



IBWA

2015

PROGRESS REPORT



INTERNATIONAL BOTTLED WATER ASSOCIATION

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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 2015. Once again, our work focused on highlighting 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 water, including bottled water, in a healthy diet.

Bottled water sales and consumption continued to grow, and we expect that trend to continue. The most recent data from Beverage Marketing Corporation (BMC) shows that total U.S. bottled water consumption increased to 11.6 billion gallons in 2015, up 6.6 percent from 2014. Bottled water sales increased by 7.8 percent, now totaling \$14.1 billion (wholesale dollars). Per-capita consumption is up 5.8 percent in 2015, with every person in America drinking an average of 36 gallons of bottled water.

Those figures are a clear and positive sign that the bottled water industry is continuing to benefit from consumers' increased focus on healthy hydration and lifestyle choices. They also demonstrate that despite the efforts by our critics to discourage people from drinking bottled water, sales and consumption continue to grow. Consumers are making their voices heard in the marketplace, which is what counts.

While consumption and sales of bottled water continue to increase, the fact remains that the amount of water used for bottling water is actually very small. Anti-bottled water activists have used California's ongoing drought to

attack bottled water and attempt to connect it to water scarcity issues. In response, IBWA launched our Hydrate California campaign to educate consumers about the facts of water scarcity and bottled water. The campaign helped to change the tone of the bottled water conversation in California. Targeted social media advertising generated nearly 350,000 visits to the campaign website (hydratecalifornia.net) and resulted in an overall reach of 7.3 million Facebook users, primarily in California.

Implementation of the Food Safety Modernization Act (FSMA) continues to be a very important issue for all IBWA members. We remain heavily involved in the process to educate and enable members to implement FSMA in their operations. The final Preventive Controls Rule has now been issued, and IBWA will continue to provide members several ways to receive FSMA updates and prepare for compliance with the new requirements. That will include online on-demand webinar sessions and up to four FSMA workshops around the nation in 2016. IBWA also continues to disseminate information to members through our publications (e.g., the News Splash e-newsletter and *Bottled Water Reporter* magazine) and special bulletins. IBWA also released the first FSMA guidance document in December 2015.

IBWA continues to actively oppose the National Park Service (NPS) policy that allows bottled water sales to be banned in America's national parks. In 2015, IBWA continued to seek information about the sales ban policy from the NPS, and we sent a letter to NPS

leadership signed by more than 360 bottled water industry representatives requesting a meeting to discuss this issue. With the support of Representative Keith Rothfus (R-PA), we achieved a major victory when the House of Representatives passed an amendment that would prohibit NPS funds to be used to implement or continue a ban on the sale of bottled water in any National Park.

New Dietary Guidelines for Americans (DGAs) were issued in 2015, and IBWA actively encouraged key decision makers to continue to recognize the importance of water, including bottled water, in a healthy diet. We submitted several comment letters to the Dietary Guidelines Advisory Committee and the U.S. Departments of Health and Human Services (HHS) and Agriculture (USDA), which are the agencies responsible for issuing the DGAs. IBWA members and staff also met with White House, HHS, and USDA staff and submitted Congressional testimony.

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 150 meetings on Capitol Hill, with both members of Congress and their staff.

In the states, IBWA monitored more than 600 bills and 400 regulatory proposals concerning bottled water in 2015. Groundwater resource management legislation was introduced in several states, which reflects the growing interest in the water scarcity issue. We also worked on



bottle deposit legislation, taxation proposals, and attempts to ban the sale of bottled water.

IBWA continues to defend the safety of bisphenol A (BPA) at the state and federal level. Working with our allies, IBWA ensured that no BPA legislation was adopted during the past year that would negatively impact the bottled water industry.

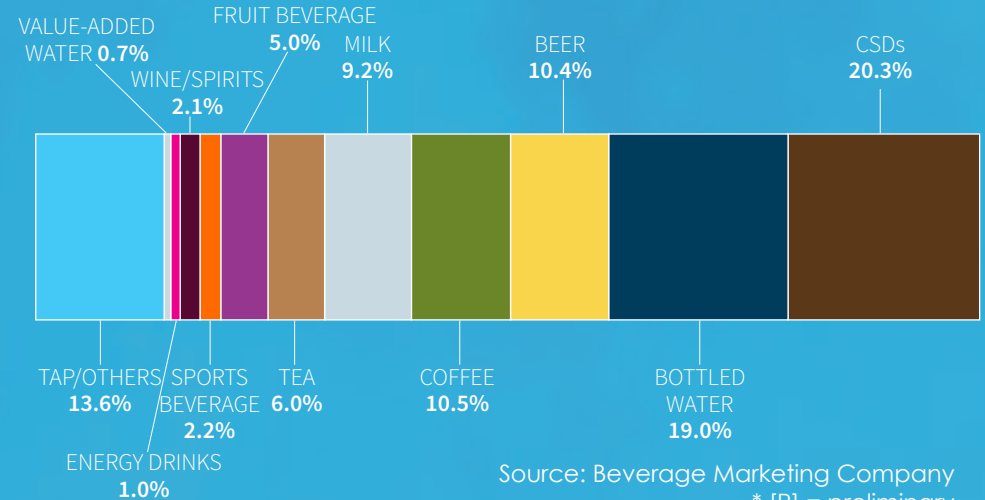
The 2015 IBWA Progress Report summarizes IBWA's accomplishments in maintaining a favorable business, regulatory, and public affairs climate for the bottled water industry, and in protecting and advancing the interests of all IBWA members. Our success is the result of a true team effort. IBWA has made 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 letters of the first and last names being capitalized and prominent.

