



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 AQUA Indonesia

Date Submitted: 09/14/2017

| Disclosure Industries | 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. | | |
| Any product or activity deemed illegal under host country laws or regulations or international conventions and agreements | | ✓ |
| Alcohol (excluding beer and wine) | | ✓ |
| Commercial loggings and logging equipment | | ✓ |
| Drift net fishing in the marine environment using nets in excess of 2.5km in length | | ✓ |
| Firearms, weapons or munitions | | ✓ |
| Genetically modified organisms | | ✓ |
| Mining | | ✓ |
| Nuclear Power | | ✓ |
| Fossil fuel-based oil or coal utility | | ✓ |
| Ozone depleting substances subject to international phase out | | ✓ |
| Persistent organic pollutants (POPs) that are banned or scheduled to be phased out of production | | ✓ |
| Pesticides/herbicides subject to international phase out or bans | | ✓ |
| Pharmaceuticals subject to international phase-outs or bans | | ✓ |
| Radioactive materials | | ✓ |
| Tobacco | | ✓ |
| Unbonded asbestos | | ✓ |
| Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) | | ✓ |
| Other Industry: Bottled Water | ✓ | |
| Disclosure Penalties | | |
| 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. | | |
| Diversity and equal opportunity | | ✓ |
| Employee safety or workplace conditions | | ✓ |
| Environmental issues | | ✓ |
| Financial reporting | | ✓ |
| Geographic operations or international affairs | | ✓ |
| Investments or Loans | | ✓ |
| Labor issues (internal and supply chain) | | ✓ |
| Marketing | | ✓ |
| Product Safety | | ✓ |
| Political contributions | | ✓ |
| Taxes | | ✓ |
| Animal Welfare | | ✓ |
| Bribery, Fraud or corruption | | ✓ |

| Disclosure 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 "True." If false, select "False." | | |
| Company is not formally registered in accordance with domestic regulations | | ✓ |
| Company has reduced or minimized taxes through the use of corporate shells or structural means | | ✓ |
| Company facilities are located adjacent to or in sensitive ecosystems | | ✓ |
| Company employs workers under the age of 15 (or other minimum work age covered by the International Labour Organization Convention No. 138) and/or company does not keep personnel records that include evidence of the date of birth of each | | ✓ |
| Overtime work for hourly workers is compulsory | | ✓ |
| Company uses workers who are prisoners | | ✓ |
| Company prohibits workers from freely associating and bargaining collectively for the terms of one's employment | | ✓ |
| Animal testing is conducted | | ✓ |
| Company exploitatively operates in conflict zones | | ✓ |
| Company employs individuals on zero-hour contracts | | ✓ |
| Disclosure Outcomes | | |
| Please indicate if the following statements are true regarding if the company has experienced any of the following in the past 5 years. Check all that apply. If the statement is true, select "True." If false, select "False." | | |
| Company has had an operational or on-the-job fatality | ✓ | |
| Company sites have experienced accidental discharges to air, land or water of hazardous substances | | ✓ |
| Construction or operation of company facilities resulted in physical resettlement or economic displacement involving 5,000 or more people near your facility | | ✓ |
| Material recalls due to quality control issues | ✓ | |
| Material litigation or arbitration against company | ✓ | |
| Company has filed for bankruptcy | | ✓ |
| Construction or operation of company involved large scale land acquisition | | ✓ |
| Construction or operation of company involved large scale land conversion and/or degradation | | ✓ |
| Construction or operation of company involved the construction or refurbishment of dams | | ✓ |
| Company has had material breaches of individual's confidential information | | ✓ |

