with micronutrients during the 2009-2011 period (Dairy products: 40%, Baby nutrition: 47%; Waters (beverages): 12%). <p><i>Bottled waters and Medical nutrition products are not concerned by reformulation issues.</i></p>	<ul style="list-style-type: none"> • Maintain or increase the share of products suitable for daily consumption and of products contributing to improved overall nutritional intake, while taking into account consumer expectations.
<ul style="list-style-type: none"> • 45% (sales) of new products complying with internal nutrition standards for daily consumption. 	

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Make it easier to meet the public health authorities' recommendations of food intake	<ul style="list-style-type: none"> Bring to market significant quantities of products that contribute to meeting public health authorities' recommendations of food intake. 	<ul style="list-style-type: none"> 14.8 billion servings of dairy products for daily consumption delivered in 2010 (average serving: 125g for solid products, 200ml for liquid products). 8.7 billion portions of water delivered in 2010 (average portion: 1.2l to 2l depending on the country).
Provide transparent and practical nutrition information	<ul style="list-style-type: none"> Provide consumers with practical nutrition information on pack and on the internet, even where there is no regulatory requirement (Dairy products, Waters). In the European Union countries, this information is provided in the form of Guideline Daily Amounts (GDA) per serving with regard to calories, protein, carbohydrates including sugars, fat including saturates, fiber and sodium. 	<ul style="list-style-type: none"> 99% of products provide nutrition information on pack. 72% of products provide front-of-package nutrition information (energy icon of the GDA labeling system in Europe). 67% of products provide nutrition information on the internet.
Provide consumers with guidance on serving size	<ul style="list-style-type: none"> Indicate to consumers the appropriate serving size for the product to contribute to a healthy diet. 	Not assessed.
Communicate claims about the benefits of our products that are reliable and easy to understand	<ul style="list-style-type: none"> Ensure that all our claims are perfectly understandable to consumers (reflecting scientifically-proven benefits) and reliable (reflecting the level of scientific evidence). Ensure that products with a claim have an appropriate nutrition profile. 	<ul style="list-style-type: none"> 100% of health claims covered by an internal validation process. 100% of products with a claim having an appropriate nutritional profile (compliance with internal nutrition standards for daily consumption).
Practice responsible marketing	<ul style="list-style-type: none"> Apply the best practices described in the International Chamber of Commerce (ICC) code for responsible marketing of food and beverages. 	<ul style="list-style-type: none"> 100% of Country Business Units (CBUs) committed to compliance with the ICC code.
Promote the healthiest products to consumers	<ul style="list-style-type: none"> Concentrate advertising resources on products for daily consumption. 	Not assessed.
Limit advertising targeting children (under age 12) to products whose nutrition profile and serving size meets the needs of children, and do not advertise our products in schools	<ul style="list-style-type: none"> Comply with self-limitation commitment in the EU countries (in the framework of the EU pledge uniting 27 countries at end-2007), in the US (in the framework of the CFBAI pledge) and in Brazil (in the framework of the Brazilian Pledge). Extend our commitments to other countries outside the EU. 	<ul style="list-style-type: none"> 80% CBUs selling children products are committed to self-limitation. Compliance with commitments measured by the EU Pledge: 99% in the media (television: 99%, press and internet: 100%), 92% in schools.

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2011 PERFORMANCE ^(*) AND OUTSTANDING ACHIEVEMENTS	OUR 2012 COMMITMENTS AND OUTLOOK
<ul style="list-style-type: none"> • 15.5 billion portions of dairy products meeting internal nutrition standards for daily consumption in 2011 (average portion: 125g for solid products, 200ml for liquid products). • 9.8 billion portions of water delivered in 2011 (average portion: 1.2l to 2l depending on the country). 	<ul style="list-style-type: none"> • Maintain or increase the share of products suitable for daily consumption and of products contributing to improved overall nutritional intake, while taking into account consumer expectations.
<ul style="list-style-type: none"> • 90% of products provide nutrition information on packaging that complies with the Danone charter. • 70% of products provide nutrition information on front-of-package that complies with the Danone charter (energy icon of the GDA labeling system in Europe). • 72% of products provide nutrition information on the web that complies with the Danone charter. 	<ul style="list-style-type: none"> • Achieve a rate of 95% of products with nutritional labeling (on pack and on line).
<ul style="list-style-type: none"> • 83% of Dairy products and 96% of Baby nutrition products indicate to consumers the appropriate serving size of the product to contribute to a healthy diet. 	<ul style="list-style-type: none"> • Achieve a rate of 95% of Dairy products, Waters and Baby nutrition products indicating serving size.
<ul style="list-style-type: none"> • 100% of nutrition/health claims covered by an internal claim validation process. • 100% of products with a claim having an appropriate nutritional profile (compliance with internal nutrition standards for daily consumption). • 51% of products carry a nutrition claim. • 42% of products carry a health claim. 	<ul style="list-style-type: none"> • Achieve a rate of 100% of health claims covered by an internal validation process. • Achieve a rate of 100% of products carrying a claim along with an appropriate nutritional profile (internal nutrition standards for daily consumption).
<ul style="list-style-type: none"> • 100% of CBUs committed to compliance with the ICC code. 	<ul style="list-style-type: none"> • Achieve a rate of 100% of CBUs in compliance with the ICC code.
<ul style="list-style-type: none"> • 56% of advertising expenditures for Dairy products dedicated to promoting the healthiest products (meeting internal nutrition standards for daily consumption). 	<ul style="list-style-type: none"> • Maintain or increase the share of advertising expenditures on products for daily consumption and products contributing to improved overall nutritional intake.
<ul style="list-style-type: none"> • 87% CBUs selling children products are committed to self-limitation. • Compliance with commitments measured by the EU Pledge: 99% in the media (television: 99%, press and internet: 100%), 98% in schools. • Extension of commitments in 2011 to South Africa, Switzerland and Canada. 	<ul style="list-style-type: none"> • Extend our commitments to other countries by 2013 (Mexico, Turkey, Russia, etc.).

