

2016 **PROGRESS** REPORT



INTERNATIONAL BOTTLED WATER ASSOCIATION

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2017 IBWA EXECUTIVE COMMITTEE

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A LETTER FROM THE PRESIDENT

As I write this letter, bottled water is about to become the No. 1 product (by volume) in the beverage category, surpassing carbonated soft drinks to take the top spot. This is an important milestone event, and it is further evidence that consumers are increasingly focused on healthy hydration and making healthy lifestyle choices. This welcome news also demonstrates that, despite the efforts by our critics to discourage people from drinking bottled water, sales and consumption of this safe, healthy, and convenient product continue to grow. Consumers are making their voices heard in the marketplace, which is what counts.

The most recent statistics from Beverage Marketing Corporation (BMC) show that U.S. bottled water consumption increased to 12.7 billion gallons in 2016, up 7.8 percent from 2015. Bottled water sales increased by 8.6 percent, now totaling \$15.8 billion (wholesale dollars). Per-capita consumption is up 7 percent in 2016, with every person in America drinking an average of 39 gallons of bottled water. Moreover, we expect that bottled water sales and consumption will continue to grow in 2017 and beyond.

The International Bottled Water Association's (IBWA) dedicated team of members, staff, and consultants accomplished a great deal in 2016. Once again, we concentrated our efforts 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.

While sales and consumption of bottled water continue to increase, the amount of water used for bottling water in the United States is actually very small. However, despite this fact, anti-bottled water activists have been increasing their attempts to prevent bottled water companies from siting, permitting, and re-permitting bottled water plants in the United States. As a result, IBWA is increasing its activity on this issue. We are developing a comprehensive strategy and campaign to make it clear to the media, government officials, and consumers that bottled water companies are legitimate enterprises that preserve and protect natural systems, enhance health, and contribute to the economic development of communities in which they operate.

Implementation of, and compliance with, 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 educate and enable members to implement FSMA in their operations. In 2016, we conducted several online webinars and eight FSMA workshops around the nation. IBWA also continues to disseminate FSMA information to members through our publications (e.g., the News Splash e-newsletter and *Bottled Water Reporter* magazine) and special bulletins.

The latest *Dietary Guidelines for Americans* (DGAs) were issued at the beginning of 2016. IBWA had been working for several years to ensure that the DGAs continue to recognize the importance of water as a healthy hydration

source and our efforts were successful. The new DGAs expressly state that calorie-free drinks—especially water—should be the primary beverage consumed. The DGAs also encourage a shift away from sugar-sweetened beverages to healthier, no-sugar-added drinks.

IBWA also continued 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 200 meetings on Capitol Hill, with both members of Congress and their staff.

In the states, IBWA monitored more than 800 bills and 400 regulatory proposals concerning bottled water in 2016. Groundwater resource management proposals were considered 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.

IBWA members have always been at the forefront of relief efforts during natural disasters (e.g., floods and hurricanes) or other emergency situations. The ongoing crisis of Flint, Michigan's lead-contaminated public water system once again demonstrated that bottled water is always there when it is needed to provide con-



Joe Doss

sumers with clean, safe, drinking water. Working with state and local relief organizations, IBWA member companies provided over 2 million bottles of water to the residents of Flint.

The 2016 IBWA Progress Report summarizes IBWA's recent 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 member companies. Our success is the result of a true team effort by members, staff, and consultants. IBWA has made great strides in ensuring the success of the bottled water industry, but there are many challenges looming on the horizon. However, you can remain confident that we will continue to fight hard every day to defend this safe, healthy, convenient product and proactively promote the facts about bottled water to consumers, the media, and government officials.

A handwritten signature in black ink that reads "Joe Doss". The signature is fluid and cursive.

Joe Doss
IBWA President and CEO

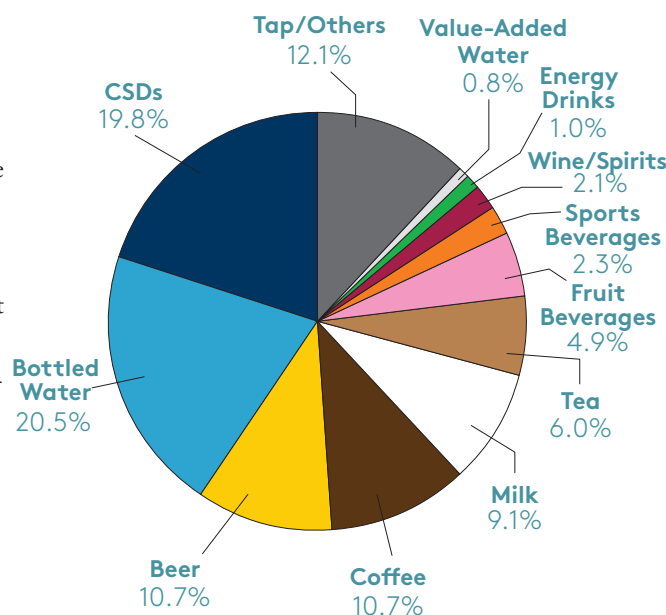
MAKING HISTORY

The International Bottled Water Association (IBWA) and the bottled water industry are on the cusp of a historic event. According to statistics from Beverage Marketing Corporation (BMC), bottled water is projected to overtake carbonated soft drinks as the No. 1 packaged beverage, by volume, in the United States during the first quarter of 2017. We knew this day would come. For years, consumers have increasingly let it be known that they like bottled water. In 2005, for example, Americans consumed 25.4 gallons of bottled water—11 years later, in 2016, that number increased by more than 13 gallons to 39 gallons per person. BMC also projects that, once 2016 market growth numbers are finalized, bottled water volume will increase to 12.7 billion gallons, a 7.8 percent increase over 2015's 11.8 billion gallons. Bottled water sales will increase to \$15.8 billion (wholesale), an 8.6 percent increase.

