



WATER STEWARDSHIP

Our Approach

At Primo Water, we strive to provide sustainable drinking water solutions to our customers. We do this by sourcing water responsibly and actively supporting policies that are comprehensive, science-based and that support preservation of, and equitable access to, water resources. We are committed to improving our water stewardship practices and have set a target of being WAVE Water Stewardship verified by 2025.

We have identified the following priority topics for our water stewardship strategy:

01

Sustainable Water Sourcing

02

Corporate Water Stewardship

03

Water Stewardship Performance

Targets

Achieve WAVE Water Stewardship verification by 2025.

Improve water efficiency (liters withdrawn/liters produced) by 20% by 2030 compared to 2020 levels – aiming to make this target either context-based or science-based in the future.





Policies, Action Plans + Initiatives

Sustainable Water Sourcing

Our water sources are carefully selected and closely monitored by a team of licensed Primo Water hydrogeologists to ensure consistent safety, quality, and sustainable output. We use less than 20% of the available volume from our permitted wells and Springs in the United States.

In 2022, we also completed Alliance for Water Stewardship (AWS) certification across four of our key owned Spring water sources in the United States, including our Mountain Valley Spring sources in Arkansas, Georgia Mountain Spring source in Georgia, Diamond Spring source in Pennsylvania, and the Wekiva Spring source in Florida.

Managing Risk and Improving Water Resiliency

Managing our water sources is of utmost importance to us. Being able to share multiple validated Spring sources across regionally close bottling plants helps to improve our water source resiliency. Furthermore, because of ongoing analysis, we spread our water withdrawals over multiple sources, helping us diversify our water supply. This manages our intake over any one water source and creates water resiliency, which reduces business risk and supports groundwater sustainability.

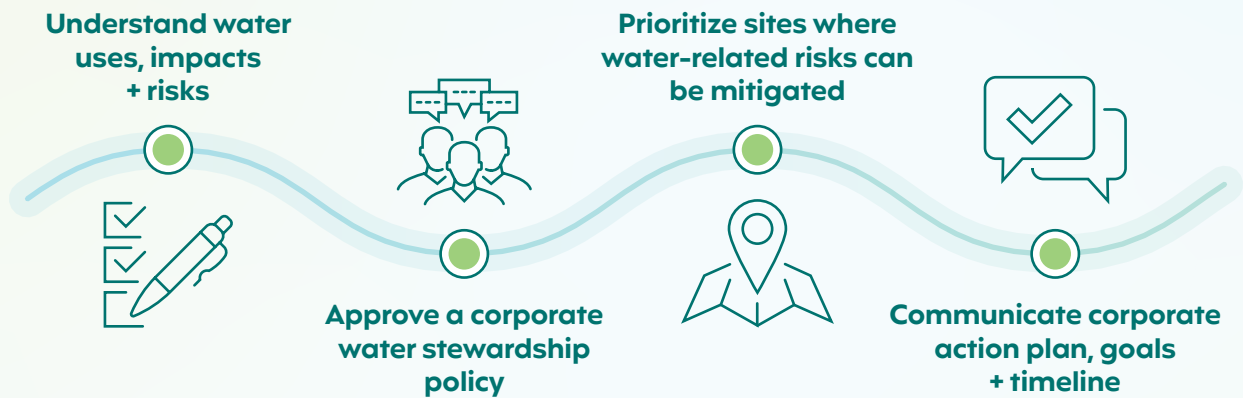
To ensure responsible withdrawals, we monitor drought conditions, and use remote water levels and telemetry monitoring equipment at Spring sites and wells across North America to track trends associated with water levels, which allows for better decision making. For example, in 2022, one of our Spring sites was impacted by drought conditions in Southern California. Due to our monitoring, we knew we had to further diversify our sources in the area, so we qualified 3 new Spring sites in the region. Thanks to these redundant water capabilities, we can quickly pivot away from areas where water stress levels are high to allow for greater flexibility with our water use.