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| Supplier Disclosure | Yes | No | Don't Know |
|--|-----|----|------------|
| Please indicate if any of the following statements are true regarding your company's significant suppliers. | | | |
| Significant Suppliers employ workers under the age of 15 (or other minimum work age covered by the International Labour Organization Convention No. 138) | | ✓ | |
| Significant Suppliers use any workers who are prisoners | | ✓ | |
| Significant Suppliers have had an operational or on-the-job fatality | | ✓ | |
| Significant Suppliers' sites have experienced accidental discharges to air, land or water of hazardous substances | | ✓ | |
| Construction or operation of Significant Suppliers' facilities resulted in physical resettlement or economic displacement involving 5,000 or more people near their facility | | ✓ | |
| Construction or operation of Significant Suppliers involved large scale land acquisition | | ✓ | |
| Construction or operation of Significant Suppliers involved large scale land conversion and/or degradation | | ✓ | |
| Construction or operation of Significant Suppliers involved the construction or refurbishment of dams | | ✓ | |
| Significant Suppliers have had material fines or sanctions in the last five years regarding the issues indicated in DQ4.1 | | ✓ | |
| Significant Suppliers exploitatively operate in conflict zones | | ✓ | |

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Danone Aqua Indonesia

UPDATED AS OF:

02/27/2018

| | |
|---|--|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Fatality |
| ISSUE DATE | 1/22/2014 |
| TOPIC | Employee fatality |
| SUMMARY OF ISSUE | Danone AQUA Indonesia experienced an employee fatality after an engineering employee at the company's Mekarsari plant made contact with a high voltage power line during a leak inspection causing electrocution. The individual passed away at the local hospital following the accident. |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | One employee |
| IMPACT ON STAKEHOLDER(S) | Employee fatality |
| RESOLUTION | This case was investigated by the Sukabumi local Police and reported to the Sukabumi Manpower Department overseeing occupational health and safety. The company provided compensation to the employee's family through the employee insurance program and the case was closed after the police and internal investigations were completed. |
| IMPLEMENTED MGT PRACTICES | The company conducted an evaluation of workplace safety practices to ensure staff are in compliance with outlined health and safety procedures. Following the incident, the company introduced new safety measures including providing employees a safety briefing before starting each shift. |
| REPORT | N/A |
| OTHER MANAGEMENT COMMENTS | Danone AQUA Indonesia informed all employees about this tragic incident and reminded them of the Safety Commitment Policy. |

B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Danone AQUA Indonesia

UPDATED AS OF:

02/27/2018

| | |
|--|---|
| DISCLOSURE QUESTIONNAIRE CATEGORY | Material litigation |
| ISSUE DATE | 12/22/2017 |
| TOPIC | Antitrust / Competition Law |
| SUMMARY OF ISSUE | <p>Danone AQUA Indonesia experienced a lawsuit alleging anti-competitive behavior stemming from reports 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> |
| SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected) | The legal penalty imposed by KPPU to Danone AQUA Indonesia is IDR 13.8 billion (\$969,000 USD). KPPU also fined Balina Agung IDR 6.3 billion (\$441,000 USD). |
| IMPACT ON STAKEHOLDER(S) | N/A |
| RESOLUTION | The legal action was resolved through the courts, resulting in a fine. Danone AQUA Indonesia has launched an appeal. |
| IMPLEMENTED MGT PRACTICES | Improve Distribution Agreement terms and format including refresher training on anti-trust to sales team and distributors. An awareness campaign was delivered to the general employees around anti trust principles. The individual employee alleged to have triggered the issue has been relocated to a new role with limited interface with customers. |
| REPORT | None |
| OTHER MANAGEMENT COMMENTS | 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. Danone AQUA is carefully reviewing the options before taking any next steps, such as whether to appeal the decision or not. |

Summary of Company

Danone AQUA Indonesia is a subsidiary of Groupe Danone, a multinational company with the mission of bringing health through food to as many people as possible. Danone AQUA Indonesia is a bottled water company whose headquarters are based in Jakarta, Indonesia.

