



## MANAGING THROUGH COVID-19

Overview of Danone North America actions to manage, and lead, through the pandemic

MAY 6, 2020

# WHO WE ARE

Danone North America is a leader in fresh dairy and plant-based food and beverages.

As a purpose-driven business, and as the world's largest Certified B Corporation®, Danone North America has been committed to the creation of both economic and social value for decades.

In the U.S. we have approximately 5,200 employees, including approximately 3,200 Danoners in our plants and warehouses, spanning 12 production locations and 2 headquarter offices (White Plains, NY and Broomfield, CO).

We also have long-term direct relationships with over 770 American farmers.



# WHERE WE ARE



# DANONE NORTH AMERICA & COVID-19

Since the arrival of Coronavirus in North America, we have had a dedicated cross-functional team focused on managing through the pandemic in a thoughtful and proactive manner, making all decisions through the lens of our three key priorities:

## 1 Safety & Wellbeing of our People

- + As of May 5, a small number (less than half a percent of our total North America population) of employees have tested positive; all have recovered or are currently recovering well

## 2 Food Safety & Security of Supply

- + No food safety issues (and we do not anticipate any)
- + No supply issues – have secured several extra months' worth of critical raw ingredients

## 3 Business Continuity

- + Record production despite complex and everchanging needs
- + Only one manufacturing plant that is currently inactive (production focuses on restaurant/foodservice) – all employees are being paid and supported
- + All other plants are continuing normal operations and absenteeism levels remain at their average from pre-COVID-19

In addition, we have been continuously dedicated to supporting the communities in which we live and work during this time. The following slides highlight the work we are doing to protect and support our people (and partners) and communities.

# PROTECTING AND SUPPORTING OUR PEOPLE

+ We are taking every precaution we can to protect our colleagues in our plants while maintaining business continuity. With our policies and practices, we are meeting, and in certain cases exceeding, OSHA and CDC guidance.

## Going above and beyond to protect our colleagues

- Mandating and providing PPE (personal protective equipment) in facilities
- Screening for symptoms and daily temperature checks
- Distributing up to 20 masks per employee (including corporate) for personal use to ensure our people are protected when not at work

## Minimizing risk in our facilities

- Enforcing social distancing / employee segregation in workspace
- Hiring workers to bolster essential workforce and ensure we have rotations to minimize infection risk
- Reduction in visitors (postponed trials and investment projects)
- “No touch” policy for trucks visiting our plants
- Enhanced cleaning and sanitizing

## Ensuring preparedness

- Regular crisis simulations and assessment of workforce contingency plans
- Working with our farmer partners to ensure best practices (weekly calls, precautionary checklists)

+ We are also providing enhanced benefits for our employees during this time.

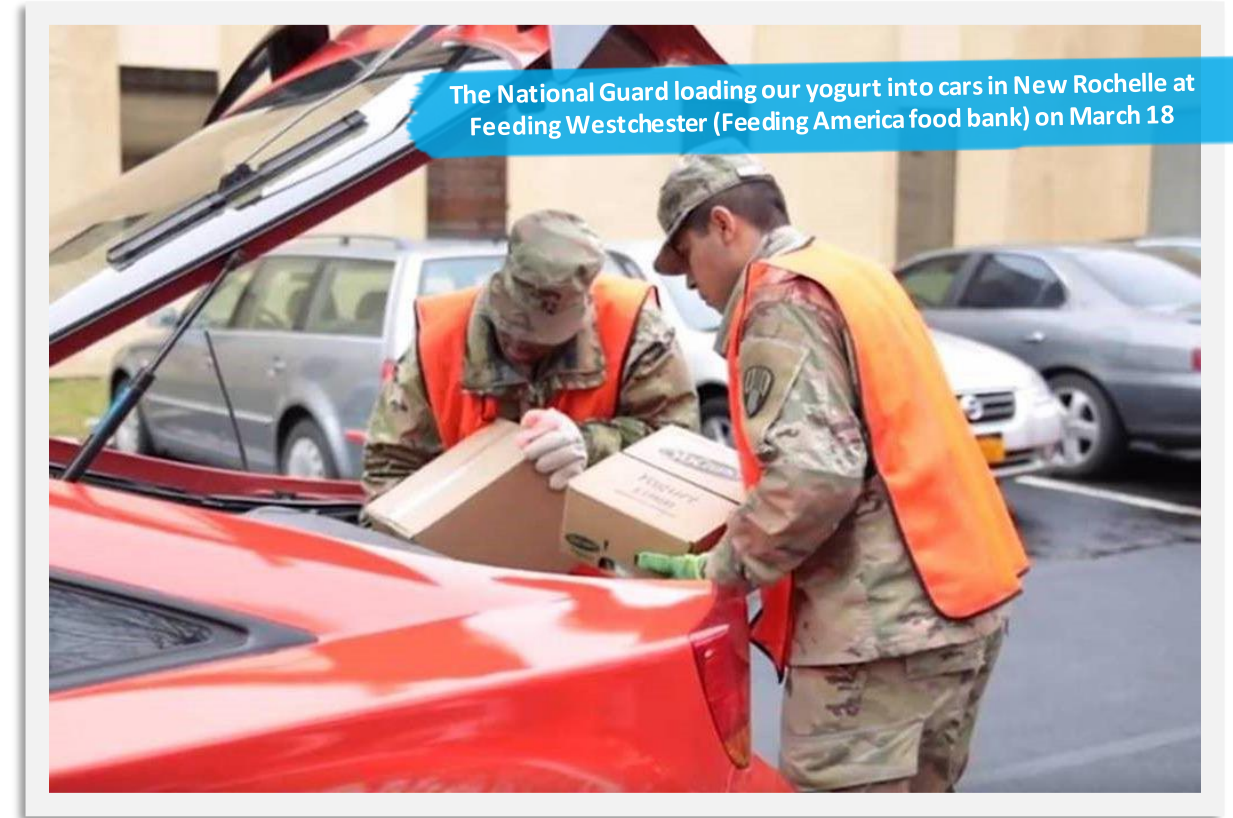
- **Pay premium of 15%** on top of base hourly rate for all hours worked, for hourly employees
- **Paid quarantine leave** for any employee who contracts the virus or is required to be quarantined at home
- Up to 80 hours of pay for **childcare support** for eligible employees