Corporate Water Stewardship

Independent verification of our corporate water stewardship practices is an important part of our commitment to ensure our water usage and conservation efforts meet internationally recognized standards. Primo Water was the first company to receive the Alliance for Water Stewardship (AWS) certification, a global benchmark for water stewardship, for a Spring water source. In 2020, AWS certifications were obtained for both our Diamond Spring water source in the Cocalico Creek watershed in Stevens, PA and our Wekiva Spring water source in Seminole County, Florida. In 2021, we certified two additional Spring sources for a total of four Spring sources achieving AWS certification. In 2022, we completed required surveillance audits for all four Spring sources. While AWS has served us well since onboarding in 2019, we continue to seek the highest standards of independent verification for our water stewardship practices. In 2022, we were proud to adopt [The Water Council's WAVE program](#) and commit to becoming WAVE Water Stewardship verified by 2025. This intensive program will level up our practices and expand them beyond individual water sources to include our entire enterprise. Through this program, Primo Water will strategically prioritize water-related actions while being independently verified, leading to more meaningful company-wide goals, targets, and outcomes.



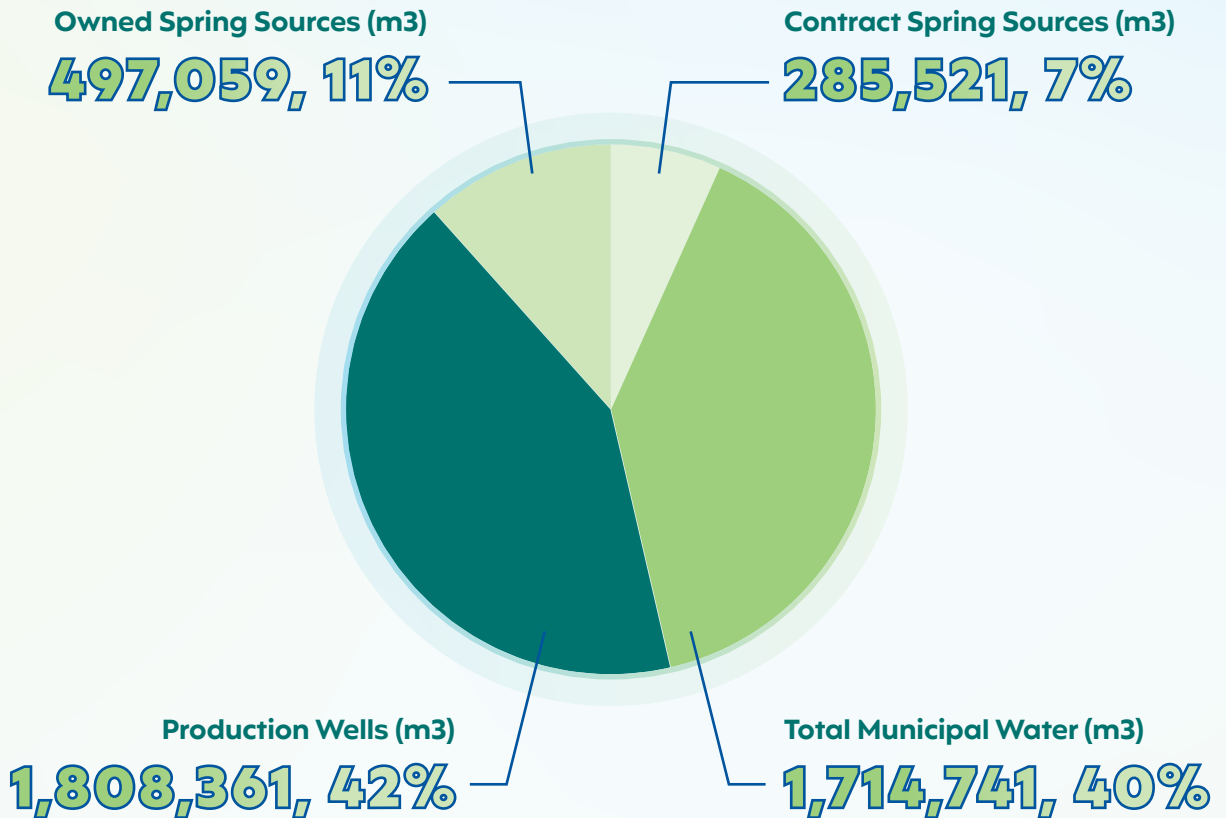
Through WAVE, we are learning more about our water usage and related impacts and risks. Participation in the program will also help us develop a corporate water stewardship policy, prioritize sites where water-related risks can be mitigated, and create a corporate action plan that includes targets and a timeline to achieve those targets. Our efforts will be independently verified by an accredited third-party in sustainability verification. Verified companies can confidently state they are credibly and strategically addressing water challenges and opportunities where it matters most.



