

# *Feng Chia University*

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### Harmony in Action: Dannon's Commitment to Corporate Social Responsibility

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## Abstract

This study undertakes a thorough examination across three main dimensions in its complete exploration of the Corporate Social Responsibility (CSR) initiatives of the Dannon Company in 2023. The report highlights Dannon's resolute dedication to sustainability and global responsibility by delving into the company's current CSR visions, fundamental values, strategies, and executed activities. The document classifies CSR projects into several stages in accordance with international standards such as SASB, TCFD, and GRI. It addresses potential issues where existing programs may deviate from the overall objective, perhaps causing stakeholders to express concerns about greenwashing. These issues, which are well-supported by data, open the door to suggested fixes, which include both short- and long-term objectives, a well-defined action plan, and a review of important performance indicators. An in-depth cost-benefit analysis provides a thorough understanding of the impact on stakeholders by carefully balancing related expenses against anticipated financial and societal advantages. Beyond financial data, the study seeks to reveal not only the observable results of Dannon's corporate social responsibility initiatives but also the wider societal ramifications of their ethical business practices, positioning CSR as a crucial tenet for successful and sustainable business in the modern environment.

**Keywords:** Dannon Company, Corporate Social Responsibility (CSR), Sustainability, Global Responsibility, CSR Goals and Visions, Implemented Activities

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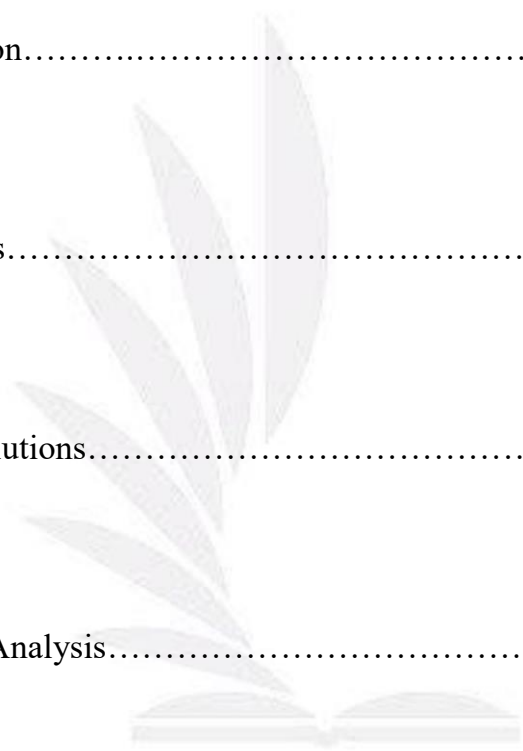
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## Introduction

Corporate Social Responsibility (CSR) has emerged as a cornerstone of modern business, representing moral and socially conscious behavior. Beyond profit-driven motivations to address broader societal and environmental concerns, corporate social responsibility (CSR) is fundamentally the voluntary integration of social and environmental considerations into a company's operations and stakeholder relationships. This devotion takes many different forms, from community participation projects to environmental sustainability initiatives. Dannon's commitment to sustainability and global responsibility is a prime example of how a firm may effectively integrate corporate social responsibility (CSR) into its business plan. This study examines Dannon's CSR aspirations, fundamental values, strategies, and implemented activities to shed light on how CSR manifests in real-world situations and how it affects a company's operations.

Beyond simple compliance, corporate social responsibility (CSR) is a proactive approach to making a beneficial contribution to society. Companies that engage in corporate social responsibility (CSR) actively look for methods to improve community well-being, safeguard the environment, and follow ethical standards in addition to trying to offset potential negative effects. This proactive strategy is essential for building a company's reputation and building stakeholder confidence, particularly in a time when ethical concerns are given top priority by customers. CSR is starting to play a major role in shaping consumer choices and brand loyalty. Forward-looking, strong CSR strategies have several advantages for businesses. Businesses that incorporate corporate social responsibility (CSR) into their core beliefs stand to gain real benefits in addition to the altruistic benefits of supporting social and environmental problems. These include a rise in consumer loyalty, a boost to staff morale and productivity, an increase in brand value, and an improved capacity to draw in capital.

As a division of the internationally recognized Danone Group, Dannon is a respected name in the dairy sector, honored for its unwavering commitment to producing dairy products of the highest caliber. Known for its unrelenting commitment to nutrition and wellness, Dannon has carved out a place for itself by providing a wide range of products, such as smoothies, yogurt varieties, and other dairy products, to empower customers on their path to better health. Dannon, which employs about 100,000 people, holds a prominent position as the third-ranked organization in the Food and Agriculture Benchmark. The company's wide-ranging influence covers more than 130 countries worldwide, underscoring its robust corporate presence and global operational footprint.

Thanks to its vast global network, Dannon can serve a wide range of customers by offering a wide selection of dairy products that are suited to regional tastes and dietary requirements. Dannon demonstrated its financial strength in the fiscal year 2022, bringing in a total revenue of \$29.144 billion USD, a notable 1.45% rise over the previous year. This figure highlights the company's ability to expand steadily and bounce back from setbacks, which is a result of its successful business plans and the ongoing appeal of its dairy product line.

The history of the Dannon Company, which was founded in 1919 by Isaac Carasso, is a compelling account of its unwavering dedication to advancing health and wellbeing through yogurt consumption. Carasso set out on a quest to educate American consumers about the health advantages of yogurt, influenced by his family's yogurt-making customs. By doing this, he started the nation's first yogurt culture, a historic step that not only established Dannon but also had a significant impact on the development of the yogurt market in the United States. Dannon's path is inextricably related to the principles of nutrition and health, which have endured throughout the company's development. The company, which started out as a yogurt trailblazer and has now expanded to become a global force, is a testament to its dedication to both quality and innovation. With the support of an effective distribution network, Dannon's products have become household names and have reached consumers all over the world. In addition to being present in the market, Dannon has made Corporate Social Responsibility (CSR) a core component of its brand. This pledge reflects its responsible role in making constructive contributions to society and the environment, as well as its historical commitment to health. Serving as a center for innovation, Dannon continuously pushes the envelope to implement novel, sustainable techniques that meet changing customer expectations. This innovative spirit extends to its global presence, where Dannon's impact resonates on a broad scale, shaping the dairy industry's landscape.

## Unit 1: Firm's Current CSR

### International Standards Achieved

As a major participant in the dairy sector and a division of the well-known Danone Group, Dannon complies with several international regulations that control several facets of its business activities. In Dannon's case, international standards are a collection of requirements and rules that are used globally to guarantee uniformity, safety, and quality in the dairy product's manufacturing, marketing, and distribution. There are several reasons why it is crucial for a business like Dannon to follow international standards. First and foremost, these standards act as a guide for quality control, guaranteeing that Dannon's goods meet or surpass international requirements. In the food and beverage business, where customers place a high value on product quality and safety, this is especially important. Adhering to international standards enhances consumer trust and confidence in Dannon's offerings.

International standards also add to Dannon's overall operational efficiency. The organization can maintain uniformity in product quality across several markets, optimize supply chain management, and streamline its procedures by adhering to set criteria. This efficiency makes uniform operations that transcend regional variations possible, which is especially important for a worldwide corporation like Dannon. Businesses follow a planned procedure to attain international standards, and Dannon is one of them. These standards are created and published by groups such as the International Organization for Standardization (ISO) or other industry-specific organizations. Like other businesses, Dannon can get copies of these standards to learn about and apply them to its operations. Furthermore, Dannon might actively take part in industry forums or committees that create standards, guaranteeing the company's contribution to the formulation of policies that have a direct bearing on its sector. Additionally, businesses can apply for certification from recognized organizations that focus on auditing and confirming adherence to standards. A company like Dannon receives formal recognition for properly implementing procedures and policies that are in line with global standards when they receive certification. This not only improves the company's standing but also offers a concrete illustration of its dedication to environmental sustainability, safety, and quality.

Dannon has demonstrated their dedication to ethical business practices and overall sustainability by earning certifications from organizations like the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainable Accounting Standards Board (SASB). Danone's adherence to established accounting procedures that take environmental, social, and governance (ESG) aspects into consideration is demonstrated by its SASB certification. By agreeing with SASB standards, Dannon displays its adherence to honest reporting on sustainability measures that are relevant to its industry. The company's credibility in the field of sustainability reporting is enhanced by this accreditation. Dannon's proactive commitment to tackling climate-related risks and possibilities is

demonstrated by its involvement with the Task Force on Climate-Related Financial Disclosures (TCFD). Danone's TCFD certification is proof of its dedication to providing transparent and consistent information regarding the financial effects of climate-related issues on its operations. This gives stakeholders important information on Danone's climate resilience in addition to presenting the company as a responsible steward in the face of climate issues.

