



Summary of Company

PT. Tirta Investama, PT. Aqua Golden Mississippi, PT. Tirta Sibayakindo (“Danone-AQUA”) is affiliated company to Danone S.A, a multinational company based in Paris, France. Danone mission is to bring health through food to as many people as possible. Danone-AQUA's activities consist of utilization, processing, packaging, and distribution of water, into bottled drinking water and beverages, with the brands "AQUA", "MIZONE", "VIT" and “VIT Levite”. Danone-AQUA business aims to meet the needs for healthy hydration at all times and place. Danone-AQUA operates 22 factories spread across Java, Bali, Sumatra and Sulawesi, plus has one plant in Brunei Darussalam

Danone-AQUA’s Industry Practices

Water Access

To utilize the water for industry purposes in Indonesia, companies must obtain the permits from Indonesia government. Danone-AQUA has obtained the water extraction permits from Indonesia government in accordance with the regulations.

As a user of water sources for commercial purposes, Danone-AQUA is required to pay tax for the water per volume that is extracted at an average rate IDR 10.64/L (2019) of water to the Indonesian government.

Danone-AQUA is a member of ASPADIN, the Indonesia Bottled Water Company Association. As an association, ASPADIN is also a member of Dewan Sumber Daya Air Nasional (The National Water Council) or DSDAN, a multi-stakeholder forum for water resources management at the national level with the role to provide input around water resource management in Indonesia. The Council’s members are from NGOs, industry representatives, and Indonesian government representatives who all provide collaborative input regarding national water resource management policies and programs. Danone-AQUA is also a member of Indonesia Foods and Beverages Industry Association (GAPMMI), Indonesian Employers Association (APINDO) and Indonesia Soft Drink Industry Associations (ASRIM).

Through these associations, Danone-AQUA is very active in multi stakeholders engagement and supporting regulations shaping initiatives with the government. Since Danone-AQUA’s previous certification term, the most notable change in water access regulations was the issuance of Water Law 17/2019. Danone-AQUA was involved in advocacy for this law through ASPADIN and DSDAN to ensure all water user interests (public and private) were appropriately reflected in the law and continues to be engaged in the advocacy for the implementing regulation.

Sustainable Water Usage

In accordance with regulations, using Danone-AQUA internal management tools and evidenced by commissioned hydrogeological studies in collaboration with local and international universities, Danone-AQUA can show that their water extraction does not interfere with



sustainable usage over time for all of its water sources, including 12 new water sources since the company's previous certification. Danone-AQUA 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 balance sustainable at all time.

In order to extract water, the company must be properly permitted and demonstrate the company's extraction wells follow procedures which Danone-AQUA 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.

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 subject to additional obligations described in the Water Extraction Permit (SIPA) such as monitoring the wells and report regularly, preserving the recharge area, and providing 15% of the water permit for access to the surrounding community. As of November 2020, Danone-AQUA has provided water access to 334.000 people in Indonesia.

Danone S.A (Danone-AQUA's parent company) has released a water policy in early 2020 that aims to preserve and restore water resources, today and for future generations. This policy consists of 3 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. As part of the company's affiliation, Danone-AQUA commits to implements this water policy.

Danone S.A has also developed a proprietary tool, known as "SPRING Tool" (Sustainable Protection and Resources managing Tools) that 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. Danone S.A assesses its subsidiaries' performance for 6 pillars with 54 parameters that result in an award of Basic, Standard or Excellent. Assessments are conducted by Danone and the tool has been adapted and proposed for the Indonesian market to be used as a standard industry measurement in the future. When Danone-AQUA implemented SPRING Tool in 2010, all factories were considered Basic. The most recent assessment was conducted in 2019 on twenty factories, of which thirteen factories received Excellent, five factories received Standard and only two factories still in Basic.

Waste Management



Currently, 70% of Danone-AQUA's business comes from fully circular reusable jugs that are reused an average of 40 times and recycled at the end of life. The remaining 30% of Danone-AQUA's business is from single-use bottles that have an average recycled plastic content of 10% by volume. Danone-AQUA has a formal target to use 100% recyclable, reusable or compostable packaging, and to increase the average recycled plastic content for its single used bottles to 50% rPET by 2025.