Direct Operations Water Inventory

In 2022, we conducted our 3rd in-depth water inventory and risk assessment with Anthesis, which indicates that 53% of our bottling plant water withdrawals came from renewable groundwater sources while the remainder was withdrawn from third-party sources. By monitoring our water sources, we have access to data that helps to assure the water we withdraw is sustainable. The relative share of bottling plant water withdrawals by water source is described in the pie chart below.

Bottling Plant Water Withdrawals by Source (Sum of FY22 Water Withdrawals)



In 2022, 25 of our bottling plants achieved a water efficiency ratio below the International Bottled Water Association's (IBWA's) average of 1.51 liters withdrawn per liter produced (L/L).¹ Our plant water efficiency ratio increased ~5% from 1.51 L/L in 2021 (based on 55 plants) to 1.59 L/L in 2022 (based on 57 plants). The increase was, in part, due to the acquisition of six new plants (1 in Belgium, 5 in France). More accurate data also contributed to the increase: actual water withdrawal data was provided for 100% of our plants in 2022, compared to estimating most bottling plant water withdrawals in 2021 based on production and consumptive use factors.

¹ Home and Office Delivery Water Efficiency Ratio: https://bottledwater.org/wp-content/uploads/2020/12/IBWA-Report_14Nov2018-002AL121318.pdf



Performance

KPI	2022	2021	2020
Company-wide water withdrawals (m3)	8,812,170	8,793,340	8,140,840
Bottling plant water withdrawals (m3)	4,305,681	4,981,150	4,864,763
Bottling plant water efficiency (L withdrawn/L produced)	1.59	1.51	1.52
Bottling plant water withdrawals from water stressed areas, Aqueduct BWS (m3, %)	39%	32%	42%
Number of AWS certified plants	4	4	2

We continue to make strides in improving the accuracy of our water inventory through better data collection efforts, with 57% of our total water withdrawals (94% for plants) being based on primary data in 2021, compared to 96% (100% for plants) in 2022. Overall, we are pleased that we were able to reduce our plant water withdrawals, discharges, and consumption between 2021 and 2022, and we look forward to decreasing our impacts and dependencies even further this year with the new bottling line roll out.





Direct Operations Basin-level Water Risk Assessment

Primo Water collaborated with Anthesis to conduct a basin-level water risk assessment that covered 100% of its direct operations. The water risk assessment identified facilities facing inherent water-related risks and prioritized these facilities for future water stewardship initiatives. As part of the study, select indicators from two water risk tools, World Resources Institute's (WRI's) Aqueduct Water Risk Atlas (Aqueduct) and the Worldwide Fund for Nature's (WWF's) Water Risk Filter (WRF), were considered alongside operational data to evaluate basin-level water risk.

- Preliminary filtering focuses on sites meeting any one of the following criteria:
 - High or extremely high basin water risk, inclusive of physical quantity, physical quality, regulatory, and reputational risk, as identified by either Aqueduct or the WRF.
 - High or extremely high current (Aqueduct's baseline water stress or WRF's water depletion), 2030 or 2040 future water stress (Aqueduct's business as usual conditions representing Shared Socioeconomic Pathway (SSP) 2, Representative Concentration Pathway (RCP) 4.5).
 - High or extremely high interannual variability, seasonal variability, drought risk (Aqueduct), estimated flood occurrence, or surface water quality risk (WRF).
- Sites with non-material water withdrawals are filtered out, employing a threshold that ensures coverage of 95% of total water withdrawals.
- Sites with low business criticality, based on revenues below the global average, are excluded to focus on sites with a substantial or growing impact on the overall business or where significant improvements can be made.

