



# The European Corporate Responsibility Award

Application form  
Candidate : Groupe Danone



## Candidate contact details ■

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### *Activities, key figures, markets of establishment, development lines...*

- **Registering a 12 776 billion euros turnover in 2007, Groupe Danone recorded an organic growth rate of nearly 10%. With its operating margin increasing for the 13th year in a row, the Group further strengthened its global standing:**
  - world no. 1 for fresh dairy products (Danone, Actimel, Activia, Danonino (Petit Gervais aux fruits), Vitalinea (Taillefine, Vitasnella or Ser in some countries), Danacol, Essensis...)
  - world no.2 for bottled waters (Evian, Volvic, Aqua, Bonafont, Font Vella, Lanjarón, Ser...)
  - world no.2 for baby nutrition (Blédina, Gallia, Nutricia, Cow & Gate, Milupa, Mellin, Dumex... )
  - world no.3 for medical nutrition (Nutricia, Nutrini, Nutrison, Fortimel, FortiCare, Fortisip, Neocate, Infatrini... )
  
- **The Group's performance is the result of a balanced strategy built on international expansion, a growing commitment to innovation, and strengthening health-oriented brands.**
  - In order to keep up with its ambitions, Danone invests heavily in Research & Development — nearly €190 million in 2007. 100% of its current projects in the pipeline focus on health and nutrition.
  - In 2007 Groupe DANONE bolstered its focus on healthy food with the takeover of Dutch group Numico. With this move it incorporated into its strategy two profitable, fast-growing business lines: medical nutrition and baby nutrition.
  - They naturally round off the Group's brand portfolio and are perfectly aligned with its mission to « **bring health through food to as many people as possible** ».

Today Danone is the only food group totally focused on health.





# 1. Key points ■

*What are the focus areas of the CSR strategy in relation to the core business ?*

## **Danone and its economic and social « dual commitment »**

- **Closely bound up with the history and culture of the Group, its original corporate model is based on the belief that the company is more than an economic unit, it is also a social one.**
  - In 1972, Antoine Riboud said: "Corporate responsibility does not end at the factory gate or at office doors. The jobs a business creates are central to the lives of employees, and the energy and raw materials we consume change the shape of our planet. Public opinion is there to remind us of our responsibility in the industrial world of today". DANONE model relies on a principle: economic performance and attention to people goes hand in hand.
  - Franck Riboud, his son, who took over the head of the company, shares his vision:
    - " In terms of research, our job is to identify the health benefits that some natural ingredients can bring and to bring them through food to the maximum number of people.
    - For example, when you are a world leader in baby foods, you also have to understand that breast feeding is still the best solution in the first few months of an infant's life. Which naturally affects the way you go about your business.
    - When you sell a fragile resource like mineral water that you get from a spring, you are naturally more aware of the need to protect the environment-especially around that spring
    - when most of your raw materials are natural, you cannot put nature at risk without endangering your own resources, your own business."
- **Groupe DANONE directors consider this business model to be a major competitive advantage:**
  - This is a factor for cohesion, collective efficiency and internal motivation
  - It is also an attraction factor and develops employees loyalty
  - Which enables Danone to develop bonds of trust between the company and stakeholders (customers, suppliers...)





## 1.Key points ■

### *What are the focus areas of the CSR strategy in relation to the core business ?*

- **In order to ensure that this philosophy is shared within the company, DANONE mainly makes use of “DANONE Way”. The new version of this program is dubbed “DANONE Way ahead”.**
  - This participative initiative helps each subsidiary to integrate economic performance and social and environmental responsibility
- **Over the years, the DANONE view of the company has been formalised in documents that define the Group’s principles and policies as well as the shape of the actions of the teams worldwide**
  - Fundamental Social Principles, Business Conduct Policies, Charter for the environment, Food Nutrition and Health Charter.

