



# Danone EU Call to Action for a Common Food Policy 2020-2024

*Consumers are craving change. They expect large organizations like Danone to bring our scale of impact to change the world for the better.*

E. Faber, Danone Chairman and CEO



## OUR PERSPECTIVE

When Europe emerges from the COVID-19 crisis, the first priorities will need to be about **looking after people's immediate needs, rebuilding and reinventing lost jobs and putting our economy back on track, while continuing to secure food supplies.**

This unprecedented crisis has shone a spotlight on the food supply chain, which has proved so far to be efficient. The European Union (EU) needs to maintain that efficiency to secure continued availability and affordability of nutritious food for all. **However, we must begin to take a longer view and build the transition towards a more resilient and inclusive food system, as a foundation of a true food sovereignty for the EU.**

The global food system of today has brought an **abundance of affordable food products to large swathes of the population. But this success has come at a considerable cost.** Intensive agriculture is depleting the natural resources that we need to sustain ourselves. We are rapidly losing biodiversity. Soils are being degraded. Water scarcity is growing. And the food system is a key contributor to greenhouse gas emissions. Furthermore, our food systems have not succeeded in delivering a healthy diet for all, with 33 million Europeans still suffering from food insecurity and almost 1/4 of adults affected by obesity.

**These challenges are systemic.** Therefore, they require holistic solutions, which advance at the same time food security and health, as well as environmental, social and economic sustainability. The urgent task ahead is to rethink our food system within the EU, and beyond. Every actor in the food ecosystem needs to be part of this effort, in cooperation with public authorities, civil society and academia. Novel partnerships will be essential to both devise and implement solutions.

**The time to act is now.** As the COVID-19 pandemic continues to threaten our economies and our way of life, there may well be a temptation to postpone discussions about resilient and sustainable food systems. This would be a mistake. Scientists have already drawn attention to the link between the causes of this pandemic and the pressure that is being put on the natural world. The expansion of human life to every corner of the planet, with deforestation and loss of habitat for other species, has brought the remaining wildlife into proximity with densely populated human settlements. And the lack of diversity in our agriculture and the intensive rearing of livestock have boosted the propagation of past diseases.

The emergency has made us appreciate how reliant we are on our farmers and the workers that pick, transform, transport and make available our food, from farm to fork. The complexity of global supply chains has turned out to be a significant weakness, while strong locally-rooted food ecosystems are proving their strength.

We must take advantage of renewed societal awareness of our vulnerability **to build together a more resilient, sovereign food system for Europe.**

**The EU is well placed to lead by example. Its geography, climate and cultural diversity are unique assets.** The EU already benefits from a number of very relevant and forward-looking common policies on agriculture, food safety and quality, food information, climate change and circular economy - but these do not yet add up to an inclusive overarching strategy for food<sup>1</sup>. **The upcoming 'Farm to Fork' and Biodiversity 2030 Strategies** are unique opportunities to end this piecemeal approach and finally put in place a comprehensive, consistent EU Common Food Policy, which needs to be embedded in the frame of planetary health diets<sup>2</sup> and ensure European food sovereignty. Such a policy would encompass the economic, environmental, social and public health nutrition dimensions of the entire food system and reap all the benefits across these dimensions<sup>3</sup>.

The proposals that follow are Danone's most immediate and concrete recommendations for EU policymakers over the next couple of years. We believe that they will be essential to drive this transition. It is our strong belief that building an EU Common Food Policy is an essential part of securing Europe's longer-term resilience and will bring long-term benefits to the broader economy.

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1 For an in-depth assessment, see "Towards a Common Food Policy for the European Union"

[http://www.ipes-food.org/\\_img/upload/files/CFP\\_FullReport.pdf](http://www.ipes-food.org/_img/upload/files/CFP_FullReport.pdf)

2 <https://eatforum.org/eat-lancet-commission/the-planetary-health-diet-and-you/>: "The planetary health diet is a global reference diet for adults that is symbolically represented by half a plate of fruits, vegetables and nuts. The other half consists of primarily whole grains, plant proteins (beans, lentils, pulses), unsaturated plant oils, modest amounts of meat and dairy, and some added sugars and starchy vegetables. The diet is quite flexible and allows for adaptation to dietary needs, personal preferences and cultural traditions".

