



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 Beverage China (DBC) 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](#).

Danone Beverage China (DBC)

Danone Beverage China (DBC) is a subsidiary of Group Danone, a multinational company with the mission of bringing health through food to as many people as possible. 100% of the company's revenue was earned from the sale of bottled water.

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

DBC 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, DBC 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.

DBC's Industry Practices

Water Access

All of DBC'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 DBC's units.

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



All DBC plants are located in industrial parks with other industrial sites and no residences are allowed. There have been no stakeholder concerns related to DBC'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 DBC 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 66% in 2023 compared to a 2004 baseline by improving the efficiency of the filtration system, bottling system and cleaning system. In DBC's Wuhan, Fengrun and Xi'an plants, the company has realized 2nd life of the wastewater by utilising the wastewater for landscaping and cooling towers in the factory and/or to support the local municipality for watering plants and road cleaning.

Carbon Reduction

In DBC, the carbon emission has been quantitatively tracked basing on LCA methodology through calculations since 2008.

In 2022, the total carbon emission of scope 1&2 is 9312 tons CO₂ (ISO 14064 – by SGS) and the carbon intensity on scope 1&2 have been reduced by 92% vs. 2004 level. This was mainly achieved thanks to energy efficiency, the use of green energy and efforts on water efficiency and Zero Waste to Landfill.

Beyond the carbon reduction on scope 1&2, DBC is also very dedicated on reducing carbon emission of scope 3:

- Low-carbon packaging: by 2022, the bottle weight has been reduced by 30%; 95% raw materials of carton is recycled-based.
- Green logistics: in 2023, 16% of urban distribution is delivered by e-truck; pilot hydrogen truck delivery was launched in Guangdong.
- Supply chain de-carbonisation: The de-carbon pledge was released in Apr. 2023, by DBC and its partners (>80% of direct procurement amount), DBC will share know-how & resources on de-carbon to all the partners committed to achieve carbon neutrality by 2050.

Waste Management

In China, there are regulatory constraints on the utilization 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, DBC's



bottles use 100% virgin PET.

In the absence of regulations for rPET for food-contact packaging, DBC is focusing their efforts on reducing production waste to landfill. In 2022, all DBC plants have been certified as 3-stars (highest level) of Zero Waste to Landfill management system.

Beyond this, DBC is also dedicated in 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

DBC 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.

- DBC 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, DBC is the team leader of the rPET working team and a member of the public engagement working team. As part of the SFCM, DBC 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), DBC has been advocating for rPET including Food Grade rPET since early 2019.
- Through participation in associations, DBC gathers data and information on collection and recycling infrastructure and operations, in order to improve waste sorting.
- DBC 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

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

DBC has invested efforts and funds in managing post-consumer waste. • In 2020, DBC 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.

- in 2021, DBC 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.

- In 2023, DBC cooperated with UNILEVER on “WASTE FREE WORLD”, the activities were held in multiple universities in six cities, e.g. Tongji University, advocating for



college students to participate in recycling activities.

Research & Innovation

- Since March 2021, DBC has launched a low-carbon packaging technology camp with Impact Hub Shanghai to attract and enable start-ups in this field.
- In Apr. 2022, DBC has officially released “Mizone Carbon Smart Bottle” and committed to invest in this “Carbon Capture” technology, which can directly convert carbon monoxide and carbon dioxide from off-gas into key raw materials required for producing PET bottles through microorganisms, thereby reducing the use of petroleum and the impact of carbon emissions on the environment. It can help the industry reduce reliance on fossil-based packaging materials.

Awareness & Education

- In 2022, our flagship factory – Wuhan have opened for visitors, allowing community members and consumers to walk-in the factory and experience the Mizone green manufacturing and sustainable development practice on site. In 2022, the number of visitors is >1200.
- In 2023, to introduce the concept of carbon reduction to customers, all Mizone bottle cap have been printed with the words “made by carbon neutral plants, after all Mizone production plants certified as “Carbon Neutral” in 2022. Beyond this, to engage customers and let them learn more about de-carbon knowledge, QR code have been added on labels for scanning.

B Lab's Public Complaints Process

Should any party become aware of specific company practices, related or not to this topic, that may constitute:

- Intentional misrepresentation of practices, policies, or claimed outcomes during the [certification process](#), or
- Breach of the core values articulated in our [Declaration of Interdependence](#) within the B Corp Community, these may be submitted through [B Lab's Public Complaint Process](#).