



# OUR IMPACT IN ACTION

2022 Primo® Water Corporation  
Environmental, Social +  
Governance Report







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### Forward-Looking Statements

Cautionary Note on Forward-Looking Statements: This report may include “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current views about possible future events. In making these statements, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we consider appropriate under the circumstances. We believe these judgments are reasonable, but these statements are not guarantees of any future events or financial results, and our actual results may differ materially due to a variety of factors, many of which are described in our most recent Annual Report on Form 10-K and our other filings with the securities commissions. We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information, future events or other factors that affect the subject of these statements, except where we are expressly required to do so by law.





## SECTION 1

# INTRODUCTION





# 1.1 LETTER FROM THE CEO

We are pleased to present our 2022 ESG report, highlighting our environmental, social and governance (ESG) priorities, objectives, and achievements. At Primo Water, ESG is at the core of what we do. We offer sustainable water solutions, while drastically reducing plastic waste through our reusable bottles, refill and exchange services. With our ESG report we will continue to formalize our accountability and actions towards ESG and offer annual updates on our progress.

Since publishing our inaugural report covering 2020, we have further integrated our ESG strategy across our global business and aligned our operations with our commitments. We made significant progress towards our ESG initiatives in 2022 and achieved new milestones, including:

- ✔ Appointing a Vice President of ESG who is responsible for supporting and coordinating management's ESG process and activities.
- ✔ Achieving CarbonNeutral® Company certification for our global operations in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality.
- ✔ Continuously investing in low-carbon fleet, adding 70 propane trucks.
- ✔ Implementing Automatic Route Optimization (ARO), reducing 416,000 miles in 6 months, equivalent to ~700 mt of CO2.<sup>1</sup>
- ✔ Completing energy efficiency projects, saving 754,876 kWh, or ~535 mt of CO2e.<sup>2</sup>
- ✔ Joining The Water Council's WAVE: Water Stewardship Verified program, an independent certification process for water stewardship reporting and verification.
- ✔ Completing our third year of HR strategy roll-out, focusing on improving the recruitment, onboarding, and exit process.
- ✔ Finalizing the exit from our single-use retail plastic bottle business across our North American operations, eliminating ~22 million kg of single-use high density polyethylene ("HDPE") plastic annually from our portfolio of drinking water solutions.<sup>3</sup>
- ✔ Continued Greenhouse Gas (GHG) emissions reduction performance, reducing our emissions by 5%.
- ✔ Improved water inventory data collection efforts, achieving 100% primary data for plants and 96% company-wide, an improvement of 6.3% and 68% respectively.
- ✔ Donating over \$1,000,000 between product donations, direct dollar giving and proceeds from targeted product sales.

We thank all our associates for their continued hard work and dedication and our investors for their ongoing support, as we continue our ESG journey.

Tom Harrington, CEO

<sup>1</sup> CO2 reduction calculated using on-line calculator <https://comcar.co.uk/emissions/footprint/> and avg mpg consumption for a diesel beverage truck.

<sup>2</sup> Based on metered kWh savings from installed projects and the EPA CO2e on-line calculator <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> for estimated CO2e reductions.

<sup>3</sup> Estimate based on avg weight of empty 1-gallon HDPE container ~ 50-60 grams multiplied by ~ annual sales of our 1 and 2.5-gallon single-use retail business. Does not account for mix impact of higher weight 2.5-gallon HDPE containers sold, yielding conservative estimate of kg of HDPE eliminated from Primo Water portfolio of drinking water solutions.

# 1.2 ABOUT THIS REPORT

Our 2022 ESG report represents Primo Water Corporation's third ESG report, covering our fiscal year 2022, from January 1, 2022, to December 31, 2022, unless otherwise stated.

This report covers our operations in the United States, Canada, Europe, and Israel. Our reporting content is aligned to the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) non-alcoholic beverages and appliance manufacturing industry standards, and the United Nations Sustainable Goals (SDGs).

The data provided in this report has not been subject to third party assurance. We will be considering third party assurance in future years to continue to strengthen our reporting processes, controls, and systems. Information presented in this report has been subject to internal review processes.

Our 2022 ESG Report reflects our progress in and our continued commitment to our ESG journey. We have worked hard over the past year to make advancements in our ESG priorities and targets, establish new initiatives, and enhance the collection of our ESG data from across our company. As ESG at Primo Water continues to evolve, we will further develop targets and goals to help guide our ESG performance.







We offer **sustainable water solutions**, while **drastically reducing plastic waste** through our **reusable bottles, refill and exchange services**.







## SECTION 2

# ABOUT PRIMO WATER





## 2.1 PRIMO WATER AT A GLANCE

21

Countries

~2.2M

Water Delivery  
Customers

62

Production  
Facilities

\$2.2B

Annual  
Revenue

~9,300

Employees

~1.3B

Gallons of Water Sold





## 2.1 PRIMO WATER AT A GLANCE

**Primo Water is a leading pure-play water solutions provider in North America and Europe and generates approximately \$2.2 billion in annual revenue.**

Primo Water operates largely under a recurring revenue model in the large format water category (defined as 3 gallons or greater). This business strategy is commonly referred to as “razor-razorblade” because the initial sale of a Primo Water dispenser creates a base of users who frequently purchase complementary consumable water products. The razor in Primo Water’s revenue model is its industry leading line-up of innovative water dispensers, which are sold through approximately 10,000 retail locations and via e-commerce sites at various price points. The water dispensers help increase household and business penetration, which drives recurring purchases of Primo Water’s razorblade offering or water solutions. Primo Water’s razorblade offering is comprised of Water Delivery, Water Exchange, and Water Refill. Through its Water Delivery business, Primo Water delivers sustainable hydration solutions across its 21-country footprint direct to approximately 2.2 million customers, whether at home or to businesses. Through its Water Exchange business, customers visit retail locations and purchase a pre-filled bottle of water. Once consumed, empty bottles are exchanged at our recycling center displays, which provide a ticket that offers a discount toward the purchase of a new bottle. Water Exchange is available in approximately 17,500 retail locations. Through its Water Refill business, customers refill empty bottles at approximately 23,500 self-service refill drinking water stations. Primo Water also offers water filtration units across its 21-country footprint.

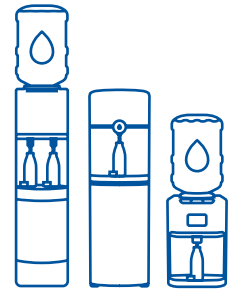






# 2.1 PRIMO WATER AT A GLANCE

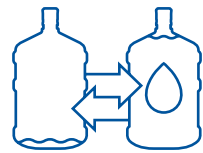
## What We Offer



**~10,000**

### Dispenser Retail Locations

We are the #1 North American Market Leader. Our water dispensers connect Primo Water's sustainable drinking water solutions to consumers.



**~17.5k**

### Water Exchange Locations

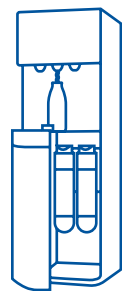
We are the #1 North American Market Leader. Our pre-filled and reusable 5-gallon water bottles are found at retail locations. Bottles are cleaned and filled in a contaminant-free environment.



**~23.5k**

### Water Refill Stations

We are the #1 North American Market Leader. Our self-service refill water stations are located at various retail locations and offer filtered water to customers.



**~220k**

### Filtration Customers

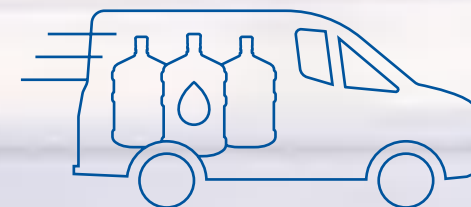
Our plumbed in water filtration is a sustainable solution that provides filtered water to customers at the touch of a button.



**~10,100**

### The Mountain Valley Spring Water

The #1 brand in the Natural Food Channels with ~10,100 U.S. retail locations.



**~2.2M**

### Water Delivery Customers

We are the #1 North American Market Leader. We deliver our products directly to our customers' doors, whether at home or to commercial businesses, across our 21 countries.







