



INTERNATIONAL BOTTLED WATER ASSOCIATION
IBWA 2014 PROGRESS REPORT

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A Letter From the President

The International Bottled Water Association's (IBWA) team of members, staff, and consultants accomplished a great deal in 2014. Once again, we worked hard to highlight bottled water's stringent state and federal regulations, our members' environmental sustainability efforts, the safety of all plastic bottled water containers, and the importance of bottled water in a healthy diet.

Bottled water sales and consumption continued to grow, and we expect that trend to continue. The popularity of bottled water, and its growing reputation as the healthiest packaged drink, helped to reinforce an increasingly strong market position. Preliminary statistics from the Beverage Marketing Corporation (BMC) show that bottled water volume achieved an unprecedented high in 2014: growing to 10.8 billion gallons, a 7.1 percent increase over 2013. Bottled water sales grew as well, increasing by 5.7 percent and topping \$13 billion dollars (wholesale).

Implementation of the Food Safety Modernization Act (FSMA) continues to be a very important issue for all IBWA members. IBWA remains heavily involved in the process to see FSMA fully operational, including submitting comments on all relevant FDA proposed rules. IBWA provided members several ways to receive FSMA updates and prepare for compliance with the new requirements, including educational sessions held during IBWA meetings and at state and regional

association conferences, and through IBWA's publications, such as the News Splash e-newsletter and *Bottled Water Reporter* magazine.

During 2014, IBWA continued its active support of Drink Up, an initiative spearheaded by the Partnership for a Healthier America and its honorary chairperson, First Lady Michelle Obama. This important campaign encourages Americans to drink more water more often and compliments IBWA's healthy hydration and consumer choice messaging.

IBWA also continued its efforts to expand our outreach to federal and state legislators and governors in order to educate them further about the bottled water industry and to gain their support. IBWA staff and members had more than 200 meetings on Capitol Hill, with both members of Congress and their staff.

In the states, IBWA monitored more than 500 bills and 300 regulatory proposals concerning bottled water in 2014. From a bottled water deposit law ballot initiative in Massachusetts to proposed bottled water bans in Washington, DC; Framingham, Massachusetts; and San Francisco, California; IBWA actively engaged on many important state bottled water issues. We also worked on state legislation concerning groundwater resources, bottle deposits, taxes, labeling, and bisphenol-A (BPA).

We succeeded in our efforts to have federal bottled water quality, labeling,

and reporting legislation—the Bottled Water Quality Information Act (H.R. 4978)—introduced in the U.S. House of Representatives. Supported by calls, emails, and visits by IBWA members, we garnered 16 bipartisan cosponsors, and are fighting efforts being made in the U.S. Senate to introduce a more onerous version of the bill.

IBWA continues to defend the safety of BPA. In 2014, more than 80 bills in 22 states addressed the issue of the use of BPA in various consumer products and several bills were introduced in Congress to ban BPA in all food products. Working with our allies, IBWA ensured that no BPA legislation was adopted during the past year that would negatively impact the bottled water industry.

Released in 2014, the results of a second IBWA benchmarking study show that the amount of water and energy used to produce bottled water products in North America is still less than all other types of packaged beverages. On average, only 1.32 liters of water (including the liter of water consumed) and 0.24 megajoules of energy are used to produce one liter of finished bottled water.

BMC and the National Association for PET Container Resources (NAPCOR) released data in 2014 that showed the recycling rate for single-serve PET plastic bottled water containers is now at 38.04 percent, more than doubling during the period between 2003-2012. Plastic



JOE DOSS

bottled water containers continue to be the most frequently recycled PET beverage container in curbside recycling programs.

The 2014 IBWA Progress Report summarizes IBWA's accomplishments in maintaining a favorable business, regulatory, and public affairs climate for the bottled water industry, and in protecting and advancing the interests of all IBWA members. Our success is the result of a true team effort. IBWA has made great strides in ensuring the success of the bottled water industry, and you can remain confident that we will continue to fight hard every day to defend this safe, healthy, convenient product.

A handwritten signature in black ink that reads "Joe Doss". The signature is fluid and cursive, with the first and last names clearly legible.

Joseph K. Doss
IBWA President and CEO

CONSUMERS ARE MAKING THEIR VOICES HEARD IN THE MARKETPLACE



For both the International Bottled Water Association (IBWA) and the bottled water industry, 2014 was a good year. Sales and consumption of bottled water, the No. 2 packaged beverage on the market, were up—and making strong gains on the No. 1 packaged beverage, carbonated soft drinks (CSDs), according to reports from Beverage Marketing Corporation (BMC). In fact, based on continued consumer demand, BMC predicts that bottled water will overtake CSDs by 2016. That's a pretty impressive showing, considering the industry continues to be the target of unfounded and misdirected attacks by anti-bottled water activists.

