







Sustainability Update 2018

A Roadmap to 2020



"Our tasty Alpro products are contributing to healthier and more sustainable eating habits. Creating social and economic value is at the heart of what Alpro has been doing for more than 40 years. With and through Danone, we will further build our impact for a better world."

An introduction by **Sven Lamote**, General Manager





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For almost 40 years, Alpro has been a pioneer of plant-based food solutions, building on our promise to put sustainability at the heart of all we do. By bringing innovative and tasty plant-based foods to millions of consumers, we are growing our business while tackling the health challenges of both people and the planet, thus creating both economic and social value. At Alpro, we do business with a purpose.

In this sense, we actively contribute to Danone's mission of bringing health through food to as many people as possible. We are at the forefront of Danone's Food Revolution and a perfect fit with Danone's One Planet One Health vision. With and through Danone, we will further build our impact for a better world.

This report examines the progress we have made on our 2020 sustainability roadmap since our previous 2015 report. It is a tribute to our people as well as our partners, be they suppliers, customers or consumers, with whom we co-create our future, day after day.

But first and foremost, it is testimony to our continued commitment to do more and to do better on a never-ending sustainable growth journey, because each time we eat and drink we can vote for the world we want to live in.

I hope you enjoy reading this report,

Sven Lamote,

General Manager

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Executive L summary 2

Update 2018

KEY FOCUS 2020

At Alpro, sustainability and economic growth go hand in hand. It's an exciting combination: by putting our healthy, sustainable and innovative plant-based foods into the mainstream, we are creating sustainable value, helping both society and our company to thrive. We help to address challenges relating to food, our health and a sustainable planet. That's the core of our vision on sustainability: we want to be part of the solution.

ACHIEVEMENTS 2018

Alpro's ambitions for growing a sustainable business are centered on three strategic pillars:



These three strategic pillars build on the current strengths of our core business. Each pillar contributes to achieving our ambitious and challenging mission of "changing the way the world eats for the better", which is at the heart of our day-to-day work at Alpro.

PROJECT HIGHLIGHT

HEALTHY FOOD

"Developing healthy and tasty plant-based foods for everyone's wellbeing"

Rebalancing between animal-based and plant-based foods brings numerous health benefits. A plate filled with two-thirds plant-based foods is a great way to help take care of your health and wellbeing.

At Alpro we continuously strive to make plant-based foods even tastier and to optimise their nutritional profiles. In this, further reducing sugar and saturated fats are key focus points for 2020.

> low in saturated fat

portfolio

sugar reduction of total

portfolio

Sugar reduction:

present in foods, such as lactose in milk and others are gets treated by the body in a similar way and provides the same amount of calories - 4kcal per gram of sugar.

We achieved an 11.2% reduction in sugar in our complete

Carbon:

-9%

tCO₂/T

product

SUSTAINABLE FOOD

"Living comfortably within the natural capacity of our planet"

Alpro and plant-based eating can be part of the solution to make our food system more sustainable. Plant-based foods are highly resource-efficient - in other words, they use less natural resources such as land, water and energy.

In order to further improve the performance of our products, our key focus points for 2020 are carbon reduction, sustainable sourcing of our ingredients and making the most of water.

Pioneer in

Planet Thinking

60%

EU Soya

Sourcing soyabeans locally:

We have introduced soya cultivation in The Netherlands and in Belgium. In 2017, 60% of the soya beans we used at Alpro were grown in Europe.

Sustainable almonds:

To understand better the environmental impacts of our almonds, we analysed in depth with our Spanish local cooperative a set of representative farms over 1 year. This will enable us to set reduction targets and measures.

One Planet Thinking pilot:

Alpro is pioneering the implementation of 'one planet' water and biodiversity targets in soya and almond cultivation.

Packaging:

We have set science-based carbon reduction targets for our 1 liter bricks and have designed a reduction action plan together with Tetra Pak.

PROFITABLE GROWTH

"Driving growth through innovation, communication and partnerships"

Alpro has set out a very ambitious innovation and growth strategy to take its plant-based products even further into the mainstream. Making a variety of tasty and attractive plant-based products widely available to consumers is a fundamental part of our sustainable development strategy.

Key focus points for 2020 to achieve that growth include innovation, communication and strategic

innovation breakthrough .5% of net sales

of plant-based category

Innovation:

Innovation at Alpro is not only about providing significant business opportunities. In doing so, we try to tackle some of

Category awareness:





Introduction

This report is an update of our 2015 Sustainable Development Report: A roadmap towards 2020. As 2020 is now approaching very quickly, and with some fundamental changes to our company since 2015, it is time to share how Alpro as a plant-based business is doing and some of our sustainability highlights. Recent stories and exciting projects reflect the three strategic sustainability pillars that we identified in 2015: healthy food, sustainable food and profitable growth.

At Alpro, sustainability and economic growth go hand in hand. It's an exciting combination: by making our healthy, sustainable and innovative plant-based foods widely available, we are helping both society and our company to thrive. We are addressing challenges on food, our health and a sustainable planet. That's the core of our vision on sustainability, and we want to be part of the solution.

↔ Healthy food

Developing healthy and tasty plant-based foods for everyone's wellbeing.

1. Sugar reduction

2. Balanced approach to fat

A Sustainable food

Helping consumers live comfortably within the capacity of one planet.

Carbon reduction
 Sustainable sourcing
 Water reduction

\square Profitable growth

Driving growth through innovation, communication and partnerships.

Innovation Category awareness

Vision

lt's a changing world

Make plant-powered food and drink a tasty option that everyone can enjoy

We've always had a clear focus at Alpro: make plant powered food and drink a tasty option that everyone can enjoy. In 2017, we became part of Danone and we are moving forward the mission of "bringing health to as many people as people". Danone's addition of Alpro as a plant-based brand and our products to its wider portfolio represents an important message and it brings us one step closer to making our original ambition of spreading plant power to more people a reality. All over the world, more and more people are making the switch to a tasty, healthy, sustainable and more varied diet, whether that's plant-based, dairy, or a combination of the two.