Joe Doss
IBWA President and CEO

In the past decade, Americans have **increased their annual consumption of bottled water** by 10 gallons: from 26 gallons per person in 2005 to 36 gallons in 2015.

2015 [P]* VOLUME SHARE OF STOMACH BY U.S. BEVERAGE SEGMENT



FOR THE LOVE OF BOTTLED WATER

Consumers love bottled water. They love it so much, in fact, that they are drinking more and more of it each year. Preliminary figures from Beverage Marketing Corporation (BMC) show that in 2015 Americans increased their annual consumption by 10 gallons during the past decade: from 26 gallons per person to 36 gallons. From 2014 to 2015, per person consumption of bottled water grew by 5.8 percent. In 2015, total U.S. bottled water consumption increased to 11.6 billion gallons, up 6.6 percent from 2014. Bottled water sales increased by 7.8 percent, now totaling \$14.1 billion (wholesale dollars). The popularity of bottled water, and its growing reputation as the healthiest packaged beverage, helped to reinforce an increasingly strong market position. BMC expects consumer demand will only increase in the following years, predicting bottled water will overtake carbonated soft drinks as

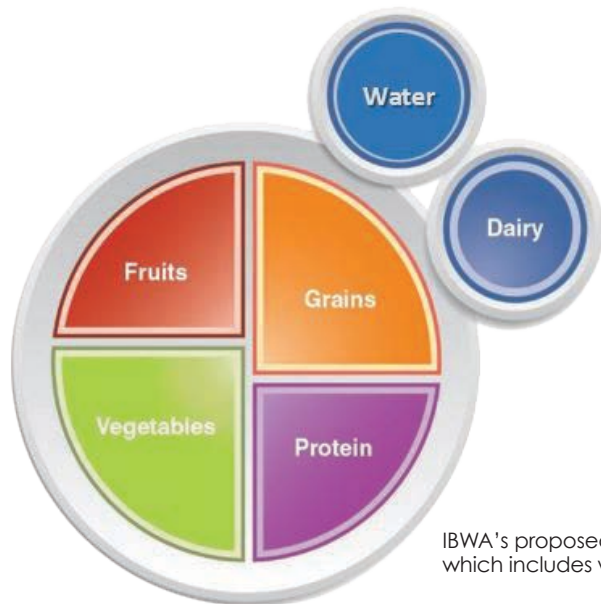
the No. 1 packaged beverage by volume by the end of this decade.

Bottled water's status as a beloved and trusted packaged beverage is a testament to the dedication of the bottlers and suppliers who are committed to ensuring product safety and quality. At the International Bottled Water Association (IBWA), member bottlers, suppliers, and distributors, along with staff, work hard to promote a favorable business, media, government relations, technical, and public relations climate for the bottled water industry. That includes proactively communicating our healthy hydration messaging and fighting back against any disparaging reports about bottled water. In 2015, IBWA made great strides in advancing the good story of bottled water—and wasn't afraid to take on any industry critics who tried to discourage consumers from drinking this safe, healthy, convenient product. The following provides a summary of the many activities that IBWA members,

staff, and consultants worked on in 2015 to promote the benefits of bottled water.

PROMOTING WATER CONSUMPTION IN THE DIETARY GUIDELINES

As this progress report goes to press, the *2015 Dietary Guidelines for Americans* have not yet been published by the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Agriculture (USDA). IBWA, however, is optimistic that, due to its focused work on this issue, HHS and USDA will include more references about the benefits of water consumption in the 2015 edition than were in past issues of the guidelines. Public health agencies, health-care providers, nutritionists, and educators promote the healthy recommendations and strategies presented in the *Dietary Guidelines for Americans*, so this is a very important and influential document.



The positive relationships IBWA has built with **key nutrition and consumer groups** while working on the *Dietary Guidelines* have been rewarding and educational.

IBWA's efforts this year have included submitting comments to the Dietary Guidelines Advisory Committee (DGAC), which makes recommendations to HHS and USDA; sending a letter to a congressional committee focused on this issue; testifying at a public hearing of the DGAC; meeting with HHS and USDA officials and White House staff to educate them about the benefits of water consumption; and working with highly respected academics and nutritionists to promote pro-water consumption recommendations. In all of those activities, IBWA promoted three specific requests: increased recognition of water as an important part of a healthy diet, inclusion of specific references to bottled water's role in healthy hydration (given that so many Americans get their hydration on-the-go); and adding water to the MyPlate nutrition guide.

The positive relationships IBWA has built with key nutrition and consumer groups while working on this

issue have been rewarding and educational. IBWA hopes to continue working with those groups in the future on other issues important to the bottled water industry.

DEFENDING CONSUMER CHOICE, THE ENVIRONMENT, AND HEALTHY HYDRATION OPTIONS AT NATIONAL PARKS

In 2015, IBWA continued to oppose a National Park Service (NPS) policy that allows individual park units to ban the sale of bottled water. NPS has stated that it implemented the ban to reduce the amount of plastic being discarded in its parks. However, this policy ironically still permits other beverages packaged in plastic—e.g., soft drinks, sports drinks, and fruit juices—to be sold. This sales ban also runs counter to the NPS's "Healthy Parks Healthy People" program, an initiative launched to encourage park-goers to make smart, healthy dining choices.

While only 19 of the more than 400 parks have banned bottled water sales, IBWA continues to oppose this highly visible policy because it adds to the negative narrative being told by bottled water critics.