## SECTION 3

# OUR APPROACH TO ESG





# 3.1 OVERVIEW OF OUR ESG STRATEGY + PRIORITIES

Our business strategy is aligned around a common purpose and vision. Our purpose defines and identifies who we are and what sets us apart. We aim to **Inspire Healthier Lives With Water Your Way**. To achieve our purpose, our vision guides our decisions and future investments to help differentiate us from our competitors. With our vision, we aim to become the leading brand in the pure-play water category with a unique portfolio of sustainable drinking water solutions. Caring for natural resources and promoting the health and wellness benefits of better-quality water is at the core of what we do. Therefore, ESG leadership is at the heart of our six-pillar global strategy:

## 01

### Water Your Way

We provide high-quality drinking water solutions to customers whenever, wherever, and however they want them.

## 02

### Category Leading Innovation

We develop leading edge solutions for increased water consumption. Innovation enables us to improve the efficiency of our service and reduce waste and costs.

## 03

### Customer for Life Promise

We position the customer at the center of everything we do. We focus on enhancing the value and improving the customer experience. This is done through trusted high-quality products and equipment, responding to service needs, and building interactive digital touchpoints for increased feedback.

## 04

### Operational Excellence

We strive to unlock and increase efficiencies through our global scale and diversified product offering. Our pure-play water model has allowed us to streamline and centralize our functions, optimize our routes, and drive responsible procurement.

## 05

### ESG Leadership

We are determined to leave a positive impact on our environment, our associates, and our communities. We focus on sourcing water responsibly, reducing our carbon footprint and energy consumption, increasing recycled packaging usage, promoting health + safety and diversity and inclusion, within an overall culture of compliance.

## 06

### Inspiring Associates

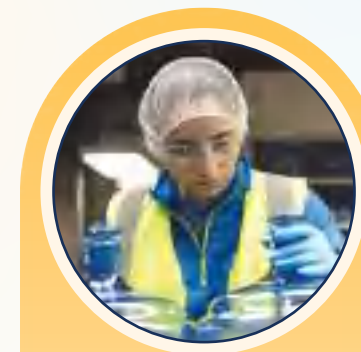
We develop a purpose-driven culture that enhances the associate experience, with the goal of attracting and retaining talent.

To help focus our ESG leadership efforts, we developed a process to identify the **ESG topics most material to our business and stakeholders** during the preparation of our 2020 ESG Report. By looking at industry trends, ESG reporting standards, frameworks, and stakeholder concerns and priorities, we generated a detailed list of ESG topics that were relevant to us and the communities, associates, customers, and investors we serve. Each year, we review and refine this list, to the extent necessary. After validating topics with our Executive Team and other leaders across different business functions, we narrowed down our focus to the following material topics:



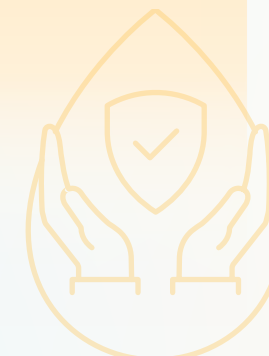
### Protecting Our Planet

- Climate Change
- Water Stewardship
- Packaging + Waste Management



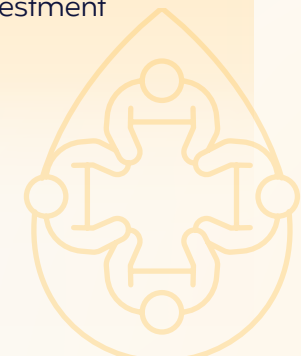
### Committing to Ethical Practices

- Business Ethics + Risk Management
- Corporate Governance
- Product Safety + Quality



### Serving Our People + Community

- Occupational Health + Safety
- Diversity, Equity + Inclusion
- Human Capital Development
- Responsible Supply Chain
- Community Engagement + Investment







| PILLAR                          | PRIORITIES                        | OBJECTIVE/GOAL  |
|---------------------------------|-----------------------------------|---|
| Protecting Our Planet           | Climate Change                    | Fostering the transition to a low-carbon economy by reducing our GHG emissions and promoting carbon neutrality.                                 |
|                                 | Water Stewardship                 | Safeguarding sustainable water sources and reaching The Water Council's WAVE Water Stewardship Verified program compliance by 2025.             |
|                                 | Packaging + Waste Management      | Integrating circular economy principles in our business model, by reusing and reducing packaging materials to the best of our ability.          |
| Serving Our People + Community  | Occupational Health + Safety      | Providing a safe and healthy workspace for our associates and vendors through a robust global safety management system and zero-injury mindset. |
|                                 | Diversity, Equity + Inclusion     | Creating a diverse, fair, and inclusive culture for our associates.   |
|                                 | Human Capital Development         | Recruiting and developing top talent and actively investing in and engaging our associates.   |
|                                 | Responsible Supply Chain          | Partnering with suppliers who align with the One Primo Way and minimizing the environmental and social impacts in our supply chain.             |
|                                 | Community Engagement + Investment | Giving back to communities in which we operate and offering support during times of crises.   |
| Committing to Ethical Practices | Business Ethics + Compliance      | Operating our business in a responsible and ethical manner that aligns with our values and Code of Business Conduct and Ethics.                 |
|                                 | Corporate Governance              | Ensuring strong oversight of our ESG priorities, delivery of our actions and accountability in execution.                                       |

| TARGETS  | SDGS   |
|--|--|
| Reduce GHG emissions per gallon of product in our distribution operations by 20% by 2030 compared to 2020 levels.                                |    |
| Reach full WAVE program compliance.<br>Improve water efficiency (liters withdrawn/liters produced) by 20% by 2030 compared to 2020 levels.       |   |
| Achieve 50% rPET for single-use bottles globally by 2030.<br>Achieve zero waste at 50% of our plants by 2030.                                    |   |
|  |   |
| Year 2 of 3-year strategic plan. Initial targets completed. Assessing new targets during next strategic planning cycle.                          |    |
| Invest in leadership development programs impacting 70% of front-line and senior leaders to upskill in critical leadership competencies by 2025. |    |
|  |    |
|  |   |
|  |   |
|  |    |





## 3.2 HOW WE ENGAGE WITH OUR STAKEHOLDERS

We engage with our stakeholders throughout the year to better understand their concerns and key priorities. We define stakeholders as groups and/or individuals who are impacted by our activities and business strategy and who, in turn, impact our business success. We listen to our stakeholders to help define our ESG priorities, inform our strategy, and provide feedback on our actions. We are continuing to develop a global external communication strategy that will integrate ESG. Establishing a central communication strategy will reinforce our process of gathering feedback from our associates and external stakeholders and provides a means to ensure our ESG priorities stay relevant.

| STAKEHOLDERS             | ENGAGEMENT APPROACH   | KEY PRIORITIES  |
|--------------------------|---|---|
| <b>Customers</b>         | Customer satisfaction surveys   | Plastics + packaging, safe + healthy products   |
| <b>Associates</b>        | Leadership level surveys, Voice of Associate (VOA) surveys, listening sessions, emails, internal social media                       | Diversity, equity + inclusion, human capital development  |
| <b>Suppliers</b>         | Regular communication with category managers and sourcing teams   | Responsible sourcing, business ethics, plastics + packaging   |
| <b>Government</b>        | Industry consultations, Government relations  | Contribution to the economy, access to clean water, safe + healthy products                                   |
| <b>Local Communities</b> | Local charities, volunteering, events   | Access to clean water, local employment, community engagement + investment                                    |
| <b>Shareowners</b>       | Annual General Meeting, direct investor communication such as investor conferences, quarterly earnings calls, and financial reports | ESG governance and disclosure, business ethics, water security, climate change, diversity, equity + inclusion |

## 3.3 ESG GOVERNANCE

In our mission to strengthen our ESG framework, we have formalized our ESG governance structure. Our governance structure is intended to provide strong oversight of our ESG priorities, delivery of our actions and accountability in execution. We have embedded ESG across all layers of our organization, with oversight of ESG assumed by our ESG and Nominating Committee. Our Vice President (VP) of ESG, Eric Austermann, is responsible for supporting and coordinating management's ESG process and activities. That process includes embedding ESG priorities into our strategic plan and annual budgets with direction from the CEO and Senior Leadership and ensuring managers are implementing these ESG priorities on a daily basis and reporting on progress to senior leadership. The VP of ESG also provides regular presentations and updates on ESG matters to the ESG and Nominating Committee and the Board. The appointment of a VP of ESG has allowed us to advance Primo Water's ESG initiatives, driving long-term growth and sustainable value for our shareowners and other stakeholders.