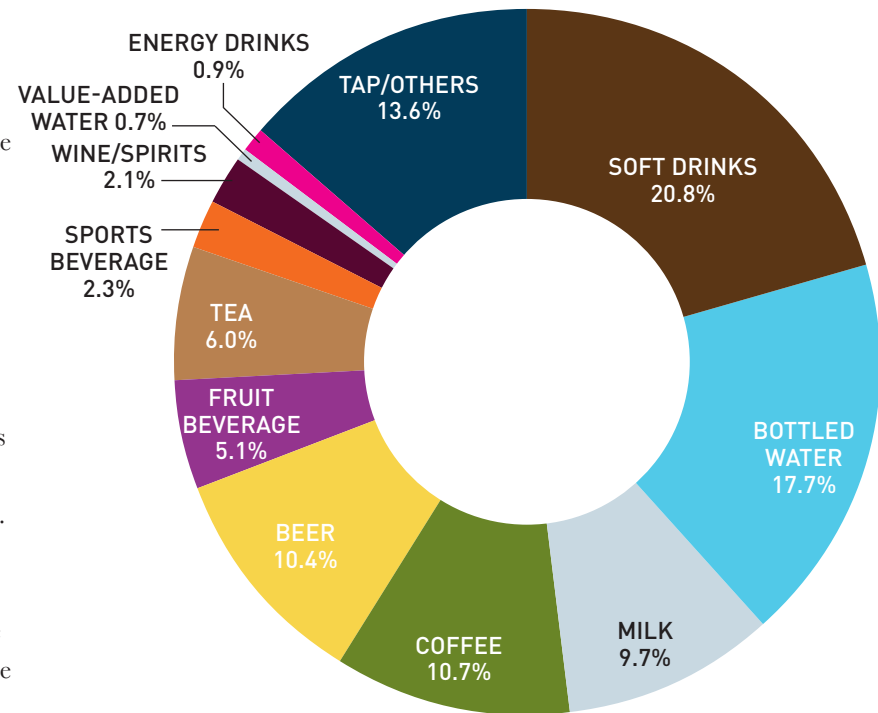
Preliminary statistics from BMC show that bottled water volume achieved an unprecedented high in 2014: growing to 10.8 billion gallons, a 7.1 percent increase over 2013 numbers. Sales of bottled water topped \$13 billion wholesale dollars (a 5.7 percent increase), and per person consumption grew by 4.0 per-

cent, with Americans upping their annual consumption to 34.2 gallons. Promising for the home and office delivery (HOD) segment of the industry, volume grew by 3.8 percent for the first half of 2014—HOD's strongest period of growth since 2002.

Those numbers present clear and positive signs that the bottled water industry is on the road to recovery from the recent recession. They also demonstrate that, despite efforts by our critics to discourage people from drinking bottled water, consumers are making their voices heard where it counts—in the marketplace.

IBWA is hard at work to ensure consumers continue to have the option to choose bottled water—whether at home or on the go. The following pages provide a summary of the many activities IBWA worked on in 2014 to help establish a political landscape and retail marketplace that understands the numerous benefits of bottled water.

VOLUME SHARE OF STOMACH BY U.S. BEVERAGE SEGMENT
2009 – 2014(P)



Source: Beverage Marketing Corporation

FOCUSING ON HEALTHY HYDRATION

As the United States battles against an obesity epidemic, and as consumers seek a more healthy lifestyle, the importance of healthy hydration cannot be overstated nor taken for granted. In 2014, IBWA actively worked to ensure that water—and specifically bottled water—was a part of any healthy hydration discussion.

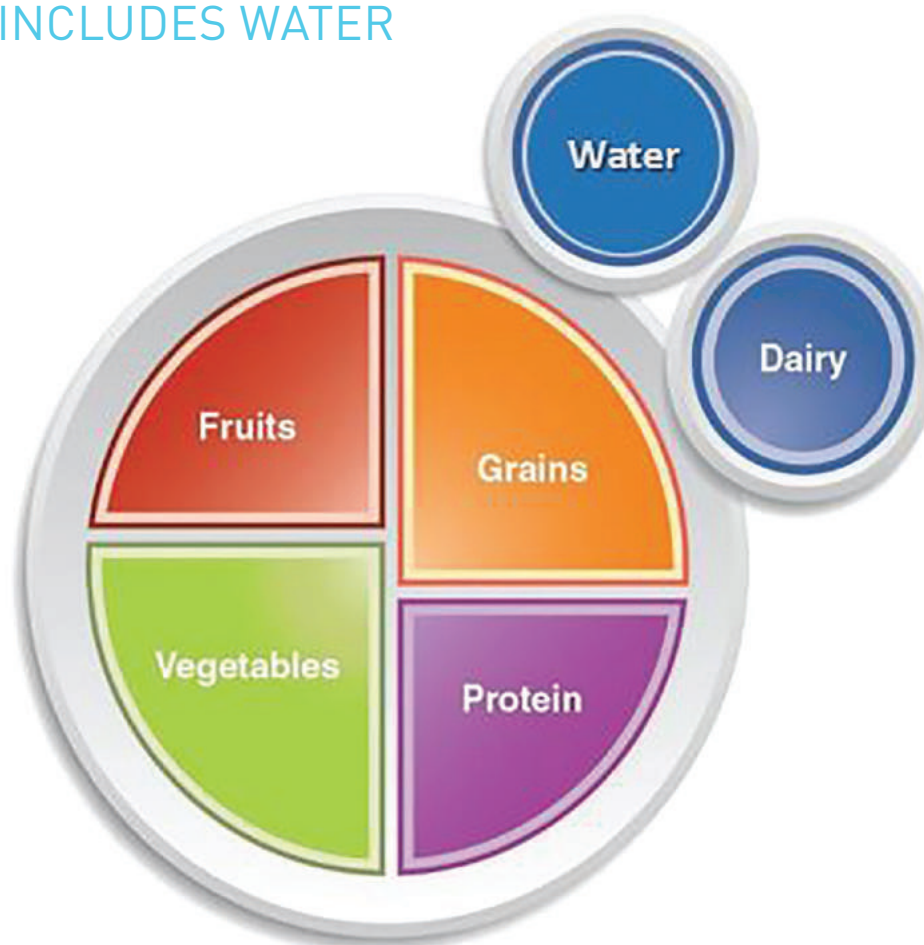
PROMOTING WATER IN THE 2015 DIETARY GUIDELINES. In 2014, IBWA strongly advocated that water (including bottled water) should receive more recognition as a healthy hydration source in the *2015 Dietary Guidelines for Americans*. The current *Dietary Guidelines*, published in 2010, do not advise Americans to drink water strongly enough given the high consumption of sugar from beverages that exists today. (In fact, 47 percent of added sugars in the American diet come from beverages.) In comments submitted to the Dietary Guideline Advisory Committee (DGAC), IBWA proposes that bottled water, as a packaged beverage choice, is the key to cutting beverage sugar consumption and directly addresses the hydration needs, accessibility, and convenience Americans require for a healthy diet. The DGAC will submit its recommendations to the U.S. Department of Agriculture (USDA) and the Department of Health and

Human Services (HHS), the regulatory bodies responsible for issuing the final *Dietary Guidelines*, with the next edition slated to be published in 2015.

