2012
SUSTAINABLE DEVELOPMENT OVERVIEW
In 2013, Dannon remains committed to bringing health to the greatest number of people through its great-tasting yogurt and other dairy products. The mission comes to life more than ever before in our ambition to have Americans eat one yogurt every day, while also integrating social and economic objectives in daily activities.

— Gustavo Valle, President and CEO, The Dannon Company
2012 Sustainable Development Overview

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WHAT’S NEW IN 2012

Health and Nutrition
Through a recipe change, the sugar content in Danimals Smoothies has been reduced by 25%.

For All
Dannon initiated planning for “One Yogurt Every Day,” a new strategic initiative focused on the nutrition and health benefits of yogurt.

People
Dannon continued to support the communities in which it operates, participating in more than 20 community based projects from coast to coast.

Nature
Dannon’s Fort Worth fresh dairy plant received its first shipment of milk from McCarty Family Farms in 2012.
DANNON’S MISSION
The Dannon Company, Inc. is committed to bringing health to the greatest number of people across America through its products’ benefits. The company will exceed customer expectations by transforming the dairy category to attract and build daily consumption.

Dannon shares this mission with its parent company, Danone. Dannon and Danone are involved in many innovative projects in the USA and around the world that rethink the balance between economic and social objectives. For more information about Dannon’s global commitment to Sustainable Development, please visit:

HEALTH AND NUTRITION
Dannon believes that people who choose to eat nutritious, great-tasting foods are helping contribute to a sustainable and healthy lifestyle. The company is committed to making healthy and enjoyable food.

FOR ALL
Dannon believes that yogurt, as a nutrient rich food, is always a good value. Dannon is committed to creating affordable, delicious and healthy products for its consumers.

NATURE
Dannon’s actions to promote health also involve actions to protect and preserve the environment. Dannon strives to reduce the impact of its operations throughout the life cycle of the foods it makes.

PEOPLE
Dannon is committed to help all of its employees have opportunities to grow professionally and find meaning in their work. The company also supports its employees’ efforts to help others to achieve a better life.
ABOUT DANNON
Headquartered in White Plains, New York, Dannon manufactures its products in Minster, Ohio, Fort Worth, Texas, West Jordan, Utah, and Portland, Oregon. Employing nearly 1,400 people, Dannon produces and sells more than 200 different types of flavors, styles and sizes of cultured fresh and frozen dairy products. The tremendous variety of cultured dairy products Dannon makes supports its ambition to bring health through food to as many people as possible.

Dannon’s mission inspires the company to integrate both economic and social goals into what it does each and every day.
DANNON HAS A LONG HISTORY OF “FIRSTS” IN THE UNITED STATES

1942
Dannon yogurt introduced to the US market

1951
First advertised its products on radio and television

1979
First company to sell fresh dairy products from coast-to-coast with the opening of its plant in Fort Worth, TX.

2006
Pioneered the probiotics market with the introduction of Activia®

2011
Launch of Dannon® Oikos® Greek yogurt

2012
The first yogurt company to advertise during the Super Bowl when it aired a commercial for Dannon® Oikos® Greek yogurt bringing the first healthful food commercial into the homes of more Americans than ever before

Launch of Light & Fit Greek, the first 80 calorie Greek yogurt in America
DANNON’S VALUES – HOPE

These values are ethical principles that guide the way Dannon behaves every day, the way it works and progresses in its business, the way it makes contacts, the way it buys and sells products and the way it recruits its workforce.

**HUMANISM**
- Sharing and respect for others
- Attention to individuals, whether they’re consumers, colleagues or fellow citizens, is at the heart of its decisions

**OPENNESS**
- Curiosity, awareness, imagination and refusal of prejudice
- Agility, speed and adaptability

**PROXIMITY**
- Accessible and approachable
- The willingness to reach out to consumers, customers and suppliers to build ties beyond buying and selling

**ENTHUSIASM**
- Boldness, passion and appetite for challenge
- Eagerness for growing and taking the lead
DANNON’S LEADERSHIP MODEL – CODE

CODE, Dannon’s Leadership Model

- Inspire and “be” the vision
- Commit to create breakthrough results
- Take responsibility and risk to show the way forward
- Act with speed, agility, and pragmatism

- Listen with empathy and talk straight
- Connect inside and outside
- Engage and align teams
- Coach and harness diverse talent
HEALTH AND NUTRITION

Dannon believes that food and nutrition are essential to building and sustaining health and well-being. This is the vision on which the company has built its history.