Consumers cite many reasons for why they choose bottled water, namely safety, reliability, taste, and convenience. But more and more, consumers are choosing bottled water because they are focused on making healthier beverage choices. The bottled water industry is proud that it has a role to play in helping consumers achieve a healthier lifestyle.

To meet the consumer demand BMC predicts for bottled water, industry professionals will have to continue to be innovative in their business strategies and actively advocate at the federal and state levels. The following pages provide a summary of the many activities IBWA members, staff, and consultants undertook to support bottled water in 2016.

2016 [P]* Volume Share of Stomach by U.S. Beverage Segment (Billions of Gallons)



Source: Beverage Marketing Corporation (2016)
*[P] = Preliminary

PROMOTING HEALTHY HYDRATION IN THE DIETARY GUIDELINES

For the past several years, IBWA has been working to ensure that water is recognized as a healthy hydration source in the *Dietary Guidelines for Americans* (DGAs), the federal dietary recommendations prepared by the U.S. Department of Agriculture (USDA) and the Department of Health and Human Services (HHS). Part of that effort included IBWA's Dietary Guidelines Working Group traveling to Washington, DC, several times to meet with USDA, HHS, and White House officials to encourage them to have the guidelines recognize the importance of water consumption. IBWA also met with several important nutrition and consumers groups—such as the Consumer Federation of America, Center for Science in the Public Interest, and Public Health Advocates—to seek their support for including references about the benefits of water consumption in the DGAs.

Bottled water will soon be the No.1 packaged beverage, by volume, in the United States.

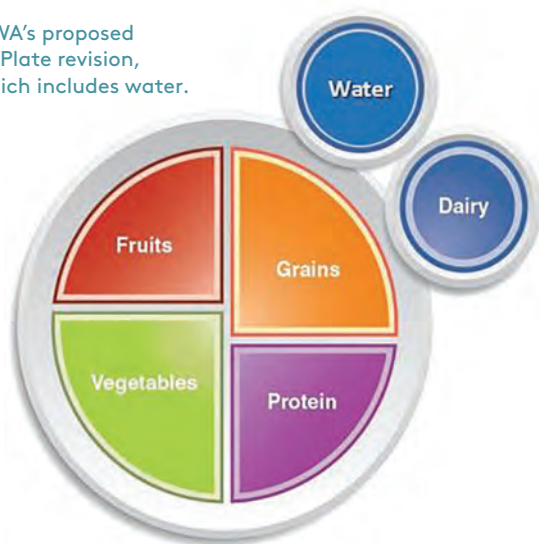
On January 7, 2016, the *2015-2020 Dietary Guidelines for Americans* were released, and IBWA learned that our efforts were successful. The new DGAs support increased access to water as a healthy beverage choice. They expressly state that calorie-free drinks—especially water—should be the primary beverage consumed. The DGAs also encourage a shift away from sugar-sweetened beverages to healthier, no-sugar-added beverages, such as water.

Recognizing the importance of water, the USDA's website contains a MyPlateMyWins guide (bit.ly/MyPlateMyHydrationWins) that specifically states: "Drink water instead of sugary drinks. Regular soda, energy or sports drinks, and other sweet drinks usually contain a lot of added sugar, which provides more calories than needed."



These steps forward in promoting water consumption are encouraging, but IBWA has more to do. We have already begun our efforts to have the 2020 DGAs increase the positive messages about water—including bottled water. IBWA will repeat our request to have water placed right next to the dairy symbol on the MyPlate nutrition guide.

IBWA's proposed MyPlate revision, which includes water.



DEFENDING CONSUMER CHOICE AT NATIONAL PARKS

IBWA's mission statement reads as follows: "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." Therefore, it naturally follows that when the U.S. National Park Service (NPS) announced a policy allowing individual park units to ban the sale of bottled water that IBWA would defend the right of consumers to choose bottled water wherever other beverages are sold. Although only 23 of the approximately 413 national parks have banned the sale of bottled water, IBWA could not stand idly by as a very bad precedent was being set. Quite frankly, it makes no sense that visitors to national parks can't buy the healthiest packaged beverage on the market, but they can purchase less-healthy, sugary drinks that are also packaged in plastic.