### **Health : A historic Danone commitment**

- **Three centuries after the health benefits of Evian Mineral Water were proved, more than one century after Bledine was first marketed and soon 100 years after the first Danone Yogurt was launched (product of the research by Nobel medicine laureate Elie Metchnikof), innovation in health is more than ever a development lever for the group.**
- **Danone thus tries its best to provide for the specific needs of all different populations thanks to its products and consumer consciousness-raising**
  - Emerging markets (nutritional deficiency, lack of information on breast-feeding...)
  - “Fragile” populations (children, the elderly...)
- **The importance of health to the Group is translated into action in the field**
  - One example is Danonino (Petit Gervais), reformulated with added vitamins and minerals to counter specific nutritional deficiencies affecting children in over ten countries





# 1. Key points ■

## *What are the focus areas of the CSR strategy in relation to the core business ?*

### **A strategy highly influenced by Sustainable Development and CSR**

- **The 2008-2011b Group strategy is based on 6 pillars, 4 of which are closely linked to Sustainable Development and/or Corporate Social Responsibility :**
  - **« Danone for all »** : Danone products have to be available not only for costumers in developed countries but also in developing countries. In order to do so, Danone has to innovate to reduce prices (new production processes, new product formulas...) while maintaining the nutritional quality offered.
  - **« Health Credibility »** : Assure the scientific credibility of the Group in terms of health positioning. It is not only a scientific work in progress (acquisition of Numico, medical partnerships, R&D...) but also a “cultural” one: health through nutrition, which is an integral part of Danone’s mission, deeply changes the practices of the company.
  - **« People Growth »** : Since it was founded, the Group has leaned on its staff to make the difference against its powerful competitors Nestlé and Unilever. Thus, although Danone cannot guarantee each employee a job for life, it considers it is its duty to give each one of them an opportunity to develop himeself and preserve his or her employability.
    - In order to do so, the Group has developed a “growth contract” between the employees and Danone.
    - The implementation of a “lean organisation” will allow 15 000 first-line managers – “team builders” – to supervise 7 employees maximum and to be responsible for their development.
    - Employees are given the opportunity to be involved in societal projects during working hours. These projects are elected by Danone itself, according to its positioning.
  - **« Nature »** : Danone wants to act according to its “partnership with nature”, making its environmental impact neutral in the long run, which is to say:
    - On the one hand minimising the environmental impacts of the supply – production – distribution chain.
    - On the other hand compensating the residual impacts of the chain through actions in partnership with specialised organisations (for example: development of a methodology for the restoration of wetlands which settle carbon in cooperation with the United Nations Organisation, methodology which actually goes further than what is stated by the Ramsar Convention; creation of the Danone funds for Nature)





# 1. Key points ■

*What are the focus areas of the CSR strategy in relation to the core business ?*

## **The Sustainable Development / CSR top strategy is shared in every management line**

### ■ **The Sustainable Development and Corporate Social Responsibility strategy is at the heart of the Governance of the Group**

- Two corporate departments aim at taking the emerging needs of society into account :
  - A Sustainable Development and Social Responsibility Department within the General Human Resources Department
  - A Scientific and Regulatory Affairs Department within the General Secretariat.
- By the end of 2006, the Board of Directors decided to create a Governance organ dedicated to societal innovation: the Social Responsibility Committee (SRC)
  - There were 3 meetings in 2007.
  - This committee aims at evaluating the results of the initiatives taken in terms of societal innovation, at making recommendations or notifications and to evaluate the practices of the subsidiaries according to the 5 fundamentals of the Groupe DANONE: human rights, human resources, environment, customers and consumers, governance and relation to local communities.

### ■ **Each one of the six « pillars » of the 2008-2011 Group strategy is run by a two-person team from the Executive Committee**

### ■ **Lastly, departments adapt their 2008-2011 strategy to the 6 « pillars » of the group, 4 of which are closely linked to Sustainable Development / CSR**

- According to their part in the value-added chain : R&D, raw material supply, production and packaging, transport, sales, consumption, end of cycle...
- According to the products concerned : waters, dairy products, baby nutrition...

**Societal challenges are major concerns and focused on in relation to core business**





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## 2. Impact on the development of the company ■

*What is the relationship between the CSR strategy and enhancing business success?*

### ■ « Danone for all »

- This policy allows Danone to acquire the experience required to reach new consumer markets for those who wouldn't have been able to afford Danone products before.
- Such projects aim for a lower return than the « traditional » activities of the Group.
- Danone Communities is a mutual fund which main investor is Danone but that remains opened for anybody (including the employees of the Group) and that helps financing the creation or the development of "social businesses". These projects are coordinated by a team of "experts" from Danone (industrial, marketing skills...). The first « social business » created was Danone Grameen in Bangladesh.