Last November, IBWA members and staff met with USDA and HHS officials to discuss consumer dietary and health

trends related to water consumption. IBWA's presentation included healthy hydration messaging (e.g., the numerous scientific studies that indicate water consumption aids in weight management and assists in fighting against noncommunicable diseases) and promoted water and bottled water

IBWA'S PROPOSED MYPLATE REVISION INCLUDES WATER



Did You Know?

Around the world, many countries recognize water as an essential and core constituent of proper nutrition and have placed water in their dietary nutrition guides and in their dietary guideline documents. IBWA has suggested to HHS and USDA offices that the United States should depict water in its 2015 MyPlate Nutrition Guide and the Dietary Guidelines.





During the 2014 IBWA Annual Business Conference, IBWA used social media to promote the Drink Up initiative, using hashtags #IBWA2014 and #URH20.

consumption. We requested that HHS and USDA consider the information provided while developing the *2015 Dietary Guidelines for Americans*.

IBWA staff also gave HHS and USDA officials copies of all the comments we submitted to the 2015 DGAC, IBWA's detailed scientific reference list that includes pertinent literature that supports our healthy hydration messages, and a DGAC comment submission letter from 14 health and science experts recommending increased water consumption language in the *2015 Dietary Guidelines*. While there is no guarantee that the *2015 Dietary Guidelines* will more strongly recommend increased water consumption to Americans, IBWA's actions to educate regulators about water's role in a healthful diet is a step in the right direction.

SUPPORTING THE DRINK UP INITIATIVE. In 2014, IBWA continued to support Drink Up, the initiative

spearheaded by its honorary chair, First Lady Michelle Obama, and the Partnership for a Healthier America. Drink Up encourages Americans to drink more water—bottled, filtered, or tap—more often. IBWA has long promoted the many benefits of drinking water, and the Drink Up initiative is an important and beneficial effort that promotes those healthful messages that benefit all Americans.

Since Drink Up launched in 2013, IBWA has been a very active supporter. We've covered its progress in *Bottled Water Reporter* articles, tweets from our Twitter profiles (@BottledWaterOrg, @BottledH2OBabe), posts on our Facebook pages (Bottled Water Matters, Hydration.Health.Happiness.), pins on a dedicated Pinterest board, and images on Instagram, along with participating in Drink Up Tweetups and webcasts.

In July 2014, the First Lady announced that research from Nielsen Catalina Solutions showed that Drink Up's online ad campaign generated a 3 percent lift in sales of bottled water among those exposed to the campaign, equating to almost \$1 million in incremental retail sales of bottled water. Those findings support a larger growth trend in the bottled water market. To learn more about Drink Up or to become a supporter of the initiative, visit the Drink Up resource page on the IBWA website: www.bottledwater.org/you-are-what-you-drink.

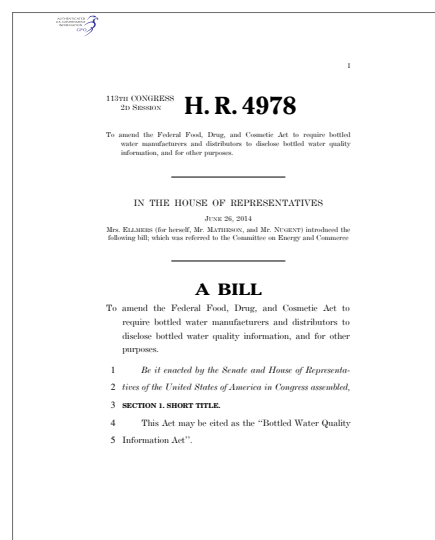
INTRODUCING FEDERAL BOTTLED WATER LABELING AND REPORTING LEGISLATION

In June 2014, IBWA supported the introduction of H.R. 4978, the Bottled Water Quality Information Act, landmark legislation that would make it easier for consumers to obtain clear, consistent, and comprehensive information about the bottled water products they buy. The bill's label requirements include the following: the name and contact information for the bottler or distributor; the type of water source (e.g., spring, artesian well, or public water system); and a statement on how consumers can get an annual bottled water quality report. The annual report required by the bill would include the same information found on labels, plus identify the bottling processes used (e.g., UV, ozone, reverse osmosis, and micron filtration) and present the laboratory test results required by the U.S. Food and Drug Administration (FDA). Those reports would be available to consumers, upon request. IBWA has always supported a consumer's right to obtain clear and consistent information about what is in their bottled water products, and H.R. 4978 moves the industry closer to codifying our hallmark transparency and commitment to high-quality standards.



An important part of H.R. 4978 is a preemption provision that would prevent states from enacting or maintaining conflicting laws. Establishing uniform standards would provide bottled water producers and distributors with a more reliable environment in which to grow their businesses and prevent the emergence of a conflicting patchwork quilt of state and local labeling requirements.

In 2014, IBWA members and staff took to Capitol Hill to educate members of Congress about H.R. 4978 and to help ensure that it is truly a bi-partisan bill; the bill currently has nine Democrat and seven Republican cosponsors. In 2015, IBWA members and staff will again need to meet with elected officials on Capitol Hill and ask for their support of this bill. Lawmakers need to hear from their constituents in order to know what is



important to voters in their districts. IBWA encourages all members to participate in our planned Capitol Hill Days for 2015.