ISO 9001, globally recognized for quality management systems, symbolizes Dannon's commitment to consistent product quality and customer satisfaction. Moreover, the achievement of ISO 9001 certification strengthens the company's dedication to robust quality management practices across various operational facets. Expanding this commitment to safety and quality, Danone also pursues ISO 22000 certification, a standard managing food safety hazards throughout the production process. This certification ensures that Dannon's food products meet stringent safety standards, further reinforcing the company's dedication to delivering safe and trustworthy items to consumers. Furthermore, environmental responsibility takes center stage in Dannon's sustainability initiatives, as seen in its pursuit of ISO 14001 certification. This standard, focusing on environmental management systems, highlights Dannon's commitment to minimizing its environmental footprint and actively promoting sustainability across operations. Simultaneously, the company addresses paramount concerns for any responsible entity by adhering to OHSAS 18001 or ISO 45001 standards related to occupational health and safety management systems. This adherence signals Dannon's unwavering commitment to providing a safe and healthy work environment for employees. In the food industry, Dannon enhances its commitment to safety through FSSC 22000 certification. This specialized certification, tailored for the food sector, ensures the safety of Dannon's food products by encompassing food safety management systems. This pursuit aligns seamlessly with Dannon's overarching dedication to delivering safe and high-quality food items to consumers worldwide. Collectively, these certifications showcase Dannon's comprehensive approach to quality, safety, environmental responsibility, and occupational health. Moreover, they reinforce the company's commitment to excellence and sustainability throughout its operations.

To suit the desires of consumers seeking non-genetically modified organisms (GMOs), Dannon may seek Non-GMO Project Verification for certain goods. This verification supports Danone's openness in its product offerings by empowering customers to make knowledgeable decisions about the meals they buy. Dannon is considering pursuing Fair Trade Certification, which is consistent with ethical sourcing practices. This certification shows that the business is dedicated to promoting ethical and sustainable practices throughout its supply chain, which helps to source ingredients ethically. Dannon is able to receive certifications such as Kosher and Halal for products that are targeted towards particular religious and cultural groups. These certifications signify that the products meet the dietary restrictions of Muslim and Jewish consumers, respectively. Dannon's participation in programs such as the Sustainable Agriculture Initiative (SAI)

Platform showcases its commitment to sustainable agriculture practices. Such initiatives contribute to the development and promotion of sustainable agricultural methods within the company's supply chain.

## **Vision and Core Value**

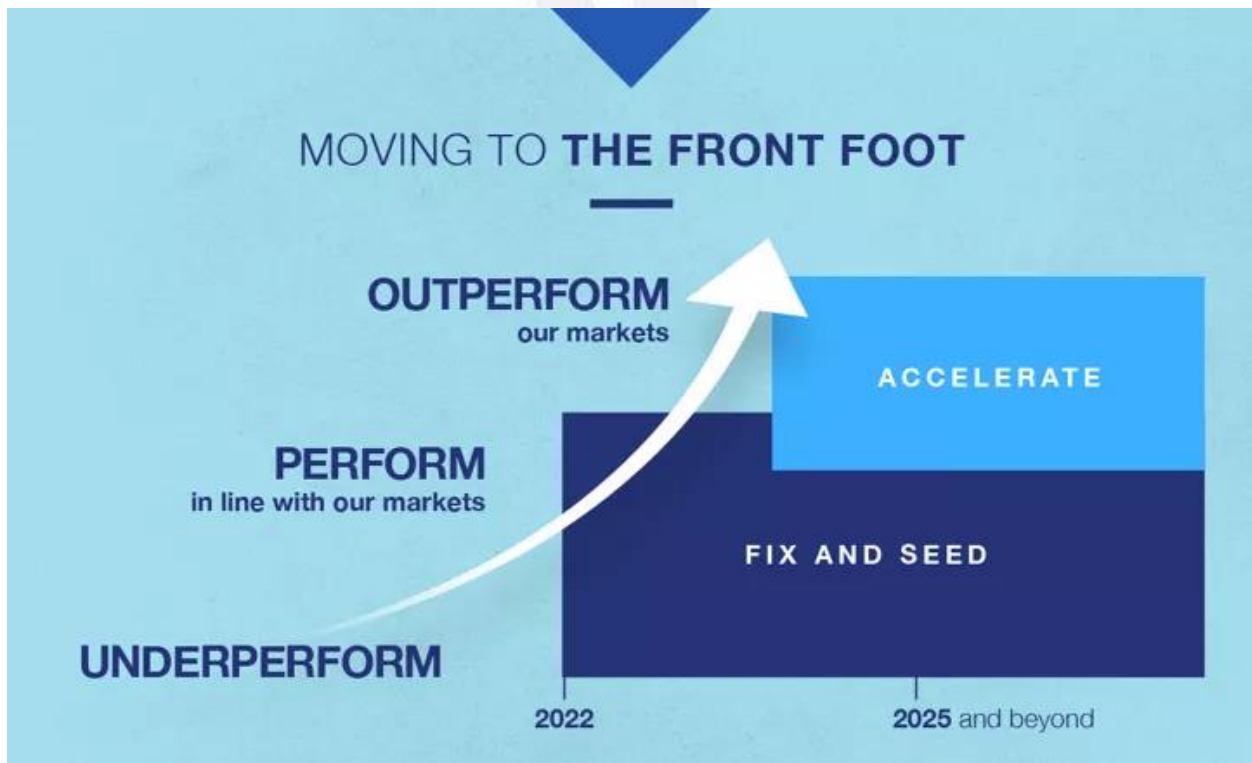
Dannon's main goal is to provide tasty, nutritious food and drink products that meet the needs of a wide range of customers at different phases of life. The company's century-long commitment to advancing health and well-being is firmly rooted in this dedication. Corporate Social Responsibility (CSR) is a way for Dannon to adapt to the changing needs of the food sector without sacrificing its core values. This comprehensive strategy guarantees the company's continued relevance in the market while also accelerating its success. Making a good effect through CSR programs and encouraging better living through nutrient-dense dairy products are the primary goals. Dannon has set important missions to direct its efforts in line with these goals. The company's goal to make wholesome food available to a wide range of people is emphasized by its dedication to promoting health via food to as many people as possible. Dannon also places a high priority on creating goods that are nutrient-rich, spending money on innovation and research to improve nutritional value and promote the wellbeing of its customers. The company is committed to responsible sourcing, water management, climate action, and minimizing environmental effect, especially in packaging, as evidence that sustainability and environmental responsibility are fundamental to its aims. Additionally, Dannon maintains a great emphasis on continual innovation, assuring the production and distribution of high-quality products that respond to shifting consumer needs.

Dannon's strategic strategy is further elucidated in its visions. The company aims to promote improved eating habits in the realm of nutrition and health by offering nutrient-dense and easily accessible food products. This ambition is demonstrated by the active investment in research and innovation. People are very important to Dannon; the company values diversity and inclusion in its workforce, puts employee well-being first, and actively participates in the community to assist local growth. Dannon prioritizes nature, placing special emphasis on sustainable sourcing, water management, and climate action to lessen its environmental impact. The corporation also strives to reduce waste and the negative effects of its packaging on the environment. The concepts of humanism, openness, proximity, and enthusiasm are the cornerstones of Dannon's corporate culture. Humanism shows the company's dedication to improving people's lives by offering wholesome food options and putting a high priority on general wellbeing. Transparency and open communication with customers, stakeholders, and the public are denoted by openness. The concept of proximity highlights the significance of maintaining a close relationship with customers, comprehending their wants, and designing products that suit their tastes. Enthusiasm reflects the love and commitment Dannon has for what it does, especially when it comes to producing creative, high-quality, and sustainable food products that benefit the environment and consumers alike.



## Strategies

Dannon's commitment to Corporate Social Responsibility (CSR) is rooted in its strategic leveraging of strengths within the rapidly growing health-conscious markets, particularly in dairy, plant-based, and infant feeding. As a global leader in these fields, exemplified by well-known brands like Activia, Evian, Actimel, and Aptamil, Dannon's influence extends both locally and globally. The company's substantial positive impact on public health underscores its strategic alignment with health-conscious consumer preferences, evident in an impressive 90% of items deemed healthy according to the ATNI score. Recognizing the imperative for a comprehensive overhaul, Dannon has initiated a strategic relaunch encompassing financial, cultural, and operational aspects. As per figure 1, with significant resources, a robust track record of sustainability, global exposure, and extensive research and development (R&D) expertise, Dannon is well-positioned to capitalize on these advantages. This proactive reset of the company's operations and culture aligns strategically with sustainability goals, aiming to maximize benefits on both social and environmental fronts.



(Figure 1. Source: Danone, 2023)

Dannon is dedicated to growing its CSR initiatives by tackling underperformance before aiming for overperformance by adopting a proactive approach. The organization uses interrelated pillars to define its strategic strategy. Danone is committed to maximize beneficial social and environmental consequences by upholding high standards for product

healthiness and optimizing operational efficiency and sustainability. This is reflected in the "Win Where We Are" pillar, which places a strong emphasis on succeeding in current categories. Conscientiously acknowledging the necessity for expansion, Dannon uses the "Expand Where We Should Be" pillar to strategically discover new markets that are in line with its corporate social responsibility goals. This allows the company to increase its positive impact and tackle global health and environmental issues. The "Seed the Future" pillar, which looks forward, highlights Dannon's dedication to sustainability and innovation. It does this by investing in projects that will have a beneficial long-term impact, such as research and development projects that aim to create new, sustainable goods. Dannon's CSR approach is supported by the critical component of assessing and streamlining the product portfolio under the "Manage Portfolio" pillar. This is achieved by ensuring that products meet sustainability targets, which increases total positive contributions. Dannon's comprehensive and progressive approach to corporate social responsibility is highlighted by this integrated framework, which places a strong emphasis on portfolio management for maximum social and environmental impact, strategic market expansion, investment in future sustainability, and excellence in current areas.