### ■ « Health Credibility »

- Its high health value-added strategy allows Danone to have a satisfying price/health benefits positioning, notably on mature markets, and its margin allows the group to finance its R&D investments.
  - The Activia brand (which has been present on both French and Spanish markets for more than 20years) is still registering a very high growth rate, thanks to the permanent renewal of the product range based on consistent scientific research.
  - The brand moreover establishes itself on 4 or 5 new markets every year (including the American market in 2007, which has a huge potential)
- Thanks to the research carried out by both Danone and Numico, Groupe Danone has stronger strike force and scientific expertise than any of its competitors.
- In the last JP Morgan Insight Investment study, published in April 2008, Danone ranks first in terms of health in the food-processing industry. This report highlights the overall coherence of its approach, its commitment to local authorities and its scientific know-how.





## 2. Impact on the development of the company ■

*What is the relationship between the CSR strategy and enhancing business success?*

### ■ « People Growth »

- The policy of the group still sticks to Antoine Riboud's commitments, epitomised by what he said forty years ago: "We have to bear in mind that growth for growth is meaningless. Growth must have an aim and it aims at developing men and women's welfare."
- Danone thus invests on human capital through professional development and fair working conditions. In many countries, its subsidiaries are often ranked among best local employers.
- On top of that, according to its "dual-commitment", Danone relates the commitment of its employees (measured through an internal assessment process) to the economic performance of its business units. The "lean organisation" program aims at reinforcing all employees' commitment by reducing hierarchy and giving responsibility to each management line, and thus also aims at increasing the economic performance of the business units.

### ■ « Nature »

- By preserving natural resources, Danone manages to reduce some of its production costs (it for example committed in 2002 to reduce its packaging weight by 10% within 10 years, recycle waste material, reduce its water consumption through the Danone Water Footprint program: more than 3,5 billion litres of water have been saved for the past 5 years).
- Meanwhile, Danone keeps improving the quality of its products: protection of springs (quantity and quality of water), high requirements on the quality and traceability of milk for its products.
- The Group also committed itself to launch a "carbon neutral" program for 5 of its main brands (carbon neutral by 2011).

**Danone has a clear and systematic approach for assessing business opportunities**





### 3. Involvement of stakeholders in the CR strategy ■

#### *How is stakeholder participation integrated into the CSR strategy?*

##### ■ **Employees and social players**

- A satisfaction survey is held once every two years minimum so as to identify progress lines at every level (local/Business Unit/Group)
  - The decision to launch the “lean organisation” program follows the observation that employees commitment is proportionate to their hierarchical rank – the higher they stand on the corporate ladder, the stronger their commitment is.
  - In 2007, 9000 managers and 22 000 employees took the biennial Danone People Survey: the turnout was 85% for managers and only 67% for employees. Action plans are implemented thanks to employees involvement in every progress line identified.
- As much locally as globally (Information and Consultation Committee), Groupe Danone maintains a permanent social dialogue with staff representatives and trade unions, in order to identify progress lines and negotiate social agreements
- International social dialogue within the context of the International Union of FoodWorkers: agreements are regularly made:
  - Danone signed that IUFW global agreement on diversity and implemented monitoring indicators
  - A Danone-IUFW steering committee takes place once every two months to monitor the implementation of the agreements

##### ■ **Consumer, social and environmental associations and NGO**

- Regular meetings with consumer associations
- Consultations during regular meetings at Group level (Sustainable Development and Social Responsibility Department, External Relations Department)
- Participation in CSR Europe, IMS-Entreprendre pour la cite,ORSE (Observatory of Company Responsibility in Europe)
- The board of directors created a Societal Innovation Committee and a Social Responsibility Committee





### 3. Involvement of stakeholders in the CR strategy ■

#### *How is stakeholder participation integrated into the CSR strategy?*

- **Public authorities**
  - Regular exchanges with administrations and local councillors/MPs at Group and site level
  - Regular contacts at national and European level (External Relations Department)
  - Contacts with international organisations
  - Membership of the United Nations' Global Compact and information from the internet site.
  
- **Other stakeholders taken into account in the Sustainable Development strategy**
  - Distributors : Participation in inter-professional organisations and in bilateral initiatives
    - Current project to develop the collection of cardboard in shops with an important retail group
  - Suppliers : Partnerships with milk producers, cooperatives and upstream producers, participation in inter-professional organisations
  - Scientific Community : Regular contacts
  - Food industry professional organisations : Participation in national and international inter-professional organisations (ANIA, CIAAA, GMA...)