Dannon follows several commitments as it finds new ways for people to enjoy yogurt and fresh dairy products. Dannon and its employees work hard every day to:

1. Manufacture and sell foods that address nutrition needs and recommendations, as well as consumer tastes and incomes.
2. Develop innovative products with nutrition and health benefits.
3. Inform consumers clearly and factually about its products and advertise its products responsibly.
4. Promote healthy diets and lifestyles for everyone throughout the day and wherever people make food choices.
5. Support programs to address nutrition and health related issues in society.

Health and nutrition are at the heart of Dannon’s business.
HEALTH AND NUTRITION

The Dannon Company takes pride in the quality and appeal of its products, and listens closely to the interests of its consumers with health and wellness issues in their communities.

In 2012, Dannon continued Rally for Recess, an initiative that provides consumers with the opportunity to help kids in their community stay active. By collecting Danimals® and Dan-o-nino® package codes, five schools from across the United States won $30,000 for a playground makeover.

2012 Dannon Next Generation Nutrition Grants awarded $120,000 to four non-profit organizations in support of community-based nutrition and wellness programs for children. Programs funded by Dannon Next Generation Nutrition Grants have led to increased consumption of low-fat yogurt as well as increased nutrition and health for children.

As part of Dannon’s mission to provide healthy and great-tasting food choices to as many people as possible, in 2012 the company continued its work to reformulate its Danimals Smoothie recipe to reduce sugar content by 25 percent. The product’s nutrients, taste and texture remained the same, leaving kids and parents alike satisfied.
FOR ALL

Dannon is committed to helping Americans choose healthier food options and making yogurt easier and more convenient to enjoy. Currently, yogurt is not on the grocery shopping list regularly for most Americans. The average American eats less than one cup of yogurt in any given week compared with nearly double that amount in Canada and five times that in several European countries. In an effort to promote healthy eating and increase yogurt consumption in the United States, Dannon started actively planning its 1 Yogurt Every Day™ effort, which launched in 2013. Visit www.oneyogurteveryday.com to learn more.

Yogurt is a nutrient-dense food that contributes to the U.S. Dietary Guidelines’ dairy three serving-a-day recommendation. Yogurt can be eaten any time of day and is convenient to eat on the go. Additionally, most yogurts contain three important nutrients lacking in the typical American diet: Vitamin D, potassium and calcium.

In an effort to address consumer preferences, Dannon has developed a wide-ranging portfolio of products offered in portions that suit every family member’s needs. Dannon yogurts are available in a variety of flavors and styles and can be consumed any time of day.

Dannon continues to bring yogurt and its many benefits to advance the impassioned mission started years ago by its founder, the Carasso family.
PEOPLE

Dannon’s employees are thought leaders, committed to an ambitious future, open to learning and sharing with others and doers who deliver fast results by empowering and developing people.

DANNON’S PEOPLE ARE THE KEY TO ITS SUCCESS

Dannon depends on the professional and personal development of its employees in all areas. Employees are encouraged to develop their skills and knowledge through formal training or self-initiated study.

Dannon employees are generous in their communities, giving back and helping others to see Dannon’s culture expressed through global awareness, environmental stewardship, volunteerism and an entrepreneurial spirit, values embedded in its CODE philosophy.

2012 COMMUNITY EVENTS AND INITIATIVES FROM ACROSS THE USA

In December 2012, Dannon volunteers helped Blythedale Children’s Hospital raise $200,000 thanks in part by staffing phone lines and helping out in other ways during a celebrity concert and fund-raising auction.

50+ members of the Dannon team in Fort Worth hosted 30 key community leaders, including featured Guest of Honor Mayor Betsy Price, for a tour and lunch at the plant. They learned how to make yogurt and about Dannon’s unique culture.