Alpro and Danone share a common goal: bringing health through a wide range of delicious plant-based food and drinks to as many people as possible around the world, while continuing to focus on health and sustainability. Danone's Vision of One Planet One Health has always been central to the Alpro DNA. Our continued focus on innovation enables us to share a wide range of plant-based food and drink with people all across the globe. Right now, one in three households buys our products in the United Kingdom, Germany, Belgium and The Netherlands, and 20% of coffee drinkers choose a plant-based product to complete their drink. When we began almost 40 years ago these figures would have been unthinkable. We're extremely proud of how far plant power has come, and are very much looking forward to where it will go.

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SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations launched its **Sustainable Development Goals** (SDGs): a collection of 17 global goals that cover a broad range of social and economic development issues.

Alpro's business model is naturally aligned with a great number of these. Responsible consumption and production, good health and wellbeing, climate action, decent employment and economic growth, partnerships to achieve the goals, ... these are just a number of the SDGs that Alpro has been addressing through its business model for almost 40 years.

In 2017, the Stockholm Resilience Centre created a new model for the food system, which positions economies and societies as embedded parts of the whole biosphere. It means we are moving away from the current approach where social, economic, and ecological development are seen as separate.

We will continue to better measure and follow up our progress on our contributions to the SDGs. In addition, willing to commit further to these global goals, Danone has already announced that the long-term objectives, at horizon 2030, will be based on the SDGs format.



inaphics by Jerker Lokrantz/Azote

The Stockholm Resilience Centre presents a new way of viewing the Sustainable Development Goals and how they are all linked to food (http://www.stockholmresilience.org/research/research news/2016-06-14-how-food-connects-all-the-sdgs.html)

Vision

B CORP

Certified B Corporations are companies that meet high standards of social and environmental performance and public transparency. They have to go through a rigorous verification process by the non-profit organisation B Lab, and achieve more than 80 points, to be awarded the certification. Today, there are over 2,400 Certified B Corporations across 130 industries in 50 countries including some of the world's most high-profile ethical brands.

Achieving a total of 80 points would mean that a company has to excel in multiple areas. Early in 2018, Alpro was certified as a B Corp with the commendable score of 87, testament to the company's long lasting commitment to social value and environmental impact, in the interests of all stakeholders, not just shareholders.

Aligned with its long-standing commitment to combined economic success and social progress, and new vision One Planet One Health, in 2017 Danone publicly communicated its ambition to become a Certified B Corp globally. Alpro is one of nine Danone subsidiaries certified to date.

By joining the B Corp movement, Alpro re-affirms its commitment to use our business as a force for good and to making a positive difference in the world.

lt's a changing world

GOVERNMENTAL GUIDELINES ON HEALTHY AND SUSTAINABLE DIETS

Countries like Belgium, The Netherlands and the United Kingdom have renewed their food based dietary guidelines by fusing the latest understanding of nutrition and sustainability. Their common starting point is that consuming less animal-based food (particularly red meat), and replacing it with more plant-based foods (such as fruit, vegetables, legumes, whole-grains, cereals, nuts, and seeds) results in both ecological and health benefits. At Alpro we are happy to see this recognition of the importance of both sustainable and healthy diets, which is, of course, something we are fully committed to as well.¹







The Sustainable Nutrient Rich Foods index



CLIMATE IMPACT (G-CO₂-EQ/100G)

THE SUSTAINABLE NUTRIENT RICH FOODS INDEX

The scientific community is also exploring the crossroads between health and sustainability. The Sustainable Nutrient Rich Foods index (SNRF) is a new measure which reflects both the climate and nutritional impact of food products.

The SNRF index is based on energy density combined with three nutrients that should be encouraged (plantbased protein, essential fatty acids and dietary fibre) and three nutrients that should be limited (salt, saturated fat and added sugar). By combining health-related nutritional characteristics and greenhouse gas emissions of foods, we can create four general groups:

- Red, indicating foods with a negative nutrient profile and high climate impact
- White, indicating products with a moderate to negative nutrient profile and with medium climate impact
- Brown, indicating foods with a moderate to positive nutrient profile and medium climate impact
- Green, indicating a positive nutrient profile and low climate impact

The SNRF index can assist in rating food products and can help consumers make their diets simultaneously more healthy and more sustainable!

¹ Comé van Dooren, Simultaneous optimization of the nutritional quality and environmental sustainability of diets, PhD thesis, VU Amsterdam, the Netherlands, 2018, 161.







Healthy food

"Developing healthy and tasty plant-based foods for everyone's wellbeing"

Healthy food: Vision

THE IMPORTANCE OF MORE PLANT-BASED EATING

Public health bodies in many countries – as well as international bodies like the World Health Organisation – are urging us all to adopt a better diet for better health. The key priorities, at least for Western European populations, are to reduce our consumption of sugars, salt and fat and to increase fibre intake.

Plant-based eating certainly helps. It doesn't necessarily mean excluding all animal products, but it does put plant-based foods such as soya, fruits, vegetables, whole grains, nuts, seeds and vegetable oils at the core of the diet. The nutritional make up of this kind of eating (low in saturated fats, high in unsaturated fatty acids and fibre) is thought to support healthier hearts, body weight and blood sugar levels. All of this means that following a balanced diet with more plant-based foods points to a lower disease burden and a longer life in good health.

While health is a good enough reason to take action, there are additional benefits too. A recent study by health economist Lieven Annemans, has shown the major cost-savings that would benefit our society if 10% of the total population prioritised plant-based foods in their diet. In Belgium this is estimated at \in 1.3 billion and in the United Kingdom as much as £5.21 billion over a 20 year period. And if 10% of the population commit to consuming a high soyacontaining diet, the corresponding estimated savings would be \in 1.53 billion and £7.54 billion for Belgium and the United Kingdom, respectively.