## SECTION 4

# SUSTAINABILITY TOPICS





# 4.1 CHAPTER 1: PROTECTING OUR PLANET

Primo Water’s ambition is to promote the hydration and wellness benefits of drinking quality water and to strive to be good stewards of the environment. By sourcing and processing responsibly, we aim to protect the planet we inhabit. To achieve this, we are implementing an environmental strategy that is focused on three priorities:

01

**Reducing Climate Change Impacts Through GHG Emissions Management**

02

**Sourcing Water Responsibly**

03

**Integrating Circular Economy Principles in Our Business Models**

## Oversight + Governance

Primo Water’s environmental strategy is overseen by the ESG and Nominating Committee as per our ESG governance structure, which includes oversight over our environmental priorities.

In May of 2022, we appointed a VP of ESG, Eric Austermann, who is responsible for supporting and coordinating management’s ESG processes and activities.

We continue to build out our environmental management systems and some of our European markets are ISO 14001 certified. Our North American businesses are members of the International Bottled Water Association (IBWA) and the Canadian Bottled Water Association (CBWA), which assures that our bottling plants meet strict standards of operation. We adhere to the IBWA and CWBA Bottled Water Codes of Practices to ensure that we commit to water reduction efficiency standards, select water sources carefully, as well as monitor for quality and a sustainable yield. We are also members of the Water Quality Association (WQA), which supports us in meeting high standards for water quality. Our European division is a member of Watercoolers Europe, which promotes hygienic and sanitary practices for consumer protection.

| GOALS + TARGETS  | PROGRESS                       | COMMENTS   |
|--|--------------------------------|--|
| <b>Carbon neutral certified across Primo Water by 2021.</b>  | Completed and renewed annually | CarbonNeutral® Company certification in accordance with The CarbonNeutral Protocol, the leading global framework for carbon neutrality. Offset over 250,000 mt (metric tons) of CO2e globally. |
| <b>Reduce GHG emissions per gallon of product in our distribution operations by 20% by 2030 compared to 2020 levels.</b>                 | Completed                      | Compared to 2020 levels, ~25% reduction.   |
| <b>Safeguarding sustainable water sources and reach full AWS Certification of all key owned Spring water production sources by 2025.</b> | On target                      | Switched to achieving The Water Council’s WAVE Water Stewardship Verified program compliance. (Reference Water Stewardship section).   |
| <b>Improve water efficiency (liters withdrawn/liters produced) 20% by 2030 compared to 2020 levels.</b>                                  | On target                      | Achieved 100% primary data collection for bottling plants improving accuracy of water efficiency ratio for future reporting. Installed one new bottling line in North America.                 |
| <b>Achieve 50% rPET for single-use bottles globally by 2030.</b>   | On target                      | Completed our North American single-use retail exit in 2022. Remaining business with single-use retail on target to achieve 50% rPET by 2030.  |
| <b>Achieve zero waste at 50% of our plants by 2030.</b>  | On target                      | Defined zero waste to equal 90% landfill diversion rate. Scoping will be complete in 2023 with the first set of plants achieving zero waste in 2024.   |







**CarbonNeutral<sup>®</sup> Company**  
certification in accordance with  
**The CarbonNeutral Protocol,**  
the leading global framework  
for carbon neutrality.

Offset Over  
**250k mt**  
of CO<sub>2</sub>e Globally





# 4.1.1 CLIMATE CHANGE

## Our Approach

Operating as a carbon-neutral company is our focus and commitment. It means both reducing our emissions and offsetting the balance. We have maintained carbon neutrality in our European water operations for the past nine consecutive years, achieved carbon neutrality in our U.S. operations since 2020 and have been CarbonNeutral® certified since 2021 across Primo Water globally. We are currently assessing other decarbonization certifications and standards to continue to reduce our footprint. We understand our emissions and recognize most come from our company-owned fleet, contracted third-party related shipping activities and manufacturing activities. We have analyzed our impact on climate change and identified the following topics as our priorities:

01

Carbon Neutrality

02

Low Carbon Fleet

03

Route Optimization

04

Energy Efficient Plants

### Targets

Reduce GHG emissions per gallon of product in our distribution operations by 20% by 2030 compared to 2020 levels.

UPDATE: Primo Water is committed to advancing our commitments to reduce carbon emissions. We completed three third-party GHG (Greenhouse Gas) global inventories. This generates the required data to complete a science-based target assessment in 2023. We will update our GHG reduction goals in our next report.

## Policies, Action Plans + Initiatives

### Carbon Neutrality

To help meet our carbon neutral goals, we purchase Energy Attribute Certificate (EAC) products in the form of Guarantee of Origins (GOs) in Europe and Renewable Energy Guarantee of Origins (REGOs) in the United Kingdom, achieving CarbonNeutral® electricity purchasing 100% renewable electricity across all European operations. In addition, through our various ongoing energy efficiency projects, we have saved over 750,000 kWh or roughly 535 metric tons of CO2e in 2022.<sup>4</sup>

100%

Renewable Energy Across All European Operations

750k<sup>+</sup>

kWh CO2 Saved

### Low Carbon Fleet

Transportation represents our largest emission category, mostly due to Water Delivery. For this reason, we are working on multiple fronts to improve our transportation efficiency and reduce the emissions from our fleet.



400

Metric Tons of CO2 Reduced by Converting 140 Trucks to Propane Fuel

We have been able to reduce over 400 metric tons of CO2<sup>5</sup> by converting 140 trucks to propane fuel over the last two years. Seventy of these propane vehicles were purchased in 2022 as part of our commitment to convert all beverage route vehicles to propane in the United States. Propane reduces emission ~10%-15% and nitric oxide over 95%.<sup>6</sup> Nitric oxide is a source in generating exhaust particulate matter 2.5 (PM2.5)<sup>7</sup>. Despite the challenge of a limited market supply of propane trucks we continue to make purchases whenever possible. Beyond our commitments towards propane, we are assessing alternative fuels, such as renewable diesel. Our European business is committed to converting small route and light cargo vehicles to electric vehicles as prices normalize, technology optimizes, and supply increases.

<sup>4</sup> Based on metered kWh savings from installed projects and the EPA CO2e on-line calculator <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> for estimated CO2e reductions.

<sup>5</sup> Based on average miles driven per day in North America multiplied by \*135 grams of CO2e saved per mile propane vs diesel -annualized over 2 years. \*EPA [https://afdc.energy.gov/vehicles/propane\\_emissions.html](https://afdc.energy.gov/vehicles/propane_emissions.html) | <https://propane.com/wp-content/uploads/2019/06/20890-GTI-GHG-Emissions-Analysis-Final-Report.pdf>

<sup>6</sup> [https://afdc.energy.gov/vehicles/propane\\_emissions.html](https://afdc.energy.gov/vehicles/propane_emissions.html) | <https://www.roushcleantech.com/propane-autogas-2/>

<sup>7</sup> <https://www.epa.gov/pm-pollution/particulate-matter-pm-basics>





### Route Optimization and Transportation Efficiencies

At Primo Water, we are committed to looking at opportunities to reduce our mileage when we move water from source to customer, driving our transportation emissions down. In 2022, we implemented various initiatives, including:

- Automatic Route Optimization (ARO)
- Private Fleet Expansion
- Transportation Management System (TMS)

Between 2021 and 2022, the Water Delivery and Exchange businesses were able to reduce the equivalent of 2.1 million miles in the U.S., equating to approximately 1,800 metric tons of CO2 reduced.<sup>8</sup> The reduction in miles is a result of the efficiency gained from ARO and other operational improvement activities. The ARO system was successfully implemented in mid-July 2022 to allow for better route tracking during last-mile deliveries. ARO supports approximately 1,800 routes a day under 5 principles, each helping us achieve various ESG goals:

- 01 Safety First:** No accidents or injuries, supports our number one priority of Safety, Security, and Quality at Primo Water
- 02 Express Checkout:** 100% Express Checkout allows route associates to spend less time at our facilities and more time with our customers
- 03 100% On Time In Full (OTIF):** provides a positive customer experience through flawless service execution
- 04 Customer Retention:** Satisfied customers are more likely to become a Customer for Life
- 05 Routing Efficiency:** Miles at or below the optimized order allow us to create more "Moments that Matter" for our associates and customers

Implementing ARO in the second half of the year has already helped us achieve a total annual internal service improvement of 9.8%. We delivered 6.9% more products all while decreasing our mileage by 2.1 million miles in a single year. We are continuously optimizing ARO based upon feedback from our associates that will further improve our efficiency and results.

