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Danone to invest NZ\$40 million towards achieving 100% carbon neutrality of its South Island *Nutricia* spray drying plant

Leading global food company, Danone, today announced a NZ\$40 million (approx. €25 million) investment in its *Nutricia* spray drying plant towards achieving carbon neutrality by 2021.¹ This significant, industry-leading milestone will be driven primarily by the installation of a NZ\$30 million (approx. €17.5 million) state-of-the-art biomass boiler that will reduce the plant's CO₂ emissions by 20,000 tonnes per year.²

Danone's *Nutricia* spray drying plant is located at Balclutha, in the Otago region of the South Island. The plant processes raw milk sourced from eighteen local farms into powder that is used as the base for production of leading Infant Milk Formula (IMF) brands including Aptamil and Karicare.

Boilers play a central role in spray drying – the process of converting milk into a dry powder through the application of heat – with around 85% of the entire plant's energy consumption coming from steam production. Unlike gas or the more common coal-powered boilers, Danone's biomass boiler will be powered by sustainable wood fuels, which will be sourced locally, therefore delivering a positive economic impact.

According to Cyril Marniquet, Danone's New Zealand Operations Director, *"This significant investment, in what we expect to be New Zealand's first carbon neutral plant of its kind, underscores Danone's global 'One Planet. One Health' vision and the belief that the health of people and planet are interconnected. We share the New Zealand Government's ambitions in delivering a low-emissions, climate resilient future. At Danone, we've set ourselves an objective of becoming a carbon neutral company across our entire scope – from farm to family – by 2050. It is through key investments like this one that we take a step forward towards reaching this ambition."*

To bring its 'One Planet. One Health' vision to life, Danone has defined its 2030 Goals³, aligned with the UN Sustainable Development Goals (SDGs), including preserving and renewing the planet's resources.

As part of its global journey towards carbon neutrality by 2050, Danone has also set intermediate targets – officially approved by the SBTi (Science-Based Targets initiative) – in line with the global measures necessary to meet the Paris Agreement objective of keeping global warming below 2° C. These targets include a 50% reduction in carbon emissions intensity across the company's full scope by 2030. From 2016 to 2018, Danone already successfully reduced greenhouse gas emissions intensity by 15.6%⁴ worldwide.

State of the art Biomass Boiler

Veolia, a global leader in resource management, will be responsible for designing and managing the construction of the biomass boiler, guaranteeing the future operation and performance of steam production.

Alexandre Lagny, General Manager - New Zealand for Veolia said the company was excited to deliver the project as part of its global strategic partnership with Danone.

“Veolia has supported Danone with the development of the biomass project, aligning available biomass resources with optimal conversion technologies, while leveraging the company’s operational expertise to achieve the best possible environmental footprint for the site,” Mr Lagny added.

Danone’s investment in the plant also includes the installation of a new water treatment plant to more efficiently treat water waste, while ensuring compliance with Danone’s stringent global clean water standards⁵.

Nutricia production facilities in New Zealand

Danone acquired the Balclutha spray drying plant and its Airport Oaks (Auckland) blending, packing and canning facilities in 2014. Since then, the company has invested NZ\$150 million (approx. €90 million) to double production capacity of finished infant formula products in New Zealand and transform its facilities in the country, enabling manufacture to Danone’s exacting global food safety and quality standards with a continued focus on sustainability.

References:

1. ‘Carbon neutrality’ or having a ‘net zero carbon footprint’, refers to achieving zero net carbon dioxide emissions.
2. The emissions equivalent of removing 60,000 cars from New Zealand’s roads.
3. <https://www.danone.com/about-danone/sustainable-value-creation/our-company-goals.html>
4. Based on a 2015 baseline measure. To learn more about Danone’s approach to carbon neutrality, visit <https://www.danone.com/impact/planet/towards-carbon-neutrality.html>
5. Danone has set mandatory internal standards on the quality of its water effluents in all sites that discharge wastewater – Danone Clean Water Standard (CWS). To learn more on our water stewardship, visit <https://www.danone.com/impact/planet/protecting-water-cycles.html>

About Danone (www.danone.com)

Dedicated to bringing health through food to as many people as possible, Danone is a leading global food & beverage company building on health-focused and fast-growing categories in three businesses: Essential Dairy & Plant-Based Products, Waters and Specialized Nutrition. Danone aims to inspire healthier and more sustainable eating and drinking practices, in line with its ‘One Planet. One Health’ vision which reflects a strong belief that the health of people and that of the planet are interconnected. To bring this vision to life and create superior, sustainable, profitable value for all its stakeholders, Danone has defined its 2030 Goals: a set of nine integrated goals aligned with the Sustainable Development Goals (SDGs) of the United Nations. Danone commits to operating in an efficient, responsible and inclusive manner; it holds itself to the highest standards in doing business, as reflected by its ambition to become one of the first multinationals certified as B Corp™. With more than 100,000 employees, and products sold in over 120 markets, Danone generated €24.7 billion in sales in 2018. Danone’s portfolio includes leading international brands (*Actimel, Activia, Alpro, Aptamil, Danette, Danio, Danonino, evian, Nutricia, Nutrilon, Volvic*, among others) as well as strong local and regional brands (including *AQUA, Blédina, Bonafont, Cow & Gate, Horizon, Mizone, Oikos, Prostokvashino, Silk, Vega*).

Listed on Euronext Paris and on the OTCQX market via an ADR (American Depositary Receipt) program, Danone is a component stock of leading social responsibility indexes including the Dow Jones Sustainability Indexes, Vigeo Eiris, the Ethibel Sustainability Index, MSCI Global Sustainability, MSCI Global SRI Indexes and the FTSE4Good Index.