We have always believed in the power of plant-based for the wellbeing of each of us as well as the planet, indeed Alpro has been the pioneer in plant-based nutrition for almost 40 years. Everything that we make is 100% plant-based and ever since day one we have encouraged people to opt for more plantbased products that contribute to their well-being and are made with respect for the planet. To see the economic benefits that can also result adds a remarkable new dimension to plant-power. Research demonstrates that more plant-based eating patterns are costeffective, reduce economic costs, such as hospital admissions and doctors' bills, as well as increasing the number of healthy years people live, and enabling them to continue working.

THE IMPORTANCE OF SOYA PROTEIN

At Alpro, we offer a wide and varied range of soya

The quality of soya protein is similar to that of meat and dairy protein and higher than that of nearly all other plant proteins.



² Hughes GJ, Ryan DJ, Mukherjea R, Schasteen CS. Protein digestibility-corrected amino acids scores (PDCAAS) for soy protein isolates and concentrate: Criteria for evaluation. J Agric

³ Rutherfurd SM, Fanning AC, Miller BJ, Moughan PJ. Protein indispensable amino acid scores differentially describe protein quality in growing male rats. J Nutr. 2015;145:372-9.

Healthy food

1. Sugar reduction

Alpro keeps on expanding its range, adding products containing differerent levels of sugar or indeed, no sugar at all, to offer consumers a broader range of choices. These include:

- Products that are "sugar free" (less than 0.5g sugar/100ml or 100g) like our unsweetened almond drink, unsweetened soya drink and plain unsweetened plant-based alternative to yoghurt.
- Products that are "low in sugar" (max 2.5g sugar/100ml) like our Alpro original soya drinks or plain plant-based alternatives to yogurt (less than 5g sugar/100g).
- Products that "contain 30% less sugar than is typical in the market" like the new Alpro plantbased ice cream range.
- Products that contain only naturally occurring sugars (and no added sugars), like our new plant-based alternatives to yogurt with more fruit and no added sugars, with mango or cherry.



In the last edition of Alpro's Sustainability Report we announced that we had achieved a 12% reduction in sugar in our complete product portfolio between 2006 and 2014 and were targeting a further 12.5% reduction between 2014 and 2020. Let's see where we are now!

Sugar levels evolution in the total Alpro range





Healthy food

2. A balanced approach to fat

Most Alpro plant-based drinks, soya desserts and soya alternatives to yogurt are naturally low in saturated fat, while our plant-based alternatives to cream made from soya or rice have an excellent fatty acid composition and are rich in unsaturated fatty acids.

At Alpro we continue to strive towards a beneficial fat composition in our products by making sure that:

- At least 70% of our total range is low in saturated fats
- Launches in our indulgence range are 30% lower in fats than the market reference product, just like our Alpro Coconut Cuisine, as an example









THEFT

Sustainable food

"Living comfortably within the natural capacity of our planet"



Sustainable food: Vision

We are currently consuming nature's resources in a way that exceeds the natural limits of our planet. If we continue like this, we will be using the equivalent of two planet earths in the next few years, which is clearly unsustainable.

Plant-based foods are highly resource efficient and can be part of the solution. But how much is good enough? What do we need to improve in the manufacturing of our products?

This 'One Planet' idea about what our planet will support was first introduced in 2009, when a group of 28 scientists came up with nine 'planetary boundaries': the limits that humanity will have to observe to develop and thrive for generations to come. Crossing these boundaries could do serious, prehaps irreversible environmental damage. In the intervening years we have already exceeded four out of nine of these planetary limits: on biodiversity, nitrogen and phosporus (fertiliser use), land use change and climate change.

Food companies have a crucial role to play in understanding and reducing their contribution to these impacts. After all, there is only one good outcome. And that is being able to offer consumers products that are produced within the carrying capacity of our one and only planet.



The planetary boundaries framework, designed by the Stockholm Resilience Centre, presents a set of nine planetary boundaries within which humanity can safely operate (http://www.stockholmresilience.org/research/planetary-boundaries.html)

PROJECT

One Planet Thinking pilot

One Planet Thinking is an approach towards defining sustainability targets that are safe and fair for the planet. The programme uses the five most important planetary boundaries for companies in food and agriculture. Excitingly, Alpro is to pioneer the implementation of water and biodiversity targets within this project. A consortium has been formed between WWF-NL and IUCN-NL (The International Union for Conservation of Nature), leaders of the One Planet Thinking programme, and sustainability experts to roll out the programme. Here are examples of what this means in practice.

1. CONTEXT-BASED WATER TARGET SETTING IN ALMOND CULTIVATION, SPAIN

Water is a complex and often local issue. Context-Based Water Target Setting adresses the unique site-specific concerns in each water catchment area and includes input from local stakeholders to ensure that their efforts meet the needs of the basins in which they operate. In this pilot, we have selected a number Spanish almond farms in the River Ebro catchment. Together with the research team and our local cooperative and farmers we will not only better understand our own water footprint in the region, we will also take into account the availability of water and the local context: how much water is needed for a healthy ecosystem, who are the other stakeholders in the region and what are the local practices and policies in place?

By the end of 2018:

- We will be able to set meaningful science-based targets that are informed by stakeholders and local policy
- We will have a water reduction roadmap in place for almond cultivation

2. A BIODIVERSITY FOOTPRINT TOOL IN SOYA CULTIVATION, FRANCE AND IN ALMOND CULTIVATION, SPAIN

In this pilot we will examine our biodiversity impact linked to the cultivation of our main crops: soya and almonds. Together with the research team from IUCN and Alterra (Wageningen University), we will analyse a number of factors that put biodiversity under pressure in our fields: carbon emissions, land use change, fertiliser use and water. In general, the greater the pressure, the greater the biodiversity loss. This will enable us to determine the biodiversity footprint of the almond farms and soya farms selected.