Thus, in 2016 IBWA continued to oppose the discriminatory NPS policy. In February, IBWA issued our "Report on Failure to Follow Procedures in the National Park Service's Flawed Campaign Against Bottled Water," which detailed the flaws in the NPS's misguided bottled water sales ban policy. (Read IBWA's report at www.bottledwater.org/public/Advocacy.pdf.) In June, IBWA supported language in a Senate Appropriations Committee report that calls on the NPS to

withdraw its discriminatory policy. In July, the U.S. House of Representatives passed legislation that funds the NPS but included an IBWA-supported provision that would prohibit the NPS from using any of those funds to implement or maintain the bottled water sales ban policy. These actions by the House and Senate demonstrated strong congressional support for ensuring bottled water is available to national park visitors. Unfortunately, neither the House nor Senate bills were enacted. IBWA will, therefore, continue our efforts to have the sales ban policy defunded or withdrawn. IBWA's progress in promoting bottled water and healthy hydration for visitors to the national parks would not have been possible without the active attention of members who met to discuss the issue with their legislators.



PROMOTING AN ABBREVIATED NUTRITION FACTS PANEL

In July 2016, IBWA petitioned the U.S. Food and Drug Administration (FDA) to permit bottled water products that include a zero-calorie declaration on the label to use an abbreviated Nutrition Facts Panel (NFP). If successful, IBWA members who signed onto the petition would be able to use the following statement: “For nutrition information, call [insert telephone number]”—rather than be required to use a full NFP. Signers of the petition are not required to have a zero-calorie declaration on their labels or to use the abbreviated NFP. However, it does give them the option to do so in the future. If an IBWA member company did not sign the association’s petition, that company won’t be

able to use the abbreviated NFP; however, the company can send FDA its own petition for approval.

Currently, bottled water products with a zero-calorie declaration on the front label are required to have a full NFP, which would contain all zeros. But that doesn’t provide bottled water drinkers with any meaningful nutritional information. Consumers already know that water has no fat, no calories, or no amount of any other items required to be disclosed on the NFP.

OPPOSING THE DOL OVERTIME RULE

Despite opposition from IBWA and the entire business community, the Department of Labor (DOL) issued a new regulation concerning employee overtime pay, which was scheduled to become effective on December 1, 2016. However, in November 2016, a U.S. District Court judge issued a nationwide injunction against the DOL overtime pay rule.

As this progress report goes to press, the final outcome of the DOL overtime rule is unclear. The DOL stated that it strongly disagreed with the court’s ruling and was considering all of its legal options. The DOL could appeal the decision to the 5th Circuit Court of Appeals. However, the District Court judge’s order halts enforcement of the DOL overtime pay rule until the court can consider the full merits of the lawsuit, or if the decision to grant the preliminary injunction

were to be reversed on appeal. Some press reports indicate that the overtime rule may be modified or withdrawn once President-Elect Donald Trump takes office.

IBWA opposes the costly new salary requirements in the DOL overtime rule.

The new rule would substantially increase the annual salary threshold that determines whether an employee will be exempt from receiving overtime pay. Under current law, certain employees making more than \$23,660 per year (\$455 per week) do not have to be paid overtime. The new rule would significantly increase that annual salary threshold to \$47,476 (\$913 per week). The new rule does not make any changes to the job duties test for executive, administrative, and professional employees.

IBWA is a member of the Partnership to Protect Workplace Opportunity, a coalition of 164 U.S. business groups organized by the National Association of Manufacturers to oppose the costly new salary requirements. The coalition submitted comments on the proposed rule and later sought congressional action to delay or overturn it.

To help members comply with the Final Overtime Pay Rule, IBWA developed a guidance document that explains the new rules and provides several compliance options. (Members can obtain a copy of the compliance document by contacting IBWA.) In addition, on October 26, 2016, IBWA hosted a webinar on this issue that included advice from employment law attorneys who have worked for a bottled water company that makes both home and office delivery (HOD) and small-pack bottled products. That webinar has been archived, and members can view it at any time. (Contact IBWA for webinar details.)

Nutrition Facts	
Servings Size 8 fl oz	
Servings Per Container 1	
Amount Per Serving	
Calories 0	
Calories From Fat 0	
% Daily Value*	
Total Fat 0g	0%
Saturated Fat 0g	0%
Trans Fat 0g	0%

ADVOCATING FOR HEALTHY HYDRATION ON CAPITOL HILL

Practically every month during 2016, IBWA members visited Capitol Hill to educate legislators about the bottled water industry. Those trips resulted in 200 meetings with members of Congress or their staff. During our annual DC legislative fly-in event, held on June 8, 2016, during IBWA's June Board and Committee meetings, 40 IBWA members set a new record when they made 85 visits to members of Congress in one day. IBWA members were provided talking points to help them review a multitude of industry topics with legislators during those meetings.

IBWA defends the interest of bottled water at both the federal and state levels.

On July 14, 2016, IBWA again co-sponsored the National American Meat Institute's Annual Hot Dog Lunch on Capitol Hill. IBWA provided custom-labeled "Bottled Water Matters" bottled water for this event. Hundreds of legislators and staff were in attendance. And IBWA members met personally with nearly two dozen members of Congress.

On June 8, 2016, IBWA set a Capitol Hill fly-in record when 40 members made 85 visits with members of Congress and their staff in one day.

Working for Change Via the PAC

The IBWA Political Action Committee (PAC) is a vital tool to help IBWA educate members of Congress and build champions for the bottled water industry. Member contributions make it possible for the IBWA PAC Board to distribute funds to members of Congress. In the 2015-2016 contribution period, the IBWA PAC gave to 16 candidates—12 won their re-election bids, two were defeated in primaries, and two were not up for re-election during that time period.