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Develop new products with good nutritional value and affordable by low-income populations	<ul style="list-style-type: none"> Expand the distribution of existing programs, launch new programs. 	<ul style="list-style-type: none"> Extension of distribution of the Gizikita product launched in 2009 in Indonesia, of Shoktidoi in Bangladesh, etc. Initiation of projects in Senegal (Lemateki: product based on milk and local grains for children in schools) and Algeria (Sahazine: product for children providing 30% of Reference Daily Intake of iron) for launch in 2011. Expansion of distribution of Gran Compra in Argentina with the launch of a yogurt at ARS 0.95 \$/pot.
Promote healthy lifestyles contributing to combating obesity and/or malnutrition	<ul style="list-style-type: none"> Develop information and education programs to promote a balanced diet and exercise, and whose impact can be assessed. 	<ul style="list-style-type: none"> More than 200 programs deployed. More than 220 million people reached.
Carry out shelf audits to evaluate product quality and our positioning compared to our competitors at the moment of purchase, with the goal of reaching the consumer at the point of sale	<ul style="list-style-type: none"> In the Waters division: shelf audits carried out to provide information for sales decisions. In the Dairy products and Baby nutrition divisions: launch of the project in several Country Business Units (CBUs) to assess feasibility. 	Not assessed.
Collect and properly process consumer feedback from the point of sale and at the moment of consumption to ensure that consumers are satisfied with the products offered	<ul style="list-style-type: none"> Update Excipio to expand its functionalities and continue its global deployment - Improve functionalities and continue geographic expansion. Implement Excipio in the Baby nutrition and Medical nutrition divisions before end-2012. Continue deployment of Excipio at the global level to better assess consumer feedback for benchmarking and reducing operating costs. 	Not assessed.

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2011 PERFORMANCE ^(*) AND OUTSTANDING ACHIEVEMENTS	OUR 2012 COMMITMENTS AND OUTLOOK
<ul style="list-style-type: none"> Indonesia: relaunch of Milkuat in ""bottle"" and ""pouch"" offers. Increased penetration of 54% in categories C, D and E. Extension of Gizikita in the baby nutrition category. Poland: complete renewal of Milky Start. Monthly volumes tripled, new consumers in category D. India: creation of a BOP-dedicated dairy product plant with the launch of 4 products (Fundooz) end 2011, at appropriate prices. 	<p>2013 goal:</p> <ul style="list-style-type: none"> Expand the distribution of existing programs. Launch new programs.
<ul style="list-style-type: none"> 219 programs targeting the general public, parents, children, patients, etc. Almost 700 million people potentially reached by these programs. Sharing of the most significant European initiatives with the EU Platform on Diet, Physical Activity and Health. Continue deployment in the Dairy products division - More than 70% of CBUs should regularly carry out shelf audits by the end of the year. Baby nutrition division: begin deployment in the mature countries and set a budget to prepare rollout to the entire division, with the goal of achieving geographic coverage of more than 90% by 2013. Waters: implementation in CBUs representing more than 90% of revenues. Finalize the action plan with a view to its implementation in the Medical nutrition division. 	<ul style="list-style-type: none"> By 2013, expand evaluation of programs' impact in terms of change in behavior (dietary, lifestyle). Continue deployment in the Dairy products division - More than 70% of CBUs should regularly carry out shelf audits by the end of the year. Baby nutrition division: begin deployment in the mature countries and set a budget to prepare rollout to the entire division, with the goal of achieving geographic coverage of more than 90% by 2013. Waters: implementation in CBUs representing more than 90% of revenues Finalize the action plan with a view to its implementation in the Medical nutrition division.
<ul style="list-style-type: none"> Make Excipio a requirement for all Danone CBUs around the world, define action plans for its implementation. Launch of the "Nexus" project in the Baby nutrition and Medical nutrition divisions. Continuation of the global deployment of the system in the Waters and Dairy products divisions. 	<ul style="list-style-type: none"> Make Excipio a requirement for all Danone CBUs around the world, define action plans for its implementation. Launch the "Nexus" project in the Baby nutrition and Medical nutrition divisions Continue the global deployment of the system in the Waters and Dairy products divisions.

