



B Lab Statement on Danone Poland's subsidiary Żywiec Zdrój's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for bottled water companies:

"Bottled water companies are eligible for B Corp Certification with additional review by the Standards Advisory Council and, at minimum, incremental disclosure on their public B Corp profile regarding material sensitive issues in the industry."

Danone SA's Polish subsidiary, Żywiec Zdrój, S.A., (in scope of DANONE Poland's certification) is required to disclose a summary of its practices in the areas of Water Access, Sustainable Usage, and Waste Management as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's statement on the bottled water industry and B Corp Certification [here](#).

Summary of Company

Żywiec Zdrój is a subsidiary of Danone S.A., a multinational company with the mission of bringing health through food to as many people as possible. Danone Waters brands aim to "bring the best drinking solutions to people in the most responsible way". Żywiec Zdrój is based in Poland and is responsible for water extraction, bottling, distribution, and sale of its brand. In its last fiscal year of 2023, Żywiec Zdrój earned 100% of its annual revenue from selling spring water, sparkling water, and spring water-based drinks.

Żywiec Zdrój has the following brands of water, sparkling water, and vitamin water:

- Żywiec Zdrój Niegazowany (still spring water)
- Żywiec Zdrój Delikatnie Musujący (sparkling water)
- Żywiec Zdrój Mocny Gaz (sparkling water)
- Żywiec Zdrój Z Nutą Owoców (flavored water-based drink)
- Żywiec Zdrój Naturals (flavored water-based drink)
- Żywiec Zdrój Mocny Gaz i Nuta Smaku (flavoured sparkling water-based drink)
- Żywiec Zdrój Mocny Gaz z Naturalną Nutą (flavored sparkling water-based drink)
- Żywiec Zdrój Minerals (sold from 2023 – vitamin and mineral-enhanced water-based drink)

Żywiec Zdrój's Industry Practices

Water Access

Żywiec Zdrój obtains water from the buffer zone of the Żywiec Landscape Park, the Polish Jurassic Highland, and West Pomeranian voivodeship, where spring water is extracted and, without any human intervention, it is suitable for everyday drinking. For each one of its sources,



the company has the rights and authorization to extract the water. To guarantee that its rights to the water are fairly compensated for, the company pays:

- a fixed fee based on water permits for the maximum volume of water that can be extracted during the year (fixed fee for every well),
- a variable fee dependent on the volume of extracted water multiplied by the factor dependent on the number of processes the water needs to be treated with before further distribution.

The following agencies play a role in regulating access to water and the company's water extraction licenses: Polish Waters (Wody Polskie), Wojewódzki Inspektorat Ochrony Środowiska, Urząd Marszałkowski bądź Starostwo; National Institute of Public Health (NIZP - PZH) (responsible for water classification based on mineral qualities)

Żywiec Zdrój has reported they are not engaged in any lobbying or policy advocacy for cheaper water prices nor easier water access and it complies with [Danone Policy on Advocacy](#). The company also reported there are no stakeholder concerns regarding its water access that remain unresolved.

The company abides by [Danone's Water Policy](#), a globally implemented policy based on three pillars: (1) Preserve water resources and the natural environment, (2) drive water circularity in and around production sites, and (3) provide safe drinking water to vulnerable people and communities. Locally, Żywiec Zdrój has implemented initiatives to engage with the local community:

- Water Fund: The company will co-finance investments related to the development of the municipal water supply system to increase access to water for habitants of Jeleśnia Municipality ([2 mln PLN over 4 years](#)),
- Water Coalition: The company is part of the [We Care for Water Coalition](#), which is an initiative to build partnerships between public, private, and non-governmental actors. Żywiec Zdrój engages in the following activities within this Coalition:
 - Participated in research and education activities related to hydrological and climate issues,
 - Showcases good practices and demonstrates the benefits of implementing retention solutions on a local, national, and global level,
 - Takes action to develop systemic solutions for small-scale retention,
 - Builds understanding between local communities, local governments, and institutions to inspire other regions of Poland through joint action.

Sustainable Usage

The new water sources are approved under geological law and groundwater resources are assigned following regulations. Later, according to the Water Law regulations, the sources receive



licenses for water extraction and borehole construction. The final stage is the water qualification in the National Institute of Public Health (PZH).

To guarantee its water extraction is below the limit established by the environmental agency, for each water source, the company has the following practices in place:

- Ongoing automatic monitoring of flow and water level,
- Manual observations of water level are conducted (which includes general water usage in the aquifer, not just Danone's level),
- Weekly meeting regarding the water level and how it will impact operations,
- Auto-alerts if a water level goes down to a certain drawdown level,
- The factory has to send the water volume extracted from the source to the authorities:
 - each quarter to Wody Polskie which, based on the volume, calculates the variable fees to be paid,
 - every half year to WIOŚ (Provincial Environmental Protection Inspectorate) to check compliance with the full-year volume permitted to be extracted.

Żywiec Zdrój reported that the long-term monitoring of the water resources shows a good stability of the water level in the aquifer over years which is a good indicator that the water extracted is in line with the water recharge.

Waste Management

Regarding product packaging, Żywiec Zdrój uses plastic (virgin and recycled PET) for its bottles. The company and the Polish market more broadly have encountered supply challenges for rPET meeting quality standards for bottled water. These were the company's practices to address these market challenges:

- Since 2018, has been advocating for a Deposit Return System (DRS) in Poland:
 - Built an industry coalition together with ten of the biggest beverage producers and retailers,
 - Built a coalition of other stakeholders (retailers, NGOs) to support DRS adoption,
 - Launched an educational campaign targeting consumers,
 - Paid for two studies to model the development of the DRS system,
- Working to improve the quality of local supply:
 - Conducted audit on potential suppliers to achieve rPET quality requirements,
 - Developed a business case to launch a new recycling facility in Poland to help with the quality of feedstock supply.
- Publicly committed to developing circular packaging



In September 2023, [the DRS bill](#) for plastic bottles, metal cans, and reused glass bottles was adopted in Poland. According to the bill, the system created by the producer-owned operator is set to be launched on January 1st, 2025. Following up on the bill, Żywiec Zdrój has already begun the process of setting up the DRS system operator along with other beverage producers in the coalition. The company aims to reach 10.5% average rPET across all bottle formats in 2024 and 25% in 2025. Żywiec Zdrój has plans to close the loop of plastic bottles in Poland by launching a project on rPET sourcing in Poland starting in 2026. Currently, all the company's bottles are 100% recyclable.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

1. Intentional misrepresentation of practices, policies, and/or claimed outcomes during the [certification process](#), or
2. Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community.