



Environment and Sustainability Committee (10)

Monday, June 17th, 2019

12:15pm-2:15pm GMT

Face to face – Dublin, Ireland

Minutes **Approved**

Attendance:

Geoff Parker, Co-Chair ABWI, ICBWA Vice-Chairman
Patricia Fosselard Co-Chair, EFBW
Stewart Allen, ICBWA Chairman
Annick Moreau, EFBW
Chris Dunn, ICBWA Treasurer
Jack West, IBWA
Doug Hidding, Supplier
Bob Hidell, Supplier
Nathalie Beriot-Nicolas, Advisor
Kyle Hidding, Guest
Tim Carey, ABWI
Madam Zhoa, CBIA
Valbona Malo, Advisor
Scott Shi, CBIA

Joyti Bhasin, Guest
Ulrich Kreuter, Advisor
Jacki Allen, ICBWA

Regrets:

Petra Sanchez, ABINAM
Carlos Lancia, ABINAM
Joe Doss, IBWA
Phyllis Rokus, Advisor
Tim Carey, ABWI

Phone:

Edgar Castillo, LABWA
Elizabeth Griswold, CBWA

Start Time: 12:09 PM GMT

Minutes – Review and Approval

No previous minutes to approve (all approved at the last Board Meeting held on March 5th, 2019)

Participants were reminded that Patricia Fosselard and Joe Doss had switched positions in respect to the committees they co-chair as opposed to participate.

1) Water Sources, Permitting, and Plant Siting (Social License to Operate)

ABWI - Challenges in Australia, with extraction permits or application, given nature of water sources in certain geographical areas (small sleepy hollows) populated with well-educated people with time and resources. Anti commercialization of small villages or towns. Have seen progress with impact on the aquifer. It can be managed by getting good quality data in the early stages. Bottled Water Industry represents less than .1% of the water use. Agriculture is the biggest user. This issue can morph into issues about amenities and transportation (trucks, dirt, etc). We can refute using transportation surveys, by counting trucks, etc. The community perception ends up being our reality. ABWI looking to add more to their model code in order to help manage community expectations.

IBWA - Consistently found that the increase regional employment issue carries very little weight with advocacy groups. ABWI agrees, and has seen the same effect. The jobs don't stack up - the jobs are in metropolitan areas, not the rural areas. Bottled water extracted where the resource is being taken away, compared to the agriculture where it's reused in the community.

Bob - Agriculture wastes a lot of water (much more than Bottled Water). Single biggest hurdle that we have is young people being taught that Bottled Water is bad, etc. without an effective retort to challenge the fake science and media stories. It's a challenging issue for the industry to overcome.

ABWI - Agrees with Bob, this topic is essentially a social license to operate 'death by 1000 cuts.' Consistent across the world. Issues are wide and deep, which presents risks to our industry.

CBWA - Exact same thing happening in California is starting to happen in Canada. Many non-alcoholic industry names are fighting this and losing.

Nathalie – Nestle has committed to certifying all their water plants by 2025 to the AWS Sustainability Standard. Companies need the 3rd party credibility to do the certification. Nestle reduced the negative messaging in Michigan by doing a lot of advertising and community engagement. The Michigan initiative was very, very expensive using TV, etc.

EFBW - It's an emotional debate. The "**license to operate**" is far more challenged by plastic issues. There are proposed bans (see below). The situation is very difficult even when we have rational data to support.

Bob - Research is being sponsored by private donors that are funding and influencing research, courts and politics. This is doing a lot of damage, and it's happening quickly. Look to the US and long battle in Montana which showed influencing local court systems to ignore regulations can be achieved in the name of "not in my backyard" political influence.

EFBW - The work needs to be done at the local level, and you need to connect with the community. There must be a willingness from the business, the community needs to see the benefits of the product.

Doug - Back to Bob's point it is starting at a very young age. We need to find a way to have the youth hearing reasonable, rational debates. How do we penetrate that, and squash the systemic issue? The issue is likely with the teachers. There is resistance to good, clean drinking water.

Jack - Perhaps we need to take the Michigan initiative and move it into more markets.

ABWI - Agrees, but thinks it needs to go beyond marketing. Particularly engaging the UN/WHO. Some of the issues are being pushed out by leading, global entities. These agencies are very large and complex and challenging to navigate. Leverage massive network to try to move the dial.

Bob - Try to look half a century ahead in our arguments. We need to define 'where do we start, and how do we execute as a body.' Here is the most rational way to deal with the principles we have and how can we work to fix it. Constantly talking about it doesn't help.

CBIA - China protects a lot of water for farming only. Government is protecting the environment now. Government will restrict where plants go, etc.

IBWA/EFBW - We (Bottled Water) have a relatively small voice that often does not get heard. Virtually every other industry, especially in comparison to water utilization, spends more dollars in the absolute and as a percentage of gross sales.

Doug - The perspective of Bottled Water really varies. Some people (groups) just look at it as plastic; others look at it as consuming a natural resource.

AWBI - To Bob's question of where do we start? UN Sustainable Development Goals (SDG) is where we need to start. At its most basic level there are 17 SDG's. 5 or 6 are on Environment/Climate, etc. Who/what should we be partnering with to tackle these issues?

Valbona – In our model code we need a strong social responsibility. There are platforms created from other industries that have framework built.

AWBI - Has to go beyond the basic model code, it's not enough.

