

HR AS A STRATEGIC PARTNER – FINANCE & BEYOND



**CHRIS TAYLOR - HRD DANONE
CYCLES & PROCUREMENT**

PEOPLE STRATEGY IS A BUSINESS STRATEGY

5x

faster revenue growth for companies in the top quartile of trust-driven innovation cultures

4x

Stock-market outperformance for Fortune Best Workplaces

19%

points stronger financial returns for Great Place To Work-certified companies vs market benchmarks since 2020



ESSENTIAL DAIRY AND PLANT-BASED

Offering tasty, healthy & sustainable options

As a global leader in the dairy & plant-based categories, with more than a century of know-how and expertise, Danone aims to promote healthy, sustainable and diversified diets.

Our diverse range of products:

- Support gut health, immunity, or cater for the growing interest in high-protein products.
- Respond to the demand of consumers who are looking to incorporate more nutritious plant-based products into their diets, driven by the rise in flexitarianism.



#1 WORLDWIDE

TOP BRANDS

as % of 2024 sales



€13.463 BN

total sales in 2024



SPECIALIZED NUTRITION

Supporting people of all ages that have specific nutritional needs

Danone has over 125 years of expertise in Specialized Nutrition.

We develop pioneering products that support people of all ages with specific nutritional needs, including babies and people with health conditions like cancer or stroke.

- With decades of research and innovation experience, including over 50 years of breastmilk research, we're a global leader in baby formula.
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- Our expertise also extends to medical nutrition products for babies, children, and adults with specific nutritional needs due to a disease or health condition such as cow's milk allergy, metabolic diseases, cancer or stroke.



#1 IN EUROPE

In Adult Medical Nutrition

#2 WORLDWIDE

In Early Life Nutrition



TOP BRANDS

as % of 2024 sales



€8.936 BN

total sales in 2024

WATERS

Inspiring people to stay hydrated

Through its iconic global and local brands, Danone aims to bring safe drinking water and healthy hydration to people around the world as responsibly as possible:

- With a balanced portfolio: in countries with safe tap water providing natural mineral water with brands like evian and Volvic and providing access to safe drinking water through brands like Bonafont and AQUA.
- Our circular economy packaging innovations focus on reuse, include recycled materials and recyclability.



#2 WORLDWIDE

TOP BRANDS

as % of 2024 sales



€4.977 BN

total sales in 2024



**“SUSTAINABILITY WITHOUT PERFORMANCE HAS NO IMPACT.
PERFORMANCE WITHOUT SUSTAINABILITY HAS NO FUTURE.”**

Antoine De Saint-Affrique
CEO Danone





WE



MADE



B CORP



HAPPEN



DANONE IMPACT JOURNEY, OUR ROADMAP TO DELIVER OUR HEALTH MISSION THROUGH SUSTAINABILITY AND SOCIAL IMPACT

As part of Danone Renew strategy, the company reframed its sustainability journey, articulated around 3 pillars: Health, Nature and People & Communities.

For each pillar, Danone defines a new set of priorities which are translated into mid to long-term objectives, focusing on where the company can deliver the most impact and value.



**IN A WORLD OF POLARIZATION WHERE ANTAGONISMS ARE HIGHLIGHTED,
WE BELIEVE IN THE POWER OF THE “AND” ANCHORED IN OUR DNA,
STARTING WITH PERFORMANCE AND RESPONSIBILITY**

**DANONE CAN BE AN OASIS OF TOLERANCE & COLLABORATION THROUGH
OUR INCLUSIVE CULTURE BASED ON SHARED VALUES**

WE BELIEVE

**COMPETITIVE LEADER IN SECTOR TO BUILD SUSTAINABLE FUTURE
PROVIDING COVERAGE AND SUPPORT FOR ALL, IN KEY EVENTS OF LIFE IS
PART OF OUR CULTURE**

**IN A WORLD OF CONSTANT CHANGE, EQUIPPING AND EMPOWERING ALL
WITH THE SKILLS TO PERFORM TODAY AND TOMORROW IS VITAL,
LEADERSHIP IS NEEDED IN AN EVER-CHANGING WORLD TO CLARIFY,
GUIDE & INSPIRE TOWARDS THE COMMON GOAL:**

WE BELIEVE IN THE DANONE WAY OF LEADING

OUR DISTINCTIVE VALUES



OUR FOUR CORE ‘HOPE’ VALUES: HUMANISM, OPENNESS, PROXIMITY AND ENTHUSIASM ARE OUR “MORAL COMPASS”.