Addition of propane trucks + Route Optimization accelerates our reduction in fleet emissions.

<sup>8</sup> Vehicle CO2 on-line <https://comcar.co.uk/emissions/footprint/>

**6.9%**  
**More Products While**  
**Decreasing Our Mileage by**  
**2.1M**

In our U.S. operations, we are working on converting our trucks and trailers to a private fleet . In 2022 alone, we added 45 private drivers, giving us much more control over fleet utilization and vehicle efficiencies, offering direct opportunities to reduce fuel consumption compared to common carriers.

In 2022 we introduced rail transportation with our Mountain Valley brand, reaching 8% with intention to increase. Our current models show optimization at 30% rail for this business. Rail transportation in place of truck transportation can reduce emissions upwards of 85% (13.05g CO2e/tonne-km vs 81.14g CO2e/tonne-km<sup>9</sup>). In 2022, we avoided using 187,995<sup>10</sup> gallons of diesel when replacing truck with rail transportation for our Mountain Valley brand. This equates to an avoidance of 2,239 metric tons of CO2<sup>11</sup>. At Primo Water, we are committed to reducing our emissions, which has a corollary benefit of saving money. To further increase efficiencies, we have purchased a new transportation management system (TMS) for our US operations. Implementation will start in 2023 with the aim of expanding to Canada and Europe in coming years. TMS will allow Primo Water to pinpoint areas where there are gaps in efficiency, reduce mileage, and provide training to drivers.

While we continue to invest in cleaner technology for our fleet operations, we also monitor the advancement in EV technology. Current constraints are related to technical capabilities, such as inferior power and range, higher costs, limited availability and varying country/ state requirements and infrastructure gaps. We are committed to tracking the progress of EV technology and mapping it to where we can best optimize and implement it across different areas of our business.

<sup>9</sup> <https://www.cn.ca/repository/popups/ghg/Carbon-Calculator-Emission-Factors#:~:text=Rail%20transportation&text=The%20overall%20rail%20emissions%20factor,g%20CO2e%2Ftonne%2Dkm>

<sup>10</sup> As calculated by our 3P logistics partner responsible for our rail shipments.

<sup>11</sup> <https://comcar.co.uk/emissions/footprint/>





**2.1M** = **1.8k**

Miles Reduced  
in the U.S.

mt of CO2  
Reduced

**187k<sup>+</sup>** = **2k<sup>+</sup>**

Gallons of Diesel  
Avoided

mt of CO2  
Avoided





### Energy Efficient Plants

Currently, 100% of our purchased electricity at Primo Water Europe is certified CarbonNeutral® electricity in accordance with the CarbonNeutral® Protocol. Our forklifts are currently 80% propane powered and 15% electric, with the remaining 5% to be switched from diesel over time. To further reduce emissions from our North American plants, we are prioritizing forklift replacement with electric forklifts.

In 2022, between energy efficiency gained with equipment upgrades and targeted LED lighting projects, we have saved over 750,000 kWh.

### Managing Climate Risks and Opportunities

At the enterprise level, Primo Water conducts an annual enterprise risk assessment based on our internal risk taxonomy. The impacts of climate change are integrated into this assessment, giving insight into the potential impacts climate change could have on our business. Through this assessment we have developed an understanding of the primary climate risk areas and mitigating measures:

| RISK TYPE               | HOW ARE WE AFFECTED?   | WHAT ARE OUR MITIGATING MEASURES?  |
|-------------------------|--|--|
| <b>Legal + Policy</b>   | Regulations deterring the use of (virgin) plastic packaging.<br>Regulations limiting the withdrawal of groundwater or establishing quotas for water withdrawal.<br>Carbon tax on fuel consumption. | See Packaging and Waste Management<br>See Water Stewardship<br>See Low Carbon Fleet  |
| <b>Reputation</b>       | Possibility of consumers associating the company and sector with water stress, fossil fuel use (through plastics or in distribution) and other climate-related challenges.                         | See Water Stewardship and Packaging and Waste Management   |
| <b>Acute Physical</b>   | Potential for increased down-time and reduced supply due to damage to bottling plants and distribution network.  | Primo Water has a business continuity plan that comes into effect in situations like extreme weather events, and we offer disaster support to communities affected by hurricanes, floods, and other natural disasters by supplying clean drinking water. |
| <b>Chronic Physical</b> | Potential for reduced production capacity due to water stress and changes to water availability.   | See Water Stewardship  |







### Performance

| KPI                                | 2022    | 2021    | 2020    |
|------------------------------------|---------|---------|---------|
| Scope 1                            | 115,137 | 113,822 | 164,905 |
| Scope 2 (tCO2e)                    |         |         |         |
| Location Based Total               | 43,774  | 50,618  | 45,315  |
| Market Based Total                 | 45,329  | 50,000  | 43,816  |
| Scope 3 <sup>12</sup>              | 82,975  | 89,650  | 110,553 |
| <b>Total GHG Emissions (tCO2e)</b> |         |         |         |
| <b>Location Based Total</b>        | 241,886 | 254,093 | 320,773 |
| <b>Market Based Total</b>          | 243,441 | 253,472 | 319,274 |

We are pleased to announce another reduction in our GHG emissions, ~5%<sup>13</sup> year over year with a total of 24.5%<sup>14</sup> reduction over our 2020 baseline. Our reduction efforts continue to see results.

**Scope 1:** Primarily represents our delivery fleet where we offset the impact of customer growth, increased delivery frequency, and increased Private Fleet operations with last-mile automatic route optimization (ARO), increased inventory of propane trucks, use of rail, and other measures. We held our largest emissions to a 1.2% increase, while experiencing robust revenue growth in water delivery and exchange.

**Scope 2:** Completing our exit from retail, in-plant energy efficiency efforts, facility consolidation, and leveraging both Energy Attribute Certificates (EAC's) and Renewable Energy Tariffs we decreased our scope 2 emissions ~14%.

**Scope 3:** Our shift to Private Fleet continues to reduce emissions related to third-party transportation and places key routes in our control where we can optimize efficiencies and reduce cost.

<sup>12</sup> Scope 3 emission calculations include the following categories: upstream emissions from purchased electricity and fuels, transmission and distribution (T+D) losses, third-party transportation and storage of sold products, other waste, all transport by air, public transport, rented/leased vehicle and taxi and homeworking.