COMMUNITIES AND SUPPLIERS

OUR STAKEHOLDER COMMITMENTS	OUR OBJECTIVES	2010 PERFORMANCE
COMMUNITIES		
CREATING VALUE WITHIN AND BEYOND OUR WALLS WITH LOCAL COMMUNITIES		
Strengthen and contribute to development of the Danone ecosystem	<ul style="list-style-type: none"> Involve Danone stakeholders in the process of creating economic, social and environmental value through the company's daily business activities and specific community projects. Contribute to the consolidation and development of players in the company's ecosystem with three action fields: developing employment, employability and micro-entrepreneurship. Assess project impacts with a range of tools. 	<ul style="list-style-type: none"> €10.1 million invested. 20 projects launched at end 2010. 16 civil society partners (NGOs, institutes). 12,000 potential beneficiaries. The projects cover 5 topics called clusters: purchasing, distribution, recycling, human services and issues relating to areas in which production plants are based.
Replicate community projects initiated by Danone employees in the Country Business Units (Danone Supporting Life)	<ul style="list-style-type: none"> Develop initiatives based on the triple win concept in response to the following challenges: <ul style="list-style-type: none"> development of the CBU's business; Danone employees' motivation through their commitment; local development in Danone's areas of expertise (nutrition/health, partnership with nature, access to food and water, support for well-being of children and the elderly). 	<ul style="list-style-type: none"> 29 Danone Supporting Life projects took part in the Dan'Awards: 62% of projects were based in Europe; 41% of projects were initiated in the Dairy division.
Improve the living conditions of communities through Social Business and share the learnings	<ul style="list-style-type: none"> Consolidate projects and transfer knowledge to social entrepreneurs. Document the lessons learned and share them to inspire other Social Business initiatives. 	<ul style="list-style-type: none"> Two new projects received investment from the danone.communities fund (Naandi Community Water Services and Isomir). 5 projects receiving Fund investment. 80,000 fortified yogurts sold per day, through the Grameen Danone Foods Ltd. project. 80% of 1001 Fountains sites reached break-even point.
SCIENTIFIC COMMUNITY		
Foster the advancement and exchange of scientific knowledge	<ul style="list-style-type: none"> Support nutrition research through grants, awards, university chairs and partnerships. Foster exchange through symposia and conferences, etc. 	<ul style="list-style-type: none"> 60 grants/awards (total of 1 million euros) by Danone Institutes. 8 Nutricia Research Foundation grants (400,000€). First "Microbes for Health" symposium at Pasteur Institute in Paris: 366 participants from 27 countries.
SUPPLIERS		
CREATE VALUE FOR OUR SUPPLIERS BEYOND THE STANDARD BUSINESS RELATIONSHIP		
Strengthen suppliers in Danone's ecosystem	<ul style="list-style-type: none"> Through the Ecosystem projects, strengthen the business of small suppliers by promoting upstream activity in the value chain. Identify new partnerships. 	<ul style="list-style-type: none"> 7 projects launched to develop Danone's dairy products business in Ukraine, France, Egypt and Mexico.
Support Danone's major suppliers in rolling out their Corporate Social Responsibility (CSR) policies	<ul style="list-style-type: none"> Include the Fundamental Social Principles and/or the Sustainable Development Principles in 100% of contracts/general terms of procurement. Implement an assessment of the CSR performance of Danone's suppliers, raise their awareness of the topic if necessary, and identify at-risk suppliers. Carry out CSR audits of suppliers identified as at-risk. In the case of significant non-compliance issues, carry out follow-up audits after implementation of appropriate action plans. 	<ul style="list-style-type: none"> Around 80% of suppliers had signed the Fundamental Social Principles and/or the Sustainable Development Principles in their contracts and/or general terms of procurement. 1,282 suppliers registered on the SEDEX platform. 103 suppliers audited by third parties, based on an external CSR benchmark (SMETA), including 15 follow-up audits.
Create new, more sustainable procurement models	<ul style="list-style-type: none"> Conduct a program to transform the purchasing function, allowing to establish connections between Danone suppliers and Danone consumers. 	Not available (N/A).