**Dialogue with stakeholders is regular  
(employees, social players, consumers, NGOs, public authorities...)**





## 4. Management part ■

### *What is the role of (senior) management with regard to the CSR strategy?*

- **Each Two-person team from the executive committee is in charge of one “pillar” of the 2008-2011 strategy. They have to make sure it is properly implemented.**
  - Danone for all, Health credibility, People growth, Nature are the pillars concerned.
  
- **The members of the subsidiaries/business units management committees are in charge of the implementation of the corporate “Danone Way Ahead” program (cf. question #5). The Group expects them to monitor the following stages:**
  - Shared evaluation of policies and consolidation of indicators
  - Definition of the progress lines which are then ratified by the group
  - Definition and implementation of the action plans (which involve employees a lot)
  
- **Since 2008, the 650 top managers’ objectives have taken societal and environmental criteria into account. They can fix up to one third of their variable pay.**
  - Objectives are set in 3 different categories : 1/3 of them are linked to economic performance, 1/3 are social and environmental objectives, 1/3 concern business development (which may include societal projects). Social and environmental objectives are chosen by the subsidiaries through Danone Way Ahead and then ratified by the Group.
    - Objective example : implementation of a carbon impact calculator for all stages of the value chain
  - These objectives are then adapted to all employees of the subsidiary.





## 4. Management part ■

### *What is the role of (senior) management with regard to the CSR strategy?*

- **Lastly, through various initiatives, the Group seeks after the involvement of its managers in the definition of its policies and actions linked to sustainable development and CSR**
  - Since 2007, Danone Group has organised an annual “Social Innovation Lab” gathering all managers of the Group (220 managers in 2007): it aims at having different subsidiaries interested in the same subject work altogether so as to select concepts and produce operational tools for social innovation.
  - « Sustainability Mapping » is part of Danone Way Ahead : it consists of a grid that enables subsidiaries to identify main local stakeholders’ stance on local sustainability issues linked to Danone businesses and to identify possible actions.
  - A training for European site directors was launched in 2008 to help them implement the international Local Communities initiative, by helping them identify local stakeholders and prospective collaborative issues.
  - Lastly, employees can take part in societal actions in their subsidiaries

**The top management is encouraged to adopt a strong position towards sustainable development through practice sharing and bonus systems**





## 5. Integration into the Business Plan ■

### *To what extent is the CSR policy translated into a business plan?*

- **Danone Way : a corporate initiative to express the commitments of the group**
    - In 2001, DANONE launched Danone Way as a self-assessment initiative that allowed teams worldwide to share and implement the company's vision, particularly in the areas of social and environmental responsibility.
      - By the end of 2006, Danone Way had been launched in 94% of the subsidiaries of the Group and 700 progressive projects had been implemented.
    - To level up requirements, and keep exploring new perspectives, the Group decided to launch Danone Way Ahead :
      - **Consolidation of sustainability fundamentals based on demanding criteria**, through self assessment and action plans, management tools integrated into an internal control system and linked to managers' variable pay (cf. paragraph on bonuses) for the management committees of the subsidiaries
        - *The assessment covers the 5 areas of sustainable development and company responsibility: human rights, human relations, the environment, consumers and governance*
        - *The 16 fundamental principles are evaluated against policies, with four levels of progression, with results also being assessed using around indicators.*
        - *By consolidating the evaluation of both policies and indicators, each subsidiary can obtain a total number of points ,which, in turn, determines the number of stars for each subsidiary. Requirements are really high and attribution criteria very strict.*
        - *Each steering committee sets objectives that the Group confirms for the year and the next three years within the context of its strategic plan*
      - **Speed societal innovation up** to contribute towards the differentiation of the company : the aim is to test new business approaches whilst maximising social and environmental benefits and retaining the economic performance required for any project to be sustainable. In order to do so, each subsidiary has its own decision tool to identify local sustainable projects (within the scope of the corporate themes) that can develop:
        - *The activity of the company,*
        - *Local communities,*
        - *Employees commitment and direct involvement in the project,*
- These projects are grouped together at a group level and dubbed "Supporting Life" and must hold Danone's mission up: "bring health through food to as many people as possible"





## 5. Integration into the Business Plan ■

*To what extent is the CSR policy translated into a business plan?*

### ■ Results of Danone Way Ahead

- 2007 : Implementation on Waters and Dairy Products
  - 40 subsidiaries, representing 84% of the Group's sales in these two areas, have moved to self-assessment worldwide
  - 50% of the subsidiaries carrying out this new evaluation, representing almost 60% of the sales of the two units, have obtained between three and five stars
- 2008 : Baby and Clinical Nutrition
- By 2011 : 100% of subsidiaries to the appropriate standard

### ■ In decreasing order, 5 themes are classified on a scale of 0 to 2000 points :

- Environment is the theme that needs to progress most
- Groupe Danone is thus developing environmental initiatives

### ■ Since it was launched, Danone Way has been subject to an external audit

- Following the launch of the new approach this year, the audit system was reviewed and two tests have been carried out. Future audit methodologies will include a check on how policies are evaluated and indicators calculated.