Based solely on Aqueduct's baseline water stress, 20% of Primo Water's total water withdrawals are in water stressed basins. Based on all the criteria listed above, 41 facilities, representing 43% of total water withdrawals and 80% of global revenue, were identified as operating in 27 potentially 'at risk' basins. These sites encompass various plant locations across the United States, Canada, Belgium, France, Hungary, Israel, Poland, Portugal, and the United Kingdom. A more detailed assessment of local/operational water risks and shared water challenges in potentially 'at risk' basins will be conducted to determine residual risk remaining after implementing mitigation measures and to further prioritize facilities for future water stewardship initiatives.



Performance

We continue to execute our water stewardship strategy. In 2022, in addition to committing to the Water Council's WAVE Water Stewardship program and aiming to be WAVE verified by 2025, we also received the 2022 International IBWA Environmental Stewardship Award.



Primo Water is committed to conserving our resources through responsible water stewardship practices. The IBWA Environmental Stewardship Award recognizes our progress and celebrates our leadership team's dedication to our water stewardship efforts.

– Travis S. Thornton, VP of Water Resources, Primo Water

In-plant Efficiencies

Primo Water is actively working to reduce wastewater and increase water use efficiency at our bottling plants. One of the innovative technologies we have invested in to purify drinking water is closed-circuit reverse osmosis (CCRO) technology. This reverse osmosis technology is more efficient and creates less water waste in locations with lower total dissolved solids source water. For example, our Sacramento, CA bottling plant saved almost 11 million gallons of water annually the first year after investing in this technology and our Ephrata, PA facility saved 4.5 million gallons annually. We continue to research and invest in this technology to reduce water consumption and increase water use efficiency.

In 2022, we began installing new R. Bardi bottling lines to improve water use efficiency. R. Bardi is a global leader in manufacturing returnable, reusable plastic and glass bottle washing and filling production line equipment. Their equipment is designed and validated with specific focus on technical innovation, reduction in water use, and hygienic process design.

Our first installation of an R. Bardi bottling line was in our Alberta, Canada Calgary plant in December 2022; this plant has one of Primo Water's highest water efficiency ratios. To date, Calgary's efficiency ratio improved by 45%. In early 2023, we installed a new bottling line in Los Angeles, CA, our second highest volume location in North America. Our Los Angeles plant is in an area with high-water stress, and efficiency improvements are a key step toward achieving our 2030 goal of 20% improvement in water efficiency. This new production line is projected to save over 10 million gallons of water per year. It also enabled us to convert from crate handled bottles to rack handled bottles, which is safer and more efficient. The upgraded lines use automated washing, sanitizing, and filling technology that enables more efficient water consumption. The no-contact, hygienic filler digitally meters and fills the bottles, while not overfilling. This reduces product wastewater, ensuring that each bottle contains the right amount of water.



We are looking to grow this partnership with R.Bardi and continue to upgrade our returnable filling lines, reducing the amount of wastewater during the filling process. In addition to the 2 newly upgraded lines in North America, we expect to install 5 additional bottling lines in sites around the world by 2024.

Efficiency in Action: Primo Water Plant Improvements

- ✓ Installing high efficiency reverse osmosis units.
- ✓ Installing new R. Bardi bottling lines.
- ✓ Improving clean in place (CIP) processes to use less water and chemicals.
- ✓ Maintaining a low water use ratio of <math><1.51\text{ L/L}</math>.

To maximize water efficiency and conservation, Primo Water prioritized and replaced the production line in the company's Los Angeles plant.





Capitalizing on the Water-Energy Nexus

In 2022, Primo Water purchased Guarantee of Origin Certificates (GOs) and Renewable Energy Guarantee of Origin Certificates (REGOs) for Europe from Climate Impact Partners Carbon Neutral Protocol to make progress toward its climate targets. Primo Water also implemented 8 energy efficiency projects across 6 U.S. states.

- **GOs:** 12,373 MWh (Bulgaria generation, any tech)
- **REGOs:** 1,125 MWh (UK generation, biomass)
- **U.S. Energy Efficiency Projects:** 754,876 kWh saved, or ~535 metric tons CO₂e (based on an EPA calculator)

These projects also result in a reduction of 415 million gallons of scope 2 water withdrawals embedded in the purchased electricity², or 37% of our total plant water withdrawals, with 3% of those reductions occurring in water stressed areas.³

Prioritizing Forest Stewardship in Florida

Engaging with our stakeholders is a key part of our water stewardship strategy. In 2022, we worked with the Florida Forest Service, the Suwannee River Water Management, and local stakeholders to implement a Forest Stewardship Management plan for the 40-acre forest surrounding our Wekiva Spring source. The newly implemented plan will increase groundwater recharge, which helps offset our water withdrawals from the Spring.