Last year Danone-AQUA also introduced Indonesia's first 100% recycled plastic and 100% recyclable bottle in 1.1 L packaging size, called AQUALIFE, and has a similar 100% recycled content bottle in a smaller and more popular size (600 ml) launched early 2021 in Bali.

Beyond plastic, the company also has glass bottles that are mostly used at hotel and restaurant customers. In November 2020, Danone-AQUA reintroduced its historical iconic AQUA Returnable Glass Bottle for this product segment that offers returnable and refillable glass bottles.

Aside from addressing waste through packaging design, Danone AQUA also addresses waste management challenges through other programs focused on collection and education.

With regard to collection initiatives, Danone-AQUA has engaged in several collaborative initiatives to improve waste collection in Indonesia:

- Working with strategic partners to build the capacity of six Recycling Business Units (RBU), with a formal target to collect more plastic waste than it uses by 2025. Waste processed by these RBUs is then converted into resin to be used as raw material for new bottles.
- Working with various levels of government to increase the capacity of both formal and informal waste management facilities, such as waste segregation facilities, waste banks, and junk shops.
- Contributing resources to support waste collection in the outer islands, which has limited capacity regarding its waste management system, by subsidizing transport of waste to big cities in Indonesia where there are recycling facilities.
- Together with public sector and non-profit partners, Danone-AQUA installed 1 unit of River Clean-Up System (Interceptor) in Cengkareng Drain, Jakarta. This technology is expected to stop plastic waste from Jakarta rivers going into the ocean.
- Collaborating with startup Grab to incorporate recycling into their application, which allows Grab customers to send waste to be taken by Grab drivers to nearby waste banks and from their pickup and processed in Danone - AQUA's RBU facilities.
- Collaborating with Octopus in Bali to empower the waste pickers to be able to collect waste directly from consumers and help them to increase their monthly income.
- Co-founding the Packaging and Recycling Association for Indonesia Sustainable Environment (PRAISE) with 5 other big companies, which launched an Extended Producer Responsibility (EPR) scheme in Indonesia to incentivize collection, promote capacity building and social inclusion in waste collection and educational efforts.



With regard to education initiatives, Danone-AQUA has a target to reach 100 million people and 5 million young children by 2025 through its nationwide campaign on recycling. The company has engaged in several collaborative initiatives to promote education on recycling, including:

- Collaborating with government agencies to launch an elementary school education book called "Sampahku Tanggung Jawabku" (translated as *My Waste My Responsibility*) in schools all over Indonesia. Similar initiatives are in the works for pre-school students.
- Disseminating messaging about recycling at children educational parks Taman Pintar and Kidzania.
- Collaborating with retailer H&M to launch the #bottle2fashion program, through which plastic waste being collected from island and coastal areas are processed in RBUs and converted into fashion products.
- Working with organizations like VICE, National Geographic and more to amplify messaging about recycling through digital media and educate its customers through exhibitions, radio, e-commerce.

Other Management Comments

In addition, Danone-AQUA is a member of the Ground Water Working Group (GWWG), which is a semi-autonomous organization under engineering faculty UGM that aims to develop sustainable groundwater management. The scope of activities of this organization includes research, education / training, community service and development of groundwater technology. Danone AQUA received Platinum appreciation in the Water Resources Performance Assessment Matrix trial (Mata Persada). Mata Persada is a device that aims to measure the extent to which water users are responsible for managing or exploiting water that has been permitted in accordance with applicable laws. Mata Persada is a local tool inspired from Spring Tools by Danone and introduced by GWWG.

During Water Week 2018 in Singapore, Danone-AQUA has awarded as the best presentation when bringing "Rejoso Kita" Water protection project at Pasuruan, East Java. Danone-AQUA has also got 2nd winner for presentation of Micro Credit water access project in collaborations with water.org.

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