IBWA has actively opposed the NPS bottled water sales ban policy since it was adopted in 2011. In November 2013, a Freedom of Information Act (FOIA) request was filed on behalf of IBWA, requesting that NPS provide records related to the bottled water sales ban efforts. IBWA was particularly interested in obtaining data collected for the NPS sustainable practices database, which should have shown the environmental impact of the ban. But IBWA learned that no such data existed because NPS was not tracking the impact of the ban. That was a concerning admission because such record-keeping was mandated as part of the NPS policy directive. NPS did not fully respond to the FOIA request until more than a year later; in April 2015, NPS provided its final response.

RESEARCH SHOWS CONSUMPTION OF SUGARY DRINKS INCREASES IF BOTTLED WATER IS NOT AVAILABLE

IBWA's efforts to oppose bottled water sales bans are supported by research published on May 14, 2015, in the *American Journal of Public Health* (AJPH). The study, "The Unintended Consequences of Changes in Beverage Options and the Removal of Bottled Water on a University Campus," concluded that a bottled water sales ban at the University of Vermont (UVM) increased consumption of less-healthy beverages and was an ineffective means of reducing plastic waste. The UVM ban resulted not only in a significant increase in the consumption of sugary drinks but also an increase, rather than a reduction, in the amount of plastic bottles entering the waste stream.

Rachel Johnson, PhD, MPH, RD, co-author of the UVM bottled water sales ban study, penned an op-ed article that points out the similarities between the National Park Service (NPS) and UVM bottled water sales bans, and she noted that the NPS ban appears to be equally misguided. IBWA worked to promote Dr. Johnson's article and used its social media assets to spread the word about her support for keeping bottled water available as a healthy beverage choice. Dr. Johnson's op-ed was published in *Roll Call* and the *Santa Fe New Mexican*.



(From left): IBWA President and CEO Joe Doss, IBWA Immediate Past Chairman Bryan Shinn, IBWA member Phyllis Rokus, Rep. Keith Rothfus (R-PA), IBWA Chairman Joe Bell, IBWA Vice Chair Shayron Barnes-Selby, and IBWA Treasurer Lynn Wachtmann.

IBWA learned from that response that the NPS has no idea whether its bottled water sales ban has reduced the amount of plastic being discarded in the national parks. IBWA reached out to NPS leadership, sending them a letter requesting to meet and discuss the sales ban issue and recycling efforts, which was signed by more than 360 bottled water industry representatives. However, NPS has still not responded to that request.

In July 2015, IBWA supported an amendment introduced by U.S. Representative Keith Rothfus (R-PA) to prevent the NPS from spending any funds to implement the bottled water sales ban policy. Rep. Rothfus championed that amendment because he recognizes that access to bottled water is a key component of healthy hydration. IBWA also worked with Appropriations Subcommittee Chairman Ken Calvert (R-CA) and Representative Renee Ellmers (R-NC), who supported this effort, and engaged with key nutrition groups to dampen opposition to the amendment.

The U.S. House of Representatives passed the Rothfus amendment, and IBWA is continuing its efforts to educate members of the U.S. Senate about bottled water's role in healthy hydration. IBWA's goal is to ensure that this provision is included in any government funding legislation that is ultimately enacted. Key to IBWA's success on this matter was the fact that IBWA members had established relationships with their elected officials prior to needing their support.

PROVIDING THE FACTS ABOUT WATER SCARCITY

State officials worried about water scarcity issues in 2015, particularly in California, and bottled water often became a target of misguided legislation or regulation. However, the amount of water used for bottling water in the United States is very small: less than 0.011 percent of the total groundwater withdrawn each year.

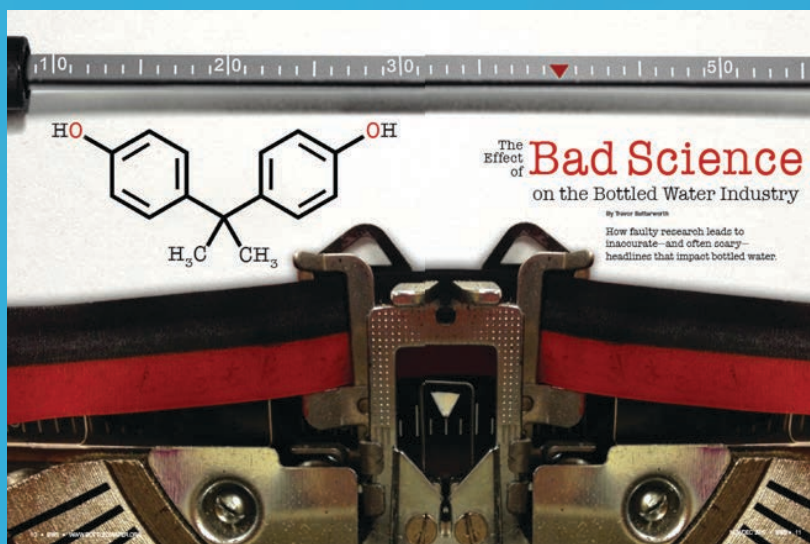


Statewide shortage Regional shortages Local shortages

None No response or uncertain

Source: Government Accountability Office

As part of the Hydrate California campaign, IBWA organized a bottled water donation for East Porterville, a town that has been without running water since 2014. IBWA members Absopure, CG Roxanne, DS Services, and Nestlé Waters North America donated the equivalent of 100,000 single-serve bottles. IBWA learned of the water need from East Porterville town leaders and California Assembly Member Devon Mathis, who reached



Bottled Water Reporter, Nov/Dec 2015



IBWA invited Trevor Butterworth, director of Sense About Science USA, to discuss how the media misrepresents BPA research during the General Session of the 2015 IBWA Annual Business Conference.



