



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 and B Lab deems them to be material, the company must:

- 1) Be transparent about 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 systems are in place to avoid similar issues from arising in the future.

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

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks 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.

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

DISCLOSURE QUESTIONNAIRE

Company Name: Danone Waters China
 Date Submitted: 8/26/2021

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

| 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 | | ✓ |
| Child or Forced Labor | | ✓ |
| Negative Environmental Impact | | ✓ |
| Negative Social Impact | | ✓ |
| Other | | ✓ |

| Outcomes & Penalties | True | False |
|---|------|-------|
| 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 | | ✓ |
| Breaches of Confidential Information | | ✓ |
| Bribery, Fraud, or Corruption | | ✓ |
| Company Explanation Of Disclosure Item Flags | | ✓ |
| Company has filed for bankruptcy | | ✓ |
| Consumer Protection | | ✓ |
| Financial Reporting, Taxes, Investments, or Loans | | ✓ |
| Hazardous Discharges Into Air/Land/Water (Past 5 Yrs) | | ✓ |
| Labor Issues | | ✓ |
| Large Scale Land Conversion, Acquisition, or Relocation | | ✓ |
| Litigation or Arbitration | ✓ | |
| On-Site Fatality | | ✓ |
| Penalties Assessed For Environmental Issues | | ✓ |
| Political Contributions or International Affairs | | ✓ |
| Recalls | | ✓ |
| Significant Layoffs | | ✓ |
| Violation of Indigenous Peoples Rights | | ✓ |
| Other | | ✓ |

| Practices | True | False |
|--|------|-------|
| 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 | | ✓ |
| Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age) | | ✓ |
| Company Explanation Of Disclosure Item Flags | | ✓ |
| Company prohibits freedom of association/collective bargaining | | ✓ |
| Company workers are prisoners | | ✓ |
| Conduct Business in Conflict Zones | | ✓ |
| Confirmation of Right to Work | | ✓ |
| Does not transparently report corporate financials to government | | ✓ |
| Employs Individuals on Zero-Hour Contracts | | ✓ |
| Facilities located in sensitive ecosystems | | ✓ |
| ID Cards Withheld or Penalties for Resignation | | ✓ |
| No formal Registration Under Domestic Regulations | | ✓ |
| No signed employment contracts for all workers | | ✓ |
| Overtime For Hourly Workers Is Compulsory | | ✓ |
| Payslips not provided to show wage calculation and deductions | | ✓ |
| Sale of Data | | ✓ |
| Tax Reduction Through Corporate Shells | | ✓ |
| Workers cannot leave site during non-working hours | | ✓ |
| Workers not Provided Clean Drinking Water or Toilets | | ✓ |
| Workers paid below minimum wage | | ✓ |
| Workers Under Bond | | ✓ |
| Other | | ✓ |



B Lab Statement on Danone Waters China'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 Waters China (DWC) is required to disclose a summary of its practices in the areas of Sustainable Usage, Water Access, and Waste 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

Danone Waters China (DWC) is a subsidiary of Group Danone, a multinational company with the mission of bringing health through food to as many people as possible.

DWC is headquartered in Guangzhou, Guangdong, China and its mission is to bring sustainable healthy hydration to Chinese consumers. It only runs a beverage business (i.e. vitamin infused water) and its major beverage brand is Mizone.

DWC employs around 5000 people and operates 8 factories (6 self-owned factories: Zhongshan, Chongqing, Qionglai, Wuhan, Xi'an, Fengrun and 2 contracted factories: Nanjing and Shanghai)

As a subsidiary of Danone, DWC embraces the One Planet. One Health vision that is based on the belief that the health of the people and the health of the planet are interconnected and therefore seeks to protect and nourish both. It is a call to action for all consumers and everyone who has a stake in food to join the food revolution: a movement aimed at nurturing the adoption of healthier, more sustainable eating and drinking habits.

DWC's Industry Practices

Water Access

All of DWC's products are manufactured utilising water from the state owned municipal supply and they pay a volume based fee for the same. This volume based fee varies by the municipality for DWC's units.