### **Implemented Activities**

Dannon's commitment to Corporate Social Responsibility (CSR) is demonstrated by several actual initiatives that reflect the company's values of sustainability and good social effect. It is not just a theoretical position. Dannon's use of regenerative agriculture as a means of mitigating greenhouse gas emissions is one noteworthy endeavor. Dannon has aggressively promoted regenerative agriculture, a holistic strategy that not only reduces environmental impact but also aims to restore and regenerate ecosystems, in recognition of the environmental issues created by conventional farming techniques. Dannon supports international efforts to mitigate climate change by lowering greenhouse gas emissions using regenerative agriculture techniques. In keeping with its dedication to environmental stewardship, Dannon has accomplished a noteworthy feat: it has cut greenhouse gas emissions by over 17%. This significant decrease demonstrates the success of Dannon's sustainability programs and the company's demonstrable efforts to reduce climate change. This accomplishment demonstrates Dannon's proactive approach to surpassing environmental standards and establishing a precedent for ethical corporate practices in the food and beverage industry, in addition to satisfying legislative obligations. Dannon is dedicated to making a positive social effect that goes beyond environmental issues to meet societal demands. The investment in Nazava, a social venture devoted to supplying Indonesia with clean drinking water, serves as an excellent example. Through its cooperation with Nazava, Dannon Communities expands its safe drinking water offering by facilitating the distribution of residential water filters. This project empowers local people and advances sustainable development, going beyond simple charity. Dannon demonstrates its commitment to having a good impact on society and the environment by funding projects that directly address social issues.

## **Positive Influence to the Target Firm's Stakeholders**

External parties participating in the agricultural supply chain benefit greatly from the adoption of regenerative agriculture techniques. Support for adopting sustainable farming practices immediately benefits farmers, who are the main practitioners of these activities. This support increases overall agricultural resilience, lowers input costs, and improves soil health. Utilizing resources such as the Annual Nutrient Cycling Assessment, farmers may efficiently control their carbon footprint and track their progress, so aligning their practices with sustainable agricultural principles and making a positive environmental conservation contribution. The shift to regenerative agriculture benefits Dannon, a major purchaser of dairy products from Royal Friesland Campina, as it reduces its carbon footprint across its supply chain. This perfectly aligns with Dannon's objective to be sustainable, to meet its corporate social responsibility commitments, and to satisfy consumer demand for eco-friendly products. Dannon's involvement in and advocacy of regenerative agriculture, which strengthens supply chain resilience and keeps the company at the top of its sector, demonstrates its commitment to social and environmental responsibility. As a result of dairy products having a smaller environmental impact, consumers gain real advantages. Regenerative agriculture is a response to the increasing demand from consumers for food that is produced sustainably and ethically. It supports customers' growing need for production process transparency and gives them the freedom to make decisions that are environmentally friendly. Customers looking for products that align with their ethical and sustainable beliefs are drawn to Dannon's dedication to regenerative agriculture, which strengthens the brand's relationship with its customer base. Government agencies and other regulatory bodies may see the implementation of regenerative agriculture favorably from a regulatory standpoint. This shift is in line with more general environmental and climate objectives, and it makes a substantial contribution to national and international efforts to tackle climate change. Because of its proactive adoption of regenerative agriculture, Dannon is positioned to benefit from favorable regulatory frameworks and may even receive recognition for its contribution to larger environmental sustainability initiatives. This beneficial connection strengthens Dannon's standing as a socially conscious business that is dedicated to having a significant influence on societal and environmental issues.

The reduction of greenhouse gas (GHG) emissions by more than 17% through the implementation of regenerative agriculture practices at Dannon has a significant impact on various internal stakeholders. This achievement resonates positively with employees, fostering a sense of pride and purpose within the workforce. The commitment to regenerative agriculture aligns with the company's broader sustainability goals, contributing to a positive workplace environment and collective efforts toward addressing climate change. Dannon's supply chain management directly benefits from the reduction in GHG emissions. The adoption of regenerative agriculture practices not only minimizes the environmental impact of sourcing dairy elements but also enhances the overall resilience and sustainability of the supply chain. This positive shift aligns with Dannon's

strategic objectives for operational efficiency and reliability. The financial department at Dannon experiences positive implications as the reduction in GHG emissions aligns with cost-saving measures. Sustainability initiatives often lead to operational efficiencies and resource optimization, contributing to the overall financial health of the company. Reduced environmental impact can translate into long-term cost benefits. For corporate leadership and board members, the successful reduction in GHG emissions enhances the company's reputation as a socially conscious and forward-thinking organization. This achievement underscores the effectiveness of Dannon's strategic initiatives and may attract further investment and partnerships, contributing to the overall positive image of the company. Internally, teams involved in innovation and research contribute significantly to the success of regenerative agriculture practices. The reduction in GHG emissions by over 17% reflects the effectiveness of their efforts and innovative approaches. This positive outcome provides momentum for further research and innovation, encouraging ongoing efforts to develop sustainable and environmentally friendly practices within Dannon.

Dannon Communities' strategic investment in Nazava, a social enterprise specializing in household water filters in Indonesia, creates a ripple of positive outcomes for a diverse array of external stakeholders. Foremost among these are the local communities in Indonesia, who now gain invaluable access to safe drinking water through Nazava's innovative water filters. This investment directly addresses a critical need, significantly contributing to improved health outcomes and overall well-being within these communities. The positive impact resonates widely, elevating the quality of life for individuals and families. Simultaneously, this investment significantly bolsters Nazava, providing the means to expand operations, reach a broader consumer base, and potentially innovate new products. The financial support not only enhances Nazava's capacity to provide affordable and accessible water filters but also reinforces its commitment to tackling water-related challenges as a socially responsible enterprise. On the regulatory front, government bodies and entities in Indonesia may view this investment positively, aligning seamlessly with broader goals related to public health, water safety, and social development. By addressing the fundamental need for safe drinking water, Dannon Communities' investment contributes substantially to national objectives pertaining to health and sanitation. Furthermore, environmental organizations with a focus on water safety and clean water access applaud Dannon Communities' investment as a positive step. The support provided to Nazava, a social enterprise dedicated to offering household water filters, aligns seamlessly with sustainable and eco-friendly solutions, aligning harmoniously with broader environmental conservation efforts. Consumers, particularly those in Indonesia, reap the benefits of increased access to affordable and effective household water filters. This investment perfectly aligns with the growing demand for sustainable and socially responsible products, empowering consumers to make choices that positively impact their health while supporting businesses committed to social and environmental causes.

Dannon's internal stakeholders gain from its dedication to ethical business practices and corporate social responsibility (CSR) efforts in a number of ways. The company's internal promotion of innovation and teamwork is one of the main benefits. Employees are inspired to contribute to innovative solutions for global concerns when a culture of responsibility and sustainability is promoted, which creates an atmosphere that is conducive to creativity and cross-functional collaboration. Additionally, Dannon's CSR initiatives boost staff involvement and morale. Workers who are employed by a company that is actively engaged in significant initiatives report feeling more purposeful and satisfied in their employment. Aligning with social and environmental causes improves employee engagement and retention overall by creating a positive workplace culture. Because they are a member of an organization committed to doing good deeds beyond its core business operations, employees are inspired and happy in their work environment as a result of the company's dedication to ethical business practices.

## **Unit 2: CSR Categorization**

### **The Rationale of our CSR Activities Categorization**

Dannon has taken a systematic and all-encompassing approach to corporate social responsibility, as seen by its division of CSR operations into three categories: philanthropy, operational improvement, and business model reform. In terms of philanthropy, Dannon uses a range of community projects, charitable contributions, and relief activities to show its dedication to social responsibility. These initiatives seek to improve social issues and communities' general well-being. By classifying these endeavors as philanthropic, Dannon demonstrates its commitment to contributing to society in ways that go beyond its main commercial activity. One further important area of Dannon's CSR efforts is operational improvement. This entails taking steps to improve operating procedures, lessen the company's environmental effect, and encourage sustainable practices throughout its manufacturing, distribution, and supply chains. In addition to displaying a dedication to environmental stewardship, Dannon aims to make sure that its business processes are in line with sustainability objectives by concentrating on operational improvement. The final area, "business model transformation," highlights Dannon's progressive CSR philosophy. Dannon is continuously working to update its business strategy in this sector so that it is consistent with sustainable standards. This entails developing strategies that place a higher priority on social and environmental responsibility than on financial success, as well as launching eco-friendly product lines. By classifying these initiatives differently, Dannon highlights how crucial business model transformation is to establishing a comprehensive approach to corporate social responsibility, wherein sustainable practices are smoothly incorporated into the foundation of the company's business.

### **Related Activities**

The foundation of Dannon's significant journey began in 2006 with the joint founding of Grameen Danone Foods Ltd. by Nobel laureate PR Yunus and former CEO Franck Riboud. The company's main goal was not just to make money; it also had a strong commitment to ending poverty and solving social issues. Emphasis was placed on the venture's financial and economic sustainability, along with a novel method for investors: when the initial investment was repaid, they would receive their money back, with earnings going toward further development and enhancement of the business. Gender sensitivity and environmental awareness were fundamental to the culture of Grameen Danone Foods Ltd. The labor force was guaranteed equitable remuneration, obtaining market rates of pay and enhanced working environments. The guiding principle was to approach business with joy, demonstrating an optimistic and goal-oriented mindset. Over time, Dannon's dedication to social effects grew increasingly apparent. Dannon Communities' social effect increased dramatically between 2012 and 2021, rising from approximately 1 million in 2010 to over 11 million. To achieve this expansion, 15 firms had to be established in 24 different countries, which demonstrates Dannon's commitment to having a significant worldwide impact.