The Bottled Water Quality Information Act (H.R. 4978), introduced on June 26, 2014, is supported by IBWA. The bill's sponsor, Rep. Renee Ellmers (R) (*second from left*), met with 2014 IBWA Chairman Breck Speed (*left*) and IBWA President Joe Doss and IBWA PAC Treasurer Shayron Barnes-Selby during the association's June 11, 2014 Capitol Hill visit.



RELEASING NEW WATER AND ENERGY USE BENCHMARKING STUDY

IBWA continues to conduct research that shows how efficient the bottled water industry is in its use of natural resources. In 2014, IBWA again worked with the Antea Group to evaluate the water and energy use performance at water bottling facilities. (The study covered the period 2009-2013.) IBWA's 2014 Water Use Ratio and Energy Use Ratio Benchmarking Study included North American bottled water facilities that manufacture small-pack bottled water (½ liter / 16.9 ounces), HOD bottled water, and those that produce both.

The study represents 21.61 million liters of bottled water production—more than half (56 percent) of the total 2013 U.S. bottled water consumption. This

is a 20 percent increase in participation from the inaugural study. The latest data show that the 2013 water use ratio for North American bottled water facilities was 1.32 L/L (including the liter of water for consumption), and the 2013 energy use ratio for North American bottled water facilities was 0.24 megajoules per liter (MJ/L). That is the lowest water and energy use among all beverages.

Such data is very helpful when we talk with legislators, regulators, and the media. We are able to show them that other beverage sectors (such as CSD bottling and beer production) have higher average water and energy use ratios that are driven by processes unique to their production, such as flavor mixing, blending, carbonation, fermentation, cooking, distilling, etc.

PROMOTING HEALTHY HYDRATION IN NATIONAL PARKS

In a decision that is at odds with successfully fighting the war against the obesity epidemic in America, 16 National Parks have banned the sale of bottled water. IBWA filed a Freedom of Information Act (FOIA) request to determine whether any parks that banned the sale of bottled water complied with a 2011 National Park Service (NPS) directive that laid out the requirements park units must meet in order to impose a bottled water ban. Because the NPS response was inadequate, IBWA appealed. The deadline for NPS to respond to our appeal was January 2014, and we still have no answer.

When IBWA members and staff visited with members of Congress and their staff during 2014, this was a topline issue. Several congressional offices weighed in with NPS on this issue,

and they, too, have received less than satisfactory responses. To encourage a more appropriate response, a letter requesting information from NPS Director Jonathan Jarvis was circulated for member signatures during the 2014 IBWA Annual Business Conference and Trade Show in Dallas, Texas, November 10-14, and in a subsequent email to all IBWA members. That letter, which was sent to NPS, is one more step IBWA is taking to help stop the NPS ban on bottled water sales and promote recycling and healthy hydration at our National Parks.

Did You Know?

From an environmental sustainability standpoint, when people choose bottled water instead of any other canned or bottled beverage, they are choosing less packaging, less energy consumption, and less use of natural resources.

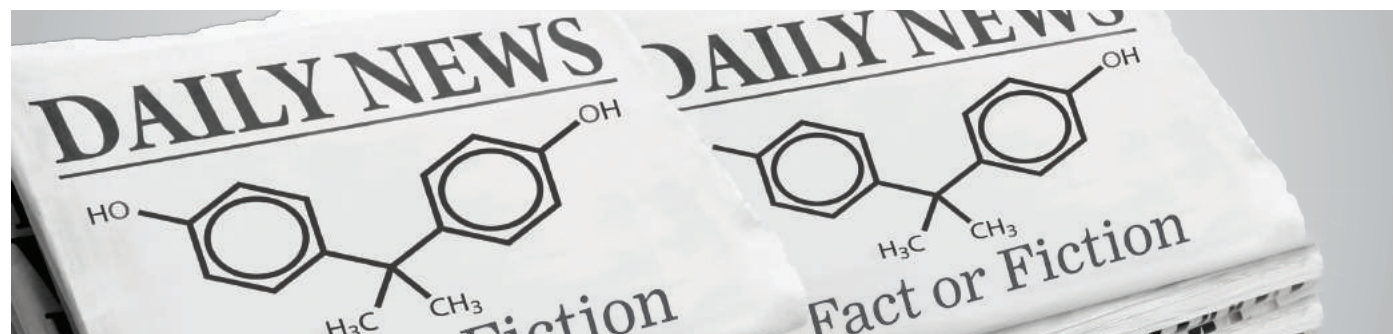


DEFENDING THE SAFETY OF BPA

One important battle IBWA continues to fight on behalf of our members is educating the U.S. Congress, state legislators, media, and consumers about the safety of bisphenol-A (BPA). In 2014, IBWA staff followed more than 80 pieces of BPA legislation in 22 states. We worked with our allies to help ensure that no bills of concern were passed. Bills to ban BPA in all food and drink containers were also introduced in the U.S. House and Senate, and another bill in the Senate, if enacted, would require warning labels for products that contain BPA. IBWA and our allies made sure those bills were not enacted by Congress in 2014, but we expect them to be reintroduced in 2015.