Bottled Water Reporter, Mar/Apr 2015

EDUCATING ABOUT BPA

Bisphenol A (BPA) continues to be an important issue for IBWA and the bottled water industry. In March 2015, a bill was introduced in the U.S. Senate that would require warning labels for products containing BPA (S.821). While that federal legislation has not seen any further activity (to date), IBWA monitored more than 80 pieces of BPA legislation in 22 states last year. No bills that would have impacted the bottled water industry were passed in 2015.

On June 25, 2015, IBWA and Covestro, a global polycarbonate supplier (formerly known as Bayer MaterialScience), issued a joint press release to encourage a fact-focused conversation about polycarbonate plastic. In the release, the organizations provide consumers with important facts about polycarbonate plastic, its many uses, and the facts about BPA. This widely picked up news release highlighted the important role

polycarbonate plastic plays in the bottled water industry, its sustainable environmental footprint, and educational efforts being made by the American Chemistry Council (factsaboutbpa.org) to provide consumers with more fact-based information about BPA. The release also referenced recent statements made by the U.S. Food and Drug Administration (FDA) and the European Food Safety Agency (EFSA) about the safety of BPA in food and beverage containers. (Visit bit.ly/IBWA_Bayer1 to read the press release.)

Nevertheless, news outlets continue to promote misinformation about BPA. They report on misleading research studies that provide scary headlines and continuously publish images of popular food containers that are not made with BPA with those stories. IBWA continues to strongly defend the safety of BPA and works with allied organizations (e.g., the Grocery Manufacturers Association and American Chemistry Council) to

educate legislators, regulators, and the media about the safety of BPA. Members looking for materials they can use to educate their consumers, local media, and legislators about BPA can turn to IBWA for talking points, position papers, online educational tools (e.g., a “Safety of BPA” Pinterest board), and News Splash e-newsletter and *Bottled Water Reporter* magazine articles.

ADVOCATING IN THE STATES

In 2015, IBWA addressed a wide range of state issues of importance to the bottled water industry, monitoring more than 600 pieces of legislation and nearly 400 regulatory proposals.

Groundwater. Of the 600 bills monitored, nearly 250 of them addressed groundwater issues, including proposed legislation in California, Texas, Florida, Pennsylvania, and Colorado. More than half of the nearly 400 regulations dealt with groundwater or water use. Although none

IBWA continues to strongly defend the safety of BPA. Educational materials on BPA are available to members to help them educate their consumers, media, and legislators.

of those bills or regulatory proposals directly impacted bottled water, they stand as a testament to the increased attention water scarcity issues are expected to receive in the future. In addition, because U.S. states continue to struggle with tight budgets, legislators are looking for new sources of revenue, and legislation that seeks to tax groundwater withdrawals is an attractive option for them.

State sales bans. Legislative action at the local level continues to focus on proposals to ban the sale of bottled water. The small town of Ketchum, Idaho, with a population of 2,700, is the latest to institute a ban on the sale of bottled water on town property. Several Massachusetts communities continued to debate this issue, including Cambridge, Greenfield, and Brookline. On November 3, 2015, Greenfield voters rejected a proposal to ban the sale of bottled water on city property. IBWA continues to fight any

proposal that would ban or restrict sales of bottled water products. IBWA members are encouraged to inform staff about any communities in their sales districts that may consider such action against bottled water.

EDUCATING THROUGH OUTREACH

Maintaining industry visibility with key state and federal organizations continued to be important for IBWA in 2015. IBWA attended meetings of the following organizations as a way to establish and maintain relationships with elected officials: the National Conference of State Legislators, Council of State Governments, Western Governors Association, and National Lieutenant Governors Association. IBWA also worked with groups like the State Government Affairs Council and Council of State Retail Associations to promote industry interests

and learn best practices for promoting bottled water issues at the state level.

Whether participating at a state government group meeting or sponsoring the American Meat Institute's annual hot dog lunch on Capitol Hill (held on July 22, 2015, with IBWA providing Bottled Water Matters private label bottled water for attendees), the benefit of getting IBWA's bottled water messaging in front of legislative decision makers is priceless. State government events offer a great opportunity to communicate the facts about bottled water with the regulators and legislators who may consider anti-bottled water proposals. In 2016, IBWA will continue to look for new opportunities to work with state governments and other industry groups to communicate bottled water facts.

INDUSTRY GROWTH

A QUICK REVIEW OF A FEW IBWA ACTIVITIES IN 2015

JANUARY 28

IBWA kicks off 2015 by meeting with several members of Congress on Capitol Hill to discuss important federal issues. IBWA members will continue to go to Washington, DC, throughout the year to educate elected officials about bottled water issues.



FEBRUARY 23

IBWA sends a letter to FDA urging the agency to use its enforcement discretion when applying certain provisions of the vending machine labeling rule to bottled water products. This labeling issue is important to all bottlers because FDA has stated that it will apply whatever action it takes to products sold in vending machines and at retail markets. IBWA is suggesting that FDA allow bottlers to use zero calorie declarations on labels without requiring a Nutrition Facts Panel.

MARCH

In March 2015, a bill is introduced in the U.S. Senate that would require warning labels for products containing BPA (S.821). Although that federal legislation sees no further activity, IBWA goes on to monitor more than 80 pieces of BPA legislation in 22 states in 2015. No bills pass that would impact the bottled water industry.

MARCH 24

IBWA testifies before the U.S. Department of Health and Human Services (HHS) and U.S. Department of Agriculture (USDA) on the importance of including more pro-water consumption references in the *2015 Dietary Guidelines for Americans* and adding water to the MyPlate nutrition guide.