By the end of 2018:

- We will better understand how the cultivating
 our soya fields and almond orchards relates to
 biodiversity loss
- We will have a roadmap in place that reduces biodiversity loss in a way that will contribute to a resilient ecosystem





Sustainable food

1. Carbon reduction

In the first quarter of 2017 Alpro's carbon footprint tool was updated to increase the efficiency of annual data collection and calculation. This improved the accuracy of measuring Alpro's carbon impact per production step. The key sources of carbon emissions have not changed: sourcing and transport of ingredients (24% of total footprint), packaging (15%), energy consumption in production (15%) and capital goods (10%).

The total carbon footprint for Alpro in 2017, calculated according to the Greenhouse Gas Protocol, was 269,890 tonnes of CO_2e .

Carbon emissions 2008-2017								
Tonnes CO ₂		2008	2010	2013	2014	2015	2016	2017
Scope 1	Absolute	20,793	18,482	17,683	23,022	27,657	31,694	39,498
	Relative	0.088	0.071	0.059	0.066	0.073	0.070	0.082
Scope 2	Absolute	13,492	10,372	9,231	7,679	8,238	10,277	8,464
	Relative	0.057	0.040	0.031	0.022	0.022	0.023	0.018
Scope 1 + 2	Absolute	34,285	28,854	26,914	30,701	35,895	41,971	47,962
	Relative	0.145	0.111	0.091	0.088	0.095	0.093	0.099
Scope 3	Absolute	76,484	82,377	98,488	135,563	232,795	269,319	269,890
Volume (Ktons)		237,082	260,011	297,845	347,930	377,299	451,240	482,732



PROVAMEL OFFSETTING

Provamel uses carbon credits to offset any element that cannot currently be reduced (2016: 2075 tons of CO_2e , 2017: 1876 tons CO_2e). This ensures that production under the Provamel brand is carbon neutral.

The carbon credits come from WeForest, an international non-profit association, and those bought in 2016 and 2017 supported the restoration of the East Khasi Hills eco-region in India. The area is rich in biodiversity, but under threat from deforestation and degradation. The WeForest project seeks to combat this and restore the area's forests for the benefit of people and nature. Through assisted natural regeneration and sustainable livelihood development, the area's biodiversity and Khasi communities can flourish together.


Carbon reduction: Scope 1 & 2

Science-based targets

For its direct emissions, known as scope 1 and 2 emissions, Alpro set science-based targets of -26% CO_2e per tonne of product to be reached by 2020, in line with the Climate Savers programme.

In the same line of thinking, Danone's climate commitment was officially recognized by the Science-Based Targets Initiative (SBTi) in 2017. As from 2019, Alpro commits to setting science-based targets under SBTi.

Alpro started working seriously on energy-efficiency in 2008. Between then and now, we have achieved a reduction of our scope 1 and 2 emissions of 33% per ton product, which considerably exceeds the target. This has been possible mainly thanks to numerous state-of-the-art energy efficiency measures. For instance, two combined heat and power plants were installed at our site in Wevelgem to reduce



our primary energy needs, and cutting-edge warm water smart grids were developed in our plants in Wevelgem and Issenheim to ensure a better use of energy resources and avoid heat losses throughout manufacturing.

FACT

The Climate Savers programme is a global initiative by the World Wide Fund (WWF) to engage with businesses and industry on climate and energy. Alpro was the first European food company to enter WWF's ambitious programme.



Carbon reduction: Scope 1 & 2

Energy-efficiency track record 2010-2017



The base year of our new, official target with WWF was set as 2010. If you look at this scope, we have achieved a reduction of 9% per ton product between 2010 and 2017. The earlier years of our energy reduction efforts are not included in the scope of our new WWF target. Although the combined heat and power plants reduce our primary energy use, we have also seen a small increase in our direct emissions in 2017 attributable to the absolute increase in gas consumption. Nevertheless, we are still on track to achieve our sciencebased reduction target by 2020.

Next steps

We have been investigating moving to renewable electricity and gas supplies for our factories. This will allow us to achieve an absolute reduction in our emissions despite the growth in our production volumes, which is essential to comply with the Science-Based Targets Initiative We have now started work on a feasibility plan for our three factories. Each will need its own approach, depending on location and the local circumstances.





Carbon reduction: Scope 3

A science-based approach

At Alpro, our indirect emissions mainly involve carbon emissions linked to our packaging materials and the crops we grow to make our products.

To be able to set meaningful targets and to start a collaboration with our main suppliers, we decided to take a science-based approach throughout the process. We worked with a team of experts to calculate the science-based carbon reduction target for our main packaging formats and for two important crops: soya and sugar. We presented the methodology and the results to our key suppliers. The often interesting and fruitful discussions with them, using science-based targets as a guiding principle, resulted in action plans for the years ahead.

CARBON REDUCTION ACTION PLAN FOR TETRA PAK BRICKS

Tetra Pak packaging accounts for more than 50% of the carbon footprint of our primary packaging materials. This is why we are actively collaborating with Tetra Pak to reduce the impact of our well-known 'bricks'. The sustainability vision and strategy of Alpro and Tetra Pak are fully aligned.

This collaboration towards 2020 with Tetra Pak is built on two important pillars:

1. Reducing the carbon footprint of packaging materials: Calculating the science-based targets for the different materials that are in a 1 litre Tetra Pak brick showed us that working towards a brick fully made of bio-based raw materials would enable us to reach the target (about -40% $CO_2e / pack -$ though this may need to be achieved in stages rather than all at once). Tetra Pak and Alpro will work together to investigate and use responsibly sourced, bio-based raw materials for our drinks cartons.