While in some of the manufacturing units DWC has agreements or contracts with the local municipal water supply state-own companies, in others such agreements are not requested by local authorities and DWC just needs to pay for the water as per their usage.

All DWC plants are located in industrial parks with other industrial sites and no residences are allowed. There have been no stakeholder concerns related to DWC's usage of the municipal water. If there were to be a shortage of water supply, the government would ensure priority water supply for residences and limit the water supply for industrial usage.

Sustainable Usage

As DWC uses municipal water, there are no limits as such on the water they can use and are billed for the same by the government.

The company has implemented numerous water efficiency measures that have resulted in a reduction of water intensity by 64% in 2020 compared to a 2004 baseline by improving the efficiency of the filtration system, bottling system and cleaning system. In DWC's Wuhan and Xi'an plants, the company has achieved complete reuse of the wastewater by utilising the wastewater for landscaping and cooling towers in the factory and to support the local municipality for watering plants and road cleaning.

Waste Management

In China, there are regulatory constraints on the utilisation of rPET for food-contact packing owing to safety concerns. While the regulations are evolving and rPET suppliers can be approved on a case to case basis by the government to supply rPET for food-contact packaging for the local market, at present no such rPET supplier is approved by the government. Consequently, DWC's bottles use 100% virgin PET.

In the absence of regulations for rPET for food-contact packaging, DWC is focusing their efforts on advocacy & education, research & innovation and investment in suppliers and recycling infrastructure, to enhance the uptake of rPET for food-contact packaging and to explore other sources of PET. The company has so far spent approximately 40 million RMB on initiatives aimed at reducing the impacts of waste from plastic bottles. Some of these efforts are detailed below:

Advocacy



DWC has a dedicated team to follow and monitor any changes in the legislation around plastic. This team also advocates for and has the mission to support the development of a regulation allowing the use of rPET for food grade packaging, while engaging with its local stakeholders.

- DWC is a key member of SFCM (Joint Working Force of Sustainable Food Contact Material) whose aim is to promote the study of using recycled material as FCM. It is joined by research institutes, academia, other consumer goods companies and the recycling industry including rPET manufacturers. Within the SFCM, DWC is the team leader of the rPET working team and a member of the public engagement working team. As part of the SFCM, DWC is actively working with other brands, experts and rPET manufactures to accelerate the rPET case by case approval process
- Being a committee member of CBIA (China Beverage Industrial Association), DWC has been advocating for rPET including Food Grade rPET since early 2019.
- Through participation in associations, DWC gathers data and information on collection and recycling infrastructure and operations, in order to improve waste sorting.
- DWC is working with potential suppliers of rPET in order to improve rPET quality to meet food grade material standards, for which they have invested 300K RMB on quality test for rPET from 3 different suppliers

Recyclability of Bottles and Bottle Recycling Infrastructure

DWC is conducting R&D on innovative packaging materials from a sustainability standpoint.

- DWC has invested efforts and funds in managing post-consumer waste. DWC started to change Mizone bottle labels from PVC to PET in 2020, so that the entire bottle is recyclable now in 2021.
- In 2020, DWC partnered with S-bags, a company focused on municipal environment protection recognized by the local authority, to distribute 800 bags that were 100% made from recycled PET Mizone bottles to facilitate recyclable waste collection at home. S-bags is responsible for collecting the recyclable waste and distributing them to recycling facilities, while the bags can be redistributed to households.
- Additionally, in 2021 DWC and S-bags set up 15 plastic bottle collection machines in Shanghai to promote on-the-go empty PET bottles collection and circularity in the city.

Research & Innovation

- Since March 2021, DWC has launched a low-carbon packaging technology camp with Impact Hub Shanghai to attract and enable start-ups in this field.

Awareness & Education

- DWC hosted an external awareness-raising One Planet.One Health event in November 2020 in Shanghai. In this event, DWC announced Mizone's 2025 One Planet