Benefits reviewed periodically with next review in mid-May.

# SUPPORTING OUR COMMUNITIES

In line with our mission to bring health through food to as many people as possible, we have donated \$1.5 million to organizations making a local impact on food access in communities across the country.

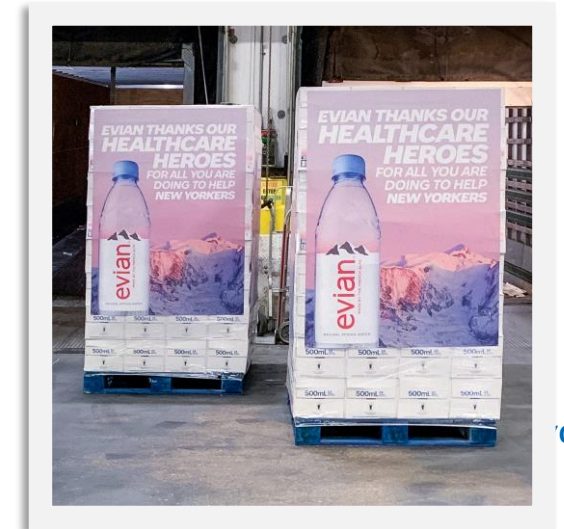
- Donation includes **\$1.2 million in funding** and **\$300,000 in product donations** to organizations across the country helping to secure access to healthy food for vulnerable populations facing food shortages – including rescuing excess food from widespread closures and cancellations.



# SUPPORTING OUR COMMUNITIES THROUGH OUR BRANDS

In addition to our corporate donation, individual Danone companies and brands in North America have also committed to supporting food and beverage access.

- **Silk** donated an additional \$150,000 to Feeding America.
- **Oikos Triple Zero** donated \$50,000 to the **Meals on Wheels** COVID-19 Response Fund to response seniors in need, in partnership with the NFL Draft-a-Thon.
- **evian** donated more than **195,000 bottles of water** to doctors, nurses, healthcare workers and hospital employees at local NYC hospitals and City Harvest. The brand also made a financial donation to the Red Cross to support urgent needs and supplies.
- **Nutricia** donated **10,000 meals to hospital workers** in partnership with Farmer's Fridge (a company supported by Danone Manifesto Ventures).
- **Wallaby Organic** donated meals and product to support food service and frontline workers.
- **Two Good** donated **100% of its profits**, up to \$100,000, in store and online at select retailers during Earth Week (April 20-26, 2020) to City Harvest and We Don't Waste.
- **Light + Fit**, in partnership with **Julianne Hough**, is donating **\$200k to the Movemeant Foundation** to help fitness instructors impacted by COVID-19 due to studio slow-downs and closures.
- **HappyFamily Organics** donated **\$261k in cash and 255k in product (units)** to support vulnerable families in New York City.



Danone North America CEO Mariano Lozano live on ESPN during the NFL Draft-a-Thon where sponsor Oikos Triple Zero donated to and helped raise funds for Meals on Wheels

# LEVERAGING PUBLIC PARTNERSHIPS

Through our customers, we are proud to be among several companies collaborating with the public sector to support communities across the country.

- We've supplied over 250,000 8 oz Single-Serve Horizon Organic milk boxes to the **USDA Child Nutrition Programs** to date through our customers.
- Also, through one of our longtime customers **Compass Group USA**, we've supplied single serving yogurt cups to **support FEMA workers** dispatched in the New York City area.



Horizon Organic 8 oz Single-Serve milk boxes – shelf-stable, with 8g of protein per serving



FEMA





# SUPPORTING OUR FARMER PARTNERS

We recognize that it's more important than ever that we take care of all of our partners, including our 770+ farmer partners who are going above and beyond right now to keep North America fed.

- We have long-term relationships with many of these farmers and suppliers – we know them, we know their families.
- We utilize an innovative “cost-plus” model with many of our dairy farmers – establishing long-term contracts that cover the cost of production plus a profit margin for the producer.
- This model results in less volatility and better mitigation of price swings, which helps to minimize pressure during a crisis such as COVID-19.
- We are also working with our farmer partners to help ensure best practices on farms to reduce the risk of COVID-19 impacting their operations.