Danone Aqua's Industry Practices

Water Access

While in Indonesia water resources themselves cannot be privately owned, Danone AQUA Indonesia owns land where water sources are located, with extraction governed by a number of different regulatory bodies, including Peraturan Pemerintah Republik Indonesia (Indonesian Government Regulation) number 121 year 2015 and Peraturan Menteri Energi dan Sumber Daya Mineral (Regulation by Minister of Energy and Mineral Resources) number 20 year 2017.

As an extractor of water sources for commercial purposes, Danone AQUA Indonesia is required to pay tax for the water per volume that is extracted at an average rate 6.25 rupiah/m³ of water to the Indonesian government division of the Ministry of Energy and Mineral Resources.

Danone AQUA Indonesia through ASPADIN, an Indonesia Bottle Water Company Association is a member of the National Water Council or Dewan Sumber Daya Air Nasional (DSDAN) of Indonesia, a multi-stakeholder group established to provide input around water resource management in Indonesia. The Council is a working group comprised equally of NGOs, industry representatives, and Indonesian government representatives who all provide collaborative input regarding national water resource management policies and programs.

Outside of their participation in the DSDAN, Danone AQUA Indonesia does not engage in any lobbying efforts surrounding water policy or access in Indonesia.

Sustainable Usage

Per the regulatory bodies outlined above, through Danone AQUA Indonesia's use of its internal management tools, and evidenced by commissioned hydrogeological studies, Danone AQUA Indonesia is able to demonstrate that their extraction of water does not interfere with sustainable usage over time.

the Indonesian government, through the Ministry of Energy and Mineral Resources, grants a limited number of licenses by considering the capacity of the water basin. Recipients of the licenses are granted permission to extract a fixed amount of water through the license period, and are subject to additional obligations described in the Water Extraction Permit (SIPA) such as protecting the recharge area, giving 15% of the number of permit to the surrounding community when needed, regular reporting obligations and installing monitoring wells.

In order to extract water, the company must be properly permitted and demonstrate the company's extraction wells follow procedures which Danone AQUA Indonesia does by borehole testing. All production wells access deep aquifers and are ensured for optimum pumping rates. The water is accessed from boreholes that can be either self flowing or pumped. The water that is pumped does not disturb communal shallow (dug) wells which come from unconfined aquifers. In the self-flowing wells, which do not require pumping, water flows naturally from deep underground or confined aquifers to reach the hydrostatic water level. As part of the water utilization license, Danone AQUA Indonesia is required to monitor the wells, protect the recharge area, and provide 15% of the water to the surrounding community when needed.

Groupe Danone (Danone AQUA Indonesia's parent) has developed a proprietary tool, known as "SPRING Tool (Sustainable Protection and Resources managING)". The SPRING Tool is designed to assess sustainable water resource management as well as other factors related to the impact of water extraction for each production environment. One component of this tool utilizes flowmeters in each spring and borehole to provide detailed information about extraction rates and flow rates to ensure overall health of the well. Group Danone assesses its subsidiaries performance for 6 parameters that result in an award of Basic, Standard or Excellent. Assessments are conducted by Danone and the tool has been adapted for the Indonesian market to be used as a standard industry measurement in the future. When Danone AQUA implemented SPRING in 2010, all factories were considered Basic. The most recent assessment was conducted in 2016 on twenty factories, of which eight received Standard and two received Excellent.

In partnership with local and international universities, Danone AQUA Indonesia has also commissioned hydrogeological studies that confirm that their water usage is minimal compared to the natural recharge rate of the aquifer, thus keeping water levels sustainable over time.

Waste Management

In terms of product packaging, Danone AQUA Indonesia uses recycled input materials in the company's bottles.