2011 PERFORMANCE	OUR 2012 COMMITMENTS AND OUTLOOK
<ul style="list-style-type: none"> • €12.7 million invested in 2011, for a total investment of €23.4 million since the fund was created. • 35 projects approved at end 2011. • 27 civil society partners. • 29 participating CBUs. • 36,000 potential beneficiaries. • 49 CBUs informed of the Sustainability Roadmap, a sustainable development strategy tool. • 7 CBUs attended a Sustainability Land seminar to define action in line with local sustainable development issues. • 14 new Danone Supporting Life projects competed for the 2011 Dan Awards. • Almost 25% of projects were submitted by subsidiaries in emerging countries (MICRUB). • 74% of projects were initiated by the Dairy & Baby nutrition divisions. 	<ul style="list-style-type: none"> • Make sure that projects initiated since 2009 are correctly implemented and economically sustainable. • For each cluster, measure project impact through global qualitative and quantitative studies conducted by international experts to support Danone's transformation. • Initiate new projects integrating feedback from the first rollouts. • Support the group's sustainable agriculture approach, particularly the development of Danone's dairy ecosystem. • Initiate at least two pilot training sessions on societal innovation project management. • Continue developing a network of initiators of community projects, best practice sharing and improved team professionalism. • Roll out pilot training sessions in societal innovation project management as part of the Ecosystem approach.
<ul style="list-style-type: none"> • Two additional projects received investment from the Fund (El Alberto and NutriGO). • 7 projects receiving Fund investment. • Naandi Community Water Services present in over 400 villages in India. • 150,000 persons informed on Social Business through danone.comunities offline and online action, in particular at the annual danone communities General Meeting. • The danone.comunities Fund was awarded the ISR Novethic label. • The Shokti Ladies network (Grameen project) grew, with 878 women selling door-to-door in rural parts. 	<ul style="list-style-type: none"> • Gradually move from the incubation stage to the investment stage in the 3 latest danone.comunities projects. • Innovate with a revamped General Community Meeting in 2012, based on year-long community drive for greater impact. • Raise money for the Fund and the development of danone.comunities projects. • Strengthen links to Danone particularly through knowledge sharing. • Steer efforts towards consolidating the 10 projects.
<ul style="list-style-type: none"> • 60 grants/awards (total of 1 million euros) by Danone Institutes. • 8 Nutricia Research Foundation grants (400,000€). • 2nd "Microbes for Health" symposium at Pasteur Institute in Paris: 366 participants from 34 countries. 	<ul style="list-style-type: none"> • 60 grants/awards (total of 1 million euros) by Danone Institutes. • 8 Nutricia Research Foundation grants (400,000€).
<ul style="list-style-type: none"> • The promotion of upstream activities expanded to include fruit supplies. 9 projects were launched in 2011 on the two supply sources (milk, fruit). • 90% of suppliers have signed the Sustainable Development Principles in their contracts and/or general terms of procurement. • 70% of major suppliers, i.e. 2,060 suppliers in total, are registered on the SEDEX platform. • 184 suppliers audited by third parties, based on an external CSR benchmark (SMETA), including 12 follow-up audits. 	<ul style="list-style-type: none"> • Define the strategy to develop Danone's dairy ecosystem involving the company's key departments, especially purchasing. • 90% of suppliers have signed the Sustainable Development Principles in their contracts and/or general terms of procurement. • 100% of major suppliers will have registered on the SEDEX platform in 2012. • Eventually, 100% of suppliers regarded as at-risk based on SEDEX 2011/2012 input will have been audited.
<ul style="list-style-type: none"> • Launched the "Synopsis" project defining the principal working focuses for 2012. 	<ul style="list-style-type: none"> • Roll out the 4 working focuses identified: <ul style="list-style-type: none"> - strengthen credibility and reputation (naturalness and promotion of upstream agriculture); - define new sourcing models: partnerships with very small farms for example; - innovate through connections with stakeholders, including civil society players; - develop new skills and attitudes with employees from the purchasing departments.

ENVIRONMENT

OUR STAKEHOLDER COMMITMENTS	OUR OBJECTIVES	2010 PERFORMANCE
ENVIRONMENT		
Manage the fundamentals	Number of ISO 14001-certified sites - (% of production plants):	88 (56%)
	Number of GREEN (Global Risk Evaluation for Environment) sites, Danone audit method certified by ERM:	85 (54%)
	Recovery of production plant waste (% of weight):	86.1%
Contribute to the prevention of global warming	MEASURE	
	Expansion of the DANPRINT tool (Danone's carbon footprint assessment tool): % of volume of products sold by our Country Business Units (CBUs) that used the tool (excluding Unimilk companies):	97%
	Implementation of the SAP Carbon Footprint module: % of Danone revenue concerned (excluding Unimilk companies):	9%
	REDUCE	
	Energy consumption (total kwh/t):	-2.7%
	Reduction of carbon intensity (kg eq CO ₂ /kg) in Danone's scope of responsibility (production plants, packaging and end of life cycle, transport and storage) since 2008:	-22%
	Carbon Pact committing our "Raws and Packaging" suppliers	
	• Number of pacts with Dairy products division suppliers:	66
	• Number of pacts with Waters division suppliers:	-
	• Number of pacts with Baby nutrition suppliers:	33
	OFFSET	
	Co-development of carbon offset programs with high social and biodiversity value (Livelihoods Fund - number of active programs):	3
	Partnerships supporting projects with high social and environmental value generating certified carbon credits (Emission Reduction Purchase Agreements):	2
Support the development of agriculture that is more environmentally-friendly	Implementation of the sustainable milk management model (FaRM) with farmers (% of the number of farms in direct contact with Danone):	78%
	COW2 program (assessment of the carbon footprint arising from livestock methane emissions) Number of countries involved in the program:	9
Redesign packaging to ultimately turn waste into resources	REDUCE / END OF LIFE CYCLE	
	Estimate of % of Danone packaging recovered at end of life cycle (estimate based on the group's 12 largest countries in terms of revenue, accounting for about 85% of packaging):	40%
	RECYCLE	
	Average rate of rPET in water bottles (% weight):	10%
	USE RENEWABLE MATERIALS	
% of packaging based on renewable materials (estimate based on the group's 12 largest countries in terms of revenue, accounting for about 85% of packaging):	2%	
Protect our springs, reduce our water consumption and help protect water resources worldwide	Reduction of water consumption in our plants (l/kg of product):	-11%
	Reduction in the impact of manufacturing activities – reduction in pollutant load (COD/kg of product):	-12%
Contribute to protecting biodiversity at our locations worldwide	Protection of our springs' rainwater catchment areas % of sites applying the Danone charter and its guidelines:	100%