2. Increasing recycling rates of our packaging materials: Cartons produced by Tetra Pak are fully recyclable, and the recycling rates in Europe are high (on average 47%). Further improving recycling rates is a joint commitment by Alpro and Tetra Pak, making sure the materials used in these packs get a second life.

Average rate of beverage cartons recycling and recovery in Europe:

- In Belgium the recycling rate of beverage cartons is 91% (data 2017)
- In Germany the recycling rate of beverage cartons is 77% (data 2011)
- In the Netherlands 97% of local authorities collect beverage cartons separately for recycling
- In the UK, 92% of local authorities collect beverage cartons for recycling, 67% via a kerbside collection system



FRANK VANDEWAL, ENVIRONMENTAL MANAGER TETRA PAK BENELUX

"As packaging supplier to Alpro, we believe it's important to consult with them and to listen to their needs and priorities when it comes to sustainability. Like this we can jointly advance on making our packaging more sustainable. Moreover, it allows us to help Alpro in achieving its sustainability targets."

A SCIENCE-BASED CARBON REDUCTION TARGET FOR SOYA CULTIVATION

Applying science-based targets to everything is easier said than done. To begin with, we need a 2°C pathway for the specific activity that we want to investigate. For cultivation of crops in general, these approaches are not yet fully developed. We decided to work with what's available, and this is what we figured out:

2°C pathway used: We used a pathway* for oil crops, that aggregates, among others, soya, palm fruit, rapeseed and sunflower seed.

Crop data used: We combined secondary data on soya cultivation with primary data which we collected from our main suppliers and cooperatives.

Result: If we apply the reduction rate that applies for oil crops, we can see that soya is already a climate-friendly crop. We 'only' need to achieve a 4% reduction in CO2e by 2025, to align the carbon emissions of soya cultivation with a world that stays below 2°C global warming.

Next steps: There is certainly room for improvement in calculating this target. A soya-specific pathway, making a distinction between soya for food, feed, non-GMO, and GMO, would be more accurate. On top of that, we still have some work to do in gathering representative data on our own soya cultivation practices. It makes a good commitment for 2020!

* An adapted AFOLU pathway was used, using IMAGE (by PBL Netherlands, University of Aberdeen and Ecofys)





CHRIS WEBER, GLOBAL CLIMATE & ENERGY LEAD SCIENTIST WWF GLOBAL SCIENCE

"WWF is proud to work with Alpro in our Climate Savers and One Planet Thinking programmes. Their Scope 3 supply chain engagement—working with packaging and commodities producers to reduce supply chain emissions—is the kind of model we expect other companies to follow."



Carbon reduction: Scope 3

Packaging framework

Packaging plays a crucial role in society today. It protects the nutritional benefits and maintains the quality of our products, facilitates storage, makes transportation easier and it ensures the safe use of products. But making packaging uses valuable resources and when not recycled, waste is generated!

Alpro has developed a vision to address the challenges of packaging:



PROJECT

Simply Plain

A Life Cycle Analysis of Alpro Simply Plain Soya alternative to yogurt

In 2017 we conducted a life cycle assessment of our Alpro Simply Plain Soya alternative to yogurt.

> The overall environmental impact of the 500g package of the Alpro Simply Plain soya alternative to yoghurt is spread throughout the entire life cycle. Packaging (32%), production at Alpro (22%) and soya bean cultivation (19%) have the highest impact throughout our value chain. Alpro is addressing these impacts through our various projects with regards to packaging (p. 42, 45), energy-efficiency (p. 39-40) and sustainable sourcing (p. 48-53).



3%

Strategic pillar 2: Sustainable food



* 1 Pt is representative for one thousandth of the yearly environmental load of one average European inhabitant

PROJECT

2. Sustainable sourcing

Local soya

In 2017, 60% of the soya beans we used at Alpro were grown in Europe, which is well above our target of 50%. Our organic soya beans are 100% EU-sourced. The rest comes from Canada, and is shipped, low-carbon style, by boat to our loading docks in Wevelgem, Belgium. How have we achieved this remarkable 60% figure for local soya sourcing?

JOHAN VAN WAES, SCIENTIFIC DIRECTOR ILVO



"Is soya cultivation practically feasible and profitable for the Flemish farmer? Aspects such as variety selection, inoculation, crop protection and cultivation technique are extremely important. Only varieties that produce enough dry beans at the end of the growing season can be grown in our region. ILVO field trials showed that good soya yields with a high protein content can be achieved in our region. If all factors evolve favorably, ILVO researchers calculated that soya cultivation can grow into the sixth most important arable crop in Flanders."

- In our French factory in Issenheim, 100% of the conventional (ie. non-organic) beans have been sourced locally since 2009, within a maximum distance of 50km from the factory.
- We have introduced soya cultivation in The Netherlands and in Belgium. Thanks to scientific research, we were able to select the right varieties and techniques to grow this subtropical crop in relatively cold Western Europe.
 - In 2017, more than 800T soya beans were delivered to Alpro from the Netherlands. The quality of the soya beans had improved, with higher protein levels than in previous years. We will continue to work on soya bean quality in 2018, and expect a crop of around 1,000T.
 - Around 100T of soya beans were sourced from Belgium in 2017, but we still need to improve the quality and levels of protein in our Belgian soya beans. A nice challenge for the year ahead!

We have also extended our soya bean sourcing to other countries within Europe, such as Italy and Austria.

Scientific research into soya cultivation

The Institute for Agricultural and Fisheries Research (ILVO) has been studying the possibility of growing soya in the Flanders area of Belgium since 2013, analysing factors such as the right varieties for our soils and the right sowing time. This has nothing to do with genetically modifying the crop and more research will be dedicated to conventional methods of improving quality, yield and protein content, as well as the environmental benefits of the nitrogen-binding qualities of soya on our soils.

WHY LOCAL SOYA?