If you'd like to learn about PAC events, you must first provide an Authorization to Solicit form to IBWA. We can't contact you about PAC issues without it. However, submitting the form does not obligate a member to contribute to the PAC. It just means that IBWA can keep you informed about



As part of the June 2016 IBWA Board and Committee Meetings in Alexandria, Virginia, contributors to the IBWA PAC were given a unique opportunity—a private, nighttime tour of Mount Vernon, the home of George and Martha Washington.

PAC activities. It will take a strong PAC to continue our work on the many important issues facing the bottled water industry. For more information, contact PAC Board Co-chairs Shayron Barnes-Selby or Robert Smith, or IBWA staff members J.P. Toner or Joe Doss.



Pictured from left: Nancy McNally (Van Ness Feldman); Derieth Sutton (Niagara); Ryan, Joe, and Ethan Bell (Aqua Filter Fresh); Shayron Barnes-Selby (DS Services); and Kristin Pearson Wilcox (formerly of IBWA) take advantage of a great photo opportunity while on the U.S. House Speaker's office balcony.



ADVOCATING IN THE STATES

Keeping informed about the many pieces of legislation that are introduced in the state legislatures is a daunting task, especially in 2016 when staff reviewed and monitored more than 800 pieces of legislation and nearly 400 regulatory proposals. Topics of particular interest in 2016 are summarized below.

Water Resource Management. Several states and towns continue to consider water resource management and groundwater issues. Anti-bottled water activists often target bottled water companies in an effort to prevent them from opening new plants or renewing existing permits. In May, for example, bottled water critics passed a county ballot initiative in Cascade Locks, Oregon, that blocked the building of a new bottled water plant. The new Cascade Locks law prevents bottlers that use more than 1,000 gallons of water a day from operating in the county, which would obviously cover or apply to almost all bottled water plants.

In Connecticut, legislation aimed at preventing a planned bottled water facility from using municipal water was defeated after a very tough fight.

Anti-bottled water organizations are increasing and coordinating their campaigns to prevent bottled water companies from siting their plants or getting their permits renewed. IBWA is, therefore, developing a comprehensive strategy and campaign to make it clear to the media, government officials, and consumers that bottled water companies are legitimate enterprises that preserve and protect natural systems, enhance health, and contribute to the economic development of communities in which they operate. Actions we are considering include: 1) increasing our communications activities to create a more favorable business and public affairs climate, 2) establishing environmental operating principles and standards of practice for our members, 3) identifying and working with industry allies and third-party organizations, 4) identifying and engaging with anti-bottled water groups and influencers, and 5) preparing and implementing a comprehensive government relations strategy to deal with this issue. The goal of bottled water critics is to prevent all bottled water companies from operating—IBWA's goal will be to defeat their misguided campaigns.

Water Quality and Flint, Michigan. The ongoing crisis of Flint, Michigan's lead-contaminated public water system has raised the visibility of bottled water. In Flint, bottled water was there when needed, as it would be for

any emergency situation, to provide consumers with clean, safe, drinking water. IBWA helped coordinate member donations with Michigan state and local organizations. Thus far, the equivalent of more than 2 million half-liter bottles of water have been donated to Flint. When talking with members of the press about the crisis in Flint, IBWA informs them about FDA's more stringent bottled water lead standard, as well as the association's support for a strong public water system. The situation in Flint has caused cities throughout the United States to become concerned about the levels of lead in their public water systems. In New York, for example, legislation was enacted that requires testing of the water in all schools. IBWA expects more states to pass similar laws, and IBWA members are already helping several other cities provide clean, safe water to their citizens.

On the federal level, in May 2016 an IBWA-supported provision that would establish a \$475,000 grant program to help states provide bottled water to schools and child-care facilities when they are faced with contaminated water supplies passed out of the U.S. House of Representatives' Education and the Workforce Committee. That grant program, which was included in the Improving Child Nutrition and Education Act of 2016 (H.R. 5003), would be administered by the USDA and the funds would be available when the president has declared a state of emergency and the local water supply is contaminated. Unfortunately, the bill did not pass out of Congress in 2016.

During the 2016 IBWA Annual Business Conference, Marc Edwards, PhD, the Charles Lunsford Professor of Environmental and Water Resources Engineering at Virginia Tech, delivered the Alan A. Leff Memorial Lecture. Dr. Edwards discussed how his research team collaborated with Flint, Michigan residents to address lead, pathogen, and water infrastructure issues caused by a failure to implement corrosion control treatment in the city's public water system. Virginia Tech's role in uncovering Flint's public water lead issues has been widely reported by media around the world. To learn more, visit flintwaterstudy.org.

CREATING NEW ALLIES THROUGH OUTREACH

In 2017, the political landscape will change—and IBWA needs to be prepared to promote and defend issues important to the bottled water industry at the federal and state levels. To do that successfully, IBWA will continue to look for opportunities to amplify our efforts through partnerships with government and industry groups.

Government Associations. In 2016, IBWA continued to actively participate in organizations such as the National Conference of State Legislatures (NCSL), Council of State Governments (CSG), Western Governors' Association (WGA), State Government Affairs Council (SGAC), and Council of State Retail Associations (CSRA). IBWA's participation with these groups provided many opportunities to share bottled water facts with key policy decision makers.