Danoners in West Jordan taught students at Fox Hollow Elementary School about nature and recycling during a game of Nature Jeopardy. They also planted seeds in yogurt cups for students to grow their own plants.

Danoners assembled food packages, sorted food donations and packaged produce at the San Diego Food Bank. Dannon also donated one cup of yogurt for every person the food bank serves in one week.

Dannon donated more than 3 million pounds of yogurt to Feeding America last year, providing the equivalent of more than 2 million healthy meals for people at risk of hunger.
A commitment to nature is vital to Dannon’s mission of bringing health through food to the greatest number of people. Dannon employees contribute to environmental sustainability progress through decisions made and actions taken every day.

COMMITMENT AND IMPACT
Dannon’s environmental strategic commitments include four priorities:

- **Climate**
  Cut Dannon’s carbon footprint and help keep carbon in soil and forests

- **Packaging**
  Source packaging materials from sustainable resources and turn waste into a resource

- **Sustainable Agriculture**
  Support competitive agriculture that creates social value, respects natural ecosystems and generates better nutritional balance

- **Water**
  Protect and help restore water to whom and where it matters most

DANNON’S KEY ACCOMPLISHMENTS

**Climate Change**
In 2012, Dannon reduced its carbon footprint by 4.68%. As a result of projects from across the world (including Dannon U.S.), Groupe Danone reached its 2008-2012 goal to reduce its carbon footprint by 30%.

Dannon’s multi-sourced production allows for products to ship shorter distances to customers, be fresher, and yield a reduced environmental impact when compared to producing from a single location for US distribution. In 2012, due to multi-sourced production, Dannon reduced miles traveled by 1.8mm miles, saved 292,000 gallons of fuel and $2.86mm, which contributed 2.34% carbon footprint reduction to the Supply Chain team’s overall 3.7% carbon footprint reduction.

**Agriculture**
Dannon’s Fort Worth fresh dairy plant received its first shipment of milk from McCarty Family Farms (MFF) in April 2012. In addition, MFF built an on-farm condensing plant to supply Dannon with condensed skim milk and pasteurized cream. Condensing the milk on site reduces the environmental impact of shipping and allows for on-farm reuse of water retrieved during condensing.
In 2012, Dannon conducted a Carbon Footprint Analysis to further understand the CO2 breakdown of carbon generated during the life cycle of its fresh dairy products. The results indicate the following:

**FOOTPRINT OF A CUP OF YOGURT**

1. Analysis is a full scope carbon footprint analysis (including all stages of life cycle). Data is based on The Dannon Company’s 2012 carbon footprinting result.

1% Finished Product Waste

3% End of Life Packaging

12% Retail Home

16% Logistics/Transportation

11% Production

15% Packaging

3% Other Raw Materials

38% Milk

1. Analysis is a full scope carbon footprint analysis (including all stages of life cycle). Data is based on The Dannon Company’s 2012 carbon footprinting result.

**LIFE CYCLE OF A YOGURT**

**Farm (Milk/Fruit)**
Dannon sources milk from farms located as close as possible to its factories.

**Manufacturing**
Over the last five years Dannon has upgraded its utility systems at each of its production plants, resulting in usage reductions in electrical (~35%), gas (~31%), and water (~31%).

**Packaging**
Additional Form-Filled Seal (FFS) packaging lines allowed Dannon to continue to reduce plastic consumption and reduce the need to transport empty pre-formed cups before they are filled.

**Transportation/Distribution**
More than 95% of Dannon’s products are carried by trucking companies participating in the United States Environmental Protection Agency’s Smartway Transportation partnership, a program aimed at improving mileage for trucks and reducing carbon dioxide emissions through improvements in truck design.

**Product Consumption/End of Life**
In 2012, Dannon donated more than 3 million pounds of fresh dairy products through Feeding America to help feed hungry families and reduce unnecessary waste.
The role and responsibility of a business leader will be judged on two criteria: meeting business targets for shareholders and meeting targets for human and social progress for employees... We must lead our companies with our hearts as much as our heads, and never forget that unlike energy resources, which are limited, our people are a source of infinite power once they feel motivated.

— Antoine Riboud, Co-Founder, Danone, 1972