- A shorter supply chain means fewer food miles and a lower environmental footprint
- We are creating value for our local farmers, with an interesting and profitable rotation crop. On top of that we offer farmers a premium for the high-quality standards we require (including factors such as protein level and the size of the bean)
- Soya is actually a very sustainable crop (despite its reputation, which is unfortunately created by soya cultivation for animal feed). A soya plant improves the structure of the soil because of its fine and wide roots. The plant also captures nitrogen from the air and binds it in the soil, making additional nitrogen fertiliser unnecessary. This has significant environmental benefits such as a lower carbon footprint, and less nitrogen leaching into ground water, with additional benefits for water quality and biodiversity. As we only grow soya as a rotation crop in Europe, subsequent crops can also benefit.
- Although some genetically modified crops are authorized in Europe they are not cultivated. So all our EU-grown soyabeans are automatically GMOfree, which is very much as we like it.



HENK VAN DER MEER, PROJECT MANAGER AGRIFIRM

"Our collaboration with Alpro is crucial to secure the successful development of Dutch soya. On top of that, Alpro is always challenging us to put the bar higher in terms of quality and protein content. This way we are jointly taking steps towards more sustainable agriculture."



PROJECT

Sustainable almonds

All our almonds come from the Mediterranean area. which is a deliberate choice because of the smallscale, more traditional nature of cultivation there. Of course, just as with any other agricultural activity, every almond we harvest has an environmental impact. Alpro wants to reduce this impact - but first, we need to measure it. That's why, together with our local cooperative, we mapped all the farms that produce almonds for Alpro in terms of size, location, altitude, climate, soil and type of irrigation. We then selected 12 representative farms, or fincas, scattered all over Spain. We have taken soil samples and have tracked weather conditions, while our farmers provided data on water, energy, fuel for tractors and fertilisers. This has resulted in some interesting findings about almond cultivation (see box).

This will enable us as a second step to set targets for carbon and propose carbon reduction measures. The project also looks at water use. The south of Europe is a region that is prone to droughts and water shortage. On top of that, we already know that about 99% of the water footprint of Almond Drink Original results from almond cultivation. Together with partners from the Context-Based Water Targets initiative, we will set meaningful targets for water reduction in our local almond cultivation.

WHAT ARE CONTEXT-BASED WATER TARGETS?

Establishing meaningful, legitimate targets for water requires a process that accounts for a scientific understanding of factors ranging from a geographical basin's conditions, through to local and global policy objectives, and the needs and perspectives of various stakeholders. Unlike GHG emissions (reducing in one area of the world can reap benefits for the rest of the globe) water withdrawal, consumption, and pollution typically have an impact only in the basin in which they occur.

CARBON AND WATER FOOTPRINTS FOR ALMOND CULTIVATION IN SPAIN

We selected 12 farms that are different in terms of size and age, use irrigation or not and use ecological or conventional cultivation techniques. Depending on the type of farm and the techniques used, the results showed different emissions and water footprints per farm.

Carbon footprint

CDP

The Nature

PACIFIC

(c)

WORLD RESOURCES Water Mandate

On average, 7.18 kg CO_2e are emitted per kg of almond paste produced. It is the almond cultivation phase that is responsible for most of the GHG emissions of almond paste production (89%). This is mainly due to the use of fertiliser, N2O emissions from soils, and the fuel that is consumed by trucks during the harvest. The cracking and actual paste production phase is only responsible for 6% of the total.

The removal of atmospheric CO_2 by almond trees and the sale and use of by-products such as the shells, is not included in this average of 7.18kg per kg CO_2 e of almond paste. If we make a conservative assumption, in line with similar almond footprinting studies in the US, and take this into account and the resulting carbon footprint reduces to 1.95 kg CO_2 e per kg of almond paste produced.



Water footprint

On average the production of 1 kg almond paste has a water footprint of 8,472 litres of water. It is the production of the almonds themselves that generates most of the water footprint, whereas the manufacturing phase is responsible for less than 1% of the footprint.

Unsurprisingly, farms on unirrigated land have the smallest water footprint while farms on irrigated land with conventional management have the highest water footprint. However, we can also see that some rain-fed plantations show water footprints per kg of almond produced that are similar to highly productive irrigated plantations. For this reason, although it seems a contradiction, in cases where water is available, it is considered appropriate to provide irrigation water (in controlled conditions), achieving greater productivity while maintaining similar water footprints per kg of almond produced.



Sustainable sourcing: Other ingredients



Palm oil:

Our policy for palm oil and its derivates is to avoid them as ingredients wherever possible. We only use them in a very limited number of Alpro products, such as whipping cream and margarines, and mainly to make these products more solid. The majority of this limited number of products are certified according to the RSPO Standard (Roundtable on Sustainable Palm Oil) in a mass balance or segregated scheme.



Cocoa and coffee:

Although cocoa and coffee are not a major ingredients of Alpro in terms of volume, we know they are important crops in terms of sustainable sourcing. We have been sourcing 100% UTZ-certified (Rainforest Alliance) cocoa and coffee since the beginning of 2018.

FACT

Our partner WWF supports the use of sustainable palm oil (as opposed to boycotting palm oil all together) for a number of social and ecological reasons. In terms of sustainability, agricultural efficiency is a major benefit of the use of palm oil: palm oil yields more oil per hectare than any other crop. Therefore, boycotting palm oil could have unintended consequences for forest and/or communities as more land would be required to produce the same amount of oil with other crops.

Sustainable food

3. Water reduction

Water reduction: Reduction in cultivation

In 2016, Alpro commissioned the Water Footprint Network to produce a water footprint assessment of our soyabean and almond supply chains. Results showed that about 99% of the water footprint of our plain soya drink and plain almond drink derives from the cultivation of the crops. The geographical hotspots in soya and almond cultivation were also analysed:

About 99% of the water footprint of our plain soya drink and plain almond drink derives from the cultivation of the crops. **SOYA** – In Canada, water footprints of soya beans supplied from our farms are below regional and global averages. In Italy and France, our farms are located in places with water in short supply for at least one month per a year.