2011 PERFORMANCE	CUMULATIVE PERFORMANCE	OUR 2012 COMMITMENTS AND OUTLOOK
94 (58%)	-	2012 objective: 100% of strategic sites ISO 14001-certified.
109 (67%)	-	2012 objective: Audit 100% of strategic sites in 2012. Roll out GREEN Light at 10 HOD sites in 2012.
87.4%	-	2011 Best in class: Rotselaar, Belgium, with 100% of plant waste recovered. 2020 objective: to be confirmed during the year.
97%	-	This tool will gradually be replaced by the Carbon Footprint module (co-development with SAP).
42%	-	Objective: Implement the SAP Carbon Footprint module in 100% of the CBUs having SAP information system by end 2012.
-4.6% *	2000/2011: -45%	* -7.6% on a like-for-like basis, 2010/2011. 2012 objective at a constant volume and mix: -5%, 2020 objectives to be confirmed during the year.
-27.5%	-	2008-2012 objective: -30%. 2020 objectives to be confirmed during the year.
74	-	2012 objective: Focus on coordinating action plans for Carbon Pacts in existence for more than one year. 2020 objectives to be confirmed during the year.
5	-	
71	-	
5	-	Develop 3 or 4 new projects as part of the Livelihoods Fund within 3 years (2-3 million additional metric tons of CO ₂ equivalent as long as the fund lasts). Continue the carbon offset program for the Evian brand's remaining emissions.
3	-	
85%	-	Ultimate goal: 100% participation by farms directly supplying Danone.
9	-	"Sustainable milk" will be included in the long-term plan. Continue our advancements through research and co-development with the agricultural and scientific communities.
N/A	-	We stopped monitoring the pack ratio indicator in 2011. A strategy for managing waste and new indicators regarding the end of our packaging's life cycle will be included in the 2020 long-term plan.
10%	-	Ultimate goal of an average of 50% rPET per bottle.
3%	-	Continue testing these new materials as a pilot project while continuing the various joint projects with outside experts and partners to improve the reliability of impact assessments (competition with foodstuffs, deforestation, etc.). Help develop third-generation renewable materials, i.e. materials that do not directly compete with foodstuffs.
-1%*	2000/2011: -41%	* -5.2% on a like-for-like basis, 2010/2011. 2012 objective at a constant volume and mix: -3%, 2020 objectives to be confirmed during the year.
-10%*	2000/2011: -36%	* - 11% on a like-for-like basis, 2010/2011. 2012 objective at a constant volume and mix: -4%, 2020 objectives to be confirmed during the year.
100%	-	A life cycle analysis assessment in at least one pilot CBU in 2012. Include the impact of food production on biodiversity in the long-term sustainable milk plan. Continue the Livelihoods Fund's biodiversity protection efforts.

N/A : information not available

EMPLOYEES

OUR STAKEHOLDER COMMITMENTS	OUR OBJECTIVES	2010 PERFORMANCE
EMPLOYEES		
STRENGTHEN SOCIAL FUNDAMENTALS FOR ALL		
<p>Making the safety of all employees and subcontractors a daily priority</p>	<ul style="list-style-type: none"> By 2011, reduce the frequency rate of lost-time accidents to approach best-in-class levels: 2.5. 	<ul style="list-style-type: none"> Objective exceeded, with a lost-time frequency rate of 3 (down by over 20%). Set up a special action plan for countries vulnerable to road safety risks (Saudi Arabia, Russia, Mexico, Indonesia, China, Argentina) and developed structural measures (example: GPS, Danone-certified licenses after specific training, etc.). Results: reduced frequency rate by 29% in these countries.
	<ul style="list-style-type: none"> Develop a general framework to enable the divisions and Country Business Units (CBUs) to set standard guidelines through directives and procedures. 	<ul style="list-style-type: none"> Implementation of the the 4 Safety Standards (Hazardous energy confinement/release, Subcontractor Safety, Driving Safety and Accident Investigation), included in the Danone Way indicators for the 2011 campaign. Checklists for CBU self-assessments on the 4 standards.
<p>Provide medical insurance and other benefits for all employees and improve working conditions</p>	<ul style="list-style-type: none"> Provide a minimum level of medical insurance and other benefits for all employees based on an audit of existing systems in 15 countries representing 85% of Danone employees. 	<ul style="list-style-type: none"> Dan'Cares plan launched: 10 countries identified, 55,000 employees, with the objective of a minimum level of medical insurance in CBUs (in-patient, maternal care, outpatient) by 2013.
	<ul style="list-style-type: none"> Prevent stress at work and improve working conditions. 	<ul style="list-style-type: none"> Agreement signature in March 2010 for French CBUs, company-level negotiations being finalized (France). Negotiation of a global framework agreement on health, safety, working conditions and stress with IUF (International Union of Food Workers): draft agreement finalized end 2010.
	<ul style="list-style-type: none"> Create health awareness/training programs for Danone employees: "health induction" and "health at work" programs. 	<ul style="list-style-type: none"> In 2010, the "health induction program" was carried out at 10 CBUs in eight different countries. Over 100 "Health@work" programs were rolled out.
<p>Strengthen the international social dialogue</p>	<ul style="list-style-type: none"> Include representatives from Asia and North and South America while maintaining majority European representation (the Information and Consultation Committee - CIC - acts as the European Works Council). 	<ul style="list-style-type: none"> Managed the integration of the Baby and Medical Nutrition divisions' European Works Council (EWC) into the ICC: included their representatives on the Danone/IUF Steering Committee and negotiating team. Expanded the current Steering Committee.
	<ul style="list-style-type: none"> Implement the Danone/IUF agreements in all group countries. 	<ul style="list-style-type: none"> Joint visits were made to Italy, Belgium, Turkey, Hungary and Brazil, with a focus on safety & working conditions (visit to Brazil + Danone/IUF Steering Committee visit to Spain to analyze the safety program).