On almost a daily basis, IBWA staff has to correct untruthful news stories published about BPA. Thankfully, science continues to produce research proving that BPA is safe to use in consumer plastics. In fact, FDA published a decisive statement about BPA on its website in July 2014:

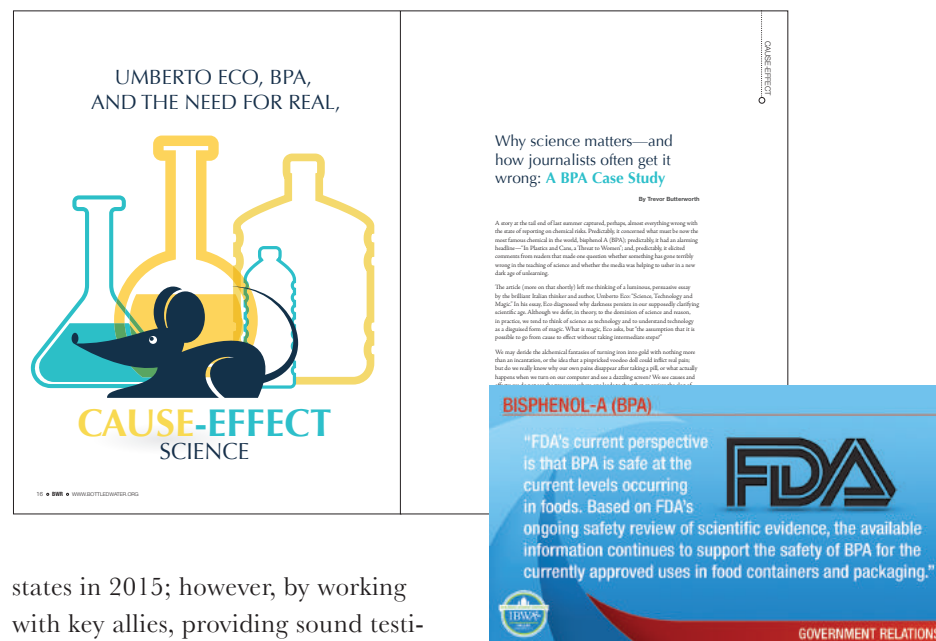
FDA's current perspective is that BPA is safe at the current levels occurring in foods. Based on FDA's ongoing safety review of scientific evidence, the available information continues to support the safety of BPA for the currently approved uses in food containers and packaging.



Such statements help IBWA as we work with other organizations—such as the Grocery Manufacturers Association (GMA) and the American Chemistry Council (ACC)—to educate legislators, regulators, media, and consumers about the safety of BPA. We are able to use those statements to bolster our defense of BPA in published talking points, position papers, News Splash e-newsletter articles, and *Bottled Water Reporter* magazine coverage.

We distribute that material not only directly to members via email but also by posting it on our website (www.bottledwater.org) and social media profiles. (In fact, we have a “Safety of BPA” Pinterest board—one of the few places on the Internet where you can get truthful BPA coverage.)

In 2014, we saw increased action on BPA in Minnesota, Connecticut, and Kentucky, and IBWA was involved in efforts to amend or kill those bills via coalition efforts and testimony. We expect to see BPA legislation introduced in several



states in 2015; however, by working with key allies, providing sound testimony based on science, and educating lawmakers and staff, IBWA has paved a clear path to victory over burdensome legislation on BPA.

Using scientific facts, IBWA continues to educate members and others about the safety of BPA through News Splash e-newsletter articles, *Bottled Water Reporter* magazine coverage, and conference educational sessions.

IBWA BY THE NUMBERS



No. 1

Beverage Marketing Corporation predicts bottled water will be the No. 1 packaged beverage by 2016.



1.32 L/L

On average, only 1.32 liters of water (including the liter for consumption) is used to produce 1 liter of bottled water.



80

In 2014, 80 BPA bills were introduced in 22 states.

20

200

IBWA members had 200 meetings with members of Congress and their staff in 2014.

7,631

IBWA currently has 7,631 friends on its Bottled Water Matters Facebook page.

333,264

IBWA's Bottled Water Matters YouTube videos have been watched more than 333,264 times.





**10.8
billion**

In 2014, U.S. bottled water consumption increased to 10.8 billion gallons.



**\$13
billion**

U.S. bottled water sales continued to grow in 2014, topping \$13 billion dollars (wholesale).



**34.2
gallons**

The annual consumption rate for Americans increased to 34.2 gallons in 2014.

14

56%

IBWA's 2014 Water and Energy Use Ratio Study represents 56% of the total 2013 U.S. bottled water consumption.



**500
state bills**

IBWA monitored more than 500 pieces of state legislation in 2014.



H.R. 4978

In 2014, IBWA supported the Bottled Water Quality Information Act (H.R. 4978), landmark legislation for the bottled water industry.





WORKING ON KEY STATE ISSUES

In 2014, IBWA addressed a wide range of important state issues of interest to the bottled water industry, monitoring more than 500 pieces of legislation and 300 regulatory proposals. Now that 2014 elections are over, we anticipate that, in addition to new BPA legislation, we'll see even more movement on topics of concern, specifically groundwater, bottle deposit bills/recycling, taxes, and attempts to ban bottled water.

GROUNDWATER. Drought conditions affected many states in 2014, and those states began to take a closer look at strategies to better manage and maintain groundwater resources. As states battle over access to, and supplies of, water, the bottled water industry often becomes a target of misguided legislation or regulation. However, the truth remains

that the amount of water used for bottling water in the United States is very small: less than 0.02 percent of the total groundwater withdrawn each year. Thus, IBWA is firm in our stance that singling out bottled water is unfair and any issues surrounding groundwater should take into account all users fairly and equitably.

BOTTLE DEPOSIT PROPOSALS/RECYCLING. IBWA continues to be part of the discussions around recycling issues, product stewardship, and extended producer responsibility (EPR). In 2014, we saw new bottle deposit bills introduced in Maryland, New Hampshire, Tennessee, Washington, and West Virginia—and Iowa, Massachusetts, Michigan, and Vermont sought to expand their existing programs. Working with our allies, IBWA was able to successfully defeat those bills. The biggest

threat to the bottled water industry continues to be in Massachusetts, where several dozen bills introduced in 2014 contained expansion language. Although none of those bills passed, expansion threats in the state persisted as proponents were successful in placing the question on the November 2014 ballot. Yet on election night, the initiative suffered a resounding defeat. This was a major victory for those supporting better comprehensive recycling in Massachusetts.

