



LEAD WITH WE
SEASON 2: EPISODE 024
Deanna Bratter, Danone North America"

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us. And today I'm joined by Deanna Bratter, head of sustainable development at Danone North America, the world's largest public benefit corporation. And I'm so excited to chat with her because she's going to explain, well, what does that mean? And how do you deal with the complexity of a portfolio that's at different points in their purposeful sustainability journey? And then how do you tell that story in a way that unlocks value for the business and impact for our future? So, Deanna, welcome to Lead With We.

Deanna Bratter:

Thanks for having me.

Simon Mainwaring:

It's so nice to see you. I think, gosh, there's always life pre pandemic, right? We saw each other 2019 at the B Corp retreat in LA was the last time, right?

Deanna Bratter:

That's right. That's right.

Simon Mainwaring:

It feels like a lifetime ago.

Deanna Bratter:

Indeed it does, but in that time business has gone on.

Simon Mainwaring:

I look back at the last year and it's obviously, or year and a half, and it's been so tragic on so many levels, but it's also been such a powerful watershed moment for business in terms of how they need to innovate, how they need to look after their people, how we need to be more mindful of the planet. I think there are some silver linings in there. What would you say?

Deanna Bratter:

I would agree. I think that as people coming together really understanding humanity and looking again toward what the opportunities are when we come together to solve problems. I think it was very clear during the pandemic. I think it's very clear when it comes to the food system, and on a personal level, as we think about environment and the interconnectivity, I would say that plays a role as well.

Simon Mainwaring:

It definitely does. And you're like me. We're all out there guns blazing driving the change and it feels like more stakeholders, more people are with us now. You've got the investor class that have really stepped up. You've got employees, you've got consumers. I feel like, tell me if this is fair. If you look back at 2019 and how we felt then when we had that conversation in the large room of the B Corp retreat, it was kind of like, how do we get more people involved? I think more people are on notice now and they're paying attention in the right way.

Deanna Bratter:

Yeah. I think the conversation with the B Corp community is not just about how to get more people involved, but how to get more diverse stakeholders at the table, how to open up our understanding and make sure that we have representation of the communities we're all trying to serve in the room as we try to define business forward. And then I think that really looking at the conversation and for sustainable development and business's role in redefining success and looking at business, it always feels like an insurmountable challenge because these are huge problems we're trying to solve. When we look through the lens of business at climate change or social justice topics, these are collective action topics. This is about change together and really looking at systems. And so I think in 2019, it felt like this huge opportunity to bring more people together and sort of tackle these challenges. And now maybe being not all the way on the other side, but a good amount on the other side of the pandemic, we can say, we can tackle big challenges together. We can bring in innovation. We can come together as a community and as a country, as a global, together to solve some of these big challenges. And let's do that now on climate change and some of these other big problems that we've got ahead of us.

Simon Mainwaring:

I completely agree. I have to say that we are facing a lot of challenges, but I'm more positive than ever because so many people are paying attention to the right priorities now. And I like to think of it in terms of how do we make the impossible, inevitable? And the only way we're going to get there is together. There's no way that any one billionaire or one company or one impact organization is going to do it on their own. Now, Danone is an amazing company. It's been a sustainability leader for a long time, and you're the head of sustainable development for Danone North America. For those that don't understand what that title means, what does that encompass?

Deanna Bratter:

Danone thinks about sustainability as a core part of our business. We have a frame of action that we refer to as one planet, one health. That's really about the interconnectivity of health of people, health of the planet, health of our products. And so my job is trying to bring that through. I cover topics across climate, water, waste, energy, as well as responsible sourcing and human rights and responsible

packaging, sustainable packaging and circularity. And so my job is not only to help design and build our ambition into the strategy of the business, but also bring it to life through our brands so that our consumers can connect with that purpose and impact as well.

Simon Mainwaring:

It's such a multi-headed beast in a way, because as you say, you've got your own supply chain, you've got your own people to look out for. You've got your products to take to market. It's almost like the demands of your job or anyone committed towards our future or sustainability suddenly is busier than ever because with the Black Lives Matter movement, with the climate emergency, with a fair and living wage, all of these issues, they've come to a head at once. Has that been your experience?