3 The IDDRI study "An Agroecological Europe in 2050: Multifunctional Agriculture for Healthy Eating" highlights that such a strategy could halve the EU agricultural greenhouse gas emissions, massively reduce imports of protein nitrogen fertilisers and save water, translating into diets carrying less noncommunicable diseases such as obesity and diabetes, with their correlated healthcare costs - [http://www.ipes-food.org/\\_img/upload/files/CFP\\_FullReport.pdf](http://www.ipes-food.org/_img/upload/files/CFP_FullReport.pdf)

## I LEVERAGING AGRICULTURE AS A SOLUTION TO FIGHT AGAINST CLIMATE CHANGE AND RESTORE BIODIVERSITY

The upcoming European 'Farm-to-Fork' and Biodiversity 2030 Strategies should significantly enhance the link between agricultural policy and the conservation of biodiversity in all Member States. The COVID-19 pandemic has shown that when we damage natural ecosystems, biological threats that were once remote can rapidly become existential threats. Agriculture is central to our relationship with nature.

Danone is working to develop and promote regenerative models of agriculture, which is our term for a combined set of practices that strengthen agricultural resilience. They involve restoring ecosystems, mitigating climate change and ensuring resilient agro-food systems that can feed the next generations.

### 1. SPECIFIC TARGETS FOR FIGHTING CLIMATE CHANGE

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Until now, much of the focus in climate policy has been on the energy sector and industrial areas where concrete actions can easily be identified and implemented. However, agriculture is a critical contributor. In addition, climate change is already impacting agriculture in the EU in significant ways, arguably more than any other sector, with rising temperatures and water scarcity leading to poorer harvests and higher production costs. Although tackling climate change in agriculture is more complex than for other sectors, it must be done. Regenerative agriculture serving planetary health diets is a solution to climate change, for example through Soil Carbon Sequestration (SCS).

At Danone, we want to play our part in fighting climate change. That is why we have committed to be carbon neutral by 2050 across our direct and indirect scopes of responsibility and to co-create carbon positive solutions across our value chain. Danone's full scope emissions (including agriculture) peaked in 2018 and have since started to decline. Danone's strategy to achieve carbon neutrality is based on the following pillars: reducing emissions, transforming agricultural practices to sequester more carbon in the ground, eliminating deforestation from our supply chain, and offsetting the emissions that remain.

**Danone** fully supports the ambition of the Green Deal for climate neutrality by 2050 and **calls on the EU to translate this ambitious plan into concrete proposals** including:

- Setting binding targets
- Harmonising methodologies to measure progress
- Incentives
- Introducing accountability mechanisms
- Taking into account the positive externalities of farming such as Soil Carbon Sequestration (SCS)
- Implementing Carbon Border Adjustments

## 2. THE NEED TO URGENTLY START RESTORING NATURAL AND AGRICULTURAL BIODIVERSITY

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Natural biodiversity is a direct contributor to regenerative agriculture: natural ecosystems provide water, natural soil nutrients, pollinations...

### **EU measures should be adopted to reverse biodiversity loss due to intensive agricultural practices.**

Farmers are not at fault; it is the food system that is failing them. Farmers need to be rewarded not only for producing the quantity and quality of food we need, but also to become local custodians of biodiversity, both natural and cultivated, as a factor of critical resilience. The industry needs a legislative framework that fosters the development and permits the implementation of innovative biodiversity approaches. Consumers need a more enabling environment that promotes the endorsement of a more biodiversity-prone lifestyle.

Specific EU targets should be set to ensure a common and fair transition towards regenerative agricultural practices.