ALMONDS – As far as almonds are concerned, water scarcity is an issue in the regions where we produce them, especially during the period of the year when irrigation is used. In Spain, water footprints of almonds from our Spanish suppliers are high compared to regional and global averages, mainly because their yields are low (as a result of traditional and small-scale cultivation).

To mitigate the potential water scarcity problem in the cultivation of our almonds in Spain, we initiated a collaboration project with our one of our almond suppliers in 2017 to collect reliable sustainability data from our almond farms in order to set meaningful science-based water targets. For more information on the project and the Context-Based Water target setting, see pages 50 and 51.

FACT

As the global leader in water footprint assessment, the Water Footprint Network provides science-based, practical solutions and strategic insights to transform the way we use and share fresh water within Earth's limits. The Water Footprint Network uses a common methodology that leads to strategic action for water stewardship, resource efficiency, fair allocation and good governance.



Water reduction: Reduction in production

At our Issenheim plant, we reduced our water consumption by 46% per ton of finished product between 2004 and 2017. See page 56 for a full overview of our 'exceptional' factory in Issenheim.

	Water reduction in our production sites								
		2008	2013	2014	2015	2016	2017		
•	Total water discharge (excl. Landgraaf site) (m³)	720,728	799,765	930,526	1,031,382	1,303,226	1,277,682		
	Total water consumption (excl. Landgraaf site) (m³)	1,082,737	1,166,653	1,331,655	1,480,802	1,780,450	1,603,205		
	Water consumption in litre per litre end product (in production facilities)	4.54	4.69	4.47	3,68	4,06	4.20		

The Alpro plant in Issenheim is an exceptional plant in terms of sustainability...



Waste

Did you know that:

- The Alpro plant in Issenheim has a no waste to landfill policy
- In 2016, 98% of the waste was recycled

The Alpro Responsible Trail

N

Biodiversitv

Did you know that:

• The Alpro plant in Issenheim designed

a responsible trail around its factory to

inform employees and visitors on the

Issenheim site was doubled thanks to

actions undertaken around nature

• In 2011, the biodiversity on the

extra tree planting

Water

Did you know that:

- · Both well and city water are used in the Aplro plant in Issenheim
- Water consumption was reduced by nearly 46% per ton product in 2017 compared to 2004
- The waste water is discharged into the public waste water treatment plant adjacent to the plant and sent back to the river passing behind the plant

Warm Water **Smart Grid** (WWSG)

Energy

Did you know that:

- The WWSG at Alpro plant in Issenheim, has been recognised as "exceptional" by the French Environmental Agency
- It ensures a better use of the energy resources
- The heat is recovered, so there is no heat loss in the process
- The heat pump producing the heat uses CO2 as a refrigerant and is the biggest one existing in Europe
- The system is made of 8km of tubes
- The system is expected to lead to: · Savings of 9000MWh gas/year
 - · Savings of 2000t CO2/year
 - A reduction in Primary Energy needs of 5900 MWh/year
- Since 2007:
 - Gas consumption decreased by 50%
 - Electricity consumption decreased by 30%
 - 100% of the purchased electricity is green

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Local soy

Did you know that:

100% of the conventional beans of the Alpro plant in Issenheim are cultivated locally within a radius of 50km around the plant









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Profitable growth

> "Driving growth through innovation, communication and partnerships"

Profitable growth

Profitable growth: Vision

Our 2015 – 2020 roadmap includes an ambitious innovation and growth strategy to take our plant-based products even further into the mainstream. Over the past five years, Alpro has invested more than 350 million € in growth and has created more than 500 full time equivalent jobs throughout its facilities in Europe.

Continuous training of its employees is a priority for Alpro. In 2017, more than 70 hours on average on an annual basis were invested in workers and more than 36 hours on average in employees and executives. The training varies from functional training to training in the field of leadership development for instance in the plants and for the commercial and support teams.

To promote the healthy lifestyle of its employees, Alpro developed the Healthy Alpro programme, proposing various activities helping to find the right personal balance both on a psychological and physical level. Alpro also encourages its employees to participate in societal initiatives, such as "Come On Against Cancer" and "Run for Parkinson's".

1. Innovations

Innovation at Alpro is not only about providing significant business opportunities. In doing so, we try to tackle some of the biggest challenges related to food consumption. Here are some of our highlights:

ALPRO PLANT-BASED ICE CREAM (VANILLA, COCONUT, HAZELNUT-CHOCOLATE)

CONTAIN 30% LESS SUGAR AND SATURATED FAT THEN THE MARKET REFERENCE IN ICE CREAM



PLANT-BASED ALTERNATIVE TO YOGURT WITH CHERRY AND MANGO

HAVE NO ADDED SUGAR AND ARE NATURALLY LOW IN FAT



SOYA UNSWEETENED DRINK AND PLANT-BASED ALTERNATIVE TO YOGURT UNSWEETENED PLAIN

CONTAIN 0% SUGAR AND ARE NATURALLY LOW IN SATURATED FATS



2. Category awareness

The need to increase plant-based eating is a societal challenge, and Alpro cannot do it alone. We are collaborating with organisations, governements, customers and other food producers to encourage consumers to make more sustainable food choices.