Deanna Bratter:

I think these issues have always been there, and it really comes down to these are really tough topics to prioritize, right? We're not going to choose climate over water or fresh water. We're not going to choose social topics over environment. So it's really a matter of bringing them together and looking for the intersection of where the work can come together and where we can create the biggest impact. As you said, no one company can do it alone. So what's our unique opportunity through our health propositions and our business to bring these topics together and do our part?

Simon Mainwaring:

And everyone knows Danone products. We all see them on the shelves. Most of us consume many if, not several Danone products. But tell us about the company. I think you're 6,000 employees?

Deanna Bratter:

We're a global organization in North America, specifically. We're about 6,000 employees, about \$6 billion in sales. And we have headquarters out in Colorado, as well as in White Plains, New York. I actually came to Danone through the acquisition of White Way Foods. I started way back in 2005 on the Silk plant-based beverage brand when it was a Boulder-based, founder led company. And my passion was really to be part of the food revolution of bringing plant based to more people and seeing Silk in this vision of the founder. And through a wild ride of different ownership models and IPO, and then in 2017, the acquisition of White Wave by Danone landed here, and it's been quite a ride.

Simon Mainwaring:

As early as 1972, the founder of Danone, Antwan Ribault, he talked about corporate social responsibility and he said that it doesn't end at the factory gate or the company door, but it really is about being of service to people. That's visionary way back then. What has been your experience over the last four years as to that sort of heritage?

Deanna Bratter:

That quote is known by every employee globally, over a hundred thousand employees, who all are owners of the company. A couple of years ago, we launched an initiative called one voice, one share and

making sure that all of the hundred thousand employees across the company had a share of the company and became decision-makers and owners. And that philosophy of our responsibility doesn't end at the factory door is really bringing people back into the business and making sure that we are good stewards in the communities where we operate or where we source our ingredients.

Deanna Bratter:

And so that vision of this family owned business that is around for a hundred years stands absolutely true today through our employees and the idea that the decisions we make and really living this vision as business as a force for good is through each one of us. So while I have the honor and the privilege of leading this one planet, one health vision, I am not the one who is on the manufacturing plant floor, making that decision of efficiency or what to run or when to flip the packaging to reduce waste as much as possible. And so inspiring, educating and really engaging our people is key to unlocking the success of our vision.

Simon Mainwaring:

That human capital that walks through the door every day is your biggest investment for sure. When you and I were talking in 2019, we were walking around the B Corp retreat. And I know we were both gnashing our teeth over the things that we're frustrated about, getting people engaged, scaling the efforts, and so on. A process like you're talking about in North America is complicated. And as you say, it's ever changing. There's always something you're not getting right or something you're working on and so on. Give us a sense of some of the challenges you've experienced over the last four years or some of the learnings, at least where you've gone, "Wow. Here's something we've got to solve for," or, "Here's the new way of looking at something so that we could sort of integrate it and take it to scale more effectively." What are some of the things that jump out?

Deanna Bratter:

It's a great question. I think going back to that idea of how do we define good and what moment are we choosing to define good. And I think that's where B Corp and the model of B Corp becomes really valuable. So how do we assess ourselves on a variety of indicators across this social environment, governance, transparency, and what are we striving to? So B Corp not only gives us a benchmark of our performance, but really starts to set the stage for what does best in class look like, and what does good look like? And one of the really incredible learning examples was when we were going through the assessment for the very first time, the question of living wage came up. Do you pay your employees an individual living wage? And we looked around the table and said, "I don't know that we've ever assessed that before."

Deanna Bratter:

We pay competitively. We're market competitive. We think we've got a good proposition for employees, but let's learn about living wage. So we looked and used B Lab for guidance as what the standard was. And when we actually went through and did the assessment, we found that 100%, well at the time, it was about 98%. Now it's a hundred percent of our employees are paid a living wage. And so it gave us awareness to start asking questions we might not have asked before. And then we found out in this case that we were performing quite well. So let's formalize it. Let's create a standard for an individual living

wage. And as we re-certified earlier this year, 100% of our direct employees are on living wage. And that gives us a really great proof point on our journey on our improvement. And now it sets the stage for what's next.