<sup>13</sup> Based on location-based emissions

<sup>14</sup> Based on location-based emissions

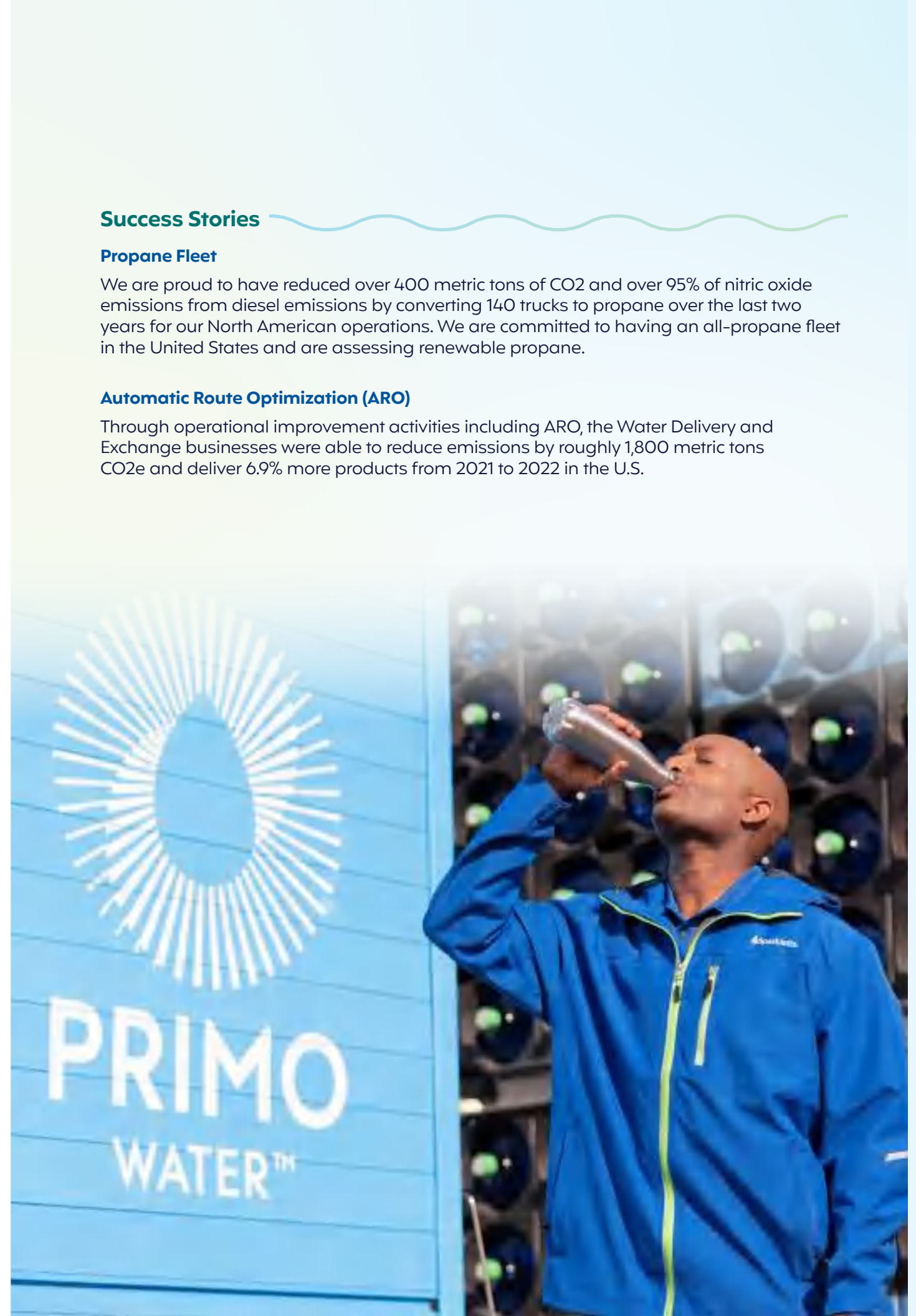
### Success Stories

#### Propane Fleet

We are proud to have reduced over 400 metric tons of CO2 and over 95% of nitric oxide emissions from diesel emissions by converting 140 trucks to propane over the last two years for our North American operations. We are committed to having an all-propane fleet in the United States and are assessing renewable propane.

#### Automatic Route Optimization (ARO)

Through operational improvement activities including ARO, the Water Delivery and Exchange businesses were able to reduce emissions by roughly 1,800 metric tons CO2e and deliver 6.9% more products from 2021 to 2022 in the U.S.







# 4.1.2 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.

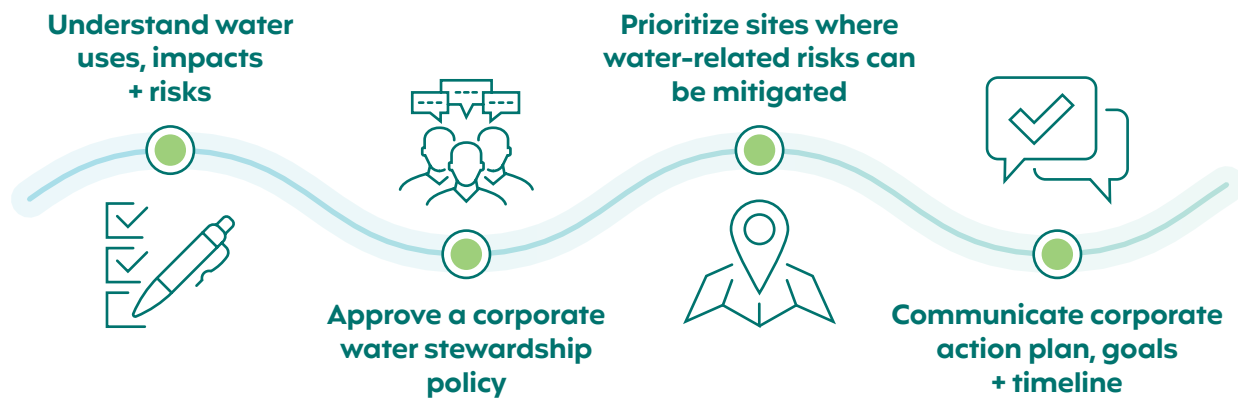






### Corporate Water Stewardship

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.

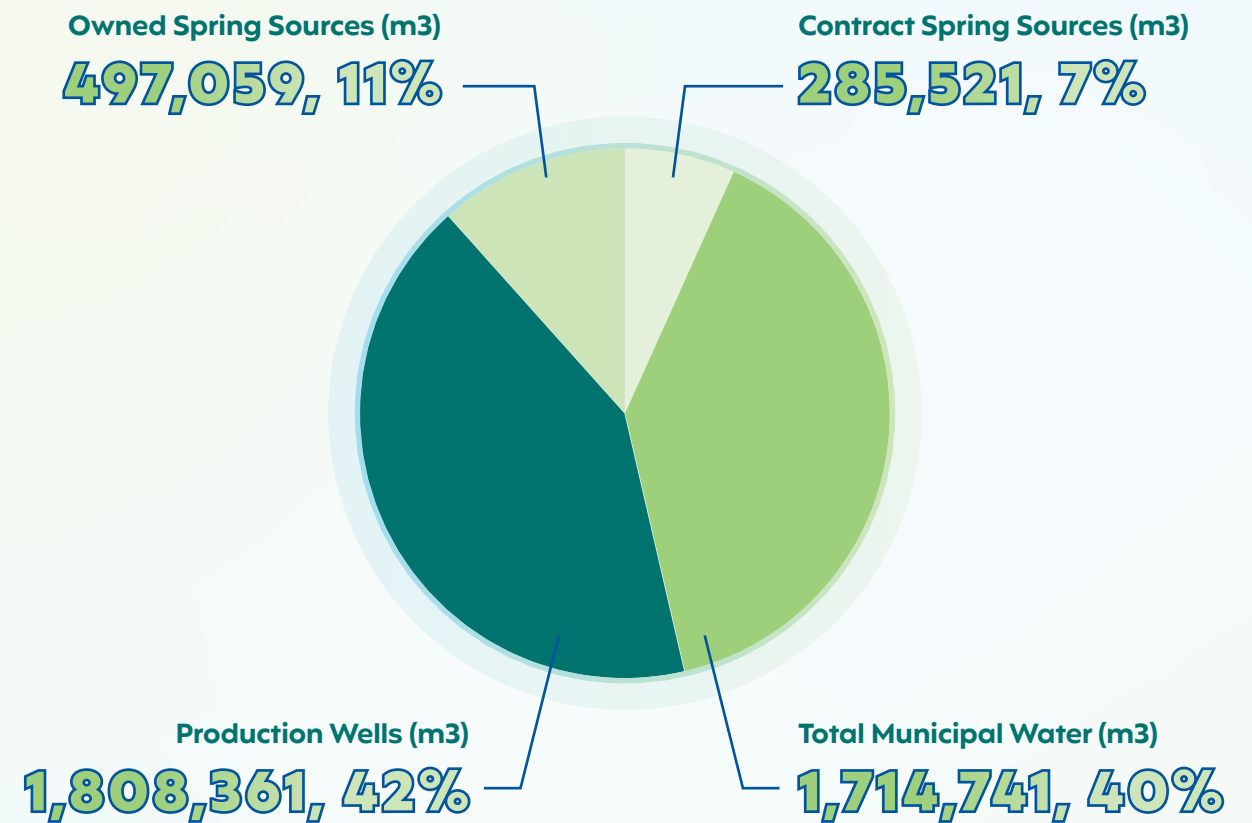


Through WAVE, we are learning more about our water usage and related impacts and risks. Participation in the program will also help us develop a corporate water stewardship policy, prioritize sites where water-related risks can be mitigated, and create a corporate action plan that includes targets and 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).<sup>11</sup> 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.

