

Leading international food company Danone has a long history in Ireland. Indeed, its Cow & Gate brand has been a firm favourite in the infant and toddler nutrition market for more than 130 years.

Danone Case Study

Today, the Danone brand portfolio includes Actimel, Activia, Alpro, Nutricia, Volvic and a host of other household names across the categories of dairy, plant-based, water, and specialised nutrition.

The company employs 700 people across its Macroom and Wexford infant formula factories and its head office in Dublin.

“Ireland is a key player in Danone globally with a significant proportion of our infant formula made here,” says Director of Corporate Affairs, Claire MacEivilly. “While we are well known in the infant formula space, we also produce specialised nutrition products for people with specific medical conditions under our Nutricia brand. For example, we provide €45 million worth of products and supplies to the HSE every year. We also offer services through our nurses and dieticians to support patients during their time of need.”



Innovation is central to the company's continuing success. "Just this year, we launched Aptamil pre-measured tabs," says MacEville. "The easy to use and convenient format helps people to prepare a baby's feed on the go. Our Wexford facility was chosen to make this product using Japanese technology. We also launched palm-oil free and organic infant formula products this year."

The pandemic will leave changes in its wake. "Like every other business, it will make us look at how we work and bring in more flexibility," MacEville continues. "The business has proved its resilience - we kept our factories open and supply chains moving through both the pandemic and Brexit. A lot of our medical products are used within hospital settings, so production had to continue. For instance, we provide tube feeding pumps and feeding equipment to ICUs and ramped-up supply of critical nutritional feeds during a challenging time."

The current environment for the business is positive amidst all the market uncertainty and challenges. "Future growth will come from us continuing to innovate and responding to what consumers around the world are looking for. From Ireland, we export to over 40 markets around the world. We will grow existing markets through innovation at the same time as expanding into new markets."

Sustainability is at the core of Danone's business strategy and its One Planet. One Health framework underscores the fact that the health of people and the health of the planet are interconnected. It is aimed at nurturing the adoption of healthier, more sustainable eating and drinking habits.

Danone is meeting the sustainability challenge head on by aligning to Science-Based Targets and committing to zero net carbon emissions. Globally, Danone is committed to zero net carbon emissions across its full value-chain by 2050 and to reduce scope 1, 2 and 3 emissions intensity by 50% for 2030. That commitment is exemplified by the fact that Danone's Wexford factory has become the world's first carbon neutral infant formula plant as certified by the Carbon Trust.

"Sustainability is more important than ever," she says. "It's an issue for all dairy processors and the industry is going to need government support. Our call to action would be for the government to help industry on the journey of switching to biomethane as a means of decarbonising industrial heat processes. In Wexford we are using biomass and biomethane needs to be the next step. That's the most viable way of doing it."

46

We export to 46 markets around the world



2050

Target of Europe being carbon neutral by 2050

Danone is leading the industry group which is looking at biomethane among other sustainability issues under the banner ‘Project Clover’. With biomethane available in many other jurisdictions, Ireland’s lack of an indigenous biomethane industry will harm the Irish food industry’s international competitiveness, impact inbound FDI, and limit Ireland’s decarbonisation ambitions under the national Climate Action Plan, according to MacEvilly.

The group has commissioned a feasibility study to look at developing a viable indigenous biomethane industry, monetising organic fertilisers, and maximising soil carbon sequestration potential. The group also commissioned a KPMG study which determined that, with appropriate Government policy support, biomethane and associated biofertiliser produced through on-farm anaerobic digestion, has the potential to replace natural gas in a way that is technically and commercially viable, with positive environmental benefits in terms of reducing carbon emissions, capturing carbon in soil, and improving biodiversity, air and water quality.

Another focus for the business is to achieve B Corp certification. B Corp is a mark of trust that recognizes its ambition to act beyond financial profit and put purpose at the heart of its business strategy.

“B Corp certification covers a whole range of areas including how a company treats its staff, the communities where it operates, the environment, and governance. Danone is hoping to achieve full certification across the Irish business by the start of 2022. One area we focused on to achieve our B Corp accreditation was by committing to make all of our product packaging recyclable, reusable or compostable by 2025; something that was welcomed by the retailers.”

Government has a role to play as well. “We need collaboration between industry and government. A good example could be the implementation of the deposit return scheme. We need collaboration and consultation with industry so that the government and private sector can work together towards shared goals.”

There is also need for greater awareness of the complexity of the issues involved. “In the food industry we are dealing with a full supply chain from farm to fork. There must be proper scrutiny of the sustainability targets set and claims made. Independent verification like B Corp is crucial to circumvent this.”

And it must go beyond business. “We are committed to developing sustainability education in schools. Industry needs to be involved as we have a lot of expertise in the area. The same goes for our own business. We are engaging with our employees and partners on how and why we should be a sustainable business. Our employees are very positive about sustainability, and we want to support and harness that.”



4,000

More than 4,000
companies globally

And that's just part of it. "There is a lot coming down the track. We have the Climate Act, the EU Green Deal, and the UN Sustainable Development Goals among other things. It is still unclear how they will all work together. We need collaboration and consultation with industry so that the government and private sector can work together towards shared goals. We all want to help the government reach its 2030 commitments but that requires collaboration."



2030

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