Simon Mainwaring:

That is such a key point. And I think irrespective of what business anyone is in, telling that story about whatever impact you're having is half the battle. And I think a lot of brands struggle to do that. So when it comes to being a B Corp and that moment of decision, when you've got to be in the consideration set, someone's standing in front of the shopping aisle, they've got all the milks in front of them. They see Horizon or whatever it might be, how do you tell that story in a way that will consciously or unconsciously motivate a consumer to choose your brand?

Deanna Bratter:

Part of it is you got to live it. It can't be shortsighted in terms of we're jumping from one topic to another. If we're an impact brand and a purpose brand, we have to stay true to that over time. And it might be on the website with a more engaged consumer who wants to go looking for the information, or it might be on pack. The new Horizon whole milk cartons that are out on shelf today actually tell the story of the carbon positive commitment and what we're doing on this journey. There's also this element of some brands are really fortunate to be launched with purpose, to live with purpose, to start with purpose, or purpose born. I think Simon, you might have introduced me to that topic and concept, and others who are evolving and figuring out along the way.

Deanna Bratter:

We've got a yogurt brand that's just about three years old called Two Good. And it is a low sugar, the first of its kind in the market. It tastes amazing, resonating with consumers. And when they were exploring this product launch, they said, "What are we going to stand for?" And really took the opportunity to challenge, we know how to launch a product. Do we know how to really resonate on an impact level? And Two Good took a platform around food waste and really looking at the issue of food waste in the US and quickly realized that not only is a third of food produced in the US wasted, but one in seven people in the US are suffering from food insecurity. And when you put those two topics next to each other and look at the amount of wasted food and the amount of people who need access to food, you start to really see some unique opportunities to lean in as a brand. And so Two Good launched a limited edition flavor called Good Save with Meyer lemons. And they're actually sourcing otherwise wasted food or verified rescued fruit from farms. So it would have been surplus or otherwise wasted and are actually using that in the spec of this lemon product. So really looking for innovation and looking for ways to authentically address issues in the food supply chain and bring change out to the people we're serving.

Simon Mainwaring:

All of this is powerful in terms of the impact it can have all the way up your supply chain to farmers, all the way through to the products that consumers are buying. But it's a lot. If you think about what you just shared, you've got waste, you've got water management, you've got all these specific issues. Then you've got your brand portfolio of all the different products you take to market. Then you've got North America, then you've got Danone globally. Give us a sense of how you as a brand organize all of that.

What is that architecture that allows you to balance all of those things? Because without that, it can just be really overwhelming. It can be, we're doing this over here, this over here, this over here. Consumers don't know what's going on. Your employees are confused. How do you manage that?

Deanna Bratter:

It's a place we're constantly leaning into because you really want to meet people where they are in order to tell the stories. And that goes for both our employees, our strategy, our business strategy, and really making sure that we're making it ambitious, but attainable so that we're making change and that we can celebrate the transformation and the change over time. So our one planet, one health framework helps guide that. Under one planet, we have what we refer to as our nature cycles team. And we put a lot of those environmental focus issues under there. So our agriculture cycle, the water cycle and the carbon cycle. And then we also have things like packaging circularity. And under one health, we're really looking at better products, better choices and better offerings for whatever the consumer trends are, the consumer needs are, whether that be nutrition, health, or other dietary options, gluten-free among others.

Deanna Bratter:

And so really looking through those lenses, we're constantly trying to find the balance. When we really do things right, we see them come together. On a day to day, our team and our business is structured with this idea of business as a force for good. And because we are not only a B Corp, but a public benefit corporation, we have a legal obligation to be asking these questions, asking the hard questions. And really the answer's not always yes. Sometimes the answer is no, we can't afford it. It's on the wrong timeline. But when you're asking the question, you're starting to build in the awareness. And then the next time you ask the question, maybe we're a few weeks ahead and we can make that change happen. So I think the balance of how you integrate it into senior level business decision-making, how you incentivize it as part of your corporate goals and objectives, and then how you flow that out into the business in terms of engagement and accountability, all help with those many priorities.

