



Danone AQUA Indonesia

Disclosure Report

Date Submitted: 12/24/2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

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 company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: On the Job Fatality

Issue Date	2018 and 2020
Topic	On the job fatalities due to an accident
Summary of Issue	Danone-AQUA is a pioneer of Bottled Drinking Water (AMDK) in Indonesia which was founded in 1973. There were 2 job fatality incidents in the year 2018 and 2020 involving an employee and a contractor. The incident with the employee was caused by a third party while the incident with the contractor occurred during product loading onto a truck.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Incident 1: (2018) Danone AQUA experienced employee fatality after an Aqua truck from DC Surabaya got exposed to an explosion at a Public Fuel Station while queuing behind a truck carrying 70 Kg LPG. High probability of a spark originating from the LPG bottles caused the explosion.</p> <p>Incident 2: (2020) AQUA's contractor experienced an employee fatality after a transporter truck hit the contractor resulting in him being trapped between the truck and the loading dock. Incident occurred in AQUA site.</p>
Impact on Stakeholders	2 fatalities. In addition, fatalities and incidents have emotional, mental and financial implications to family members, friends and colleagues of the people involved in the occurrence.
Resolution	<p>Incident 1: Investigation was conducted by local police (Polres) of Sidoarjo supported by the forensic Lab of Polda Jatim. The company provided compensation to the employee's family through the employee insurance program .</p> <p>Incident 2: Investigation was conducted by local police together with the site team and HQ team. AQUA refined the standard operating procedure on Loading Unloading activities to ensure no recurrence of incidents at all AQUA sites. The family received compensation from Raharja Insurance Services (govt managed), and humanity compensation provided by the Danone-AQUA and the Transporter company.</p>
Management Practices	<p>Incident 1: The company conducted an evaluation by Conduct Time Out For Safety regarding this accident and shared the lesson learnt at Aqua sites (all plants, all DCs, offices) and Aqua business partners' sites (transporters, distributors, rental car companies) . Company also strengthened the standard operating procedure while in fuel station, conducting risk identification and mapping in other dangerous areas such as public store areas (MT stores/points) and ramp parking areas, strengthened the hazard identification along the daily route of the trucks (part of Journey Management Plan), strengthened the DDT program especially in mitigating identified risks while driving and Promote DDT program to employees to strengthen their safety awareness on driving safety.</p> <p>Incident 2: The company conducted an evaluation by Conduct Time Out For Safety regarding this accident and shared the lesson learnt in Aqua sites (all plants,</p>

	all DCs, offices) and Aqua business partners' sites (transporters, distributors, rental car companies), strengthened the standard of Loading Unloading, conducting risk identification and mapping in other dangerous areas with same risk, strengthened the hazard identification by CCTV safety analysis and set targets to reduce risk related to loading unloading and risk of people-vehicle interaction.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Consumer Protection

Issue Date	January 2018 - December 2022
Topic	Reminder letter from BPOM (Indonesia Drug and Food Supervisory Body)
Summary of Issue	<p>From January 2018 until Dec 2022, the company reported receiving 20 reminder letters from BPOM:</p> <ul style="list-style-type: none">- The 18 reminder letters were related to non-compliant advertising material and not related to food safety issues. These materials have been adjusted/stopped,- The other 2 reminder letters were related to findings of old AQUA jugs in the market that were not compliant with the maximum limit on BPA (Bisphenol A) migration. The company confirmed that those products are no longer available in the market.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	There were no financial sanctions applied to the company by BPOM. The regulatory body provided recommendations to the company.
Impact on Stakeholders	Some advertising materials and jugs were considered non-compliant and could cause distrust and reputational concerns.
Resolution	Danone Aqua Indonesia followed up according to BPOM's directions. There was no further sanction escalation from BPOM.
Management Practices	<ul style="list-style-type: none">- The company improved the process of evaluating advertising materials with related teams using existing tools such as CVM to ensure materials were not misleading,- Danone Aqua implemented an additional monitoring measure in place for jugs (QR code) to know the circularity and movement of the jugs. Routine testing continues to be done. Also reminders to distributors and stores on logistic standards of Aqua jugs.