<sup>11</sup> Home and Office Delivery Water Efficiency Ratio: [https://bottledwater.org/wp-content/uploads/2020/12/IBWA-Report\\_14Nov2018-002AL121318.pdf](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.
- ✓ Improving clean in place (CIP) processes to use less water and chemicals.
- ✓ Installing new R. Bardi bottling lines.
- ✓ Maintaining a low water use ratio of <1.51 L/L.

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 CO<sub>2</sub>e (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 electricity<sup>12</sup>, or 37% of our total plant water withdrawals, with 3% of those reductions occurring in water stressed areas.<sup>13</sup>

### 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.

### 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.



12 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.

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





## 4.1.3 PACKAGING AND WASTE MANAGEMENT

### Our Approach

Packaging is central to our ESG strategy and efforts. With our industry partners, we support uniform recycling initiatives at the local, state, and federal level. But we go beyond compliance and regular recycling with our closed loop system for our 3- and 5-gallon water bottles, which can be reused up to 40 times. We have identified the following priority topics for our packaging and waste management strategy:

01

Recycled Content in Packaging

02

Recycled Bottles

03

Reusable Bottles

04

Innovation in Packaging + Equipment

To further strengthen our responsible packaging strategy, we have become signatories of the Canada Plastics Pact (CPP) in 2021, which aims to achieve a world without plastic waste or pollution. The Canada Plastics Pact is part of the Ellen MacArthur Foundation's global Plastics Pact network, joining other Plastics Pacts in Europe, Africa, North America, and South America, in a network of national and regional initiatives working towards a common vision of a circular economy for plastics.



#### Targets

- Achieve 50% rPET for single-use bottles globally by 2030.
- Achieve zero waste at 50% of our plants by 2030.

All packaging is recyclable, and we continue to increase the percentage of recycled content in our packaging. Most of our sales are in reusable packaging.

In North America, we completed our exit from 1 and 2.5-gallon single-serve retail but remain in the 0.5L and 1.5L small format market for The Mountain Valley Spring Water, where we achieved 17% rPET in early 2023.

In Israel we remain in the 0.5L small format market due to customer demand. We have increased the recycled content to 25% and are on-target to achieve 50% recycled content by 2030.

We have completed key data collection of plant recycling performance in North America and will be developing our zero-waste plan in 2023.

### Policies, Action Plans + Initiatives

#### Recycled Content in Packaging

We are working on increasing our use of Polyethylene terephthalate, to ensure a higher recyclability rate of our bottles. Over the last three years we have increased our PET 5-gallon bottle purchases from ~ 50% to 63% of total 5-gallon bottle purchases. In the U.S., we completed the conversion to 17% recycled polyethylene terephthalate (rPET) for the remaining 0.5L and 1.5L Mountain Valley business in Q1 2023, aligning with rPET content regulations.

We are proud to have over 60% of our Canadian business working with suppliers that exclusively use rPET. Becoming a member of the Canadian Plastic Pact has enabled us to be proactive in considering future regulations. We are continuously engaging our suppliers across Canada to ensure they align with our recycling content goal.

#### Recyclable Bottles

All our 3 and 5-gallon plastic packaging is 100% recyclable, no matter the bottle type. From the bottles to caps, we make sure every part is suitable for recycling. In the U.S., we have a recycling program in place for our 3 and 5-gallon bottles, where our primary supplier, uses PC (polycarbonate) grind and reuses it in the production of new bottles at their Irwindale, California plant, demonstrating circularity. In 2022, Altium received over 300,000 lbs of PC material from West Coast Primo Water sites. At Primo Water, we value recyclability, and are looking to build similar programs with all our new suppliers.





### Reusability

Our business model is based primarily on a deposit system that applies to our 3 and 5-gallon bottles. The deposit system operates under a closed-loop process, where we clean, sanitize, and reuse bottles saving over 1,500 0.5-liter single-serve plastic water bottles from landfills and oceans.<sup>18</sup> Through our Water Delivery option, customers can return their bottles when we deliver new ones. Customers can also exchange their empty bottles for full ones at our retail locations. We then collect the bottles and reuse them. Alternatively, customers can use our Refill Stations and refill empty bottles at approximately 23,500 self-service refill drinking water machines located at various retail locations. The deposit system incentivizes and encourages customers to recycle their empty bottles.

We are proud to announce that we have avoided roughly 50,000 metric tons of CO<sub>2</sub>e annually by successfully exiting the 1 and 2-gallon bottle markets in North America in 2022. In select markets, we remain in the 0.5L and 1.5L small format PET. We are increasing our use of aluminum and glass, material which is infinitely recycled with higher recycling rates than plastic.<sup>19</sup>

### Innovation in Packaging and Equipment

In 2022 Primo Water committed to Energy Star certified hot and cold dispensers in the North American market, helping reduce consumer's energy consumption.

As part of our innovation in more sustainable services, we are planning to pilot 100 Primo Water On-The-Go stations globally in 2023. Primo Water On-The-Go is a refill system where customers will have the option of either purchasing reusable and recyclable Primo Water tumblers on site or bringing their own reusable bottles to refill at stations, allowing customers to access high quality drinking water, sustainably, wherever they go.

<sup>18</sup> Based on the expected lifetime use of one Primo Water 5-gallon bottle compared to the equivalent volume of water in single-use water bottles.

<sup>19</sup> <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/aluminum-material-specific-data> | <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/glass-material-specific-data> | <https://www.gpi.org/glass-recycling-facts>

## Success Stories

### Canada Plastics Pact

Primo Water is well positioned to meet the four targets of the Canada Plastics Pact (CPP) to address and drastically reduce plastic waste. In line with CPP's targets, by 2025 we strive to:

- 01 Define a list of plastic packaging that is to be designated as problematic or unnecessary and take measures to eliminate.
- 02 Have 100% of plastic packaging designed to be reusable, recyclable, or compostable.
- 03 Have 50% of packaging be effectively recycled or composted.
- 04 Achieve 30% recycled content across single-use format packaging.

In 2022, Primo Water implemented various initiatives to actively work towards these targets. We have exited the single-use plastic container market except for our 0.5L format in Canada, strengthening our ability to meet these targets. Our reusable bottles have on average attained a recovery rate of over 98%, going beyond the Canada Plastics Pact (CPP) requirements.







## 4.2 CHAPTER 2: SERVING OUR PEOPLE + COMMUNITY

We are committed to a workplace where everyone feels safe, respected and can develop their full potential. Caring for our associates also means that we strive to promote an inclusive environment and provide associates with learning opportunities and the right support. Our commitments go beyond associates alone and includes our supply chain through our responsible procurement efforts, and our customers and communities in which we operate, through our product quality and community investment initiatives.