Deanna Bratter:

But I also have an amazing team, both within my team and around the business, of stakeholders who are just as passionate about creating change and using business as a force for good in their own role. And so you see these little sparks happening all over the business of where we're challenging each other and we're asking the questions, and that's how change happens. That's how Horizon's carbon positive journey was started. That's how the Two Good brand launched, among others. So I continue to see the power in the community, in the people and in the vision.

Simon Mainwaring:

There are those companies that are purpose born, that's just who they are. That's how they came into the world. There are those that are reborn or they're living with purpose now. And there are those who really haven't begun their purpose journey. And when you're a large organization like Danone, inevitably, you've got this blend in terms of the different paths that brands have gone on. How do you manage that? Give us a sense of you've got the leaders, you've got the laggards. How do you keep all the kids at the same dinner table, shall we say?

Deanna Bratter:

I think just like in any family, empowering everyone to be their true, unique self and bring their strengths to the table is an amazing one. Consumer insights play a huge role in how we design our brands and how we look to speak to consumers. And I think we really try to set a spectrum. So we have probably around 20 brands in North America, and we're really looking to ... we don't want all the brands working on climate and carbon in the same space. We want to be looking across brands to connect with the consumers uniquely.

Deanna Bratter:

So we do a variety of work. One of the programs that we have is called a manifesto brand model. And it's a model that as we're looking at our core brand insights, what is the reason to believe? What is the brand purpose? What is the brand tagline even? We're also pulling that model through what is this brand's contribution to health and what is this brand's contribution to planet? Both social and environmental.

Deanna Bratter:

And from there, we look at equity platforms. So we are really looking to build our brands or rebuild and reinvigorate our brands with these concepts of manifesto and purpose into everything we do. And for some of our brands, you will see it right there on pack, on the shelf. And some of our brands you'll see that we're doing quiet work, starting with employees. And you'll start to see it on the website with how we source our ingredients, how we engage our employees, and really how we're designing the product differently to meet the goals that we've set forward.

Simon Mainwaring:

I think it's really important what you're saying, which is each brand is at a different point of their journey and they get upgraded appropriately, but also each brand needs to show up in a way that's authentic to them. You've got brands that are more allies that believe in something that others do. You've got brands that are more advocates for change in a certain way. You've got brands that are more activist in nature, taking on issues head on. And just because you want to be purposeful or a B Corp doesn't mean you have to pick fights with everyone. You need to have your appropriate tone, shall we say. There's a tension here that I'd love to ask you about, which is, you're one of the largest B Corp. And at the same time you've got to compete, especially in the plant-based area. You've got the Impossible Foods and Beyond Meat and so on. So when you're all trying to solve for a common challenge, which is the climate emergency, but you're also trying to compete for market share and mind share, how does that shake out? It's got to do your head in occasion.

Deanna Bratter:

It one of those positive tensions that you find that you've got to strike the balance there and really leaning into that. And I think the opportunity to really define what success looks like is right there alongside. And the reality is not every consumer of every product is interested in buying a product that resonates with their values or that speaks to their purpose. Consumers are evolving. Everyone says we talk a lot about the M word, Millennials, we talk about the evolving consumer. I think going back to

maybe where we started in the conversation with the pandemic is people are reevaluating what's important to them. And they're trying to maybe think differently about the choices they were making in food or the choices that they were making in spending, and how they were spending their resources. And so I think as we're thinking about those tensions, we have to take a lot of considerations into play, both from the consumers and then directly into those business decisions. And I think sometimes we run away from the tension and we have to embrace the tension. We can be a product who cares about food waste, who is still trying to solve our packaging challenges, being in yogurt cups. And we have to embrace that reality and just make the commitment that continuous improvement is ultimately the goal, not perfection in the now.