2011 PERFORMANCE

OUR 2012 COMMITMENTS AND OUTLOOK

- Lost-time accidents frequency rate (FR1) reduced from 12 to 2 in 8 years through the WISE initiative.
- Strong legitimacy and positive perception by Danoners: the 2011 Employee Survey ranks Safety first (86% positive/very positive perception, + 5 points from 2009).
- In 2011, FR1 = 2.2 (- 29% from 2010), ahead of targets (2.6 and -14%). Significant progress made by the sales department to 2.4 (-39%).

- In 2011, 66% of CBUs implementing the 4 Safety Standards completed self-assessments and developed relevant action plans.

- 8 countries (China, Spain, Indonesia, Mexico, Brazil, Poland, Russia and Saudi Arabia), representing 28,000 employees, began implementing "Dan'Cares".

- Global agreement signed on September 29, 2011 and presented to the Information and Consultation Committee (ICC) in October before 70 unionists from all countries.
- 4 Human Feasibility Studies (HFS) carried out in France and 50 people trained in the approach which consists in assessing employees' ability to adapt to a major organizational change in terms of skills, workload, safety, training, etc.

- Over the past three years, the consistent rise in the percentage of CBUs achieving level 4 on the Danone Way occupational health fundamental (30% in 2009, 48% in 2010 and 59% in 2011), shows that the CBUs are making more and more progress in prevention programs ("Health Induction Program", employee health diagnosis, extending health insurance to family members, etc.).
- 87% of CBUs have a "Health@work" program.
- Almost 47% of staff has access to these programs.
- Partnership being developed with INSERM (French National Institute of Health and Medical Research) to assess the program developed at the French Research and Development site in Palaiseau.

- Baby nutrition and Medical nutrition divisions successfully integrated into the ICC and the Danone/IUF Steering Committee.

- Joint visits have been made to 18 countries in 3 years, addressing three topics each time: presentation of background and international social dialogue bodies; talks with management and unions/staff representatives about local social dialogue; and presentation/evaluation of agreements.
- Annual survey on staff representation conducted: results are stable compared to 2010.

- By 2015, reduce FR1 by 50% to reach 1 and reduce together FR1 plus FR2 (Frequency Rate without lost time accidents) by 50% to reach 7.
- In 2012, achieve an FR1 of 1.79 (i.e. 17% decrease from 2011), secure FR2 indicator reporting in all Zones, define and implement a new Standard called "Workplace Risk Assessment" focusing on risk prevention at the workplace, and proactively manage the professional development of the group's 100 experienced Safety auditors.

- Continue deployment of Dan'Cares to cover, by 2013, the additional 30,000 employees in countries that already conducted audits in 2010.
- Initiate audits on medical expenses for countries yet to launch "Dan'Cares".

- Implement the agreement, introducing a self-assessment for each CBU to evaluate their practices against it, and define related priorities.
- Integrate self-assessment and the HFS into the 2012 Danone Way campaign.

- Give priority to rolling out the health component of the Danone/UIF agreement on Health, Safety, Working Conditions and Stress.
- By 2013, measure the impact of the "Health@work" program in Palaiseau.

- Keep up dynamic, constructive international social dialogue.

- Prioritize rollout of the new agreement on Health, Safety, Working Conditions and Stress, if necessary with support from the group's Social Affairs department or the IUF in dealings with negotiators in the CBUs (HRD, unions).