APRIL 23

IBWA sends NPS leadership a letter (signed by 360 bottled water representatives) requesting to meet and discuss the sales ban issue and recycling efforts. However, NPS still has not responded to that request.

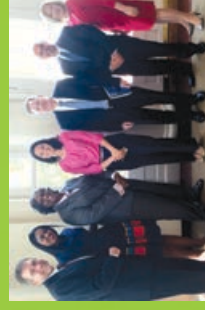


MAY 14



IBWA learns of a study by Rachel Johnson, PhD, "The Unintended Consequences of Changes in Beverage Options and the Removal of Bottled Water on a University Campus." That research concludes that a bottled water sales ban at the University of Vermont (UVM) confirms that bans or restrictions on the sale of bottled water only increase consumption of less-healthy beverages and are an ineffective means of reducing plastic waste. The UVM ban—which is very similar to the NPS ban—results not only in a significant increase in the consumption of sugary drinks but also an increase, rather than a reduction, in the amount of plastic bottles entering the waste stream.

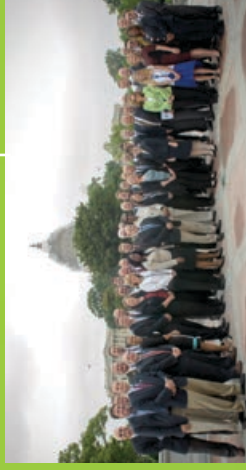
MAY 20



IBWA attends meeting with White House staff to discuss promoting water consumption in the *2015 Dietary Guidelines for Americans*.

JUNE 25

IBWA and Covestro (formerly known as Bayer MaterialScience) issue a joint press release to encourage a fact-focused conversation about polycarbonate plastic.



JUNE 3

IBWA members visit with more than 70 members of Congress and their staff to educate them about bottled water issues.



JULY

U.S. House of Representatives passes an amendment introduced by Rep. Keith Rothfus (R-PA), and supported by IBWA, to end the ban on the sale of bottled water at national parks, which some NPS parks have implemented.

JULY 22



IBWA meets with several Congressional offices to discuss bottled water issues during and after the American Meat Institute's annual hot dog lunch on Capitol Hill, donating Bottled Water Matters private label bottled water.



SEPTEMBER 21

IBWA's Hydrate California campaign coordinates the delivery of more than 15,000 gallons of bottled water to the residents of East Porterville, a town that has had no running water since 2014.

SEPTEMBER 17

FDA publishes the final rule for Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food (i.e., the "Preventive Controls Rule"). IBWA continues to educate members about the implementation of the Food Safety Modernization Act (FSMA).



OCTOBER 19

IBWA updates its PET container lightweighting study. The average weight of a half-liter PET water bottle in 2014 was 9.25 grams, a 51 percent decline from the 2000 average weight of 18.9 grams. IBWA also completes an analysis of the industry's use of recycled PET (rPET). The percentage of bottled water packages that use rPET increased from just 3.3 percent in 2008 to 20.8 percent in 2014—a 17.5 percent increase.

OCTOBER 9

IBWA and Hogan Lovells (IBWA's counsel) host a webinar for members to review FSMA's final Preventive Controls Rule and its impact on the bottled water industry.

Avg. Weight: 9.25 grams



OCTOBER 19-20

IBWA holds a one-and-a-half day tour of recycling facilities in the New York City metro area, with an emphasis on how PET is separated from other materials and eventually reused for other products, including rPET bottles.

NOVEMBER 3

Greenfield, MA voters reject a proposal to ban the sale of bottled water on city property. IBWA continues to fight any proposal that would introduce a sales ban on bottled water products.



DECEMBER 3

IBWA meets the Center for Food Safety and Applied Nutrition's (CFSAN) Beverages Branch to discuss possible updates to FDA's sanitization requirements for bottled water facilities and other industry issues.

NOVEMBER 2-5

IBWA co-locates its Annual Business Conference at the Gaylord National Resort and Convention Center near Washington, DC, with NAMA's CoffeeTea&Water show. More than 1,100 attendees congregate to learn all they can about the bottled water and coffee industries. IBWA offers 38 educational sessions, and 142 exhibitors participate in the trade show.

END OF YEAR

BMC preliminary numbers show bottled water sales increased by 7.8 percent in 2015, now totaling \$14.1 billion (wholesale dollars). Total U.S. bottled water consumption increased to 11.6 billion gallons, a 6.6 percent increase from 2014.

YOUR VOICE ON CAPITOL HILL



In 2015, IBWA members and staff held more than 150 meetings with members of Congress and their staff. During IBWA's 2015 Capitol Hill Day, held on June 3, participating members attended a luncheon to be briefed on the issues, where they heard from former small business owner, and rising star in the Republican party, Senator Pat Toomey from Pennsylvania. On that day, IBWA members educated more than 70 members of Congress and their staff about bottled water industry issues. These meetings offer a great opportunity to educate federal legislators not only on industry issues but also on how bottled water contributes to the U.S. economy, how the industry continues to implement beneficial environmental sustainability policies, and how bottled water plays an important role in healthy hydration. IBWA organizes member meetings on Capitol Hill almost monthly. So, whether you are a small, medium, or large member of the association, IBWA encourages you to come to Washington, DC, as often as possible to meet with legislators to ensure they are correctly informed about bottled water industry issues.



The IBWA PAC goal in 2016 is to **raise \$25,000**. Member support is needed if IBWA is to meet that goal.