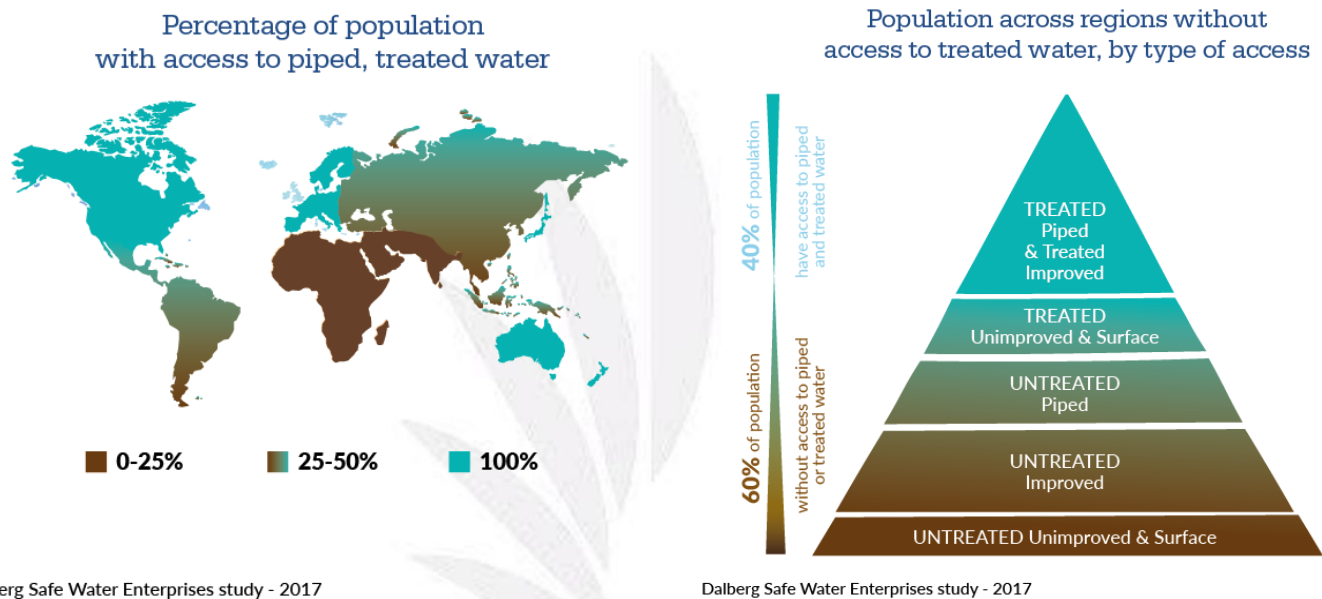
Dannon's nutrition-related charitable activities are based on the idea that undernutrition and overweight can be successfully treated with a shared strategy. The solution lies in giving access to healthier food, especially during the vital window of the first 1,000 days of life. This critical time frame is essential in determining long-term health results. In order to put this conviction into practice, Dannon makes calculated investments in a wide variety of social enterprises. These companies have been hand-selected because of their dedication to providing goods and services that facilitate access to a planetary, local, and healthful diet. Dannon actively dismantles obstacles to nutritional well-being by endorsing programs that serve low-income communities.



(Figure 2. Source, Online Manipal, 2023)

In 2016, research done by Dalberg Global Development Advisors put light on the untapped potential of decentralized Safe Water Enterprises (SWEs). Important groups involved in water-related projects, such as Danone Communities, Aqua for All, The Stone Family Foundation, Osprey Foundation, and the Conrad N. Hilton Foundation, supported this extensive analysis. These organizations' joint endeavor brought to light the importance of finding creative, decentralized solutions to water-related problems. Nine Safe Water

Enterprises have been added to Dannon's portfolio because of this concentrated effort. The principal aim is to advance the growth and development of this industry by utilizing the knowledge and conclusions obtained from the research to generate viable and significant solutions concerning the accessibility and safety of water. With an emphasis on underprivileged and vulnerable groups, Dannon hopes to support worldwide efforts to guarantee access to clean, safe water by actively engaging in projects that offer decentralized and safe water solutions. This pledge is consistent with Dannon's larger CSR objectives and its commitment to tackling the core issues surrounding water security.



(Figure 3. Source: Dalberg Safe Water Enterprises Study, 2017)

Within their climate strategy, which lays out a clear aim for reaching net-zero emissions across their whole value chain by 2050, Dannon has demonstrated a commitment to operational improvement. This ambitious goal includes emissions from the farms that provide the products' components as well as emissions from the items' end-of-life disposal. Dannon exhibits its commitment to minimizing the environmental impact of its operations at every level by establishing such a broad objective. Dannon uses the GHG Protocol Corporate Standard, concentrating on Scopes 1, 2, and 3 emissions in order to meet these targets. Within the operational boundary, scope 1 covers direct emissions from facilities that use combustion and refrigerant. This highlights Dannon's dedication to minimizing its immediate environmental footprint by taking into account variables like fuel use and vehicle emission. Indirect emissions from the production of steam, electricity, heat, or cold that the company purchases and uses are taken into account in scope 2. By acknowledging and mitigating these indirect emissions, Dannon adopts a holistic approach to

environmental sustainability, recognizing the interconnectivity of its operations and energy consumption. All indirect emissions resulting from Dannon's operations that are not covered by Scope 2 are included in the largest category, Scope 3. This includes emissions from suppliers and consumers along the entire value chain. Dannon understands how critical it is to take into consideration the wider effects of its business activities, encompassing things like distribution of goods and services acquired, transportation, and agriculture. This all-encompassing strategy guarantees that Dannon takes care of all aspects of its environmental impact, supporting the business's dedication to sustainability and operational enhancement.

Dannon adheres to the principles of the circular economy and emphasizes the use of materials that are 100% recyclable, biodegradable, or reused. This pledge demonstrates the company's understanding of how crucial it is to make ethical material decisions to reduce environmental effects. By prioritizing these materials, Dannon strives to contribute to a circular economy where resources are saved, and waste is reduced. Their strategy's key component is optimizing packaging for extended use in a reuse system. To minimize the overall environmental impact associated with packaging waste, this technique seeks to increase the number of trips or rotations that each packaging item can undergo. Additionally, Dannon makes sure that the materials used in their packaging enable effective large-scale collection, sorting, and recycling. Dannon views compostability as a critical component in their quest for sustainability. The business makes sure that the materials it uses for packaging meet the standards for biodegradability, allowing for biological breakdown without the release of harmful compounds. This pledge is in line with the overarching objective of helping to create a sustainable future in which packaging respects and maintains the larger environment in addition to protecting the products. By adhering to these values, Dannon hopes to promote environmental sustainability and effect positive change within the packaging sector.

### **Unit 3: Issues or problems**

#### **Problems to be solved**

In the area of the environment, Dannon's Corporate Social Responsibility (CSR) programs tackle important problems like controlling plastic pollution and reaching net-zero emissions. Dannon's pledge to achieve net-zero emissions is a testament to their commitment to fighting climate change and revolutionizing the food chain from production to disposal. This all-encompassing strategy calls for combating climate change head-on, promoting sustainable food supply chain policies, and offsetting any remaining emissions. By adopting this approach, Dannon hopes to significantly reduce its environmental effect and support more ambitious climate targets. Nonetheless, plastic waste is one of Dannon's major environmental concerns. Though the corporation aims to achieve net-zero trash, it



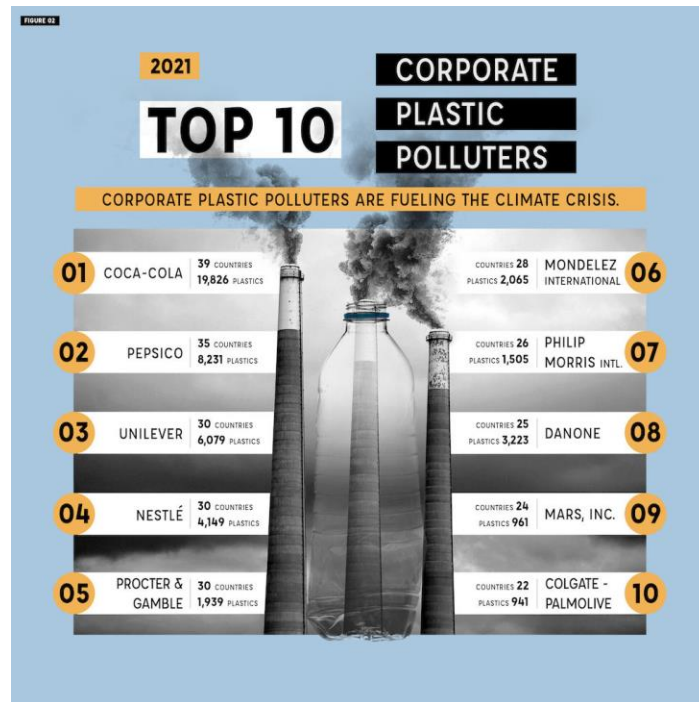
has come under fire for being named one of the world's top 10 plastic polluters. Issues have been brought up regarding the effects on the ecology of shipping French Alps water in plastic bottles all over the world. Due to increased criticism of the usage of single-use plastic packaging, Dannon has been included in publications such as the Break Free From Plastic yearly assessment, where it was ranked with other well-known businesses such as Coca-Cola.