EMPLOYEES

OUR STAKEHOLDER COMMITMENTS	OUR OBJECTIVES	2010 PERFORMANCE
EMPLOYEES		
STRENGTHEN SOCIAL FUNDAMENTALS FOR ALL		
<p>Improve the employability and skills of all our employees</p>	<ul style="list-style-type: none"> • Increase access to training for all employees. • Continue the VAE program in France (accreditation of prior experiential learning). • Hire young people for the apprenticeship program and help them gain the necessary qualifications. • Develop sales training methods tailored to the characteristics of local cultures.. 	<ul style="list-style-type: none"> • The average number of training hours per employee increased from 27 hours in 2009 to 31 in 2010 (vs. 24 hours in 2008). • The number of employees trained, across all categories, increased from 75,000 to more than 83,000. • Overall, the number of training hours per employee increased in average of 29% in two years. • 65 new employees entered the program, i.e. a total of 1,149 graduates. End of program as such, since its goal was to reach 1,000 employees in training. • As part of the French government's Youth Employment plan, set up a pilot project to create a more diverse group of apprentices (currently 70%: high school diploma + 2 years of higher education and above) in order to accommodate those without diplomas in the pre-qualification period, in cooperation with local partners (employment agencies, non-profit and training organizations). This will enable them to earn their vocational aptitude certificates or BEP (vocational proficiency diploma). • 144 contracts signed in 4 regions in France, 11 Danone sites and at our suppliers' and subcontractors' companies. • Over 95% of young people were confirmed after the pre-qualification period. • 4,900 salespeople were trained in 11 Country Business Units (CBUs) in Asia, the Middle East, Latin America and Eastern Europe via the "Dream Store College," a special training module designed for salespeople in the field.
<p>Ensure compliance with fundamental sustainable development criteria by all CBUs (Danone Way)</p>	<ul style="list-style-type: none"> • Improve implementation of the 16 Danone Way fundamentals by increasing the number of participating CBUs, particularly Baby nutrition and Medical nutrition. • Raise the level of sustainable development standards required for Danone Way. 	<ul style="list-style-type: none"> • 112 CBUs representing over 94% of Danone's revenue conducted self-assessment under the Danone Way program. • 14 CBUs audited by external auditors. • Percentage of CBUs rated lower than 3 stars was 17% in 2010, i.e. 12 CBUs (like-for-like basis with 2009). • Percentage of 5-star CBUs was 9% in 2010 (7 CBUs).

2011 PERFORMANCE

OUR 2012 COMMITMENTS AND OUTLOOK

- Training effort maintained in all Regions. The average number of training hours per employee is stable at 31 hours.
- 85,600 Danoners trained (vs. around 83,000 in 2010) corresponding to 99.6% of average headcounts declared in 2011.

- Ensure there are no longer any employees who have gone without training for two consecutive years.
- Provide at least 50% of the group's employees with 24 hours of training each year.
- As part of the 2012 Danone Way campaign, monitor employees who have not received training for 5 years.

- Continued the Initiative 500 program to accommodate young people without diplomas in the pre-qualification period, in cooperation with local partners (employment agencies, non-profit and training organizations) to help them gain qualifications such as vocational aptitude certificates or BEP (vocational proficiency diploma): 114 contracts signed in 2011 (76 at Danone and 38 with partner entities).
- Launched the Danone in-house Sales School, in cooperation with the IFRIA (food industry training network): 64 students having completed two years' higher education and wishing to continue for a third year were hired on a sandwich course basis, alternating 50% classroom time and 50% hands-on training time in stores in a Danone geographic area. This initiative is a means of diversifying recruitment and giving students with 2 years of higher education their chance to obtain positions initially intended for students having completed 5 years of higher education.

- Continue our 3 initiatives for the insertion of young people in France:
 - Initiative 500;
 - Sales School;
 - Atout Jeunes, an inter-company association formed by Danone, L'Oréal and Auchan and several Universities (Villetaneuse, Cergy, Créteil, Marne la Vallée). It aims to improve the employability of young graduates holding bachelor's and master's degrees in Arts subjects and Human and Social Sciences both collectively and individually (tutoring provided by employees of the participating companies).

- Continued implementing the DreamStore College program in 2011; the next-step review will be held in 2012.

- Objective by end 2012:
- 10,000 salespeople trained.

- In 2011, the Danone Way scope was expanded to 142 CBUs, representing 92% of group revenue (including Unimilk).
- 12 CBUs audited by external auditors.
- A new framework was designed and set up for the 2012 campaign, including the group's latest initiatives.

- Pursue the goal of all CBUs achieving 3-star rating following their 3rd assessment campaign, on the basis of a more demanding framework in 2012.

- Results significantly improved compared with 2010 on a like-for-like-basis (112 CBUs), with the number of 3-star CBUs rising from 19% to 32%. 15% of CBUs are rated lower than 3 stars (for most of them it was only their second campaign). For the global scope in 2011, only 22% of CBUs are rated lower than 3 stars, as most of them have yet to complete their third campaign.