**2007 : 5 themes are classified on a scale of 0 to 2000 points**

1. Human rights : 1900 points
2. Human relations : 1800 points
3. Governance and relations with external partners: 1650 points
4. Consumer relations: 1600 points
5. The environment : 1150 points

**CR is integrated into a Business Plan through the settling of measured objectives**





## 6. Integration into processes ■

*To what extent is the CSR policy integrated into the core business processes?*

- **Danone Way Ahead allows Danone to integrate the sustainability and CSR policy of the Group into the governance processes of the Group and its subsidiaries, to bring the whole Group into line according to more and more demanding standards, and to make sure they are in accordance thanks to internal and external audits (KPMG)**
  - The management committees of the subsidiaries define their own objectives, within the scope of the Group
  - They are responsible for these objectives, according to which they are evaluated and paid
  - This process moreover associates internal control at both subsidiaries and Group level
  - 100% subsidiaries should reach the right standard level by 2011
  
- **On top of that, many cross-functional duties are concerned within the Group. For example :**
  - Buying offices monitor the implementation of the RESPECT initiative by the buyers of the subsidiaries
    - Launched in 2006, this initiative is based on a methodology and tools allowing to follow their suppliers and launch progressive initiatives according to the 7 criteria of the International Labour Organisation (ILO)
    - A risk analysis was implemented for all Dairy Products and Waters suppliers
    - 11 external social audits were run, followed by corrective action plans
  - This initiative aims at making buying offices integrate CO2 emissions into their criteria whenever they select suppliers (packaging, transport...)
  - In 2007, the Group created a R&D unit dedicated to packaging. It works on recycled polyethylene terephthalate (PET) into bottles: 7 countries are involved in the project. This innovation was ratified by the French Agence de Sécurité Sanitaire des Aliments (food sanitary safety agency) and should permit the production of bottles made of 25% recycled PET in the long run.
  - In countries where recycling is poorly developed, Danone has launched experimental projects
    - In Mexico, for instance, the supplier in charge of collecting and recycling materials is better paid than what the market requires. The subsidiary is cost-saving at the same time because recycled PET is cheaper than regular one.

**CR is integrated into processes through both national and local initiatives**





## 7. Stakeholders' part in the implementation of the CSR strategy ■

### *What is the role of external stakeholders with regard to CSR projects?*

#### « Danone for all »

- Danone is strongly committed to economic development as a social and environmental development lever. Instead of creating a fund or donating to NGO's, Danone is involved in local development projects related to its commitments in partnership with NGO's through Danone Communities which is a "risk-free" mutual fund in which any employee, shareholder or consumer can invest
- These partnerships with associations and NGO's are at the basis of a mutual enrichment: Danone brings expertise and then benefits from the discovery of new markets, needs and working methods. Here are some examples of projects in which Danone is involved with one of its partners :
  - Development of the use of flax in the diet of cows: it increases both the quality and the quantity of their milk and helps to reduce gas emissions.
  - Creation of "water schools" to help local populations manage and protect their resources
  - Cambodia: water purification system for populations with difficulties to access drinking water
  - Creation of innovative development models allowing to bring health through food to poor populations (Bangladesh, Poland...)
  - « one litre for ten litres, water for everyone » : Volvic France embarked on a programme along with Unicef, designed to improve access to drinking water by constructing and maintaining wells in developing countries.
  - Development of a project in Indonesia to train 140 000 midwives on hygiene and nutrition for mothers and children in the country

#### « Health Credibility »

- Danone has developed partnerships with medical and scientific institutions to ensure requirements in terms of scientific proofs are very high. Almost 800 employees work in R&D and collaborate with a very high number of external scientists
- Exchanges with consumer associations enable Danone to adapt its products to every country it is settled in according to its deficiencies (obesity in Mexico for instance)