### Oversight + Governance

Our Human Resources and Compensation Committee of the Board of Directors is charged with reviewing and discussing Primo Water’s key people management strategies and programs, including culture, diversity, equity and inclusion initiatives, in furtherance of our environmental, social and governance related strategies. Various members in senior management are responsible for supporting and coordinating management’s activities in this area. Our Chief Human Resources Officer is responsible for activities in relation to human capital development. As part of our commitment to implement Diversity Equity and Inclusion (DEI) throughout our operations, we have established specific DEI initiatives and targets that are managed by our Chief Diversity & Inclusion Officer. Our Chief Procurement Officer (CPO) oversees a responsible and compliant supply chain, in part through supplier contracts as well as through our Supplier Code of Conduct. Safety is essential to us and is managed by our Director of Safety and facility level safety directors.

| GOALS + TARGETS   | PROGRESS  | COMMENTS  |
|---|-----------|---|
| <p><b>By 2021:</b></p> <p><b>Achieve 30% women representation on the Board</b></p> <p><b>Deliver training initiatives to generate awareness of DEI principles</b></p> <p><b>Align policies and benefits to our DEI strategy and embed DEI methodologies across the talent ecosystem</b></p> | Completed | We are proud to announce all stated DEI targets were achieved in 2021. We will continue to create a culture where diversity of thought excels, and our associates come to work everyday being themselves. |
| <b>Develop and launch Associate Engagement Survey by 2021.</b>  | Completed | Executed our first Voice of Associate Survey and achieved 67% response rate.  |
| <b>Introduce formal exit interview process to identify associate turnover by 2022.</b>  | Completed | Process complete with every associate, except involuntary terminations, sent exit survey as well as a request to participate in HR representative interview.  |
| <b>Invest in leadership development programs impacting 70% of front-line and senior leaders to upskill in critical leadership competencies by 2025.</b>   | On target |   |

## 4.2.1 OCCUPATIONAL HEALTH + SAFETY

### Our Approach

Safety is paramount to us, which is why we have set on a journey to zero incidents. Through our various programs and initiatives our goal is to ensure that our associates’ mental and physical wellbeing is a priority. As part of our plan to improve health and safety in the workplace, we have adopted occupational health and safety management systems across our network, which aides with reporting, tracking of events and identifying risks and opportunities for improvement. Some of our European sites have been certified FSSC22000, OHSAS 18001 and ISO 9001, ensuring a high standard for quality management. As we operate under food and water regulations, our safety practices are regularly audited.

In North America, plant safety is covered by region operators who monitor and verify that safety measures are implemented. We monitor our plant safety performance through monthly data collection reviews that allow us to identify potential areas of risk and enable us to adjust procedures accordingly. These safety reviews are sent to executives monthly. We have an escalation process in place in the event of any incidents, which includes investigating incident root causes and adapting and improving corresponding procedures as required.

In Europe, health and safety measures are currently managed in each country and follow local laws and guidelines. The relevant data is currently consolidated at the European level, and we are looking to integrate all safety management under a head of European operations. Our long-term goal is to consolidate and standardize our health + safety practices across all global operations to ensure consistent data collection and implementation of best practices.







## Policies, Action Plans + Initiatives

### Safe Driving

In North America, we have continued implementing safe driving initiatives to avoid injuries and accidents. We have increased investments in driving cameras and regularly conduct associate driving behavior audits to ensure safe driving conduct. We have also improved our new hire program, which has safety woven into training and on-boarding. All our drivers are required to follow driving standards concerning safe driving speeds and other safe behavior.

### Plant Safety

Primo Water remains steadfast in our commitment to safety, a core value and our first of ten tenets used to empower our associates and teams in their decision making. In the past year, we have seen an increase in the number of reported incidents. We attribute this to our improved transparency and accuracy in recordkeeping, as well as a greater focus on timely incident reporting for all incidents, regardless of severity, to ensure proper care and management. We encourage our associates to report all incidents and near misses without fear of reprisal, and we work to create a supportive environment where reporting is seen as a positive action that helps us learn and improve our safety performance.

In addition, we have in place several proactive tools and programs to drive our safety culture, reduce exposures, and improve overall safety performance. These include:

- **Worklete:** a custom ergonomic training platform with content designed specifically for Primo Water North America, helping address our top injury category of strains and sprains.
- **Hazard Identification:** empowering associates to identify and mitigate potential hazards before they cause incidents.
- **Behavior-Based Safety Observations:** helping us identify unsafe behaviors and quickly take corrective action.
- **Improved associate training and onboarding programs:** providing our associates with the knowledge and skills they need to work safely.
- **Regular facility inspections:** ensuring that our facilities are safe and in compliance with applicable regulations.
- **In-cab video cameras equipped with AI technology:** providing data on safe and unsafe driving behaviors and allowing us to coach our drivers to operate more safely and to recognize model performance.

We will continue to advance our safety culture and prioritize safety in all our operations.

## Performance<sup>20</sup>

| KPI   | 2022 | 2021 | 2020 |
|---|------|------|------|
| Total recordable injury frequency rate in North America <sup>21</sup> | 7.6  | 6.7  | 6.3  |
| Accident frequency rate in North America <sup>22</sup>                | 20.4 | 18.2 | 22.5 |
| Frequency rate of lost time injuries in Europe <sup>23</sup>          | 18.4 | 9.5  | 10.1 |
| Infrequency rate of lost time injuries in Israel <sup>24</sup>        | 25.6 | 25.3 | 20.2 |

<sup>20</sup> As we advance our One Primo Way standards and strive to drive a culture of safety across operations, we will experience an upward trend in our rates due to improved accuracy of incident reporting.

<sup>21</sup> Metrics indicate the total number of recordable injuries/accidents and accident frequency rate per 200,000 hours worked.

<sup>22</sup> Metrics indicate the total number of recordable injuries/accidents and accident frequency rate per 200,000 hours worked.

<sup>23</sup> Metric indicates the total number of lost time injuries per 1 million hours worked.

<sup>24</sup> Metric indicates the total number of lost time injuries per 1 million hours worked.







## 4.2.2 DIVERSITY, EQUITY + INCLUSION

### Governance

In 2021, we appointed our first Chief Diversity + Inclusion Officer, who is responsible for overseeing the implementation of the end-to-end diversity, equity, and inclusion (DEI) program across our global footprint. The Chief Diversity + Inclusion Officer leads our DEI Committee, reports directly to the CEO, and partners with the executive leadership team to develop, implement and promote DEI strategies and best practices. The DEI Committee is a cross-functional working group of associates that meets regularly and is tasked with developing and reviewing progress against our DEI commitments.

### Our Approach

Primo Water is committed to creating an inclusive organization where we embrace differences and empower our associates to be authentic and transparent. We recognize implicit bias as an involuntary reality and acknowledge the ways that it can interfere with decision making, assessments, and behavior. To that end, we are working on making what is unconscious, conscious by enhancing our education offering and tools promoting self-awareness to leaders and associates, policies that support our commitment to inclusivity and the communities that we serve and a One Primo Way culture that puts our values into action. We are fostering a global approach to DEI by building volunteer groups that are broadening the DEI team. Our DEI team is composed of cross functional and diverse representation from North America, Europe and Israel who are part of various teams, such as talent acquisition, and learning and development, ensuring we have a comprehensive approach to DEI. The team facilitates our DEI strategy, which is centered around the following key focus areas:

- **Measurement:** Further our DEI reporting and analytics capabilities to enable decision-making, planning, and accountability.
- **Infrastructure:** Ensure a DEI lens is applied in everything we do, from talent selection to talent management, marketing representation, service design, and Board of Directors selection.
- **Policies + Benefits:** Align policies and benefits with our DEI philosophy.
- **Change Management:** Increase awareness for DEI through targeted training programs and develop mechanisms for transparency and accountability at the organizational and individual level.
- **Community:** Create a sense of community in which we celebrate and empower diversity of thought and background through events and campaigns.

### Policies, Action Plans + Initiatives

From the launch of our DEI Strategy in 2021, several strategic initiatives have been identified as essential. Our 2022 priorities were to expand DEI education and resources, increase global engagement in DEI through strategic investments to drive awareness and observation of cultural events, and align organizational policies with commitment to inclusivity.

#### Awareness

We continue to extend our list of globally acknowledged calendar dates, such as International Women’s Day, Human Rights Day, and World Mental Health Day. We engage associates in various ways depending on the highlighted day and adapt to the local reality of our offices. For the first time at Primo Water, we recognized Juneteenth as a paid holiday for all associates in the U.S. in 2022. To formalize our approach to DEI, we have also developed a culture guide in 2022 that defines Primo Water’s DEI identity.

#### Policies

We frequently update our policies, with a specific attention to non-discrimination, harassment, retaliation, workplace flexibility, and civic responsibility subjects to make sure they are properly covered and include any required information.