Danone AQUA Indonesia currently uses 46% recycled post-consumer content plastic for its 19 liter jugs. The company's ability to increase the percentage of recycled material in its product packaging is limited by infrastructure constraints, such as the limited availability of local recycled PET, limited supply capability collection points, and recycling quality issues. In an effort to overcome such constraints, Danone AQUA built a recycling business unit (RBU) of South Tangerang in 2010 and with partners developed five additional RBUs with a combined capacity of 11,000 T/year. The amount of plastic bottle waste collected by the entire RBU reached 12,000 T/year. Danone AQUA Indonesia's goal is to recover more plastic bottle waste more than the company produces by 2030. As a part of this goal, the company plans to increase the overall percentage of the recycled plastic content in its bottles to 25% by 2020 and 33% by 2025.

Aside from addressing waste through packaging design, Danone AQUA Indonesia also addresses waste through other programs such as collecting used post-consumer bottles through waste picker partnerships and community waste banks.

Beginning in 2016 and operating through April 2017, Danone AQUA Indonesia formed a pilot Waste Bank in collaboration with the Bogor City Government. These 12 small scale waste banks in Bogor City collected and sent plastic materials to Danone AQUA Indonesia's Recycling Business Unit in South Tangerang. Additionally, Danone AQUA works with a network of municipal waste banks and waste collectors in Jakarta and surrounding areas.

Danone AQUA Factory Addresses

1. Berastagi: Jln Medan – Berastagi Km 55 DS. Doulu Kec. Berastagi, Kab Karo Sumatra Utara 22111
2. Solok: Jl. Raya Lintas Padang – Solok KM 37 Kayu Aro, Kab Solok, Sumatera Barat.
3. Langkat: Jl. Binjai – Namu Ukur, Dusun V Dame Rejo, Desa Pasar VI Kwala Mencirim Kec. Sei Bingai, Kab. Langkat, Sumatera Utara 20771
4. Tanggamus: Jl. Ir. H. Juanda, Pekon Way Teba, Kec. Kota Agung Timur, Kabupaten Tanggamus, Lampung. 35384
5. Subang: Jl. Kampung Salam, Ds. Darmaga Kec. Cisalak, Kab. Subang, Jawa Barat 41283
6. Bekasi: Jl. Raya Jakarta – Bekasi Km 27, Pondok ungu, Kec. Medan Satria Bekasi, Jawa Barat
7. Citeureup: Jl. Mercedes Benz, Ds. Cicadas Kec. Gunung Putri, Bogor, Jawa Barat
8. Mekarsari: Jln. Raya Sukabumi Ds. Mekarsari, Kec. Cicurug Kab. Sukabumi, Jawa Barat
9. Babakan Pari: Jl. Cidahu, Ds. Cidahu, Kab. Sukabumi, Jawa Barat
10. Ciherang: Jl. Raya Mayjen He. Sukma KM 15 RT 001/RW01, Ciherang, Pondok Caringin, Bogor, Jawa Barat.
11. Cianjur: Jl. Cianjur Sukabumi KM. 15, Desa Gekbrong, Kec. Gekbrong, Kab. Cianjur, Jawa Barat 43256
12. Wonosobo: Jl. Mangli Ds. Kejiwan, Kec. Wonosobo, Kab. Wonosobo, Jawa Tengah 56311
13. Klaten: Jl. Cokro Delanggu, Ds. Wangen Kec. Pulon harjo, Kab Klaten Jawa Tengah 57474
14. Pandaan: Jl. Raya Surabaya – Malang Km 48,5 Kec Pandaan, Kab Pasuruan Jawa Timur 67156
15. Keboncandi: Jl. Raya Winongan Ds. Kebon Candi, Kec. Gondang Wetan, Kab. Pasuruan, Jawa Timur, 67179
16. Mambal: Ds. Mambal – Banjar gumarsih, Kec. Abiansemal, Kab. Badung Bali 80352
17. Gatsu: Jl. Gatot Subroto Timur 776x/ 18 Denpasar.
18. Manado: Kel Airmadidi Bawah Kec. Airmadidi, Kab. Minahasa Sulawesi Utara 95371
19. Sentul: Jalan Olympic Raya Kav. A7 Sentul Industrial Estate - Sentul, Bogor, Jawa Barat 16810