

Summary of Company

Aguas Danone de Argentina (ADA) is a subsidiary of Group Danone, a multinational company with the mission of bringing health through food to as many people as possible.

ADA is a water company whose headquarters are based in Buenos Aires, Argentina. Its mission is to improve healthier hydration habits through water based proposals in an innovative and sustainable way. Its major mineral water brand is Villavicencio and its major beverage brand, Levité. ADA operates two bottling plants in Argentina and owns the land of the Villavicencio Natural Reserve in the Precordillera Mountains (Mendoza province). All water sourced for Villavicencio is pure spring mineral water. The company has a protected areas management team with park rangers, biologists, the ecosystem in the Natural Reserve. It also sources water from other regions of the country whose methods are described below.

Aguas Danone Practices

Water Management:

Villavicencio is currently an official Natural Protected Area declared by the Government of Mendoza, Argentina, and ADA had owned the land prior to this designation. It was ADA who promoted this declaration. According to the management plan of the natural reserve, it is the first case in Mendoza province of a protected area located in private lands, with its management falling to state responsibility. The Natural Reserve's mission is to:

- (1) Protect natural ecosystems and species of flora and fauna
- (2) Preserve water resources, particularly the underground aquifers of natural mineral water, and wetlands.
- (3) Protect and deepen the knowledge of the archaeological and historical heritage of the region
- (4) Promote an environmental education program

ADA takes Law 6045 as a reference to manage the reserve properly. The reserve is a combination of Categories IV and V, corresponding to "Managed Nature Reserve" and "Protected Landscape Reserve", respectively. The objectives and characteristics that identify each of these categories are complementary and allow to reflect appropriately the characteristics of ADA's protected area, and reconciling the requirements of natural heritage protection and preservation of cultural heritage.

Category IV "Managed Nature Reserve" is based on Art. 32, which refers to "the protection of sites or specific habitats which are essential to maintain the existence or improve the status of individual species or wild varieties", and "allow in these areas, activities and uses that are not harmful to the species or the protection of the environment in general".

Category V, "Protected Landscape Reserve", is based on Art. 33. It refers to the "preservation of natural areas in mountain environments, representing attractive panoramas" and "to maintain landscape quality through a proper management practices".

All these categories enable a comprehensive environmental and resources protection, especially in the use of water resources in a sustainable way.

Within the natural reserve, ADA only takes the natural spring water as it flows out from its natural rate, thereby not diminishing the water table.

Villavicencio's Natural Reserve has the following distinctions / milestones:



In addition to the Villavicencio brand, ADA also bottles and sources water from the Puelche Aquifer in Buenos Aires province.

To manage the water extraction from natural resources, Danone uses two tools:

SPRING TOOL (Sustainable Protection and Resources managING): a tool to assess water management within each plant. One of the assessments from this tool is the existence of flowmeters in each spring and borehole to have clear and detailed information about how much water you are managing. Group Danone assesses its Subsidiaries as levels 0, 1 or 2; assessments are conducted internally and it is planned to be performed by 3rd parties in the near future. ADA is currently at 1 (Standard), and has a goal of getting to level 2 (Excellent) by 2020. A Standard classification means that the business unit reaches 80% of the points earned in the tool, and an excellent classification means, it's above 80%. ADAs score is 78%. The SPRING Tool was developed by Group Danone.

An hydrogeological data repository that represents ADA's database as it integrates all existing information resource on each plant, allowing continuous monitoring of critical parameters in water management (water level and quality).

ADA has several hydrogeological studies and implements them with the aforementioned managing tools

in order not to overexploit the aquifer and guarantee the natural water cycle. Thanks to this assessment, ADA guarantee that none water reserve will be depleted as a result of its extraction. An external consultant makes these studies; it is signed by a professional geologist, and recognized by the local authority.

Waste Management:

ADA stated that the most material environmental concern in their market is waste caused by packaging, not the usage of water itself. To mitigate this concern, ADA has been a leader in using recycled input materials in their bottles and finding solutions to collect bottled post-consumer through waste-pickers cooperatives.

Villavicencio's bottles use 51% recycled input material. Villa del Sur bottles have 20% of recycled PET and ADA has a goal to increase the quantity of recycled material used in all their bottles for 2020 reaching an average of 35%.

Aside from the recycled input materials, ADA has also launched an inclusive recycling project creating public private alliances, promoting waste sorting at source, differentiated waste collection and recognizing the role that waste pickers play in the waste management. Thanks to the project, ADA created a formal relationship with waste pickers cooperatives and supported them by providing training on work safety, logistics, sorting, soft and hardware investments, productivity consultancies and distribution. In the first 3 years of the project, ADA empowered 1400 waste pickers working in 5 cooperatives. One of them, COREME in the province of Mendoza, received the largest investment since ADA built the first recycling plant with social inclusion of the province. Because Danone recognizes a need to increase the PET recycling rates, they are committed to investing in these cooperatives. For the period 2017-2019 ADA renewed its commitment on inclusive recycling.