EFBW Agrees. Sometimes the model code can be restrictive. Partnerships are very important for protecting underground resources.

Chris - Walmart in the US is now mandating APSCA inspections (Social Responsibility). These are generic standards, not specific to water.

Consensus:

- Agricultural water usage has perception that water is kept in the same general area whereas bottled water leaves the local watershed to somewhere else.
- We don't have the financial resources to take on politicians in hand-to-hand combat; we need to start on strategies that build natural alliances and influence young people more directly.
- Pressures to move away from single-use plastics will continue to grow.
- Government mandates are ignoring economic realities that show there is not enough feedstock of food grade plastics to meet requirements.
- Bottlers are racing to catch up with rPET. Its largely buyer beware as government approval of methods of recycling are not linked with regulatory enforcement to insure methods are consistently followed.
- It may be time (if re-affirmed during strategic planning process) for ICBWA to focus on global agencies beyond CODEX to include WHO and others whose policies and influence are transnational. The UN's Sustainability Development Goals (SDG) may become as important to the bottled water industry as our current perceptions of CODEX. The key SDG we are missing out on is #17 having to do with partnerships to promote/drive agendas.
- While agenda's and financial resources vary drastically among industry trade groups, we should study similar ones to our industry and council to understand where they are succeeding and why. Learning about them and adopting stratagems and tactics is different from trying to be like them in size or budget. Not a question of better is better; more basic is understanding what seems to be working and why. Strategy should drive tactics; not the other way around.
- NGO's are not monoliths. It is increasingly likely that the same organization might have seemingly contradictory positions. This can allow for non-traditional alliances where interest are aligned. This is not without risk but may be the new reality.
- Climate change is driving governments to take extraordinary actions to protect/conservate water for food. Our problem is that in this debate we are not considered a food but lumped into general commercial beverages which are not deemed to be critical infrastructure. How do we influence this debate/policy?
- ICBWA members need to focus on revising/modifying their Model Codes to formally address issues around sustainability; could be the point of the sword by which we build alliances.
- We need infographics/iconic images to replace the stereotypical PET bottle as the face of the industry that positions us as part of the solution, not the problem. *[Note: Reference idea put forward by Nestle speaker at EFBW that followed ICBWA around the idea the bottled water*

container is the protection that keeps things (like MPs, PFOAs, etc.) out of their water rather than being the source of these things.]

- Education, especially of very young people (think primary school) cannot be overlooked. Teachers are significant influence drivers to the rising cohort of young consumers. CBIA education program of three stages [**Know water, Love water, Save water**] might have broader application to be counter-balance to being proactive.
- Recent deposit schemes, while on the surface seeming to respond to a perceived social need, have added cost and complexity because each stands as an island with governments hidden agenda of discouraging redemption in order to reap the escheats.

2. Bottled Water Bans/Anti-Bottled Water Efforts

EFBW - Observed on previous occasions, Europe is focused on anti plastic and anti single use plastic. Promotion of refillable/reusable containers are a main focus of detractors. It's not about the activity of collecting water, it's about it's vessel. It's more of a concern that there is a clear alternative to bottled water. There is a push to consume tap water to avoid litter.

CBIA - In china, they're concerned about the plastic, more so than ever.

EFBW - This is the worst crisis we've seen, mostly as a result of the youth not consuming bottled water and whenever, switching to reusable bottles.

Jyoti (NSF) - Also the younger population is waking up to landfills. It's a double impact with both issues.

Doug - British Water Cooler Association (Philippa) had a promotion for larger containers they promoted through their web site and industry publications (about 6 months ago) promoting refill stations that have spring water. **Article here:** <https://www.twinfm.com/article/on-drinking-from-the-big-bottle-lord-deben-is-keynote-speaker>

3) Bottle Deposit Systems and Laws - Compilation of Deposit and Curbside Systems

EFBW - Germany collects 98% of their recycling with deposit schemes. They are still faced with the global issues of plastic/environmental impacts.

Overall redemption is around 58%. Of this, only 11% can be transformed back into food grade beverage containers.

Tethered caps are compulsory by 2024. Fortunately, metal caps often used on sparkling bottled water are exempt by rule.

Industry analysis points to deposit collection schemes represent 30% of the overall cost. Due to the high number, they are often the first place corners are cut by public entities short on financial resources. While EU regulations promote each member to be proactive, they leave it up to the member state to determine what that means.

IBWA – Public space recycling efforts lag everywhere. Municipalities are increasingly only able to recycle PET and clean cardboard leaving all the other contents of bin collection going to landfill.



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ABWI – Federal government has left implementation to the states which has resulted in huge costs to bottlers, missed recovery targets and actual declines in sales. Industry has been trying to start dialog to harmonize the different schemes pointing to significant different levels of success (9.8% in NSW versus 19.2% in Queensland) as reason to modify programs. Net result is consumer frustration, decreases in industry profitability and advocacy groups asking for more radical solutions to the single use plastics issue.

4) Recycling Issues

IBWA - Executive committee is rethinking industry position on deposits schemes. Zero acceptance might not be a winnable position and carries with it negative side effects in alienating potential alliances.

Click here for ESC slideshow presentation:

<https://docs.google.com/presentation/d/1iP8Jetym5jJ3gsVh9QrKXRnhNWAMtTJY/edit#slide=id.p1>

7) Adjournment

The Meeting was adjourned at 2:18 PM GMT