## **Evidence**

The data provided by Break Free From Plastic demonstrates the organization's international campaigning and cooperative efforts to address the urgent problem of plastic pollution. With more than 12,000 organizations and individuals participating worldwide, Break Free from Plastic is a significant movement whose common objective is to build a future free from the damaging effects of plastic pollution. This alliance unites a range of stakeholders, such as concerned people, environmental organizations, and other organizations committed to tackling the issues around single-use plastics. The movement's guiding premise is the call for a decrease in single-use plastics, acknowledging the pressing need to mitigate the negative environmental effects of widespread usage of disposable plastic products. Through organizing a wide range of institutions and people, Break Free From Plastic promotes significant and long-lasting answers to the plastic pollution problem that go beyond simple reduction initiatives. The data points to worldwide agreement and coordinated efforts to address plastic pollution. It emphasizes how widely accepted it is that plastic waste has a negative impact on the environment and that society needs to make a complete, systemic change in the way that it manufactures, uses, and disposes of plastics. The engagement of numerous groups and individuals amounts to a collective dedication towards cultivating sustainable behaviors, advocating conscientious consumption, and exploring substitute remedies for the predicament of plastic pollution.

According to Figure 3 of the poll findings from 2021, Dannon is ranked seventh. Despite the lack of data, the figure shows that Dannon has been acknowledged and ranked according to its environmental and sustainable practices. This acknowledgement is probably based on a study that rates businesses according to several sustainability-related factors, such as social responsibility and environmental effect. Furthermore, the data suggests that Dannon's attendance is not an isolated incident. Dannon was also ranked in the top 10 in the 2020 data, indicating a continuous recognition for at least two years. This demonstrates Dannon's persistent efforts to hold a prominent place among businesses assessed for their environmental policies. The statement also emphasizes how Dannon is

often linked to plastic-related problems, especially in France and other European nations. This is in line with the larger discussion about plastic pollution and its effects on the ecosystem. The fact that Dannon is mentioned in connection with plastics implies that the corporation has attracted notice, either because of its packaging decisions, waste management strategies, or other aspects that either exacerbate or lessen worries about plastics.



(Figure 3. Source: GreenQueen, 2021)

## Unit 4: Proposed New Solutions

### Short Term and Long-Term Goals

Dannon intends to put strategic initiatives centered on environmental responsibility and sustainability into action in the near future. A key objective for the next two years is the Sustainable Packaging Transition, which calls for a gradual transition to environmentally friendly and sustainable packaging materials. The goal of this program is to reduce the negative effects that Dannon's goods have on the environment and promote more environmentally friendly packaging. In addition, Dannon intends to undertake Local Sourcing Initiatives throughout the course of the next one to three years, building relationships with regional farmers and suppliers in order to improve the sustainability of raw material sourcing. This strategy is in line with Dannon's resolve to lower the carbon

impact of its supply chain. Launching educational campaigns during the next one to two years is another short-term goal. These initiatives seek to highlight Dannon's commitment to sustainable practices while also bringing attention to environmental challenges. Dannon hopes to educate and involve customers with these educational programs, encouraging a sense of collective responsibility for environmental preservation.

Long-term, Dannon sees environmental sustainability as requiring a more thorough and significant strategy. The company is dedicated to attaining Carbon Neutrality across its whole manufacturing and distribution chain during the next five to ten years. This audacious objective would establish Dannon as a pioneer in climate effect mitigation by entailing calculated investments in renewable energy sources and offsetting any leftover emissions. In parallel, Dannon is pursuing Circular Economy Integration, with the goal of creating a circular economy model in the following five to ten years. This entails streamlining recycling procedures, cutting down on waste output, and encouraging material reuse throughout the production cycle. Dannon hopes to establish a closed-loop system that reduces its negative effects on the environment and supports a regenerative and sustainable method of manufacturing by adopting the ideas of the circular economy. Dannon also pledges to keep innovating in Sustainable Practices. This calls for ongoing research and development to find and apply cutting-edge methods and technologies that will strengthen the business's long-term dedication to environmental sustainability. Through the promotion of an innovative culture, Dannon aims to stay at the forefront of environmentally friendly business practices and guarantee a long-lasting and favorable effect on the environment.

### **Important for Which Stakeholders**

A wide spectrum of stakeholders find great resonance in Dannon's steadfast dedication to environmental sustainability, which has a significant impact on the company's aim to properly manage resources while promoting health via food. Customers who place a higher priority on eco-friendly behaviors are among the main winners from these sustainability programs. By adopting sustainability, Dannon not only reflects the beliefs of its customers but also builds brand loyalty and a favorable impression as an environmentally and socially responsible company. Dannon's sustainability activities are appealing to investors who are looking for investment options that are socially responsible. This dedication helps to increase investor trust and confidence, which benefits the long-term financial health of the business.

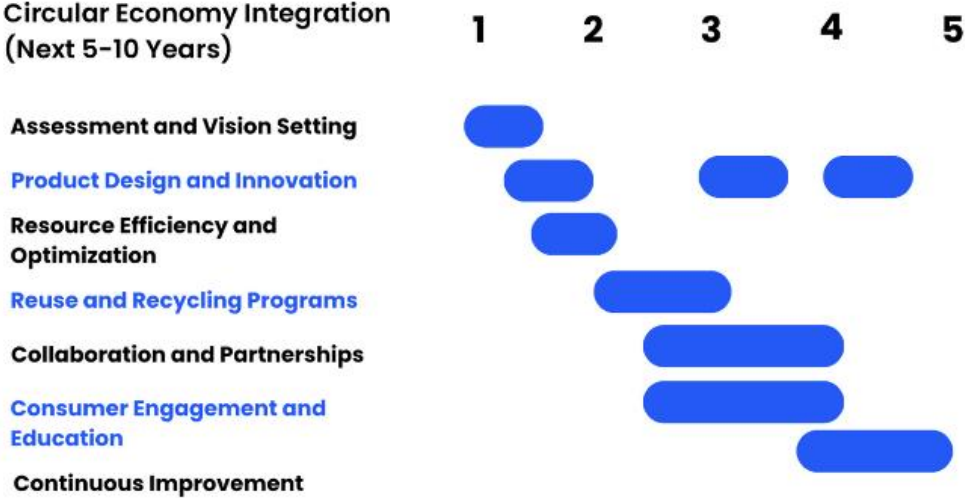
Dannon further solidifies its reputation as a responsible corporate organization by positioning itself as an appealing alternative for people who emphasize ethical considerations in their investing decisions. Dannon's environmental ambitions give its employees a sense of purpose within the organization. This dedication raises employee happiness and draws in talent that shares the company's ideals. The involvement of workers committed to making a positive impact on a business that prioritizes environmental responsibility and sustainability is beneficial to the workplace culture. Suppliers within Dannon's supply chain also feel the positive effects of coordinated environmental efforts. Dannon fosters a positive relationship with its suppliers by encouraging ethical business practices and environmentally conscious procurement. This results in a supply chain that places a premium on sustainability and amplifies the benefits of environmental initiatives beyond the company's immediate operations. The communities that Dannon serves are also part of this dedication to environmental stewardship. The organization enhances community well-being by actively supporting local projects and minimizing ecological damage. This pledge supports a positive connection between Dannon and the communities it interacts with by being in line with broader community expectations that companies operate sustainably.

### **Action plan (Schedule)**

We believe that the Dannon action plan functions as a comprehensive manual that provides precise instructions, assignments, and deadlines for achieving established goals related to corporate responsibility and sustainability. It is a strategic document that turns Dannon's dedication to sustainability in the environment into doable steps. This action plan is crucial for Dannon because it supports the company's goal of promoting health via food while conserving resources and reducing its negative effects on the environment.

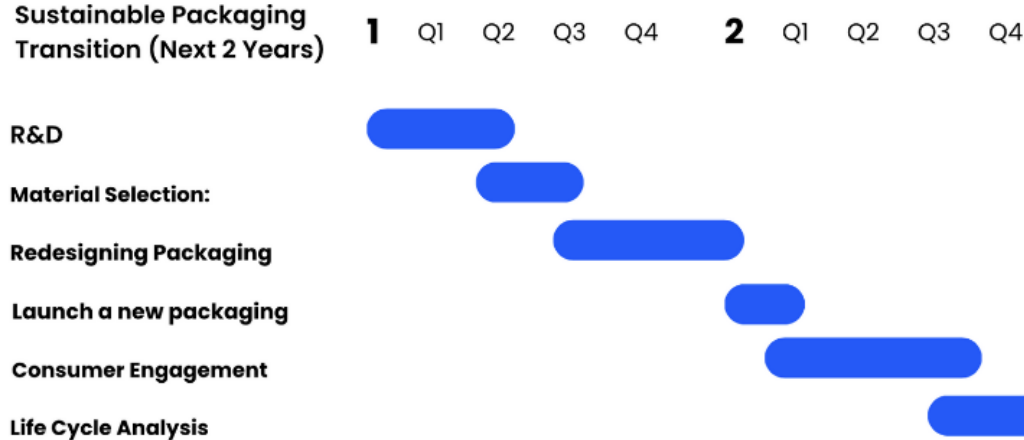
## ACTION PLAN

### Circular Economy Integration (Next 5-10 Years)



## ACTION PLAN

### Sustainable Packaging Transition (Next 2 Years)



The Dannon action plan's main goal is to give teams working on sustainability projects direction, clarity, and accountability. It improves communication within the company by establishing a clear structure for cooperation, resource allocation, and decision-making. Through the implementation of an action plan that delineates tasks, assigns duties, and establishes timetables, Dannon's teams can collaborate effectively in order to minimize their ecological footprint and promote sustainable practices. In addition, the Dannon action plan is essential for recognizing possible difficulties or roadblocks that could appear while putting sustainable projects into practice. To reduce risks and improve the success of their sustainability initiatives, Dannon plans to proactively address these

obstacles and develop backup plans. The plan also functions as a monitoring and assessment tool, giving stakeholders the ability to gauge the success of tactics that have been put into practice and, if needed, make data-driven adjustments.