As part of our water stewardship strategy, Primo Water worked with local stakeholders to help protect 40 acres surrounding our Wekiva Spring source in Morrison Levy County, Florida.

² Reig, P., W. Larson, S. Vionnet, and J.B. Bayart, "Volumetric Water Benefit Accounting (VWBA): A Method for Implementing and Valuing Water Stewardship Activities," WRI Working Paper, 2019.

³ Based on Aqueduct's baseline water stress: World Resources Institute, "Aqueduct Water Risk Atlas," accessed May 2023.



Water Quality

We ensure our water meets the highest quality standards by adhering to all relevant certifications, complying with quality and safety regulations where we operate, and testing anything we produce. Our North American operations follow the federal Food and Drug Administration (U.S. FDA) and the Canadian Food Inspection Agency (CFIA) food safety requirements. Additionally, we comply with stringent member association quality and safety requirements of the International Bottled Water Association (IBWA), Water Quality Association (WQA), and the Canadian Bottled Water Association (CBWA). Our European division is a member of the Watercooler Europe (WE) association. Please refer to the section relating to Product Safety + Quality, under Chapter 3 of the report for additional information.





ESG Data Tables

Data applies to our U.S., Canada, Europe and Israel operations combined, unless indicated otherwise.

GRI	SASB	Metric	Unit	2022	2021	2020
ENVIRONMENT						
303-3-a	FB-NB-140a.1	Water withdrawal	m ³	8,812,170	8,793,340	8,140,840
303-3-a	FB-NB-140a.1	Company wide water consumption	m ³	8,812,170	8,793,340	8,140,840
		Bottling plant water withdrawal	m ³	4,305,681	4,981,150	4,864,763
		Third-party sources – municipal water	m ³	6,186,698	6,450,314	5,868,541
		Third-party sources – contract Spring sources	m ³	285,521	254,190	291,128
		Renewable Groundwater – owned Spring sources	m ³	497,059	372,680	689,378
		Renewable Groundwater – well water	m ³	1,842,893	1,716,155	1,291,793
		Company wide water discharges	m ³	4,330,874	4,568,147	5,238,907
		Bottling plant water discharges	m ³	1,596,224	2,181,111	3,357,218
		Third-party destinations – municipal water	m ³	4,235,498	4,391,445	5,103,138
		Fresh surface water	m ³	92,650	173,966	133,034
		Groundwater – septic system/infiltration pond	m ³	2,725	2,736	2,736
		Company wide water consumption	m ³	4,481,297	4,225,193	2,901,933
		Bottling plant water consumption	m ³	2,709,457	2,800,039	1,507,545
303-3-a	FB-NB-140a.1	Company wide water efficiency (liters withdrawn/ liters produced)	m ³	1.91L	1.77L	1.77L
		Bottling plant water efficiency (liters withdrawn/ liters produced)	m ³	1.59	1.51L	1.52L



GRI	SASB	Metric	Unit	2022	2021	2020
ENVIRONMENT (CONTINUED)						
303-3-b	FB-NB-140a.1	Company wide water withdrawal from areas with water stress, aqueduct BWS	%	20%	20%	25%
		Bottling plant water withdrawal from areas with water stress, aqueduct BWS	%	42%	32%	39%
		Company wide water withdrawal from areas with potentially high/extremely high basin water risk	%	43%	47%	50%
		Bottling plant water withdrawal from areas with potentially high/extremely high basin water risk	%	88%	84%	84%
		Number of AWS certified plants	#	4	4	2

SASB Index

Data applies to our U.S., Canada, Europe and Israel operations combined, unless indicated otherwise.

Code	Accounting Metric	Location
NON-ALCOHOLIC BEVERAGE		
WATER MANAGEMENT		
FB-NB-140a.1	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	4.1.2 Water Stewardship (Page 45)
FB-NB-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	4.1.2 Water Stewardship (Page 42)