



## 2021 AgWater Challenge **Danone North America** Commitment

**Danone North America** has committed to working with farmers and key partners to promote regenerative agriculture and soil health practices on our journey to [preserve and restore water resources, today and for future generations](#). Through our soil health and regenerative agriculture initiatives, Danone North America has already enrolled 82,000 acres into a program to establish baseline practices and evaluate progress towards adoption of more regenerative practices at the field level, with a focus on five key areas of agriculture: soil health, biodiversity, water, carbon, and economy & productivity. Through the AgWater Challenge, Danone North America will amplify and expand this ambition by increasing the enrolled acreage, focusing on geographies with high water risk, increasing practice adoption on existing acreage, providing implementation support, engaging in collective watershed action, and enhancing measurement of water outcomes.

**Danone North America** commits to working with farmers and key partners in our agricultural supply chain to spur the adoption of locally relevant sustainable agriculture principles that improve water-related outcomes—with an emphasis on soil health and nutrient management practices—for key agricultural commodities grown in high risk watersheds. We will expand our efforts (via enhanced practice adoption, increased financial incentives and water outcomes measurement) on 82,000 acres in existing programs and on an additional 18,000 acres across the US by 2025. We will focus our efforts on dairy feed and almonds, two commodities that represent the largest share of our parent company's global exposure to water risks.

**Danone North America** commits to establishing time-bound interim activities to help drive progress toward our practice adoption goals. Following the launch of our [2020 Danone Water Policy](#), we extended the water risk assessment completed in 2018 to our full value chain using the World Resources Institute Aqueduct Tool to identify priority watersheds for our ingredients. Specifically, Danone North America commits to supporting practice adoption on 5,000 acres of almonds in California, a region of high water risk. Danone North America also commits to supporting practice adoption on 13,000 additional acres of dairy land as well as advancing improved water outcomes on 82,000 acres of land in existing programs by expanding the suite of practices deployed and measuring water outcomes.

These soil health and nutrient management practices will be informed by the new Danone Regenerative Agriculture Scorecard or EcoPractices Assessment. Examples of practices that will be encouraged through our commitment include deploying water monitoring technology (such as well monitors and soil probes), converting to low-till or no till systems, and adding cover crops or riparian buffer strips, among others.



**Danone North America** plans to both directly and indirectly measure the water related outcomes of this commitment on all 100,000 acres and report on these outcomes annually. Danone North America will directly measure water quantity outcomes through the deployment of soil moisture probes and well monitors. We also commit to modeling the improvement in water quality and erosion achieved through the interventions by using the RUSLE2 model and other water quality outcomes verification tools, such as NTT (Nutrient Tracking Tool).

We will provide implementation support to all farmers managing acres enrolled in the commitment including offering technical assistance through the EcoPractices Assessment to evaluate current practices and impacts of changing practices on key indicators of soil health. Danone North America will also provide support to farmers to apply for grants and loans to pay for new farm equipment and/or other types of investments that are required to transition to different practices.<sup>1</sup>

**Danone North America** will also participate in collective watershed action in areas of high water risk tied to our supply chain via direct collaboration or combined collaboration with appropriate non-government organizations (NGOs). By the end of 2021, Danone North America will identify the location and key partners for at least one collective action project.

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<sup>1</sup>Funding will come from different sources. Some is provided by Danone North America, such as our \$15 million Horizon Farmer Investment Fund to support our organic dairy farmers. Some will come from a cost share program we have established through a partnership with the National Fish and Wildlife Federation to support dairy farmers to apply for Conservation Innovation Grants provided by the National Resource Conservation Service (NRCS). The NRCS has provided a grant of \$3 million dollars with matching cost share from Danone North America. Farmers submit projects for review and approval to access the funding model. Finally, Danone North America will support farmers to access other types of public funding through state and federal agencies administering funds provided under the Conservation Stewardship Program (CSP) and Environmental Quality Incentives Program (EQIP).