This should include progressive practices such as:

- Reduction of chemical inputs
- Enhancement of seed and species diversity: current seeds and species will need to be strongly diversified in order to adapt to the local impact of climate change on agricultural ecosystems across the EU
- Protection and restoration of soil health

**The EU can also play a key role in protecting biodiversity by adopting measures to enhance traceability and transparency** for agricultural commodities imported from geographies at high-risk for deforestation.

## 3. STRONG INCENTIVES TO ENSURE A SUSTAINABLE AND FAIR INCOME FOR FARMERS

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These incentives should reward regenerative practices and also facilitate access to land for younger farmers.

- **Regenerative practices need to be rewarded.** Eco-schemes within the Common Agricultural Policy are a good tool. They should:
  - Reward sustainable soil practices by reducing monocropping and enhancing cultivated biodiversity (via diversification of seeds and crops), reducing the use of synthetic pesticides and fertilisers, as well as optimising crop residues, crop rotation, and fallowing mechanisms.
  - Encourage water stewardship and the protection of watersheds and impervious areas.
  - Expand biodiversity conservation schemes.
  - Support practices that protect animal welfare and improve animal health. These should include a reduction of antibiotics use in animals whenever possible.
  - Promote soil carbon sequestration via longer commitment periods for eco-system restoration projects, payments based on carbon sequestered (result-based payments), and flexible rules allowing for adaptation at the farm level.

- **Funding** should be made available to support farmers. Instruments that might be leveraged include:
  - Crop and livestock insurance, which could mitigate and minimize the risk of initially lower yields during the transition process and encourage farmers' transition to regenerative agriculture.
  - Innovative multi-stakeholder financing mechanisms<sup>4</sup> or carbon bonds for agricultural products, with pricing adjusted to reflect their soil carbon sequestration performance.
  - Guarantees of first loss: drawing on experience in the renewable energy sector, develop mechanisms for farmers to fund the transition towards more resilient agricultural systems.

## 4. BUILD EU PROTEIN AUTONOMY

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Today protein crop production across the EU is insufficient to cover the growing demand for such products in both agriculture and food manufacturing. In line with the EU ambition to diversify agriculture and to ensure sustainable land use and management both in Europe and beyond, we support EU action to boost sustainable plant-based farming in Europe.

**We therefore call on EU policymakers to adopt an ambitious EU-grown plant protein supply plan,** which would also reduce our dependence on imports (principally of soybeans used as animal feed) and reduce the risk of European protein demand driving deforestation in non-EU countries. A European plant protein supply is an essential part of the broader shift towards planetary health diets, with animal-based foods - higher in nutritional value - produced with less intensive farming models.

## 5. REDUCE FOOD WASTE

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Food is a fundamental human right and one of our basic requirements for life. Still, the Food and Agriculture Organisation of the United Nations estimates that one third of global food production (or around 20% of food produced in the EU) is lost or wasted along all steps of the food value chain. Reducing food waste can alleviate food insecurity, save money for all stakeholders from farmers to households, but also reduce pressure on climate, water and soil.

**We call on EU policymakers to support stakeholders and provide incentives to help accelerate food waste prevention and facilitate collaboration between all actors of the food value chain.**

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<sup>4</sup> Innovative mechanisms include blended finance which brings together private companies that are willing to invest in regenerative agricultural practices, farmers who are willing to change their production models, banks that are financing this investment, and international organisations that guarantee the loans.

## II REDUCING OUR IMPACT ON THE ENVIRONMENT

Beyond agriculture, there is a need to better use existing resources and protect natural ecosystems. The transition towards a circular economy and the preservation of water ecosystems are important priorities for Danone.

### 1. CONTINUE PROTECTING WATER

Water is a precious natural resource that is essential for life and good health. At Danone, we are committed to finding the right balance between bringing people the safe, quality water they need and want for healthy hydration, while preserving nature and the natural cycle of water. We embrace our responsibilities to relieve water-stressed environments by helping our partners to preserve and restore ecosystems, wetlands and natural water cycles.

