



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: Aguas Danone

Date Submitted: July 2019

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		✓
Gambling		✓
Pharmaceuticals subject to international phase-outs or bans		✓
Payday lending		✓
Pornography		✓
Wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)		✓

Disclosure 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.		
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		✓
Political contributions		✓
Taxes	✓	
Bribery, Fraud or corruption		✓

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			✓

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 does not transparently report corporate financials to government		✓
Company facilities are located adjacent to or in sensitive ecosystems		✓
Company does not provide clean drinking water to employees at all times		✓
A portion of workers, contractors, subcontractors or day-workers are paid below minimum wage		✓
Company does not have a signed contract of employment with each worker		✓
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 does not provide payslips or equivalent to all workers to show how wages are calculated and any deductions made		✓
Company uses workers who are prisoners		✓
Company prohibits workers from freely associating and bargaining collectively for the terms of one's employment		✓
Company prohibits workers from freely leaving the site during non-working hours or at the end of their shift		✓
Company keeps workers' original ID cards/Passports		✓
Company exploitatively operates in conflict zones		✓
Company employs individuals on zero-hour contracts		✓

Disclosure Outcomes	True	False
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		✓



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY: Aguas Danone

UPDATED AS OF: July 15, 2019

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation or Arbitration
ISSUE DATE	2016, 2017, 2018
TOPIC	Tax Litigation
SUMMARY OF ISSUE	There are 3 tax related litigation cases pertaining to the tax years 2009, 2010, 2011, and 2016, which have found the company to owe additional taxes, along with interest and fines in some cases. In all 3 cases there are discrepancies of criteria (due to interpretation or due to change in the initial criteria given by the Tax Authorities): first case in terms of Kw computation for a local tax, second case in terms of sponsorship for the computation of the Corporate Income tax credits related, and the third case in terms of the deduction of some management fees expenses invoiced by the company's headquarters in Paris.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	These three cases in aggregate would represent ~18 million EUR in additional tax payments, 480,000 EUR in fines, 1.8 million EUR in interest expenses. Some of these payments are still being disputed in court.
RESOLUTION	One case was closed in 2018 resulting in 4.2 million EUR in additional tax payments, 1.8 million EUR in interest, and 40,000 EUR in fines. The remaining two cases are still ongoing.
IMPLEMENTED MGT PRACTICES	Danone Waters is part of Danone, that has a Tax Policy, that has been published in its web site since 2016, with the commitment to manage the taxation of all its subsidiaries in a responsible way, specifically to ensure that no artificial or fraudulent fiscal scheme is being used.
REPORT	https://www.danone.com/content/dam/danone-corp/about-us-impact/policies-and-commitments/en/2018/Danone_Tax%20Policy_2017.pdf
RELATED INCIDENTS Y/N	No