MEETING IBWA PAC GOALS

Through its Political Action Committee (PAC), IBWA is able to educate members of Congress about bottled water and build strong champions for the industry. Thanks to the generous contributions of IBWA members, the IBWA PAC met its 2015 fundraising goals and was able to distribute funds to nine congressional candidates. As the November 2016 elections are just around the corner, and because they could have a major impact on the bottled water industry, it is more important than ever for all IBWA members to fill out an Authorization to Solicit form and return it to IBWA. The IBWA PAC goal in 2016 is to raise \$25,000, and member support is needed if IBWA is to meet that goal.

Filling out an authorization form is the first step in helping the IBWA PAC achieve its goals. However, members should understand that returning an authorization form to IBWA in no way obliges them or their colleagues to make a PAC contribution. The authorization form simply



IBWA's Web posters can be found at www.bottledwater.org/bottled-water-visuals.

allows IBWA to provide members with information about the PAC that they otherwise would not receive due to Federal Election Committee regulations. For more information about the IBWA PAC, contact IBWA Vice President of Government Relations Kristin Pearson Wilcox: kwilcox@bottledwater.org.

SHARING BOTTLED WATER'S GOOD STORY

When communicating the facts about bottled water, IBWA has to take into account numerous audiences: members, the media, legislators, regulators, consumers, and other opinion leaders. Thus, IBWA continued in 2015 to develop its diverse toolkit—including websites, the News Splash e-newsletter, *Bottled Water Reporter* magazine, Facebook, Instagram, Pinterest, Twitter, and YouTube—to effectively educate those audiences. IBWA's two websites anchor its online presence: www.bottledwater.org and www.bottledwatermatters.com.

Those sites provide visitors with easy access to up-to-date facts, economic data, and other useful information about the bottled water industry.

When engaging in online conversations with key bloggers and influencers in targeted demographics (environmentalists, parents, college students, educators, etc.), IBWA is able to link to those toolkit materials to provide industry supporting facts and research studies. IBWA also actively monitors websites, online news outlets, blogs, magazines, and social media for any anti-bottled water stories in order to interject bottled water facts and science-based information. By immediately posting comments to online articles critical of bottled water—especially on such influential websites as CNN, Huffington Post, *New York Times*, and the *Washington Post*—IBWA can directly impact the perception of the industry.

IBWA ACTIVE ON SOCIAL MEDIA

IBWA has a strong and growing presence on multiple social media platforms.



LIKES

7,077 Bottled Water Matters

170 Hydration. Health. Happiness.



FOLLOWERS

1,207 @bottledwaterorg

2,885 @BottledH2OBabe

442 @BWMatters



38 YOUTUBE VIDEOS
WITH MORE THAN
400,000 VIEWS
AND 614 SUBSCRIBERS



87 POSTS

110 FOLLOWERS



266 PINS

13 BOARDS

IBWA represented the bottled water industry at more than **20 technical meetings** with key international, federal, and state regulatory agencies and other technical organizations in 2015.

SUPPORTING DRINK UP'S PRO-WATER CONSUMPTION MESSAGING

Since 2013, IBWA has been a supporter of Drink Up, the pro-water consumption initiative launched by the Partnership for a Healthier America and First Lady Michelle Obama. This campaign encourages Americans to drink more water—bottled, filtered, or tap—more often, which perfectly complements IBWA's healthy hydration and consumer choice messaging. To help promote Drink Up in 2015, IBWA published "Drink Up: The Unsung Hero of Water Consumption" in *Bottled Water Reporter* magazine, written by the initiative's director; added pins to its dedicated Pinterest board; posted photos on Instagram; and participated in Drink Up Tweetups and webcasts.

During the initial phase of the initiative, Nielson Catalina Solutions found that the Drink Up campaign drove a 3 percent lift in incremental sales of bottled water among people who had seen the campaign's online ads compared

with those who didn't see them. That equated to almost \$1 million in incremental retail sales of bottled water. At the end of the second phase, a May 2015 report stated those metrics had risen to 4 percent.

IBWA encourages all members to get involved with and help promote the Drink Up effort. To learn more about Drink Up or to become a supporter of the initiative, visit the Drink Up resource page on IBWA's website: www.bottledwater.org/you-are-what-you-drink.

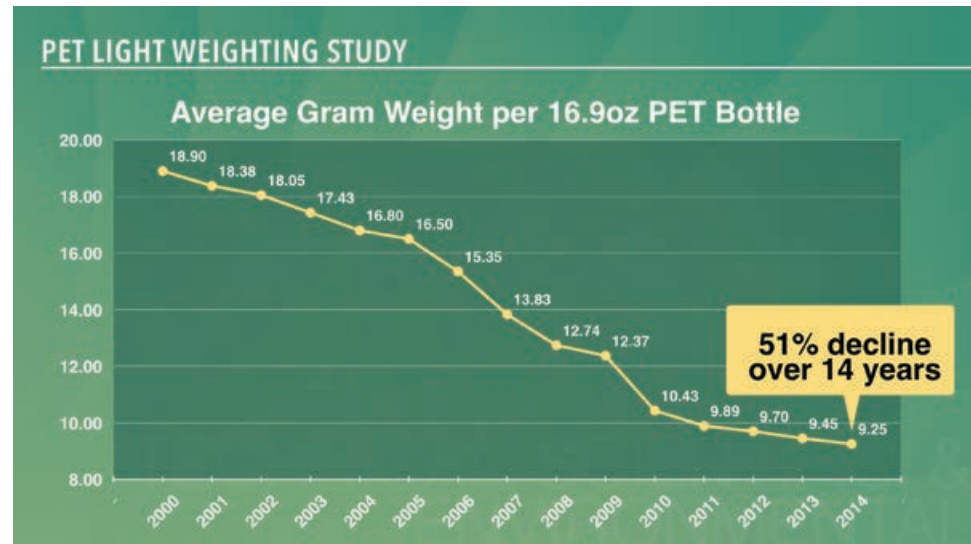
PREPARING MEMBERS FOR FSMA

IBWA represented the bottled water industry at more than 20 technical meetings with key international, federal, and state regulatory agencies and other technical organizations in 2015. That included several FDA public and stakeholder meetings dealing with the Food Safety and Modernization Act (FSMA). Implementation of FSMA continues to be a very important issue for bottled