**To further enhance watershed and biodiversity preservation, we call for ensuring the current Water Framework Directive is fully enforced across Member States.** The Water Framework Directive (2000) offers a comprehensive approach to protect water, nature and people's health. We call on the European Commission to ensure that all Member States fully implement and respect their obligations laid down by the Directive – such as ensuring the ecological and chemical protection of ground and surface water.

### 2. ENCOURAGE THE SHIFT FROM A LINEAR TO A CIRCULAR PACKAGING ECONOMY

The current packaging system is unsustainable because it is still primarily linear: packaging, especially plastic, is still being landfilled and incinerated instead of being recycled. The transition towards a circular economy is a collective effort between industries, recyclers and public authorities to change the way we produce, consume and recycle.

- In 2019, 81% of Danone's total packaging (67% of our plastic packaging) was reusable, recyclable or compostable and we reached 38% of recycled content in our packaging on average.
- We are continuing our journey to make our packaging 100% reusable, recyclable or compostable by 2025.
- Our European brands are leading the way by committing to reaching 100% rPET for our water brands in Europe by 2025 and targeting zero polystyrene for our dairy and plant-based brands in Europe by 2024.

**To drive the transition towards a circular economy, we call on the EU to:**

- **Harmonise guidelines and definitions:** Danone will support the adoption of harmonised guidelines on eco-modulation of Extended Producer Responsibility fees, as well as the review of 'essential packaging requirements', as a way to improve environmental performance while safeguarding the Single Market for packaging items and ensuring continued food safety.
- **Increase use of recycled plastics** to meet the Single-Use Plastics Directive's objectives of at least 25% average recycled content in PET bottles by 2025 and 30% average recycled content in all plastic bottles by 2030. This will require public-private collaboration to:
  - Ensure a very significant increase in packaging waste collection across Europe
  - Build a competitive marketplace to handle and recycle secondary raw materials
- **Support the development of Deposit Return Schemes in EU countries** in order to increase collection for recycling of beverage bottles, so as to meet the very ambitious collection targets that Member States will have to achieve by 2029 (>90%).
- **Foster the development of bio-based plastic materials** (such as polymers made of agricultural waste - e.g. PLA): they will enable the decoupling of plastic use from the use of fossil resources when recycled content is not available. For new polymers, this will require working with all stakeholders from the value chain to develop sustainable circular streams.

### III HELPING PEOPLE ADOPT PLANETARY HEALTH DIETS

A food revolution is underway and people in Europe and beyond are rethinking how they eat and drink. People care more and more about how their food impacts their health and the health of the planet. The COVID-19 crisis will strengthen this awareness and presents an opportunity to accelerate and cement a change in habits. Through a Common Food Policy, the EU has a key role to play to facilitate this food revolution and establish a framework to guide consumers, including those with specific nutritional needs, towards healthier and more sustainable diets.

We believe that global food and retail companies should play an important role in the food revolution through a transformation of their business models and portfolios. We constantly strive to offer the healthiest products to our consumers and have set ambitious targets to reduce added sugar and saturated fat across our portfolio. Danone's ambition is to grow our brands while improving people's food choices by building on the unique health and wellness positioning of our portfolio.

In 2019, we reached 90% of Danone's sales volumes being made in food categories recommended for daily consumption in most food-based dietary guidelines. Beyond the health positioning of our product portfolio, we have set ambitious and comprehensive Nutrition Targets in 2016 aimed at continuously improving the nutritional quality of our products. At end 2019 in Europe, we have succeeded in reducing added sugar by 8.4% in our daily fresh dairy portfolio (baseline 2014). Furthermore, 28% of our fresh dairy products are without added sugar in Europe.