Drink Up Initiative. IBWA proudly continues to support Drink Up, the Partnership for a Healthier America and former First Lady Michelle Obama's campaign to encourage Americans to drink more water more often. That goal perfectly complements IBWA's healthy hydration and consumer choice messaging. Drink Up is a positive water consumption campaign that encourages consumption of bottled water, tap water, and filtered water. For more on Drink Up, visit youarewhatyoudrink.org.



The Recycling Partnership.

IBWA continues

to be a sponsor of the Recycling Partnership (TRP, formerly Curbside Value Partnership), which is a leading organization that promotes curbside and increased total recycling. By participating in TRP, IBWA promotes our support of ensuring consumers are aware of the importance of recycling. Interestingly, TRP managed the recycling efforts necessary after bottled water products were donated to make drinking water available during Flint, Michigan's lead-contaminated public water system crisis. IBWA also has memberships with other recycling groups, such as the Florida and Michigan Recycling Partnerships and the Northeast Recycling Council.

SIMPLIFYING FSMA

Implementation of FDA's Food Safety Modernization Act (FSMA) continues to be an important issue for all bottled water companies. On September 19, 2016, the Preventive Controls Rule became effective for large companies (>500 full-time employee equivalents), and the effective dates for small (<500 full-time employee equivalents) and very small (<\$1 million in gross annual sales) companies occur in 2017 and 2018.

Two additional final FSMA rules were issued in 2016 that impact bottled water companies: the Safe Transportation of Human and Animal Food Rule and the Intentional Adulteration Rule, which addresses the defense of the nation's food supply. Those rules will impact how bulk water is hauled to bottling facilities from remote sources. But, the Intentional Adulteration Rule exempts companies with annual sales under \$10 million.

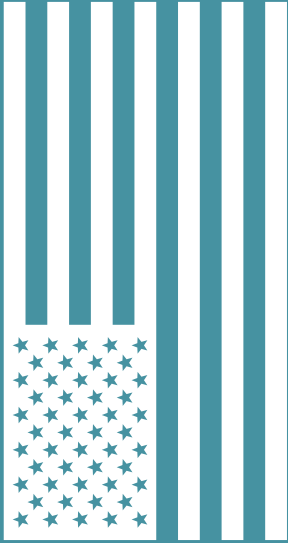
IBWA continues to provide members with implementation and guidance materials to help them comply with all FSMA requirements.

To help ensure IBWA members are ready to comply with all FSMA requirements, IBWA provides FSMA implementation and compliance guidance through webinars, *Bottled Water Reporter* magazine and Splash e-newsletter articles, and special member bulletins. During the 2016 IBWA Annual Business Conference in Nashville, Tennessee, IBWA offered FSMA-themed education sessions and will schedule more FSMA-specific webinars and live seminars in 2017. IBWA also conducted eight Preventive Controls Qualified Individual (PCQI) workshops throughout the United States in 2016 and issued 232 PCQI certificates to IBWA bottlers. In 2017, IBWA plans to offer PCQI workshops in Dallas/Ft. Worth, Texas; Charlotte, North Carolina; Orlando, Florida; Albany, New York; South Bend, Indiana; Denver, Colorado; and Sacramento, California.

In addition, IBWA is updating its mandatory annual audit program for FSMA, which will help members be better prepared for FDA inspections. IBWA has already begun to update the following publications for FSMA: the *IBWA Bottled Water Code of Practice*, the Audit Handbook, the Audit checklists (to be released in early 2017), and the *Plant Technical Reference Manual*.



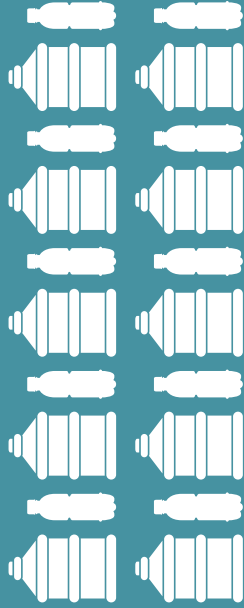
2016 BY THE NUMBERS



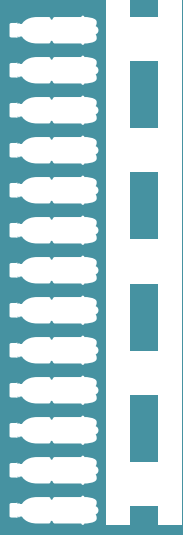
39 GALLONS

Average amount of bottled water each American consumed in 2016.

\$15.8 BILLION
(WHOLESALE)

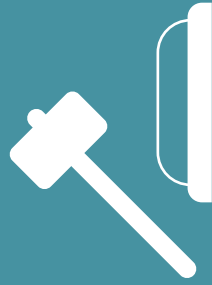


Bottled water sales increased by 8.6% over 2015 numbers.



12.7 BILLION
GALLONS

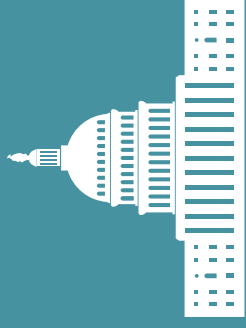
Volume of bottled water produced in the U.S., a 7.8% increase over 2015.



1,200

IBWA staff reviewed

and monitored more than
800 PIECES OF LEGISLATION—
and nearly another **400**
REGULATORY PROPOSALS.