### Three Theaters

Dannon's philanthropic efforts are demonstrated by its endorsement of The Ocean Cleanup Company, a nonprofit organization that aims to alleviate the widespread problem of plastic pollution in seas. Our decision to support this cause stems from Ocean Cleanup's significant global efforts to remove trash from rivers and oceans. Boyan Slat, a Dutch inventor, founded The Ocean Cleanup in 2013, with the goal of creating cutting-edge technology to remove plastic trash from the world's oceans. The main tactic is to use massive floating devices to collect and concentrate plastic garbage by using ocean currents. This creative and independent strategy fits with Dannon's commitment to promoting successful international programs that actively address environmental issues.

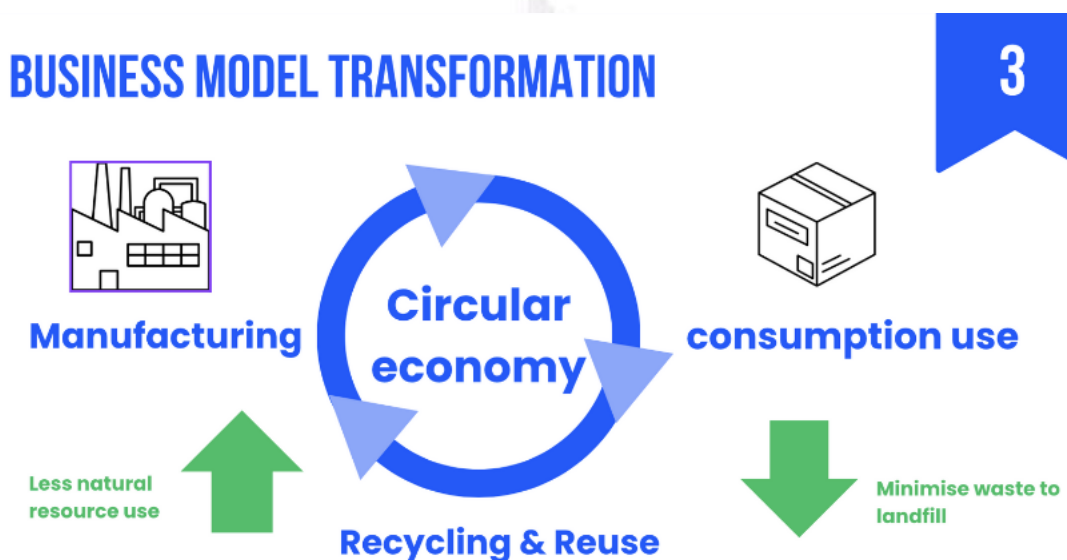
In line with philanthropic activities, Dannon is aggressively engaged in operational changes targeted to minimize carbon emissions across its whole value chain. The company works closely with suppliers to promote the integration of electric transportation and the deployment of renewable energy sources. In-house, Dannon is dedicated to reducing the amount of fossil fuel power used in its factories while also encouraging the use of renewable energy. In addition, the organization promotes sustainable practices among its partners and clients, with a focus on the use of renewable energy and the investigation of transportation possibilities involving electric vehicles. These extensive operational enhancements demonstrate Dannon's dedication to reducing the environmental effect of all aspects of its business.

## OPERATIONAL IMPROVEMENTS

### REDUCE CARBON EMISSIONS



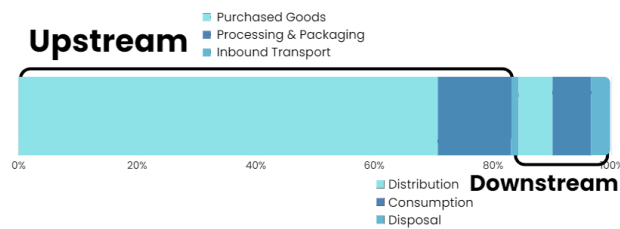
Adopting the tenets of a circular economy is the basis of Dannon's business model shift. This strategic change is evident in the development of products and packaging intended for circularity, which is given priority in responsible manufacturing practices. With an emphasis on prolonging the life of these materials within a strong reuse system, Dannon makes sure that all materials utilized are 100% recyclable, biodegradable, or reusable. The circular economy strategy goes beyond production to include consumption, as demonstrated by Dannon's efforts to maximize recycling rates, reduce waste output, and aggressively encourage material reuse throughout the production cycle. Essentially, Dannon's shift in business practices demonstrates a comprehensive dedication to lowering its environmental impact, conserving natural resources, and making a significant contribution to a sustainable future through substantially reducing waste sent to landfills.



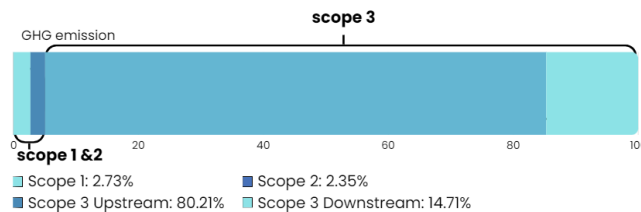
### Expected KPI (Key Performance Index)

In evaluating and advancing the business's sustainability objectives, Dannon's Key Performance Indicators (KPIs) are essential, especially when considering greenhouse gas (GHG) emissions. An extensive metric for assessing the environmental effect of Dannon's operations is the thorough breakdown of GHG emissions along the value chain, divided into Scope 1, Scope 2, and Scope 3. The bar chart from the value chain GHG emissions in 2022 demonstrates the prominence of Scope 3 emissions, which accounts for a hefty 80.21% of the total. In contrast, the percentages contributed by Scope 1 and Scope 2 are significantly lower, suggesting that most emissions take place later in the value chain. The fact that Scope 3 emissions account for more than 90% of the commission reinforces the strategic focus on them. Examining the Scope 3 emissions in detail for 2021, the

breakdown highlights the major regions that contribute to the environmental footprint. Purchased Goods, more especially in the Dairy sector, stand up as a major source, accounting for 54% of Scope 3 emissions in the Upstream sector. This discovery is crucial for Dannon's climate transition analysis, underlining the necessity for targeted efforts in the procurement and processing of goods, notably within the dairy supply chain. Since Scope 3 emissions mostly happen later in the consumption and disposal stages, focusing on them is in line with a more effective and significant strategy to reduce environmental impact. With an emphasis on the segments of its value chain that have the biggest environmental impact, Dannon uses these specific KPIs to help guide the company as it continues to implement focused initiatives to meet its climate targets.



(Figure 5. Source: Danone S.A. Exhaustive (2021))

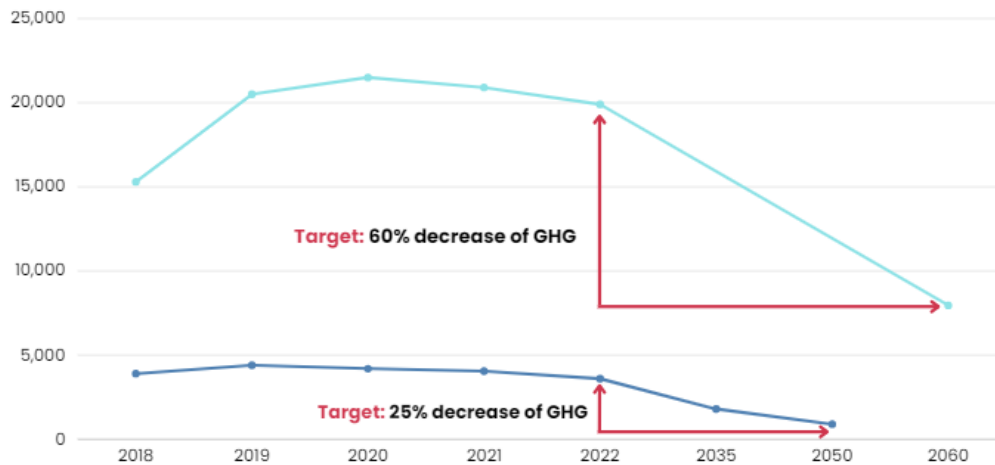


(Figure 6. Source: Planet Tracker, 2022)

Dannon has set forth precise and challenging goals for both upstream and downstream greenhouse gas emissions during the ensuing decades. The corporation has established a strict intensity target for upstream GHG emissions, with the goal of reducing them by 60% by 2060 when compared to the baseline year of 2022. This goal covers every stage of the product's lifecycle, from design and manufacture to shipping and end-user use. The all-encompassing strategy highlights Dannon's commitment to sustainable practices throughout its entire product line. Dannon has established a clear goal to reduce downstream greenhouse gas emissions by 25% by 2050 as compared to 2022 levels. Targeting emissions both upstream and downstream, this two-pronged strategy is in line with Dannon's resolve to address the environmental impact along the whole value chain. The division of upstream and downstream greenhouse gas emissions is shown graphically in Figure 7. The upstream greenhouse gas emissions are indicated by the light blue area, which represents Dannon's emphasis on cutting emissions associated with product



development, production, and transportation. Downstream GHG Emissions are represented by the dark blue area; these emissions are related to the use and disposal of products.