## 8. Employees' part ■

*What is the role of employees with regard to participation in the CSR policy?*

- **Employees should be the main representatives of the « Danone Way », they are the first ones to bear the values and objectives of the firm in terms of sustainability and CSR :**
  - Danone attempts to raise employees' awareness of the importance of health (physical activity, cardiovascular risks, ergonomics...): it aims at making employees sensitive to health and at suggesting good practices
  - Employees are free to invest in the Danone Communities mutual fund as well as consumers, institutional investors or private individuals
  - The 2008-2011 strategy plans to encourage employees to get involved in societal projects supported by the company (Supporting Life) during working hours. In Indonesia for example, 150 employees have helped training midwives in order to fight against infant mortality due to malnutrition
  - Volunteers may take part in development projects in partnership with NGO's
  - The General Managers of the subsidiaries are responsible for "Danone Way Ahead" and some of their objectives take environmental and social results into account (analysis and implementation of action plans). These objectives are adapted to all of their colleagues' objectives
  - The group has not only been working on the adaptation of its "Business Code" but also of its 16 Danone Way fundamentals to the daily practices of all the staff

**Employees are real ambassadors of the CR values notably through investments, volunteering and daily practices**





## 9a. Innovation : sustainable development as a business lever ■

*How is the approach to enhancing business success with CSR activities innovative?*

- **Committed to sustainable development in partnership with NGO's, Danone has to face local markets specificities in terms of nutritional needs and socio-economic environment :**
  - This is what encourages Danone to question its production habits and to conceive new development models so the poorest populations can benefit from important nutritional products for the health
  - Danone thus develops its ability to reach new markets on a global scale. Its products aren't reserved for developed countries anymore, they can now be adapted and targeted for populations suffering from specific nutritional deficiencies (ex: water, breast milk...)
  
- **Knowing what the impacts of the production line are stimulates the implementation of action plans in order to reduce the negative effects of industrial activities :**
  - Partnerships are made so as to control the environmental impacts of the activity and to compensate for its residual CO2 impact by preserving ecosystems that settle CO2
  - This is how Danone can guarantee the quality and traceability of its raw material and ensure its supplying sources are sustainable
  
- **The elaboration of societal projects based on three pillars (support of the activity of the company, development of local communities and employees' commitment) guarantees sustainability and consistent impacts.**
  
- **Through the creation of "social businesses", Danone Communities is one of the main societal innovation lever. Such different business models aim at improving poor populations' health and enriching local communities through the development of an economic activity.**

**Danone is addressing new markets in an innovative way,  
through long-term multi-local partnerships**





## 9b. Innovation in the involvement of stakeholders ■

### *How is the way external stakeholders are involved innovative?*

- **Danone is strongly committed to economic development as a social and environmental development lever. Instead of creating a fund or donating to NGO's, Danone is involved in local development projects related to its commitments in partnership with NGO's**
- **These partnerships with associations and NGO's are at the basis of a mutual enrichment**
  - Danone brings industrial or technical expertise and then benefits from the discovery of new markets, needs and working methods...
    - Ex: Construction of a 3000 tons factory in Bangladesh for the Grameen Danone Food project, while the standard for Danone factories is about 100 000 tons
  - The partner brings its scientific or technical expertise, its knowledge of the market, its work culture...
- **An « advisory board » takes all stakeholders' views into account within the Group to elaborate the sustainability/CSR strategy and policy**
- **Then, willing to "bring health through food", Danone develops partnerships within the medical sphere, as much at a Group level (Pasteur Institute) than locally (Indonesia and midwives)**
- **Danone's partnership with the Ramsar Convention and the International Union for Conservation of Nature to restore biodiversity and fight against global warming is a first**

**Danone is establishing win-win relationships with the stakeholders**





## 9c. Innovation in the involvement of employees ■

*How is the way employees are involved innovative?*

- **Environmental and social objectives are taken into account in Management Committees members' variable pay, as well as for all employees of Danone's subsidiaries since 2008**
  
- **Volunteering for societal projects supported by the company within the scope of « Supporting Life » during working hours**
  - Ex : About 5000 local employees have taken part in the « Caring for Children » program in South Africa since it started 5 years ago
  - Danone makes its expertise available for the Evian "Water Schools" long-lasting projects. 6 employees assist local partners to protect springs in several countries
  
- **Employees can give meaning to their savings by investing in the « Danone Communities » mutual fund**

**Creative projects are developed for employees, who can make the choice to get involved either through volunteering or their investment in the mutual funds, driven by managers with clear CR objectives**