TAXES. States continue to target various products in an attempt to raise funds by implementing sales and use taxes. For bottled water, the two largest battles in 2014 involved tax proposals in Washington state and Vermont. IBWA worked with allies and counsel in those states to ensure neither proposal passed. (However, Washington Governor Jay Inslee (D) has already begun to mention the

possibility of taxing bottled water as a 2015 legislative priority.)

Municipalities are also contemplating bottled water as a source of revenue. The Washington, DC City Council approved a proposal to apply the city's sales tax to bottled water delivery services. Although IBWA sent letters of opposition to all council members and the DC mayor, and continued efforts with the Office of Taxation and Revenue (who oversees the rulemaking of such proposals)—and despite DC Mayor Vincent Gray's veto—the legislation remained in the final version of the budget approved by the council.

PROPOSALS TO BAN BOTTLED WATER.

Despite strong opposition by IBWA and others, last March the San Francisco Board of Supervisors unanimously approved a ban on the sale of single-serve plastic water bottles of 21 ounces or less on city and county property. Ultimately, denying access to bottled water on San Francisco city or county property will force people to choose less healthy drink options, which have more packaging, more additives (e.g., sugar, caffeine), and greater environmental impacts than bottled water. Tellingly, San Francisco is now having trouble implementing the ban because there aren't enough water refilling stations to meet the needs of people who attend events on city property.

In Washington, DC, a bill was introduced that would also ban the sale of single-serve plastic water bottles of 21 ounces or less on city-owned and leased property. The language in this bill was clearly taken from the San Francisco effort. Obviously, this proposal is not in the public's interest as it limits access to water for not only DC residents but also the millions of tourists that visit the nation's capital each year. IBWA has sent letters of opposition to each of the 13 DC Council members, urging them to oppose this legislation. This bill remains active at this time.

Last October, voters in Framingham, Massachusetts, voted 60-40 against a proposal to ban plastic bottled water containers of less than one liter. IBWA, along with other allied groups, were successful in convincing Framingham citizens not to enact this flawed proposal. More ban discussions are likely in another Massachusetts municipality—this time in Cambridge—as council members there are considering whether to implement an ordinance that would ban the sale of bottled water in plastic containers. While there will surely be more efforts to ban bottled water in the future, IBWA will continue to fight to defeat them.



IMPROVING ENERGY STAR STANDARD FOR WATER COOLERS

IBWA worked closely with the U.S. Environmental Protection Agency (EPA) and Congress on ENERGY STAR's new water cooler standard—0.87 kilowatt hours per day (kWh/day)—which went into effect on February 1, 2014. IBWA sent a letter signed by 593 bottled water companies and cooler manufacturers to EPA outlining our concerns with the agency's suggested regulatory changes. We also met with several members of Congress to voice our concerns with the proposed standard. As a result of our efforts, EPA provided relief from some of the most burdensome aspects of implementing the new standards. Coolers for new customers must meet the new standard, but coolers used by existing customers can still use the

ENERGY STAR logo, even if they don't meet the new standard.

IBWA is now turning our focus to the new standards EPA is looking to set for coffee brewers. IBWA is working with the National Automatic Merchandising Association (NAMA) and those bottled water providers who also supply to coffee brewers to ensure the new standards work for the bottled water industry.



On June 11, 2014, 40 individuals representing 23 IBWA member companies conducted more than 60 visits with members of Congress and their staff to educate them about bottled water industry issues.

INCREASING OUR OUTREACH EFFORTS

Maintaining industry visibility with key state and federal organizations continued to be important for IBWA in 2014. One way we continue to build relationships with elected officials is by attending the National Conference of State Legislators Legislative Summit and working with the Council of State Governments, the State Government Affairs Council, and the Council of State Retail Associations. Whether attending those state government group meetings or sponsoring the annual American Meat Institute's annual hot dog lunch on Capitol Hill (which IBWA did again last year on July 23), the benefit of getting IBWA's bottled water messaging in front of those decision makers is priceless.

CAPITOL HILL VISITS. But by far the most important meetings for IBWA are the ones that members have with

elected officials. In 2014, IBWA staff and members held nearly 200 meetings with members of Congress and their staff. On June 11, 2014, as part of the Capitol Hill Day that takes place during the June Board and Committee Meetings, 40 individuals representing 23 IBWA member companies conducted more than 60 visits with members of Congress and their staff to educate them about bottled water industry issues. In addition, last November IBWA members flew into DC to meet with the USDA and HHS on the importance of water in the *Dietary Guidelines*. The importance of these face-to-face meetings with elected officials and federal and state regulators cannot be emphasized enough. We encourage all IBWA members—big, medium, and small—to plan on joining us in 2015 as we continue vital work to ensure our messages are heard and understood by those in positions of influence.

BIPAC. IBWA continued our relationship with the Business and Industry Political Action Committee (BIPAC) in 2014. BIPAC is IBWA's advocacy partner and hosts the portal on the Bottled Water Matters website (www.bottledwatermatters.org), which allows members to write to federal, state, and local elected officials. IBWA used this tool frequently in 2014. In fact, IBWA members used the BIPAC web portal to write nearly 200 emails to members of Congress to show their support of the Bottled Water Quality Information Act.

IBWA PAC In Action



The IBWA Political Action Committee (PAC) is a vital tool to help educate members of Congress about the bottled water industry. Thanks to the generous contributions of IBWA members, the IBWA PAC was able to distribute funds to 15 congressional candidates and one state candidate during the 2013-2014 election cycle. In the 2014 elections, all 11 House members who received IBWA PAC contributions won their races. In the Senate, IBWA supported four candidates, and three won reelection. IBWA also supported one state assembly candidate in California who won his race.

The 2016 elections are fast-approaching, and they could have a major impact on the bottled water industry. IBWA members should have already received a request for Authorization to Solicit from the IBWA PAC. Under Federal Election Commission laws, companies are only allowed to authorize one trade association per year to solicit your company and its employees for PAC contributions. Allowing the IBWA PAC to be that association will help us build vital relationships and support the campaigns of qualified candidates that will represent the congressional districts where you operate.