Every day we make decisions that have an impact on our business performance, on society and on our ability to reach our ambitions. The HOPE Values guide us when facing complex or difficult decisions; since they represent our shared principles.

H

HUMANISM

At Danone, people are at the heart of everything we do.

O

OPENNESS

We welcome new ideas from the world we live in.

P

PROXIMITY

We believe that building close relationships leads to better understanding and trust.

E

ENTHUSIASM

We are passionate about bringing health through food to as many people as possible.

DANONE PEOPLE STRATEGY

BRINGING HEALTH THROUGH FOOD TO AS MANY PEOPLE AS POSSIBLE WITH AND BY PEOPLE

TALENT MAGNET

Grow talent for today & tomorrow driving performance through our unique culture



FUTURE-FIT CAPABILITIES

Enabling our growth ambition sustainably



OUR SOCIAL SIGNATURE

Lead with socially progressive approach



DATA & DIGITALLY DRIVEN

Thrive in a digital world



HR TALENT POWERHOUSE

The HR school contributing to people and business growth



LICENCE TO OPERATE – THE “UNMISSABLES”

HR excellence in execution, compliance, efficient organisation AND effective & fluid organisation

HOW DOES HR CONTINUE TO SHIFT FROM PEOPLE TO BUSINESS ?



VALUE DISCIPLINE – DOES HR UNDERSTAND THE REAL BUSINESS ?

Operational Excellence

Lowest Cost – Highest Reliability

Finance leads efficiency

HR optimizes scale, productivity, skills

Customer Intimacy

Tailored solutions, lifetime value

Finance funds and differentiates customer segments

HR designs agile orgs & capabilities

Product / Market Innovation

Innovation beats incumbents

Finance manages risk & investment into product

HR builds innovation talent & culture

IF FINANCE CAN TELL ME OUR VALUE DISCIPLINE, HR SHOULD BE ABLE TO SHOW IT IN THE ORGANISATION

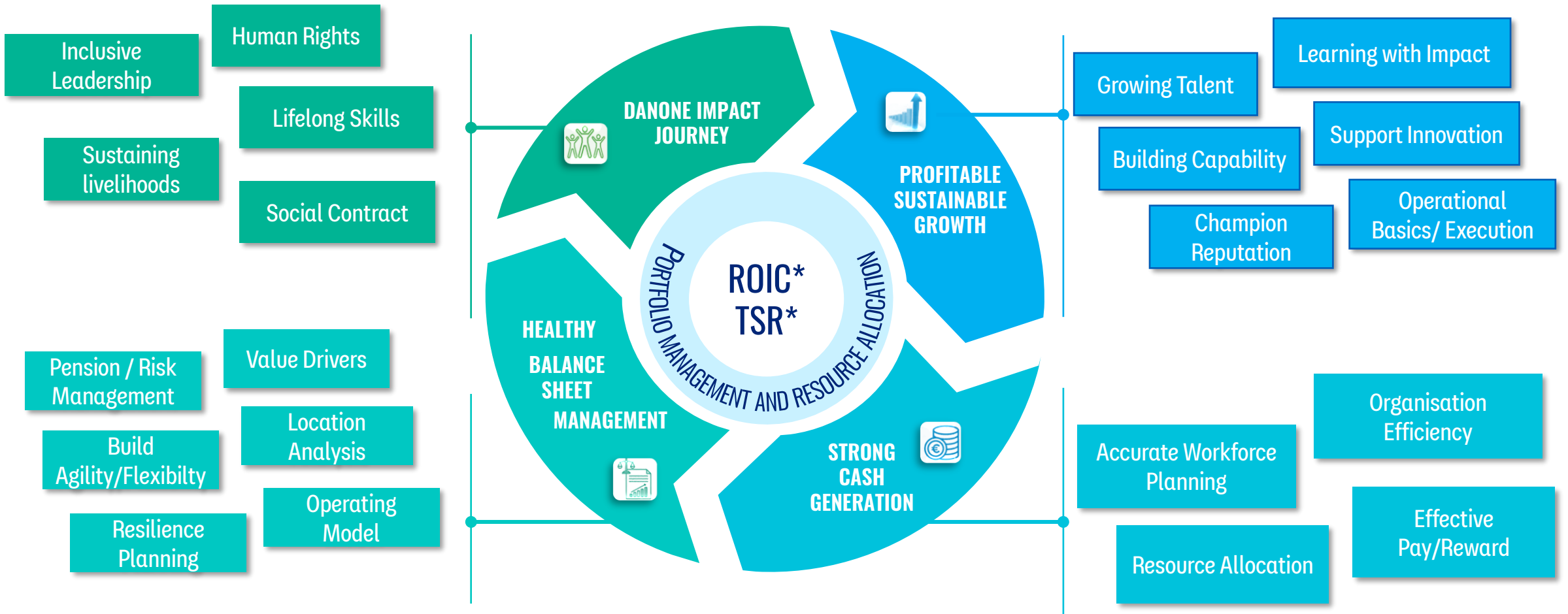
HR is not a service function – it is a value-discipline enabler