Simon Mainwaring:

I agree. And that tension is so productive because you see compostable packaging now just taking off and you see all these different innovations coming because of that pressure from consumers. It's a healthy thing for the business and for the future and rather kind of resistant as you say, you listen to it, you're really attentive. And you see that as instructive as to where the business needs to go to be relevant to the future, to be on the right side of history and so on. I was doing some research before we chatted today and I love on your website it says, "Each time we eat and drink, you can vote for the world we want."

Simon Mainwaring:

And I think that's increasingly true today. I think more consumers, more investors, more employees are acutely aware of the challenges we face. And they're also very mindful that government has its own challenges. Nonprofits, NGOs, foundations are doing their best, but business is sitting front and center as this powerful opportunistic sort of force for change. Do you feel pressure from that? Do you feel excited about it? What gives you cause for optimism based on this very sobering moment, shall we say we are, in terms of sort of the last year or so?

Deanna Bratter:

I think it's human to have both sides of that, to be very optimistic. I think that's what makes a good sustainability practitioner, to be honest, which is this idea of resilience and influence. That's ultimately my job, is to look for the opportunities to influence, to really see the opportunity to bridge the reality of how huge these challenges are, which can sometimes feel insurmountable.

Deanna Bratter:

I've described it before of rolling a rock up a mountain, a big boulder, and sometimes it comes back and crushes you and you've got to start the next day from the bottom of the mountain, pushing that rock up. And some days you get it over the peak and you can really create change in the system. And we've got an entire dairy category who's rethinking what agriculture looks like and bringing back in regenerative practices into that system that haven't been part of mainstream dairy for quite a long time. When I look to examples like that and when I see the change happening, even if it's slow, I'm optimistic.

Deanna Bratter:

I also think sustainability topics can be incremental. And I think we are all looking for transformational. And we have to both embrace the incremental milestones as part of the transformational journey so that we don't get burnt out, quite honestly, because there's a whole lot of work to be done.

Simon Mainwaring:

You and I are cut from the same cloth, Deanna, we're both bloody minded. We're like, "We're going to take this on and see it through no matter what." And you do need that, and to use your metaphor, we're pushing the rock up the hill on the next day, like Sisyphus, the rock is down at the bottom again. Every single day, more and more people are joining you in pushing that rock up the hill. That's how I feel.

Simon Mainwaring:

More and more of us, for sobering reasons, are waking up through reality we face, and that rocks getting lighter in as much as there's more hands on the effort. If you could wave a wand, Deanna, in terms of your lens on North America, this massive brand that touches everybody's lives, and you could drive one change, whether it's internally with employees, whether it's out in the institutional investor world, whether it's with consumers, is there one lever that you would like to push, one change you'd like to see happen that would help?

Deanna Bratter:

You could go down paths of policy or change. I really would bring it back to people, that this awakening of social justice and the idea of justice and equity for all people has the opportunity to transform not just our social future and society, but also the environmental challenges we're facing. And I feel like business often looks at climate and environment for the sake of climate. An emissions reduction for the sake of reducing emissions and not for the sake of humanity. And so I think the transformation I would make is to make everyone feel empowered to be part of the solutions for a more just an equitable society together. And I think we will see incredible changes, not just in our many social challenges, but also in our environmental ones and our responsibility there.

Simon Mainwaring:

I couldn't agree with you more. I think the same connectivity between these crises, whether it's the environment and humanity social inequities, that's a current working against us and arguably making things worse, can also work in our favor because as we solve for one issue, that provides part of the solution for something else. And that same connectivity can kind of compound in a positive way instead of a negative way.

Simon Mainwaring:

Deanna, thank you for sharing some of the insights into Danone North America. And I think there is real power in being the largest B Corp to set an example out there because as you say, it really forces companies to be accountable in terms of how they're showing up in the world. And that's really what we need right now. So I really appreciate what you shared today and the example that's being set and look forward to chatting more.

Deanna Bratter:

Sounds great. Thanks Simon.

Simon Mainwaring:

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