Green Protein Alliance

Alpro joined The Green Protein Alliance in 2016. This is an innovative partnership working on accelerating the transition to a society that depends primarily on sustainable, plant-based sources for its protein needs. The partnership consists of suppliers and producers of vegetable proteins with a shared vision: a more sustainable food system where plant-based proteins are an obvious choice.

http://greenproteinalliance.nl



The Protein 2040 Challenge

In 2016, Alpro joined The Protein 2040 Challenge. It is a coalition run by Forum for the Future, an international non-profit working with business, government and civil society to solve complex sustainability challenges. Following an extensive research phase, we have now designed a series of six exciting and high-impact pilot projects to drive a fundamental shift of the protein system. Three of these projects are being taken forward for immediate action. The most important one for Alpro is the Chef's Challenge: we're enlisting some of the world's leading chefs to collaborate in creating and placing more tasty plant-based options on restaurant menus, encouraging us all to eat more plants.

https://www.forumforthefuture.org/project/protein-challenge-2040/overview



Ensa

Alpro is a founding member of ENSA, the European sector organisation of natural soya and plant-based food manufacturers. ENSA aims to promote a better understanding of natural soya and plant-based foods as well as to promote the mainstreaming of plantbased foods as part of a healthy and sustainable diet. ENSA also strives to establish a level playing field with meat and dairy products, through well-targeted public affairs and public relations activities. One of the main achievements over recent years was establishing specific customs codes for non-dairy products, providing an adequate identity for the category.



Alpro Foundation

The Alpro Foundation is an independent, scienceled authority that is passionate about supporting and promoting scientific knowledge and research in the areas of plant-based nutrition, its impact on human health and the sustainability of the planet.

To celebrate 20 years of the Alpro Foundation in 2017, remarkable scientific findings were presented by 14 renowned scientists during the well-attended Alpro Foundation's 20th anniversary symposium **"The moment for plant-based eating is now"**. The highlight of the event was a paper presented by Prof. Lieven Annemans, professor of health economics at the University of Ghent, who revealed the results of his latest research: more plant-based eating with a daily intake of soya products improves the general quality of life, prolongs life expectancy in good health and can save society billions.

alpro Foundation

Alpro Sustainable Development Update 2018

Engagement with society

Alpro Social Fund

Yearly, Alpro donates around €80k to the Alpro Social Fund.You can follow the wonderful projects that were selected on the following link: http://alprosocialfund.com/en

FACT

Through the Alpro Social Fund, managed by the King Baudouin Foundation, we support internal and external projects for a better society in which Alpro staff and their families are involved. Applying for financial or material support is possible at any time and with full anonymity. Each project can receive up to €5,000 in financial or material support.

Healthy Alpro

The Healthy Alpro programme organises different activities and projects aimed directly at our employees and their working environment. This includes acitvities such as charitable runs and cycling courses and workshops on resilience and wellbeing.

Local initiatives

Each Alpro site has an annual budget available to support local sustainable development projects. At our plant in Issenheim (France), our colleagues installed a 'responsible trail' around the factory, with educational boards on biodiversity. In a constant quest to increase the biodiversity of the site, they also planted trees in 2016 along the la Lauch river passing right behind the factory. Our colleagues in the UK support their local Wildlife Trust in the protection, restoration, and management of the wildlife habitat at Rushden Lakes. Part of the Nene Wetlands, Rushden Lakes is a 270-hectare nature reserve linking existing wildlife areas. The Alpro UK team also supports Alderwood Living and Learning with Autism, which offers residential care and supported living for young people and adults who have a diagnosis on the autism spectrum and challenging behavior.

FACT

We are key supporters of Malnutrition Matters. Malnutrition Matters is a Canadian non-profit organisation, dedicated to providing sustainable low cost food technology solutions for malnutrition, primarily by using soya. This low cost food technology includes production systems such as the 'Vitagoat' (to make plant-based products without electricity) and also food drying systems powered by solar technology or biomass fuel.







	Water	Operations
		Cultivation of ingredients
омтн	Innovation	

PROFITABLE GROWTH

Grow plant-based category

Key Focus Point

Balanced approach to fat

Sugar reduction

Renewable energy

Sustainable sourcing

Carbon

Category

Scope 1 and 2

Local sourcing of soya

Sourcing of other ingredients

Scope 3

According to Science-Based Target Initiative criteria

Alpro

Provamel

	Unit	2008	2013	2014	2016	2017	2020	Status
	Average sugar level total portfolio (%)	4.05%	>	3.67%	3.36%	3.26%	3.20% (2018)	On track
	% 'Low in saturated fat claim'		Maintain 'low i	n saturated fat' claiı	m on at least 70% o	f our portfolio		On track
	% of kWh				Feasibility study done	Target setting done	100%	Commitment 100% by 2020
	Tonne CO ₂ e per ton product Tonne CO ₂ e per ton product	0.145 0.323	0.090 0.331	0.088 0.414	0.093 Science-based targets for packaging & soya	0.099	0.079 Qualitative targets	Increase due to lower production increase than direct emissions increase On track
	% of total % of total % Certified		30% 24%	33% 48%	50% 85% Feasibility study done	58% 100% Direct palm oil: 100% RSPO Cocoa: 100% UTZ Coffee: 100% UTZ	>50% 100% Direct palm oil: 100% RSPO Cocoa: 100% UTZ Coffee: 100% UTZ	On track Target reached Target reached
	Quantity Quantity			→	Feasibility study Wevelgem & Kettering for water reuse Soya & almond drink water footprint and assessment done	Feasibility study Wevelgem & Kettering for water reuse	Work in Progress Context-based water target almond cultivation	Progress slower than expected due to supply chain challenges and focus on water reduction in cultivation (biggest impact) On track
	Breakthrough innovations as % of net sales	6.4%	13.7%	>15%	>15%	13.5%	20%	The breakthrough innovations as % of our net sales was 13,5% in 2017, below the target of 20%. This is caused by the fact that some of our innovations had a slightly slower ramp up than initially estimated.
NE	% of plant-based category					40%	40% (in a growing market)	On track

In 2018, Danone has launched 9 integrated 2030 goals, that include both business and sustainability, aligned with the UN Sustainable Development Goals. Alpro and plant-based contribute to these goals with our different programmes on science-based targets for carbon reduction, B Corp certification, our development programmes for our employees and of course, our innovative plant-based products that are good for people and good for the planet.



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