**To help people adopt healthier sustainable habits, we call on the EU to:**

#### 1. WORK ON HEALTHIER FOOD PRODUCTS CONSUMPTION

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- **Make Nutri-Score labelling mandatory across Europe:** We call on EU policymakers to make the Nutri-Score scheme compulsory for food product labels across the EU: the colour-coded front-of-pack nutrition labelling scheme will help consumers make healthier food choices.
- **Adopt EU nutrient profiles for nutrition and health claims:** We urge the EU to adopt long-overdue nutrient profiles to determine which food products can carry health and nutrition claims.
- **Promote healthier products:** We call on EU policymakers to uphold the EU's current cooperative approach, which fosters continuous nutritional improvement across the industry.

#### 2. WORK ON HEALTHIER DIETS

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- **Promote healthy hydration habits:** Water is an essential part of the body (on average, 60% of the body mass of an adult). The European Food Safety Authority (EFSA) has recognised the benefits of water for health. Assuming that approximately 80% of total water intake comes from fluids (as opposed to water coming from foods), the amount people should drink ranges from 0.9L/day for children aged 1-2, to 1.6L/day for women and 2L/day for men. Research has also linked low fluid intake or other signs of insufficient hydration to negative health outcomes.

Yet, we know that many people do not drink enough. Based on the Liq.In7 database<sup>5</sup>, nearly 50% of adults and 60% of children do not meet the adequate daily fluid intake derived from EFSA's recommendations for total water intake, and certain European countries like France, Spain and Poland have more than 50% of their adult population drinking less than these recommendations (22% of adults have a fluid intake lower than 1.2L per day; 50% of the children drink less than 2 glasses (0.5L)/day).

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<sup>5</sup> <https://www.hydratationforhealth.com/en/hydration-tools/liqin7/>

At Danone, our conviction is that water is the most precious resource and the healthiest drink on the planet. People should therefore rebalance their sources of hydration, moving away from sugary drinks, through the reformulation of those and the promotion of water intake.

We have been developing the highest standards in quality. The sources, born in Europe, are untouched by man and a source of hydration, i.e. natural mineral waters. We are committed to continue developing new sustainable and high-quality solutions to hydrate people in the healthiest way whilst preserving the planet's resources.

We call on EU policymakers to accelerate the promotion of healthier fluid intakes whilst safeguarding the highest safety and quality standards of water, as well as bringing it in the most sustainable way (see section II.2 above).

### **A common EU Food Policy should therefore:**

- **Encourage people who do not achieve the fluid intake recommendations to drink more water, more often**, through complementary and locally adapted solutions, relevant to all sensitive population targets, fully reliable in the new challenges of food safety specifically in the Covid-19 context, and fully circular and sustainable in the way to be brought to people.
  - **Help establish early healthy hydration habits for children**, through the appropriate product offer and education.
  - **Encourage lower sugar in their beverage consumption**, in particular for children, through further industry regulation.
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- **Recognise the role of flexitarian diets:** Flexitarian diets encompass a large range of dietary patterns, from omnivores eating plenty of plant-based foods (cereals, fruits, vegetables, legumes, nuts, seeds) and lower amounts of meat (smaller portions, lower frequency) to quasi-vegetarians. Dairy (and meat to a lesser extent) keeps a significant place in flexitarian diets. Flexitarianism is a growing trend, as for instance shown in a recent survey<sup>6</sup> conducted in the UK, where the proportion of meat eaters who have reduced or limited the amount of meat they consume has risen from 28% in 2017 to 39% in 2019. Meat-free meals/day are increasingly popular both at home and away from home (restaurants, school canteens, etc).

We call on the EU to recognise that a shift to a flexitarian diet is necessary. It would indeed help establishing planetary health diets and generate significant health and environmental benefits.

- **Bring together partners to improve maternal, infant and child nutrition and health in Europe:** The first 1,000 days of life, from conception up to two years of age, are critical for life-long health. And an adequate provision of nutrients is crucial to ensure good physical and mental development of young children.

We call for EU leadership to bring together stakeholders and build a coalition to protect and promote the benefits of breastfeeding, whilst raising awareness on the importance of nutrition in the first 1,000 days of life.