Workforce model, rewards, skills, and leadership must mirror the chosen discipline

Finance & HR must co-own:

- Cost and capability
- Efficiency and effectiveness
- Short-term results and long-term value

HUMAN RESOURCES – VALUE CREATION



*Return on Invested Capital
*Total Share Holder Return

ACTIONS FOR HR

Take the
investor point
of view

Power of a
narrative

Facilitate
business
conversations

Understand
Revenue per
FTE

Be a Business
Architect

People Fluent

HR STRATEGIC BUSINESS PARTNERS – BEHAVIOURS

Discernment

The gift of discernment involves using one's cognitive powers to sift through data to frame issues, gain understanding of the situation at hand and see the choices they can make to change the situation to achieve the client's goals.

Presence

The gift of presence is the ability to be present fully in the 'here and now' to assist the client to take stock of *where they are* and *where they want to go*, examining the different levels of reality: what is actual, what is desired or potential, what is possible or not. Partners can use different types of presence to steady the clients when they need to engage in tough work.

Heart

The gift of heart is the ability to attune and connect oneself to the system in which one is working. 'This gift includes qualities of compassion, humanitarianism, care for others, passion for one's craft, and the will to extend oneself in the service of the work of learning and growth

CASE STUDY: DANONE EU PROCUREMENT

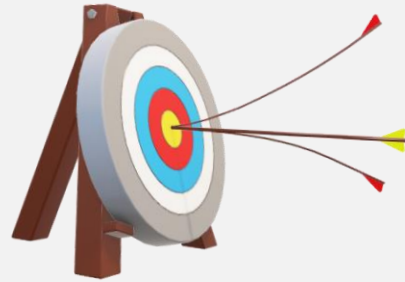
CASE FOR CHANGE : ADAPTATION TO THE NEW ZONE REALITY



Business category driven regional governance

Action:
Business category team CREATION

SIMPLIFICATION



Enable reallocation of our teams to strategic topics with impact

Action:
Leverage EU scale and stop low value tasks

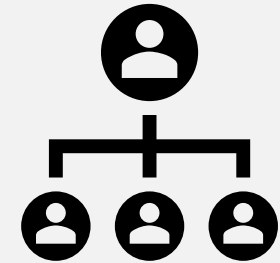
STRATEGY



Flexible resources deployed real time on demand

Action:
EU indirect procurement Pool creation

EXPERTIZE



Simplify and streamline governance

Action:
Streamlined focused organization

EFFICIENCY



GLOBAL

- Vision & strategy
- Innovation & Partnerships
- Frameworks & standards
- Sourcing of direct materials



REGIONAL EU

- Performance animation
- Resource allocation
- Business partnering
- Sourcing of indirects (majority)



LOCAL

- Category agnostic business partnering
- Compliance with policies
- Implementation strategies
- Execution of local indirect sourcing for PS & TL

RESULTS

- 36 positions removed across EU Org
- All employees re deployed (no forced redundancies)
- EU Sourcing Pool created with 15 FTE
- Direct material sourcing moved to global level – with 7 FTE
- 70 FTE lifted from Country org level to Zone
- €3.5m overhead saving delivered
- Indirect buying desk implemented

- Loss of proximity to GM in country organisations
- More complexity in the matrix design
- Instability in the organisation

KEY TAKEAWAYS – BRINGING HR FROM PEOPLE TO BUSINESS STRATEGY

- **STAND FOR SOMETHING**
- **UNDERSTAND EXACTLY HOW THE BUSINESS CREATES VALUE**
- **FOCUS ON VALUE DENSITY, CAPABILITY AND TALENT**
- **BE THE ARCHITECT, CONVENER AND ORCHESTRATOR OF THE BUSINESS**
- **MAKE FRIENDS WITH YOUR CFO**