(Figure 7. Source: CDP Answers & Exhaustive, 2017-2021)

Dannon has set a precise objective for 2035, intentionally seeking a major reduction in plastic usage, in recognition of the urgent need for action. Dannon is implementing a workable solution as part of this endeavor by taking labels off of its goods. This strategy reduces plastic usage while also reducing greenhouse gas emissions related to downstream operations. The decision to eliminate labels from product packaging is linked with Dannon's commitment to environmental responsibility and innovation. The environmental impact of packing is increased by labels, which are frequently composed of plastic. Dannon hopes that doing away with labels will cut down on the amount of plastic used as well as the related greenhouse gas emissions. This downstream approach is a proactive, concrete attempt to match Dannon's long-term sustainability goals with its commercial activities. The 2035 aim serves as a mid-term checkpoint that enables the business to significantly reduce its environmental effect while opening the door for additional developments that will eventually lead to the 2050 goal.

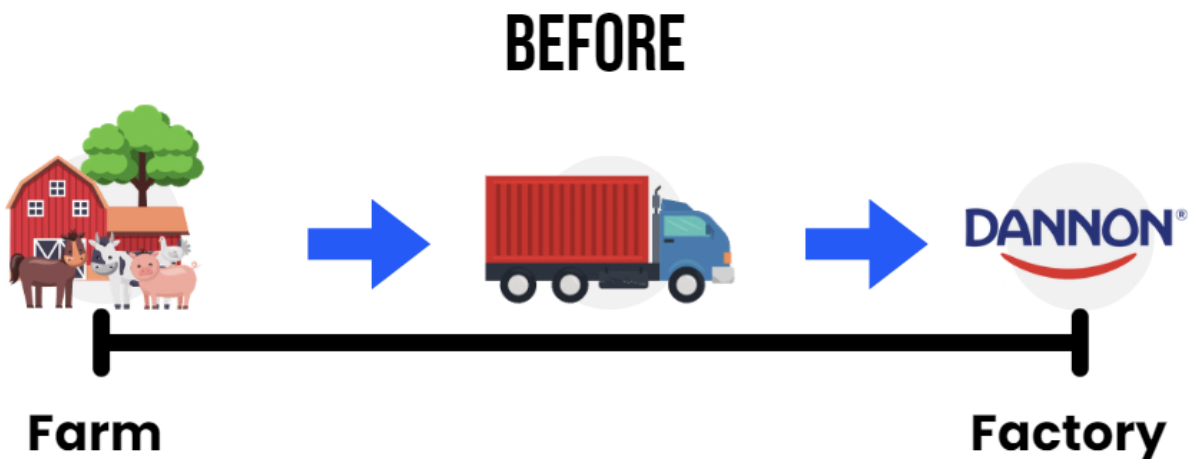


The strategy establishes a clear and revolutionary objective for 2050: the total switchover of its product packaging from traditional plastics to biodegradable materials. This change is a reflection of Dannon's steadfast commitment to lowering greenhouse gas emissions and limiting its environmental effect over the course of a product's lifetime. The choice to employ biodegradable materials is consistent with Dannon's circular economy philosophy, which holds that things should be made to have as little of an ecological impact as possible when they are recycled, reused, or naturally decay. Dannon hopes to address the enduring environmental issues related to plastic waste by choosing biodegradable substitutes, helping to create a more sustainable and healthier globe. This plan demonstrates a sustained dedication to innovation and ethical business conduct. Dannon recognizes that converting to biodegradable materials necessitates a thorough and cooperative effort throughout its supply chain. In order to successfully integrate these eco-friendly products throughout the entire production and distribution process, the plan entails collaborations with manufacturers, suppliers, and other stakeholders.

**2050**



**Before and After Analysis**



Analysis of the 2021 data showed a considerable environmental impact ascribed to "Purchased Goods," especially in the dairy category, prior to enacting changes in the scope 3 emissions strategy. With 12,864 KTCO<sub>2</sub>e, or 54% of all Scope 3 emissions, this section was responsible for the greatest portion of emissions. The transportation of components, a vital link in the supply chain that greatly increased the total amount of greenhouse gas (GHG) emissions, was the main cause of this enormous carbon footprint. This illustrates how the transportation of materials, particularly in the dairy industry, necessitates intricate logistics and raises greenhouse gas emissions. These operations' immense breadth and reach add to the scope 3 category's significant environmental impact. Dannon recognized this as a critical component of the total emissions profile and determined that targeted interventions were required to address and reduce the environmental effects of the transportation of goods.



After analyzing the data for 2021, Dannon realized how much the transportation of ingredients contributed to greenhouse gas (GHG) emissions, especially in the "Purchased Goods" category. As a result, Dannon developed a plan of action to address and lessen these negative environmental effects. An important way to lower greenhouse gas emissions during transit was to integrate the factory and the farm. This endeavor was justified by the idea that integration of this kind might significantly reduce the amount of gases released during transportation, offering a significant chance to lessen the supply chain's environmental effect. This calculated move to lower the overall carbon footprint throughout the production process' transportation phase is in line with Dannon's dedication to environmental responsibility.

## **Unit 5: Cost and Benefit Analysis**

### **Associated cost**

Using bioplastics in packaging materials brings about a number of benefits for Dannon's cost dynamics and environmental sustainability. There are several ways to examine the related expenses. Bioplastics may have distinct cost dynamics from conventional petrochemical-based plastics since they are made from renewable resources such as plant-based feedstocks. The production size is important since conventional plastics made on a big scale have proven to be cost-effective. A rise in the market for bioplastics could lead to economies of scale in production costs. However, compared to petroleum-based plastics, the cost of raw ingredients for biodegradable plastics, such as potatoes, cassava, and cornstarch, tends to be greater, which affects the final cost. The cost of research may increase as a result of ongoing attempts to enhance the characteristics, functionality, and economic viability of bioplastics, which would affect the final cost. Bioplastics' advantages for the environment, such as their compostability or biodegradability, may have an impact on end-of-life decisions like recycling or disposal. The expenses associated with managing these situations differ for conventional and bioplastic plastics.

The cost dynamics between conventional and bioplastics can be influenced by the price of oil, a crucial component in the production of traditional plastics. The expense of raw materials and intricate production procedures contribute to the current biodegradable plastic's greater price compared to standard plastic. Dannon's choice to employ bioplastics is consistent with its dedication to environmental sustainability when taking these aspects into account. The company's entire carbon footprint has decreased, and the production of drinkable yogurt containers has been reduced by an astounding 55%, which is one of the environmental benefits. Sustainable development is further supported by the use of sugar cane as a source of raw materials for bioplastics, which helps to absorb carbon throughout the planting and growth phases. Beyond financial concerns, switching to biodegradable plastics has advantages. Essential nutrients are released into the soil when these plastics decompose, promoting plant growth and enhancing soil structure. This demonstrates Dannon's proactive environmental responsibility and is consistent with its commitment to sustainable operations. Using bioplastics shows the company's commitment to social responsibility and raises awareness of environmental issues in a larger sense. As a result, the brand's value is increased, and consumers who care about the environment are drawn to the brand's positive and sustainable image.

### **Associated Benefits**

Dannon's decision to concentrate its product volumes in the health-conscious market has paid off, as evidenced by the fact that 90% of its total product volumes are now found in these categories. This change mirrors a general trend among consumers to prioritize their well-being when making decisions, highlighting the effectiveness of Dannon's focus on healthy lifestyle options. Interestingly, in this healthy market sector, a whopping 80% of

the volumes are devoted to items without added sugar. This combined emphasis on avoiding added sugars and general health is a symptom of a growing consumer trend toward products that support healthy lifestyle choices. The significant amount of sales in the sugar-free category indicates that consumers are becoming more conscious of and demanding nutritional transparency, indicating that the market is adapting to their tastes for goods that support both health and a lower sugar intake. Because there is a high demand for healthy options, these changes in product offers financially translate into higher revenues. In addition to strengthening its market position, Dannon's dedication to producing goods that speak to changing consumer preferences also puts the company in line with broader health-conscious trends, setting it up for long-term success in the ever-changing consumer goods industry.



A closer look at Figure 8, which shows aggregated sales data for several product categories and geographic regions, reveals a noticeable increase in pricing in many areas. This price rise is part of a noteworthy overall gain in income, which is outstanding given that it represents a significant 6.3% increase over 2022 projections. Figure 8's global sales breakdown shows how the market is responding dynamically, with different regions seeing noticeable increases in product pricing. The increase in prices, as depicted in Figure 8, when combined across several categories, is a significant factor supporting the total income estimates. Figure 8 shows a clear rising trend in pricing, which could be caused by a number of things, such as changes in market dynamics, inflationary pressures, or a rise in the market for high-end goods. Figure 8 illustrates the depth of this thorough research, which highlights the revenue increase's complexity and offers insightful information about how product category dynamics and geographic variances interact. In the end, Figure 8's results provide insight into the variables influencing Dannon's consolidated sales' financial environment.