water companies. In 2013 and 2014, FDA issued seven proposed FSMA rules, and IBWA submitted comments on the five rules that impact bottled water production. The FSMA requirements of most concern to bottled water companies are the following: revisions to the current Good Manufacturing Practices (cGMPs) regulations for foods, requiring mandatory hazard analyses and food safety plans with preventive controls, new verification requirements concerning the suppliers of materials that go into bottled water products, mandatory food defense plans, and food supplier verification programs for imported foods. All of the proposed rules include new record-keeping requirements.

On September 17, 2015, FDA published the final rule for Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food (i.e., the "Preventive Controls Rule"). The long-awaited rule, which was first published as a proposed rule on

The average weight of a half-liter PET water bottle in 2014 was 9.25 grams, a **51 percent decline** from the 2000 average weight of 18.9 grams.



Safety and Applied Nutrition (CFSAN) to discuss possible updates to FDA's sanitization requirements for bottled water facilities. During that meeting, IBWA staff discussed making improvements to the 2009 Ground Water Rule to harmonize treatment options with some state regulations. IBWA continues to meet with state regulatory officials to review the possible conflicts between state and federal regulations and to stress the importance of harmonizing state bottled water regulations with FDA's rules.

IBWA continues to monitor the U.S. Environmental Protection Agency (EPA) for new tap water contaminant regulations that could be applied to bottled water. Once EPA issues a tap water regulation, FDA must determine if that regulation should apply to bottled water. According to federal law, if FDA takes no action, the EPA regulation automatically applies to bottled water.

In 2015, California added ethylene glycol, a component of PET plastic, to its Proposition 65 list as a reproductive toxicant, effective June 19, 2015. That means that companies who use PET plastic containers may have to include a warning on their label about this substance. IBWA is part of a coalition seeking to ensure that California sets a reasonable threshold level for ethylene glycol based on sound science, so that no warning label would be required for PET plastic food, drug, and cosmetic containers.

FIGHTING FOR PRACTICAL BOTTLED WATER LABELING

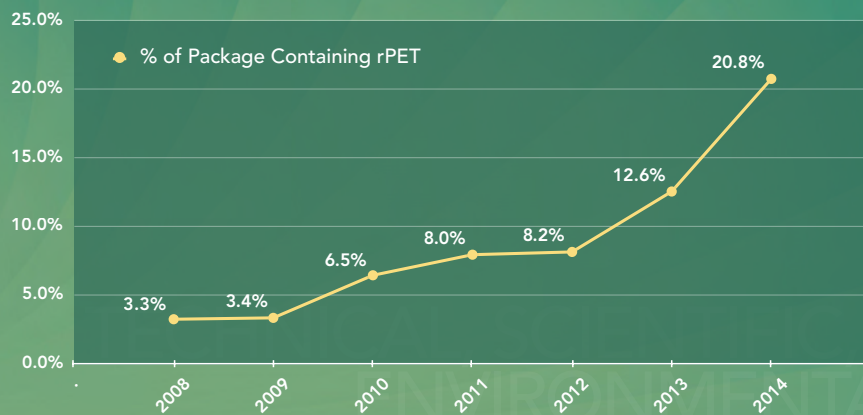
In 2014, FDA issued a final regulation requiring calorie information to be listed for foods and drinks sold in vending machines. The new rule only applies to the vending machine operator and not to the producer of the bottled water sold in a vending machine. However, as a practical

matter, IBWA anticipates that vending machine operators may seek to have their suppliers provide the calorie information on the packaged food label itself. Operators could seek to amend supply contracts to mandate that this information be provided by the manufacturer. But putting a zero calorie declaration on a bottled water label to comply with the rule would then require a full Nutrition Facts Panel also be included on the label—and a label full of zeros does not provide useful information to consumers. This labeling issue will impact all bottled water products because FDA has stated that it will apply whatever action it takes to products sold at retail as well as in vending machines.

On February 23, 2015, IBWA sent FDA a letter urging the agency to use its enforcement discretion when applying certain provisions of the vending machine labeling rule to bottled water products. IBWA encouraged FDA to recognize that if bottled water

rPET USAGE ANALYSIS

Usage of rPET Increasing in Bottled Water Packaging



For those companies that use rPET, IBWA's study shows that the average rPET content was **20 percent** per container in 2014.

manufacturers provide a visible calorie declaration on the front of the bottled water label in compliance with the new vending machine labeling final rule, then FDA should not enforce the existing requirement that such a declaration would trigger the need to include a Nutrition Facts Panel on the label. IBWA's request makes sense because bottled water is otherwise exempt from nutrition labeling under the Nutrition Labeling and Education Act of 1990 (unless specific product claims are made) in that it typically contains insignificant amounts of all nutrients required to be declared.

On October 14, 2015, IBWA staff met with FDA representatives to discuss this issue. FDA stated that it is willing to consider allowing alternative labeling to comply with the regulation. Thus, bottlers wouldn't need to have the full Nutrition Facts Panel on their labels. If FDA allows alternative labeling, any bottled water product can use it, not just those products that are sold in vending ma-

chines. The rule goes into effect December 2016. IBWA will keep members apprised of its progress on this issue.