Your written authorization is the first step in helping us achieve that goal. Please note that your authorization in no way requires you or your colleagues to make a contribution to the IBWA PAC. The authorization simply allows IBWA to provide you more information about the IBWA PAC that you would otherwise not receive. For more information, please contact IBWA Vice President of Government Relations Kristin Wilcox: kwilcox@bottledwater.org.



Companies that provide the IBWA PAC authorization to solicit are able to learn about special PAC events, such as this November 11, 2014, fundraiser held at Gilley's in Dallas, Texas.



EDUCATING MEMBERS

An important benefit of IBWA membership is access to our comprehensive educational program. In 2014, IBWA continued to assist members in their efforts to stay up-to-date on industry issues by providing many educational opportunities.

FSMA. FDA's implementation of the Food Safety Modernization Act (FSMA) continues to be an important issue for bottled water companies and IBWA. In 2013 and 2014, FDA issued seven proposed rules. The proposed FSMA requirements that are of most concern to bottled water companies include the following: requiring mandatory food safety plans (HACCP), requiring mandatory food defense plans, revisions to the current Good Manufacturing Practices (CGMPs) regulations for foods, new verification requirements concerning the suppliers

of materials that go into bottled water products, food supplier verification programs for importers, provisions for sanitary transport of food products, and new record keeping requirements for all of the proposed rules. Part of IBWA's 2014 involvement with FSMA included submitting comments on the rules that most concern bottled water companies.

IBWA continues to provide FSMA implementation and compliance guidance to IBWA members via webinars, *Splash* and *Bottled Water Reporter* articles, and special member bulletins. FSMA educational sessions were held during the 2014 IBWA Annual Business Conference in Dallas last November, and more courses will be offered throughout the United States in 2015 in conjunction with IBWA's plant tour program and state and regional bottled water association meetings.



IBWA's third environmental sustainability tour, "Follow the Bottle," was held on September 24, 2014, in Ontario, California, and showed participants the production steps involved in not only recycling a PET bottle but also transforming it into other products.



In addition, the IBWA mandatory annual audit program helps members be better prepared for FDA inspections under FSMA. In 2014, IBWA's new FSMA-based inspection checklist was used during most annual audits to help educate and assist members with implementation of the new FSMA rules.

ENVIRONMENTAL SUSTAINABILITY PLANT TOUR. On September 24, 2014, IBWA held "Follow the Bottle," our third environmental sustainability education tour. Held in Ontario, California, 17 IBWA members and staff learned about the steps involved in not only creating and recycling a PET bottle but also transforming it into other products. This multi-stop tour visited four different plants in one day: a Nestlé Waters North America bottling plant, a CarbonLITE bottle-to-bottle PET recycling facility, a Global PET facility that recycles PET bottles to form rPET

sheets, and a Republic Services plant that takes curbside solid waste and recycles it. This successful tour would not have been possible without valuable member involvement from Polycycle Solutions and Niagara Bottling.

IBWA ANNUAL BUSINESS CONFERENCE AND TRADE SHOW.

For the third year in a row, IBWA partnered with NAMA in 2014 to hold our respective conferences over the same dates in Dallas, Texas, November 10-14. IBWA's Annual Business Conference and Trade Show and NAMA's CoffeeTea&Water show were held at the Hyatt Regency Hotel, where more than 1,000 attendees gathered to learn all they could about the bottled water and coffee industries. The successful 2014 conference offered more than 30 educational sessions (with 15.5 continuing education units available) and 135 exhibitors presented their latest products and services during the combined IBWA/NAMA trade show. Because many bottled water companies, particularly those in the HOD business, also offer coffee and tea to their customers, IBWA looks forward to continuing this conference arrangement with NAMA. The co-location means more attendees, more exhibitors, and increased educational and networking opportunities.

PROMOTING THE FACTS ABOUT BOTTLED WATER

Anti-bottled water news stories are published daily—in traditional print and broadcast media and online. Thus, in 2014, IBWA continued to aggressively defend and actively promote the industry by providing the facts about bottled water through various traditional and social media outlets: newspapers, magazines, websites, blogs, Facebook, Instagram, Pinterest, Twitter, and YouTube. Because an online presence is vital for effective communication, IBWA anchors our digital messaging on two websites: bottledwater.org and bottledwatermatters.org. Those sites allow visitors to quickly access and share facts, stories, economic data, and other useful information about bottled water.

In this digital age, IBWA must actively engage in online conversations with key bloggers and influencers in targeted demographics (environmentalists, parents, college students, educators, etc.) in order to have a positive influence on bottled water discussions. By immediately posting comments to online articles critical of bottled water—especially on major influencers such as CNN, *Huffington Post*, the *New York Times*, and the *Washington Post*—IBWA is able to help shape the conversation.



During the 2014 IBWA Annual Business Conference and Trade Show, IBWA posted comments on Facebook, Instagram, Pinterest, and Twitter using the hashtag #IBWA2014.



During the General Session of the 2014 IBWA Annual Business Conference, IBWA Supplier and Convention Committee Co-Chair Dan Kelly presented IBWA's inaugural Advocacy Award to Shayron Barnes-Selby, vice president government affairs and quality services at DS Services of America, Inc.