200

IBWA held 200 meetings with members of Congress and their staff.

2 MILLION IBWA members donated (so far) the equivalent of more than 2 million half-liter bottles of water to Flint, Michigan, during its public water system crisis.



25 IBWA met its goal to recruit 25 new members to the association.



40X85

IBWA set a new record when **40 members** made **85 visits** to members of Congress during the association's annual Capitol Hill fly-in visit.



232 IBWA issued 232 Preventive Controls Qualified Individual (PCQI) certificates to member bottlers following the 8 workshops IBWA held.



1,300

Total number of attendees to IBWA's conference colocation in Nashville with NAMA's CoffeeTea&Water show—which featured 27 education sessions and 150 exhibitors.

No. 1

Beverage Marketing Corporation predicts bottled water will be the **No. 1 packaged beverage**, by volume, by the first quarter of 2017.

MEETING WITH FEDERAL AND STATE REGULATORS

IBWA continues to meet with officials of FDA's Center for Food Safety and Applied Nutrition (CFSAN) to review key industry issues with the officials who regulate bottled water. During those meetings, we discuss issues such as improvements to the 2009 FDA groundwater rule to harmonize treatment options with some state regulations and updates to FDA sanitization requirements for bottled water facilities.

In October 2016, IBWA met with staff at the New York State Department of Health and provided them an overview of FSMA and detailed how it impacts bottled water. We also discussed current topics such as emerging contaminants and lead in drinking water.

There was a lot of activity concerning California's Proposition 65 in 2016. Ethylene glycol, which is found in PET plastic, was listed as a substance known to the state of California to cause reproductive toxicity. As part of an ethylene glycol coalition—which

included the Consumer Health Products Association (CHPA), American Chemistry Council (ACC), Personal Care Products Council (PCPC), American Beverage Association (ABA), National Association for PET Container Resources (NAPCOR), Consumer Specialty Products Association (CSPA), and PET Resin Association (PETRA)—IBWA reviewed and responded to requests for comments by California regulators. The coalition was successful in convincing state officials that the maximum allowable dosage level (MADL) for ethylene glycol should be 8,700 micrograms per day, far above any level of concern for bottled water and other food products. That means that PET plastic bottles in California will not have to include a Prop 65 warning on their labels.

DEFENDING BPA

Bisphenol A (BPA) continues to be a very important issue for IBWA members. A lot of misinformation about BPA is reported in the press and shared with legislative and regulatory bodies. As a result, IBWA continues to strongly defend the safety of BPA and proactively educate legislators, regulators, and the media about BPA's record of safety.

There has been a lot of BPA activity in California under Proposition 65. IBWA is part of a coalition working with California's Office of Environmental Health

IBWA continues to strongly defend the safety of BPA and proactively educate legislators, regulators, and the media about the science that supports its safety record.

Hazard Assessment (OEHHA) to establish a reasonable MADL for BPA, which is listed as a reproductive toxicant. The coalition has recommended a MADL of 157 micrograms per day for ingested BPA, which is a level that could be met by all food products, including bottled water. The coalition's suggestion is still being considered by OEHHA officials.

Very importantly, FDA and food regulatory agencies in many other countries continue to state that BPA is not a safety risk in food and beverage containers. However, California officials have not been receptive to the overwhelming scientific research that demonstrates the safety of BPA. Unfortunately, bottled water companies and retailers who sell bottled water in polycarbonate bottles have recently been sued under California Prop 65. The lawsuit claims that those companies did not warn consumers that they were being exposed to BPA and seeks to have these products removed from the market. The litigation targets bottled water in polycarbonate containers that are sold at retail and at homes and offices. IBWA will be working with a coalition of bottled water companies and other food companies to determine the best way to assist our members with this litigation.

PROVIDING AN ENVIRONMENTAL SUSTAINABILITY EDUCATION

IBWA continues to conduct research and plan activities that demonstrate the bottled water industry's environmental sustainability efforts.

Water Risk Best Practices Study. In 2016, IBWA hired the Antea Group to initiate a national "Water Risk and Member Best Practices" study that analyzes both internal and external data in three categories: physical (water availability and quality), regulatory (legislation and access to water), and social (media coverage and cultural aspects). Data results will be used to provide IBWA members with a better understanding of U.S. water risks. It will also assess the best practices and common approaches that will help bottlers manage and mitigate those water risks. IBWA's study focuses on water stewardship practices and outlines a progression from initial environmental sustainability steps to best-in-class practices for each category. Results from this study will be shared with members at the beginning of 2017.

Recycling Plant Tour. On October 5, 2016, 23 IBWA members and staff participated in a one-day recycling tour that visited redemption facilities and processors of recyclable materials in the New York metro area. The

tour facilities illustrated how PET is separated from other materials and eventually reused to manufacture other products, including rPET bottles. Facilities toured included Arbor Recycling, a recycling center; DRC Group, a conventional redemption center that collects plastic, aluminum, and glass; PolyQuest Recycling, a distributor of virgin PET resin and manufacturer of rPET resins; and Sims Recycling's Sunset Park Material Recovery Facility, a state-of-the-art facility that recycles curbside commingled material from the New York metro area. IBWA would like to thank Environmental Sustainability Committee Member Phyllis Rokus (PolyCycle Solutions) and John Caturano (Nestlé Waters North America) for helping IBWA organize such a successful and educational event.