PROMOTING ENVIRONMENTAL SUSTAINABILITY ACTIONS

IBWA continues to conduct research that demonstrates the bottled water industry's environmental sustainability efforts.

Lightweighting study. IBWA updated its polyethylene terephthalate (PET) container lightweighting study in 2015. The average weight of a half-liter PET water bottle in 2014 was 9.25 grams, a 51 percent decline from the 2000 average weight of 18.9 grams. The ultimate result was that the bottled water industry's lightweighting efforts have saved nearly 6.3 billion pounds of resin since 2000.

rPET study. In 2015, IBWA also completed an analysis of the industry's use of recycled PET (rPET). The percentage of bottled water packages that use rPET increased from

just 3.3 percent in 2008 to 20.8 percent in 2014. That number grew by 8 percent between 2013 and 2014. The average rPET content for all bottled water packaging was 4.1 percent, up from 0.2 percent in 2008. IBWA's study showed that in 2014, for those companies using rPET for bottled water products, the average rPET content was 20 percent per container. The National Association for PET Container Resources (NAPCOR) has noted that producing new products from rPET uses two-thirds less energy than what is required to make products from raw virgin materials. It also reduces greenhouse gas emissions.

Environmental sustainability plant tour. On October 19-20, 2015, IBWA held a one-and-a-half day tour of recycling facilities, with an emphasis on how PET is separated from other materials and eventually reused for other products, including rPET bottles. The tour focused on redemption facilities and processors of recyclable materials in the New York metro area. IBWA members and staff



Participants of IBWA's 2015 Environmental Sustainability Plant Tour.



Scenes from the 2015 IBWA Annual Business Conference.



visited four different redemption and recycling facilities to observe the entire recycling process—from collecting the empty beverage bottles to the manufacture of new products using rPET. In addition to touring facilities, participants were briefed on IBWA's environmental goals, the challenges the bottled water industry faces in accomplishing those goals, and the many studies IBWA has undertaken to provide researched facts about the bottled water industry's very small environmental footprint. This successful tour would not have been possible without the valuable member involvement of PolyCycle Solutions.

PROVIDING EDUCATIONAL AND NETWORKING OPPORTUNITIES

For the fourth consecutive year, IBWA's Annual Business Conference co-located with NAMA's CoffeeTea&Water show in 2015. IBWA attributes

the success of this partnership to the fact that many bottled water companies, particularly those in the HOD business, also offer coffee and tea to their customers. The co-location means more attendees, more exhibitors, and increased educational and networking opportunities.

Held November 2-5, 2015, at the Gaylord National Resort and Convention Center near Washington, DC, the shows hosted more than 1,100 attendees who congregated to learn all they could about the bottled water and coffee industries. The successful 2015 conference offered attendees more than 38 educational sessions on key bottled water and coffee issues, and 142 exhibitors presented their latest products and services during the IBWA/NAMA trade show. For CPOs seeking to keep their certification current, IBWA offered 21.5 continuing education units (CEUs).

In 2015, IBWA updated its policy on what educational seminars qualify for CEU credit to be used for recertification of a member's CPO status. The approved changes in policy included increasing the number of CEUs required to be earned during the three-year certification period from 18 to 21 and allowing for up to six hours of non-technical sessions to be approved for CEU credit. IBWA has placed many of the conference education sessions on the "Members Only" section of the IBWA website. That benefit allows members to go online at their convenience to listen to those sessions and earn CEU credits. In 2016, IBWA will be enhancing its online educational offerings, including webinars on the new FSMA regulations and other important topics.

IBWA's primary goal will, as always, be to serve the interests of its members.

MAKING A DIFFERENCE

IBWA members should be very proud of all that they accomplished in 2015, not the least of which is continuing to make great tasting, safe, healthy, convenient bottled water products that consumers enjoy and depend on. Obviously, 2016 will bring new opportunities and challenges, and IBWA's primary goal will, as always, be to serve the interests of its members. Critics of bottled water will continue to discourage people from consuming bottled water; however, they won't have an easy time of it as IBWA will continue to fight hard to create a favorable business, legislative, public affairs, and technical climate for the bottled water industry. Working together, IBWA members and staff will continue to promote the facts about bottled water, which will help ensure the industry's continued success.

FUTURE IBWA MEETINGS

2016 IBWA Winter Board of Directors and Committee Meetings

February 8-12

The 2016 IBWA Winter Board of Directors and Committee meetings will be conducted via conference calls, rather than an in-person meeting.

2016 IBWA June Board of Directors and Committee Meetings*

June 6-9

Meetings begin at 3:00 p.m. on Monday, June 6; end at 10:30 a.m. on Thursday, June 9

Hilton Alexandria Old Town

Alexandria, Virginia

2016 IBWA Annual Business Conference and Co-Location with NAMA's CoffeeTea&Water Show

November 7-11

Meetings begin at 1:00 p.m. on Monday, November 7; end at 10:30 a.m. on Friday, November 11

Gaylord Opryland Resort and Conference Center

Nashville, Tennessee

2017 IBWA Annual Business Conference and Co-Location with NAMA's CoffeeTea&Water Show

November 6-9

Meetings begin at 10:00 a.m. on Monday, November 6; end at 10:30 a.m. on Thursday, November 9

Gaylord Texan Resort and Convention Center

Grapevine, Texas

**Registration information and the agenda for these events will be posted in the Members Only section of the IBWA website (www.bottledwater.org) approximately two months prior to the meetings.*

For more information, visit www.bottledwater.org/events.



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 for 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.