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Material litigation against company

Issue Date	2017-2019
Topic	Antitrust / Competition Law
Summary of Issue	<p>Danone AQUA Indonesia experienced a lawsuit alleging anti-competitive behavior stemming from reports that the company pressured sales outlets to prohibit the sale of competitors' products.</p> <p>In December 2017, Indonesia's Business Competition Supervisory Commission (KPPU) ruled that PT Tirta Investama (Danone AQUA Indonesia's legal entity name) violated certain articles of the Business Competition Law resulting in a fine assessed to the company and its distributor.</p> <p>Danone AQUA submitted an appeal to the District Court in May 2019. However, in September 2019, the Supreme Court decided to grant the cassation request by KPPU and uphold KPPU's decision in December 2017 as mentioned above.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	The legal penalty imposed by KPPU and later upheld by the Supreme Court to Danone AQUA Indonesia was IDR 13.8 billion (USD 969,000) and to Balina Agung IDR 6.3 billion (USD 441,000).
Impact on Stakeholders	Competition encourages businesses to innovate and find ways to work more efficiently. This results in lower prices, better quality products and services, and more choices for consumers. Intervening artificially on free competition can negatively impact consumers, and competitors and create reputational risks for companies involved in this breach.
Resolution	The legal action was resolved through the courts, resulting in a fine. Danone AQUA Indonesia was considering to submit Judicial Review for Supreme Court decision, however Supreme Court has issued letter which we received on June 2021 stating that based on the Regulation of the Supreme Court No. 3 year 2019, cassation to the Supreme Court is the final legal remedy for case related to fair competition.
Management Practices	The company improved the Distribution Agreement terms and format including refresher training on anti-trust to the sales team and distributors. Additionally, Danone Aqua Indonesia developed an awareness campaign delivered to the general employees around antitrust principles. The employee who allegedly triggered the issue has been relocated to a new role with a limited interface with customers.
Management Comments	<p><i>"Danone AQUA Indonesia is disappointed by the outcome of the case because the company feels the facts, expert opinions, and evidence presented during the proceedings supported that the allegations stemmed from the actions of an individual, not the actions of the company. Danone AQUA Indonesia has cooperated with KPPU and the Investigation Team by giving all necessary information and documentation.</i></p> <p><i>Danone AQUA was carefully reviewing the options before taking any next</i></p>

	<i>steps, such as whether to submit Judicial Review for Supreme Court decision or not. However, the Supreme Court has issued a letter which we received in June 2021 stating that based on the Regulation of the Supreme Court No. 3 year 2019, cassation to the Supreme Court is the final legal remedy for cases related to fair competition."</i>
Related Incidents (Yes/No)	No



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Labor Issues

Issue Date	2022
Topic	Labour Issue due to the dispute of overtime
Summary of Issue	<p>The company faced labor issues related to the dispute over overtime payment at 2 plants: AQUA Plant Solok and AQUA Plant Langkat.</p> <p>The union demanded overtime payment for three hours on day six from 2016-2022, however, the company's management defends that it has to pay for two hours overtime. Danone Aqua Indonesia stated that there was a gap in its governance for overtime payment to be paid timely during those years. When bipartite/negotiation did not reach an agreement, the company's management asked the union to escalate to the mediation process at the manpower office, according to the company's internal Collective Labor Agreement (CLA) and per labor laws on how to manage employment disputes. According to the company, this meant that the negotiation could continue with the support from the department of manpower in the Province of West Sumatera and there was no deadlock on the negotiation.</p> <p>Nonetheless, the Union interpreted this as a deadlock and performed a 20-day strike instead of proceeding with the mediation process. Management sent several notification letters for employees to come to work and continue the dialogue. However, workers maintained the strike and, because the company considered there was no deadlock, the company considered this as an illegal strike and terminated worker's contracts with the reason of absence.</p> <p>The case was escalated to the Labor Court in Padang City, West Sumatera where the union demanded full salary during the strike and during the court case and also demanded full reinstatement at the same position, grade and salary.</p> <p>During this trial process the company proposed to union/employees a potential settlement to recognize their years of service in the company, providing a severance and the right to apply back to the company subject to the company's need and assessment. Danone Aqua Indonesia reported that 77 employees agreed to settle the termination dispute by signing the mutual agreement, withdrawing themselves from the labor court and applying back to the company. Among those, 33 were accepted to work back in the company. Meanwhile, 24 employees insist on continuing and to file the case in labor court.</p> <p>The labor court decided that the termination was valid and sanctioned the company to pay termination severance. Both the union and the company appealed to the Supreme Court. Currently, this case is closed and the company fulfilled all the actions requested by the Court.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	101 employees at Plant Solok & 94 employees at Plant Langkat were involved in this issue.
Impact on Stakeholders	Tensions between groups of employees in plants of Solok and Langkat, the negative impact on the local employees morale, media coverage of the issues.