2016 IBWA Environmental Sustainability Tour participants at Arbor Recycling

COMMUNICATING IBWA'S HEALTHY HYDRATION MESSAGE

Throughout 2016, IBWA aggressively promoted the facts about bottled water through social and traditional media. A recent audit of IBWA's communications assets revealed that we are well prepared to share—and help our members share—bottled water's healthy hydration story via a variety of platforms and materials: websites (bottledwater.org and bottledwatermatters.org), *Bottled Water Reporter* magazine articles (bottledwater.org/newsroom/bottled-water-reporter), reports/studies (bottledwater.org/reports-studies),

press releases (bottledwater.org/news2016), image library (bottledwater.org/bottled-water-visuals), and YouTube videos (youtube.com/user/BottledWaterMatters). Having such a variety of tools enables IBWA staff and members to quickly access up-to-date facts and messaging to share with customers, legislators, and the media.

IBWA produces a variety of tools to help members share bottled water facts with customers, legislators, and the media.

Those resources come in handy when IBWA engages with key bloggers and influencers in targeted demographics (e.g., environmentalists, parents, college students, educators, etc.). In fact, IBWA often uses our communications materials to provide bottled water facts to media outlets such as CNN, *Huffington Post*, the *New York Times*, the *Washington Post*, and others. Through our ongoing interactions with the media and bottled water consumers, supporters, and critics, IBWA has solidified our position as the leading media resource for bottled water information and industry opinions.

IBWA'S SOCIAL MEDIA BY THE NUMBERS



LIKES

Bottled Water Matters | 7,129
Hydration.Health.Happiness. | 194



FOLLOWERS

@BottledWaterOrg | 1,464
@BottledH2OBabe | 3,175
@BWMatters | 563



FOLLOWERS

Bottled Water Matters | 162



FOLLOWERS

Bottled Water Matters | 41



Images available at
www.bottledwater.org/bottled-water-visuals.





Views 476,676 | 749 Subscribers

TOP 5 VIDEOS IN 2016



Recycling Empty Plastic Bottles
25,404 views
(all-time views: 175,130)



Inner Workings of Bottled Water Plant
12,699 views
(all-time views: 70,418)



Recycled Holiday Wreath
11,784 views
(all-time views: 25,170)

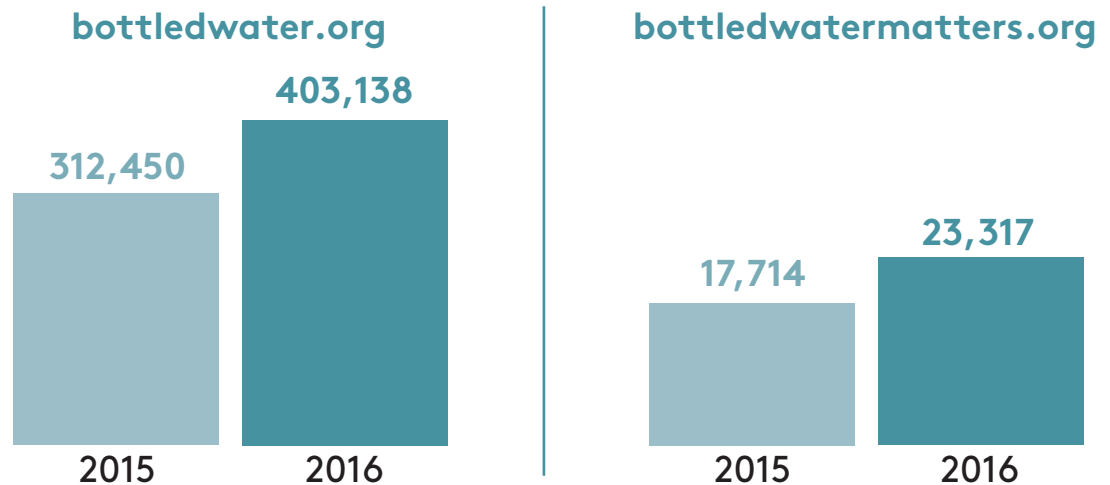


Bottled Water: Small Water Use, Big Health Benefits
6,851 views
(all-time views: 13,767)



Always There When You Need it
2,425 views
(all-time views: 5,792)

WEB TRAFFIC: UNIQUE VISITORS



BOTTLED WATER REPORTER: DIGITAL EDITION (LIFETIME STATISTICS)

24,109 Reads | 177,459 Impressions | 58 Followers | 204 Shares



ADDING TO IBWA'S STELLER MEMBERSHIP

IBWA's continued success depends upon retaining current, and recruiting new, members—so we are committed to providing our members with excellent customer service and benefits they can use to help make their companies more successful. In 2016, IBWA hit its goal of 25 new members. In addition, IBWA's membership roster of bottlers, distributors, and suppliers had a renewal rate of 97 percent. For information on how you can join IBWA, contact IBWA's Membership Department: cbass@bottledwater.org or 703.647.4615.

NETWORKING WITH PEERS AND LEARNING INDUSTRY TIPS

IBWA members often report that the best way to get a bottled water education is by networking face-to-face with their peers. Thus, IBWA continues to hold an annual business conference to provide members not only a variety of networking opportunities but also an outstanding education program that covers the bottled water industry's key issues, including technical and business challenges and solutions.