EMPLOYEES

OUR STAKEHOLDER COMMITMENTS	OUR OBJECTIVES	2010 PERFORMANCE
EMPLOYEES		
ENCOURAGE RESPONSIBILITY AND AUTONOMY AMONG ALL EMPLOYEES		
<p>Increase Danone employees' autonomy and efficiency</p>	<ul style="list-style-type: none"> Increase Danone employees' autonomy and efficiency. 	<ul style="list-style-type: none"> Recruitment guide, including a Danone leadership attitudes observation matrix, currently being distributed. Assessment of managers and directors using CODE leadership attitude standards, with an impact on compensation. <hr/> <ul style="list-style-type: none"> 11,500 employees trained, including 8,400 team leaders and 300 in-house trainers.
<p>Expanding Diversity by capitalizing on CODE</p>	<ul style="list-style-type: none"> Conduct the 1st Danone Women's Leadership Lab with 70 participants, facilitating the transition to multiple forms of leadership, with progress in gender parity at all levels of the company. Set Open Sourcing priorities that promote the global diversity agreement signed in 2007 and give everyone the opportunity to join Danone and advance their careers. Set up inter-company diversity networks in a number of European countries in cooperation with the "Diverseurop" network. Sign agreements with unions on issues specific to seniors in the group's French companies. 	<ul style="list-style-type: none"> Gender parity: 2nd year of Danone Women's Leadership Lab in June 2010, with presentation of results to all general managers during their annual meeting. Action plans adopted for Sales, Industrial and Procurement departments as well as for the Southern Europe and France regions. Mentoring programs expanded: over 80 women enrolled. Women's leadership training: over 200 women trained (100 in France and 100 worldwide). Creation of the EVE seminar with partner companies, a continuation of Danone's in-house seminars on women leadership. The first seminar, which took place in Evian in December 2010, drew 230 women and men. Focusing on the theme, "Take action by daring to be yourself," the seminar is designed to develop individuals capable to transform organizations. <hr/> <p>Recommendations from "Open Sourcing" laboratories in November 2010:</p> <ul style="list-style-type: none"> Introduce a new bonus criterion for managers (access for all employees to an individual career development and internal promotion plan). Add a CODE (leadership attitudes) observation matrix to our recruitment methods (identify leadership potential). "Hiring without a résumé" pilot projects, partnerships with universities and non-profit organizations (HR Mozaik, for example). Develop special "emerging country" assignments for Danone employees as a recommended stage in their career. <hr/> <ul style="list-style-type: none"> Diversity policy/organization: production and distribution of a manual to Country Business Units (CBUs) to share best practices and to formally lay the groundwork for a shared needs assessment. <hr/> <ul style="list-style-type: none"> All French CBUs covered by an action plan or senior employee agreement and achieved specific objectives in the areas of job retention, training, and flexible working conditions and transition-to-retirement arrangements.

2011 PERFORMANCE

OUR 2012 COMMITMENTS AND OUTLOOK

- Continued deployment of the "Recruit with CODE" guide, implementing recruitment methods based on situation scenarios ("Assessment Centers", "Trust" or "UniverSell Night"-type games).
- Acceleration of the policy for active Danone and CBU presence on various social networks (Facebook, LinkedIn, etc.).

- Set up a global agreement with LinkedIn to take full advantage of social networks through enhanced visibility.

- 15,000 team leaders trained, mostly by the 470 specifically accredited in-house trainer.
- Program highly praised in the Employee Survey: 81% of the 15,000 Danoners who have attended a Danone Leadership College (DLC) course feel that they have since improved the way they work and 72% have noticed a positive change in their working environment since CODE attitudes were adopted.

- Roll out the DLC/CODE approaches to operators, both appropriately (with specific content) and progressively (by starting the approach in production plants), in order to firmly establish these tools in routine managerial practices ("CODE in action").
- Continue to drive the community of 470 in-house trainers and promote best practices.
- Give priority to 4 consolidation sessions on certain topics, particularly for proximity management.
- Include CODE in all management lines (in group-wide and country-specific programs).

- New edition of EVE seminar held with 300 participants and 15 partner companies on Gender diversity. Held in September 2011 in Evian, it was attended by 60 group general managers to raise awareness of the topic and share the CBUs' challenges and best practices.
- Danone won the 2011 "Entreprise et Diversités" prize in France for the Danone Women Leadership program (president of the jury: Rama Yade).
- Representation of women has improved at every level in the organization in 18 months (+2% at executive level and +4% among Directors).
- Pilot projects conducted for the integration of CODE into training modules.
- Continued the "7" action plan for monitoring women with leadership potential by division.
- Signed a teleworking agreement within the group's headquarters; 40% of employees are concerned.

- Following on from the EVE seminars, launch the OCTAVE program: intergenerational management seminar based on the premise that both senior and junior employees have a contribution to make to the company and that "rubbing shoulders" between generations contribute to the company's performance overall.
- Continue the various working groups with the aims of:
 - fostering working life flexibility balance by introducing systems of organizing work and working time (flexitime, tele-working, etc.) adapted both to available new tools and to the different generations' expectations;
 - promoting parenthood by developing individual fulfillment through greater ability to make the right choices between working and family life (several practices already tested in the CBUs);
 - establishing and encouraging greater career flexibility to allow individual speed of development and extended career lengths. Develop career paths between functions.
- Roll out projects on career adjustment and private life - working life flexibility in the 2012 Danone Way campaign.

- Introduced "People Reviews" by country to optimize career management between CBUs in a given country.
- Anticipation of the 2nd half of careers by developing mid-career meetings/reviews and "Growth Conversations", to help people build a long-term project.
- Reverse mentoring action conducted with a focus on transferring skills between generations, particularly knowledge sharing.

- Inter-company Diverseurop meeting held in Poland.

- Develop the networks by continuing joint initiatives with DiversEurope and ORSE (guide on Diversity, etc.).

- Launched diagnostics of arduousness at work in French CBUs, with identification of key risk factors.

- Include arduousness at work in health and prevention policies.