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<sup>6</sup> <https://www.mintel.com/press-centre/food-and-drink/plant-based-push-uk-sales-of-meat-free-foods-shoot-up-40-between-2014-19>

We call for a **policy framework which recognises the unique role of food products for young children** and allows for continued investment in innovation to address specific nutritional needs of children in Europe.

- **Address the role of nutrition in the health of vulnerable populations like the elderly and cancer patients**

- **Recognize the role of nutrition as an important component of healthy ageing, as well as to fight disease and rebuild strength, particularly in the context of COVID-19**

The EU demography is ageing: life expectancy at birth was estimated to be 81 years in 2017<sup>7</sup>. Against this backdrop, nutrition can be a solution. Although all age groups are at risk of contracting COVID-19, the elderly have a higher risk of developing complications if they contract the disease. In this context, nutritional interventions have a crucial role to play to help fight disease and re-build strength.

We call on **updating, post COVID-19, the Strategy and Action Plan for Healthy Ageing in Europe 2012-2020**<sup>8</sup>. Danone is keen to continue contributing to these discussions once the relevant working group will be redesigned – as it has done so in the past when it was privileged to represent the views of the food sector.

- **Acknowledge nutritional interventions as an integral part of cancer care in the ‘European Beating Cancer Plan’**

Cancer is the second leading cause of mortality in the EU and 1/3 of cancer patients are malnourished. Malnutrition in cancer patients results in poorer health outcomes leading to an increased burden on healthcare resources. To acknowledge nutritional care as an integral part of disease management will reduce healthcare expenditure.

We call for a **multi-disciplinary approach to cancer treatment including mandatory and early screening for cancer-related malnutrition, and reimbursement of medical nutritional interventions by national healthcare systems.**

To achieve these goals, **we believe it is essential to recognize the food sector within the Important Projects of Common European Interest (IPCEIs).**

IPCEIs aim at encouraging Member States to channel their public spending to large projects that make a clear contribution to economic growth, jobs and the competitiveness of Europe. The COVID-19 pandemic once again illustrates how important this sector is for Europe’s citizens and economy.

We strongly believe that the food ecosystem should be considered through the IPCEI lens to foster well-coordinated efforts and investments in Europe in the framework of a green recovery to build a more resilient food system, necessary to establish EU food sovereignty.

<sup>7</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20190725-1>

<sup>8</sup> [https://ec.europa.eu/eip/ageing/library/strategy-and-action-plan-healthy-ageing-europe-2012-2020\\_en](https://ec.europa.eu/eip/ageing/library/strategy-and-action-plan-healthy-ageing-europe-2012-2020_en)

# CONCLUSION

At Danone, we believe that each time we eat and drink, we can vote for the world we want to live in. Consumers no longer choose products based solely on taste or price, but also on the contribution they make to society and the environment. Consumers want to know how their food is produced and how it arrives on their plate.

COVID-19 has reminded EU citizens about the importance of our food supply and security and should encourage us all to develop the EU Common Food Policy that we need to meet the challenges of the 21<sup>st</sup> century.

We should listen to our fellow European citizens who have expressed – especially ahead of the last European elections<sup>9</sup> – their concerns related to the protection of the environment and the need for

a more inclusive economy. We should see this as an opportunity to develop new public policies that are critical for the future of food security across Europe and that will enjoy citizens' support. **It should also be seen as an implicit but very strong mandate of EU countries' citizens to their European representatives: a climate resilient agriculture and sovereign food ecosystems are likely to be perceived as key levers for the EU to strengthen its legitimacy in the eyes of its citizens.**

Our 'One Planet. One Health.' business model encapsulates our strong belief that the health of people and that of the planet are deeply interconnected. Healthy food contributes to our general health, and healthy food depends on a healthy planet.

**Overall, we strongly believe that the EU has a leading role to play in addressing the systemic changes that the world needs to transform our food system globally.**

**We are committed to contribute to the development of a holistic EU Common Food Policy framework to develop a sovereign, more resilient and inclusive food system for European citizens.**

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<sup>9</sup> <https://weeuropeans.eu/fr/fr>