Social Media Stats



Bottled Water Matters
Facebook Page: 7,631 likes

Hydration.Health.Happiness.
Facebook Page: 165 likes

@BottledWaterOrg Twitter
Profile: 976 followers

@BottledH2OBabe Twitter
Profile: 2,588 followers

YouTube: 31 videos with
333,264 views,
489 subscribers

Pinterest: 10 boards,
158 pins, 10 followers

Instagram: 28 posts,
34 followers

To connect with consumers in all ways possible, IBWA recently created Pinterest (www.pinterest.com/luvbottledwater) and Instagram (instagram.com/bottledwatermatters) accounts. These new efforts offer the association even more opportunities to share bottled water facts and new communications—such as the two Vine videos IBWA developed to promote the PET and HOD segments of the industry. (You can view the Vines at <https://vine.co/v/OeVwBlhudwK> and <https://vine.co/v/M25QHt7ev5Y>.)

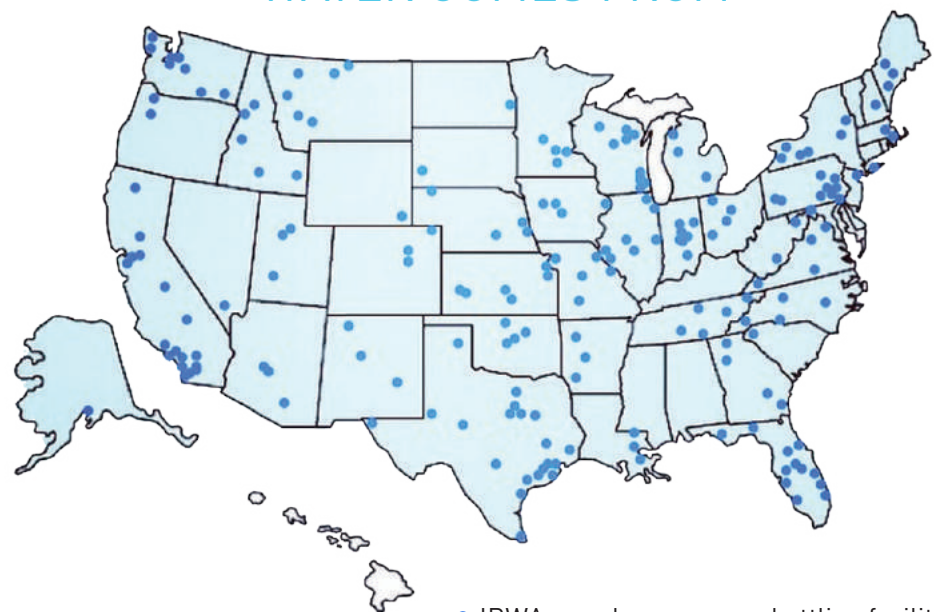
The ability to engage with supporters, critics, and consumers in real time is vital and can directly impact the perception of the bottled water industry. In 2014, IBWA successfully altered the public conversation about bottled water's alleged influence on the drought experienced by several western U.S. states. Some in the media tried to blame the drought conditions

in California on the bottled water industry. IBWA not only issued a press release that provided the facts

about bottled water's minimal use of groundwater but also created and distributed a map of the United States that identified the locations of IBWA member bottling facilities across the country. (See map below.)

IBWA's map clearly shows that the vast majority of U.S. bottled water companies use local water sources and distribute their products to nearby towns and states. Thus, IBWA was easily able to dispel the claim that all bottled water distributed in the United States came from drought-ridden California. IBWA's map, which aired on

WHERE YOUR BOTTLED WATER COMES FROM



• IBWA member company bottling facility

the Weather Channel when IBWA was interviewed about this issue, interjected facts into a misleading story. As a result of IBWA's efforts, even our harshest critics conceded that bottled water was not the cause of the drought. IBWA also promoted the map on Facebook, Twitter, Instagram, and Pinterest. Use this URL to download a copy of the map from IBWA's website: bit.ly/WhereDoesYourWaterComeFrom.

COMMITTED TO EXCELLENCE AND MEMBER SERVICE

IBWA's primary goal is to serve our members, and, in 2014, we had a very busy year doing just that. If our 99 percent retention rate among our three core membership categories—bottlers, distributors, and suppliers—is any indication, IBWA members appreciate the work we do and the value that we provide. We accomplished a great deal last year, but we couldn't have done any of it without our dedicated members.

In 2015, we will face more challenges, but we can use them as opportunities for IBWA to promote the bottled water industry's positive stories. Our members make a great tasting, safe, healthy, convenient product that consumers enjoy and depend on. And bottled water is always there whenever there is an emergency or natural disaster.

But make no mistake, activists and other bottled water critics continue their assault on the bottled water industry with the ultimate goal of putting us out of business. We must therefore be constantly vigilant and continue to take proactive and responsive actions to defend the bottled water industry.

2015 IBWA CALENDAR OF EVENTS



IBWA Winter Board of Directors and Committee Meetings

Dates: February 18-20, 2015

Location: Mayfair Hotel, Coconut Grove, Florida

IBWA June Board of Directors and Committee Meetings

Dates: June 1-4, 2015

Location: Hilton Alexandria Old Town, Alexandria, Virginia

IBWA Annual Business Conference and Trade Show* **(co-located with the NAMA CoffeeTea&Water show)**

Dates: November 2-5, 2015

Location: Gaylord National Resort and Convention Center, National Harbor, Maryland

*Board of Directors and Committee Meetings are also held during this week.

IBWA MISSION STATEMENT

“To serve the members and the public,
by championing bottled water as an important
choice for healthy hydration and lifestyle, and
promoting an environmentally responsible
and sustainable industry.”

The International Bottled Water Association (IBWA) is the authoritative source of information about all types of bottled waters. Founded in 1958, IBWA's membership includes U.S. and international bottlers, distributors, and suppliers. IBWA is committed to working with the U.S. Food and Drug Administration (FDA), which regulates bottled water products. To achieve its goals and best represent its members and the bottled water industry, IBWA utilizes a system of committees to establish objectives and execute successful programs. IBWA committees include Communications, Education, Environmental Sustainability, Government Relations, Membership, State and Regional Associations, Supplier and Convention, and Technical.