In 2016, for the fifth consecutive year, IBWA held a successful co-location of its annual business conference with NAMA's CoffeeTea&Water Show. The 2016 IBWA Annual Business Conference and Trade Show was held November 7-11 in Nashville, Tennessee. More than 1,300 bottled water and coffee professionals attended the 27 education sessions, met with more than 150 trade show exhibitors, and visited with colleagues during special networking events. Of note was the Welcome Reception, which included an invitation-only pre-reception for IBWA exhibiting supplier members and bottlers who were new members or first-time attendees.

The IBWA/NAMA education program offered a selection of business and technical topics relating to bottled water, coffee, and tea. IBWA's courses provided participants of our



Outgoing IBWA Chairman Joe Bell (left) passes the gavel to Incoming IBWA Chairwoman Shayron Barnes-Selby during the IBWA Annual Business Conference's general session on November 10, 2016.

Certified Plant Operator (CPO) program 18.5 continuing education units (CEUs) to help them keep their certification current. In addition, IBWA's CPO exam was offered.

During this year's conference general session, IBWA was honored to announce the winners of its 2016 Awards Program. IBWA has, for many years, recognized the contributions and achievements of bottled water professionals because we know that the industry's success can be attributed to their hard work. The general session also featured a keynote by Brian Moran, CEO and founder of the "12 Week Year," which met a request from members for the conference to offer more business-oriented, as well as technical, learning opportunities.

join us



Supplier of the Year Crystal Mountain Products, Inc.'s Robin Householder (right) with Awards Emcee Dan Kelly.



Nestlé Waters North America's Jerry Williams (left) was named IBWA Route Salesperson of the Year, and Kevin Mathews (right) collected the Kristin Safran/IBWA Board of Directors' Award.



Plant Manager of the Year (Level IV) Brian White (center) with DS Services' Eric DeVanie (left) and Shayron Barnes-Selby.

2016 IBWA AWARDS



Shayron Barnes-Selby/IBWA Advocacy Award winners Terry Clark and Phyllis Rokus



EdgePage by Edge Analytical Laboratories won IBWA's inaugural Product Innovation Award. Allen French (right) received the award from Dan Kelly.



Plant Manager of the Year (Level III) Bill Baker (left) with President of Hall's Culligan Water C.R. Hall.

IBWA members and staff—working together—will continue to promote healthy hydration and bottled water facts, which will help ensure the industry's continued success.

LOOKING FORWARD TO THE FUTURE

IBWA members should be very proud of all that they accomplished in 2016—despite the persistent and unfounded attacks on the bottled water industry. Bolstered by the knowledge that bottled water will soon be recognized as the No. 1 packaged beverage, IBWA welcomes the challenges and opportunities that 2017 and beyond will bring. IBWA members and staff—working together—will continue to promote healthy hydration and communicate the facts about bottled water, which will help ensure the industry's continued success.

Bottled water sales and consumption statistics provide a clear and positive sign that consumers are increasingly focused on healthy hydration and making healthy lifestyle choices. We make great tasting, safe, healthy, convenient bottled water products that consumers enjoy and depend on. In 2017, IBWA's primary goal will be to continue serving the interests of our members by fighting hard to create a favorable business, legislative, public affairs, and technical climate for the bottled water industry. The future looks bright for IBWA and the bottled water industry.

FUTURE IBWA EVENTS

2017 IBWA Winter Teleconference Board of Directors and Committee Meetings*

February 7-9

The 2017 IBWA Winter Board of Directors and Committee meetings will again be conducted via conference calls.

2017 IBWA June Board of Directors and Committee Meetings*

June 5-8

Meetings begin at 3:00 p.m. on Monday, June 5; end at 10:30 a.m. on Thursday, June 8

*Hilton Alexandria Old Town
Alexandria, Virginia*

2017 IBWA Annual Business Conference and Co-Location With NAMA 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

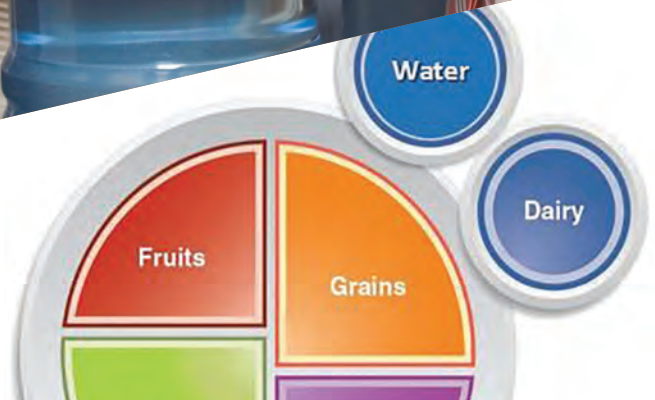
“To serve the members and the public,
by championing bottled water as an
important choice for healthy hydration
and lifestyle, and promoting an
environmentally responsible
and sustainable industry.”

The International Bottled Water Association (IBWA) is the authoritative source of information about all types 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.



INTERNATIONAL
BOTTLED WATER
ASSOCIATION

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A **Report on Failure** to Follow Procedures
in the National Park Service's Flawed
Campaign Against Bottled Water