Resolution	The case as of now has been closed where all actions based on the Supreme Court decision has been completed by Danone AQUA Indonesia.
Management Practices	<p>Danone Aqua Indonesia shared that its actions on this matters were based on the following regulations:</p> <ul style="list-style-type: none"> - Article 79 paragraph (2.a) of Law No 13-year of 2003 jo Law No 6 year of 2023: "The rest time between working hours, at least half an hour after working for 4 (four) hours continuously, and the rest time does not include working hours". Refer to this regulation management has no obligation to fulfill their demand for 1 hour overtime. - Article 3, Article 4, and Article 6 of The Minister of Manpower Regulation No KEP.232/Men/2003. Refer to this regulation company can terminate employment due to consecutive leave of absence if the strike is illegal (no deadlock). - Article 151 of Manpower Law No. 13 year of 2003 and Industrial Relation Dispute Law No. 2 year of 2004 which is the regulation as the legal basis for termination process. <p>The company shared the following practices it implemented to avoid those labor issues from happening again:</p> <ul style="list-style-type: none"> - Proper assessment of the policy and the implementation of working hours, conducting periodically revisits and improvements for continuous compliance, - Improve the consistency in managing Industrial relation dispute as per CLA and labor laws - Enhance managers' comprehension of employment and industrial relations to empower them in effectively fostering positive interactions with employees. This endeavor, known as the Industrial Relations Academy, constituted a targeted training program covering aspects such as Industrial Relations, the Indonesia Labor Law, and the Collective Labor Agreement. This comprehensive training initiative was rolled out from Q2 2023 to Q1 2024, with participation from leaders across all factories and distribution centers.
Report	<p>Some media coverage wad identified regarding this matter:</p> <p>(1) https://regional.kompas.com/read/2022/11/14/072627278/kisruh-pabrik-aqua-di-solok-perusahaan-jangan-sampai-ganggu-iklim-investasi?page=all</p> <p>(2) https://hariansinggalang.co.id/manajemen-pt-tirta-investama-aqua-solok-penyebab-phk-karena-karyawan-mangkir-kerja-dianggap-mengundurkan-diri/</p> <p>(3) https://sumbar.antaranews.com/berita/539737/pt-tirta-investama-aqua-solok-masih-lakukan-proses-mediasi</p> <p>(4) https://analisadaily.com/berita/baca/2022/10/14/1035187/manajemen-pabrik-tiv-langkat-ajak-serikat-pekerja-aqua-lanjutkan-proses-dialog/</p>
Management Comments	The company shared that " <i>Dispute with unions is part of social dialogue dynamics in Indonesian companies that have large employments and unions</i> "
Related Incidents (Yes/No)	<p>Yes, the company reported other two similar cases:</p> <ol style="list-style-type: none"> 1. Case of Union Busting as reported by the union to the police against the company for "hindering" employees to strike. The case was closed as police did not find enough evidence on the allegation against company, 2. Challenging overtime of 2 hours as decided by the Ministry of Manpower through filing the case to the State Administrative Court. Case proceeding with likelihood State Administrative Court will reside with the Ministry decision based on expert witnesses.