Six-month period ended June 30

<i>(in € millions except percentage)</i>	2022	2023	Reported change	Like-for-like change	Like-for-like volume growth
<b>By geographical area</b>					
Europe	4,431	4,677	+5.5%	+6.4%	-4.6%
North America	3,139	3,418	+8.9%	+8.3%	-1.0%
China, North Asia & Oceania	1,671	1,778	+6.4%	+12.4%	+11.2%
Latin America	1,327	1,466	+10.5%	+11.7%	-1.1%
Rest of the World	2,756	2,828	+2.6%	+7.7%	-2.8%
<b>By category</b>					
EDP	7,062	7,503	+6.3%	+7.7%	-3.3%
Specialized Nutrition	4,029	4,250	+5.5%	+8.3%	+1.7%
Waters	2,234	2,413	+8.0%	+10.6%	+1.1%
<b>Total</b>	<b>13,325</b>	<b>14,167</b>	<b>6.3%</b>	<b>+8.4%</b>	<b>-1.1%</b>

(Figure 8. Source: Danone Consolidated Financial Statement and Notes, 2022)

The Consolidated Statement of Changes in Equity is shown in Figure 9. This financial statement offers a thorough summary of changes made to the equity part of a company's balance sheet during a given time period. It lists the variables that affected the changes in equity, such as net income, dividends, and other events that had an impact on the ownership structure of the business. In other words, a closer look at the statement shows how equity positions have changed as a result of transactions and events, demonstrating the company's sound financial standing and capacity to produce value for shareholders. It provides a full picture of Dannon's financial performance by combining comprehensive income with other comprehensive income. Investors and analysts use the Consolidated Statement of Changes in Equity as a key tool to evaluate the capital structure, returns to shareholders, and overall financial health of a company.

(in € millions)	Changes during the period								As of June 30, 2023	
	As of January 1, 2023	Other comprehensive income	Capital increase	Other transactions involving treasury shares	Offsetting entry for expense relating to performance shares and fidelity shares <sup>(a)</sup>	Dividends paid to Danone shareholders	Interest on undated subordinated notes, net of tax	Other transactions with non-controlling interests		Other changes
Share capital	169		0	0						169
Additional paid-in capital	5,188		68	0						5,256
Retained earnings and other <sup>(a)</sup>	17,916	1,093			54	(1,279)	(763)	(52)	68	17,036
Translation adjustments	(3,398)	(666)						0		(4,064)
Gains and losses related to hedging derivatives, net of tax	(165)	50								(115)
Gains and losses on assets recognized at fair value through other comprehensive income, net of tax	26	3								30
Actuarial gains and losses on retirement commitments not recyclable to profit or loss, net of tax	(243)	2								(241)
<b>Other comprehensive income</b>	<b>(382)</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(326)</b>
Danone treasury shares	(1,569)			1						(1,569)
<b>Equity – Group share</b>	<b>17,923</b>	<b>482</b>	<b>69</b>	<b>1</b>	<b>54</b>	<b>(1,279)</b>	<b>(763)</b>	<b>(52)</b>	<b>68</b>	<b>16,502</b>
Non-controlling interests	69	37	0			(43)		(24)	(6)	34
<b>Consolidated equity</b>	<b>17,992</b>	<b>520</b>	<b>69</b>	<b>1</b>	<b>54</b>	<b>(1,323)</b>	<b>(763)</b>	<b>(75)</b>	<b>62</b>	<b>16,537</b>

(Figure 9. Source: Danone Consolidated Financial Statement and Notes, 2022)

The Consolidated Statement of Comprehensive Income for 2023 is shown in Figure 10. This financial statement presents various comprehensive income elements in addition to net income, giving a comprehensive picture of the financial performance of the organization. In other words, for several stakeholders, analyzing the Consolidated Statement of Comprehensive Income is essential because it offers vital information about a company's performance and financial health that goes beyond the straightforward computation of net income. An important part of this statement is net income, which shows the profitability of the business after subtracting costs and taxes. But the inclusion of other comprehensive income—items that affect equity but are not factored into calculating net income—distinguishes the Consolidated Statement of Comprehensive Income. These could include changes in the fair value of financial instruments, unrealized profits or losses on specific investments, and gains or losses from currency translation. Stakeholders can learn more about the company's overall financial picture by analyzing this statement, which takes both realized and unrealized financial factors into account. It helps comprehend the different aspects that affect the company's entire financial performance and health in addition to its net income. For investors, analysts, and other stakeholders looking for a thorough knowledge of the company's financial situation, this statement is essential.

<i>(in € millions)</i>	Six-month period ended June 30	
	2022	2023
<b>Net income – Group share</b>	<b>737</b>	<b>1,093</b>
<b>Translation adjustments</b>	<b>1,318</b>	<b>(666)</b>
<b>Cash flow hedge derivatives</b>		
Gross unrealized gains and losses	23	60
Tax effects	(6)	(9)
<b>Other gains and losses, net of tax</b>	<b>-</b>	<b>-</b>
<b>Items that may be subsequently recycled to profit or loss</b>	<b>1,336</b>	<b>(616)</b>
<b>Investments in other non-consolidated companies</b>		
Gross unrealized gains and losses	(10)	3
Tax effects	-	0
<b>Actuarial gains and losses on retirement commitments</b>		
Gross gains and losses	378	2
Tax effects	(93)	0
<b>Items not subsequently recyclable to profit or loss</b>	<b>275</b>	<b>5</b>
<b>Total comprehensive income – Group share</b>	<b>2,348</b>	<b>482</b>
Total comprehensive income – Non-controlling interests	42	37
<b>Total comprehensive income</b>	<b>2,390</b>	<b>520</b>

(Figure 10. Source: Danone Consolidated Financial Statement and Notes, 2023)

The Consolidated Statement of Comprehensive Income for the fiscal year 2023 is shown in Figure 11, which shows a significant and remarkable decrease in comparison to the years 2022 and 2021. This decrease suggests that there has been a substantial change in the financial environment, which calls for further investigation to understand the nuances of this change. A thorough analysis of the data reveals a noticeable decline in important financial indicators, painting a complex picture that needs serious thought. This slump may be caused by several variables; thus, a thorough investigation is necessary to comprehend the underlying dynamics. The company's industry-specific difficulties, changes in consumer behavior, and economic concerns could all be factors in this downturn. Upon closer examination of individual line items, we find that net income and operational revenues have both declined significantly. When comparing the financial data from 2022 and 2021, a tendency that goes beyond a simple yearly variation is highlighted. This trend calls for a careful examination of the underlying factors causing this notable drop. This detailed analysis of the Consolidated Statement of Comprehensive Income puts the noted decline in perspective, regardless of whether it was caused by internal operational difficulties, external market forces, or a mix of both. It is imperative that all parties involved—investors, analysts, and management—understand the causes of this drop in order to make well-informed judgments and develop solutions for the problems raised. Stakeholders can better understand the factors influencing the company's financial performance throughout the given period by placing this financial downturn within a larger perspective. This will help the organization adopt a more calculated and strategic strategy going forward.



(in € millions)	Six-month period ended June 30	
	2021	2022
<b>Net income – Group share</b>	<b>1,068</b>	<b>737</b>
<b>Translation adjustments</b>	<b>485</b>	<b>1,318</b>
<b>Cash flow hedge derivatives</b>		
Gross unrealized gains and losses	(7)	23
Tax effects	3	(6)
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>
<b>Items that may be subsequently recycled to profit or loss</b>	<b>481</b>	<b>1,336</b>
<b>Investments in other non-consolidated companies</b>		
Gross unrealized gains and losses	(9)	(10)
Tax effects	-	-
<b>Actuarial gains and losses on retirement commitments</b>		
Gross gains and losses	95	378
Tax effects	(17)	(93)
<b>Items not subsequently recyclable to profit or loss</b>	<b>69</b>	<b>275</b>
<b>Total comprehensive income – Group share</b>	<b>1,617</b>	<b>2,348</b>
<b>Total comprehensive income – Non-controlling interests</b>	<b>50</b>	<b>42</b>
<b>Total comprehensive income</b>	<b>1,667</b>	<b>2,390</b>

(Figure 11. Source: Danone Consolidated Financial Statement and Notes, 2022)

## Conclusion

To sum up, a meticulous examination of Dannon's financial performance, environmental endeavors, and business strategies provides a nuanced understanding of the company's comprehensive approach. This analysis delves into various aspects, encompassing stakeholder implications, corporate social responsibility, and a detailed exploration of financial statements and key performance metrics. A standout feature is Dannon's strategic focus on business model transformation, specifically targeting manufacturing, consumption use, and reuse/recycling. This holistic strategy underscores the company's commitment to minimizing the use of natural resources and reducing landfill waste, aligning seamlessly with broader global sustainability objectives.

Furthermore, Dannon's proactive efforts in reducing plastics and carbon dioxide emissions are exemplified through novel strategies, including the development of biodegradable products and the integration of the farm and factory. These initiatives showcase the company's dedication to environmental responsibility by offering innovative solutions to address contemporary challenges. Projected Key Performance Indicators (KPIs) suggest that Dannon is on track to becoming an even more environmentally conscious corporation by 2060. The company is expected to make significant strides in environmental sustainability, with a projected 60% reduction in upstream emissions and a 25% reduction

in downstream emissions. Dannon's commitment to long-term sustainability and ethical business practices is evident in this comprehensive approach, skillfully blending environmental initiatives, financial strategies, and forward-looking projections. The integration of innovative solutions and a thorough business model transformation is poised to have a positive impact on the environment, as well as on the company's overall performance and reputation as it navigates future challenges and opportunities.



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