#### Training

We have expanded our self-paced unconscious bias program offering to North American associates and have exceeded our goal of 65% completion rate in 2022. We will continue to broaden our program globally.

#### Associate Engagement

To increase associate engagement, we completed our Voice of Associate Engagement Survey to gauge associate experience and identify areas that need to be addressed, and piloted listening sessions with associates to establish feedback. We will use the results of these sessions and develop action plans to drive engagement and improvement. Our aim is to expand our DEI committee and advance our global strategy with aspirational goals to be applied across our footprint. We strive to ensure that Primo Water remains an equitable and inclusive environment for our associates.

### Performance

| KPI  | 2022  | 2021  | 2020  |
|--|-------|-------|-------|
| Percentage of gender diversity (%) <sup>25</sup> |       |       |       |
| Female   | 15.8% | 15.8% | 15.2% |
| Male   | 84%   | 84.1% | 84.8% |
| Not specified                                    | 0.2%  | 0.1%  | 0%    |

<sup>25</sup> Applies to U.S. and Canada.





## 4.2.3 HUMAN CAPITAL DEVELOPMENT

### Our Approach

As an organization, we care about our associates across their entire career cycle, from recruitment and onboarding to career development, recognition and reward, through to exit. This is why we are investing in our associates like never before and are working to optimize performance while recognizing the work of our associates. 2022 marks the third year of execution of our HR strategy. Our focus is on nurturing talent by restructuring our human resources efforts, implementing consistent processes along the associate lifecycle, and establishing metrics for all priority pillars. Our priorities are summarized in four key pillars:

01

**Attract + Retain Talent**

02

**Develop + Optimize Performance**

03

**Engage, Motivate + Recognize**

04

**Farewell + Customer for Life**

### Policies, Action Plans + Initiatives

#### Attract + Retain Talent

We have redesigned our talent acquisition approach to actively recruit talent, helping to attain a level of 97% staffing in 2022. Our investments in automated application systems made hiring processes faster, which have seen success in our U.S. locations. We are currently expanding our automated systems in Canada and aim to expand in Europe starting with a pilot program in Poland, with the rest of Europe to come in 2024. Our talent acquisition strategy prioritizes people, process, and technology, and in 2022 focused on:

- Implementing inclusive recruitment by factoring in DEI into our hiring and selection process.
- Developing more active recruitment by utilizing hiring events, improving online presence, and building an attractive brand.
- Introducing new people analysis for more efficient hiring of our delivery teams, allowing us to more proactively fill upcoming route jobs.
- Enhancing associate experience, through new redesigned onboarding programs for our customer service associates, leading to higher retention rates and more efficient working.

#### Develop + Optimize Performance

We are creating a culture of development for all associates and continue to elevate our talent-focused initiatives to drive engagement, and support associate growth and development. Talent reviews represent one of the various components of our talent eco-system. We expanded our talent review process to include all global functions, and developed successions slates for critical roles and a more agile approach to ongoing engagement during reviews. We will activate our development plans in 2023 for the talent reviews that were completed in 2022. Example initiatives to better develop and manage our associate's performance included:

- Redesigning and implementing annual and continuous performance management processes.
- Enhancing our onboarding programs for new hires, with new check-in surveys and trainings.
- Expanding our learning + development (L+D) program and increasing our L+D investments. Implementing new development programs globally, focusing on trainings, coaching, mentorship, and continuous education.
  - We invested in LinkedIn learning and development opportunities to support the development of soft and job-specific skills of our associates.
  - Through our internal program Leadership Academy, we offer trainings and coaching on moving people forward, executing strategy at the front line, and the art of behavioral interviewing.

In addition to leadership development, we maintain a stringent training program for all associates in production and field operation roles intended to provide safety and excellence in execution. Our production and field associates are paramount to the customer experience and having structured, consistent training enables quality execution. Annually in North America, each associate receives a minimum of 15 hours of training across a wide variety of over 20 different topics. Our North American associates have completed over 58,000 hours of training over the course of 2022.





### Engage, Motivate + Recognize

We do what we can to create a safe environment for ourselves and others at work and in our community. It is important to us that associates have opportunities to voice their thoughts, and that is why we continue to expand our associate engagement surveys. We launched our second global associate engagement survey and reached a 78% participation rate and a 69% engagement score, a respective increase of 11% and 2% compared to 2021. Responses are used to enhance the associate experience and provide direction in needed investments. Other initiatives that have been executed include:

- Developing the One Primo Way Culture Guide, a tool for Primo Water leaders to get informed on the culture, values, and principles at Primo Water, which will launch in 2023. It serves as a tool to help guide decision making, interactions and treatment of associates, customers, communities and in leading teams.
- Engaging associates through various activities, events, and communication channels such as monthly Primo Power Hours, monthly Seminars for Success, revamped Roundtables, Town Halls, newsletters, and Webcasts.

### Farewell + Customer for Life

We want to understand and analyze associate voluntary turnover and receive feedback as well as provide associates with valuable feedback. We have seen a higher voluntary turnover rate in 2022 and have redesigned our exit program in North America with more informative exit interviews to capture reasons for departure. When an associate chooses to leave Primo Water, in addition to a direct HR interview, we send a 10-question exit survey, which has allowed us to make significant improvements based on the most common reasons for exit. We are planning on introducing this program in Europe over the course of 2023.

### Performance

| KPI   | 2022  | 2021  | 2020  |
|---|-------|-------|-------|
| Total number of full time and part time employees |       |       |       |
| Full time employees                               | 9,211 | 9,248 | 8,539 |
| Part time employees                               | 88    | 35    | 44    |
| Employee turnover rate (%)                        |       |       |       |
| Voluntary   | 27%   | 25%   | 16%   |
| Involuntary                                       | 9%    | 10%   | 21%   |

## 4.2.4 RESPONSIBLE SUPPLY CHAIN

### Our Approach

Primo Water has a global supply chain that revolves primarily around packaging (bottles, labels, closures, etc.) and equipment (dispensers, refill) provided by our suppliers, as well as the logistics and administrative services required to manage operations. We recognize the responsibilities that come with a global supply chain and have made great progress towards our responsible supply chain strategy through our Supplier Code of Conduct. The strategy intends to build on our current focus of ensuring that our suppliers comply with all federal, state, and local laws and regulations. We oppose human trafficking in all its forms, and we are committed to the goals of the California Transparency in Supply Chains Act of 2010. As we continue to build out our responsible supply chain strategy, our immediate priorities include:



### Policies, Action Plans + Initiatives

#### Global Supplier Code of Conduct

As we work with suppliers located around the world, it is necessary for us to have controls in place towards responsible supplier practices. Our Global Supplier Code of Conduct covers business integrity, human rights, health + safety, and environmental management, outlining our expectations on each topic. Through our commitment to the highest standards of business conduct, our code covers responsible supplier practice topics, such as child and forced labor, working conditions, non-discrimination, audits, supplier diversity, freedom of association, anti-bribery, and confidentiality. In 2020, we began requiring suppliers to adhere to this code of conduct, with the long-term goal of screening them based on their ESG practices, amongst other criteria. Over 300 suppliers have accepted our Code of Conduct, representing over 40% of our addressable spend.

We are currently working on procuring a risk management tool that will be implemented in 2023 and will help us track our top 300 suppliers across ESG performance metrics. We will be proactively managing top suppliers to ensure issues and concerns are assessed right away and to help address any gap areas.





### Supplier Diversity Program

This year, we made advancements in our supplier diversity program. We implemented supplier diversity reporting capabilities to determine our baseline spend as well as identified and engaged with the certifying agencies (NMSDC, CGCLL, NGLCC, WBE, WeConnect) to express our interest in future partnership and corporate membership. We were also active with community outreach and engagement participating in supplier diversity conferences and speaking engagements that share the value that Primo Water holds for supplier diversity. Our 2022 diverse spend has grown by 93% from 2021 to 2022, reaching 49 diverse suppliers in 2022. To ensure we follow best in class procedures, all suppliers eligible for the program must be certified diverse through respective certifying agencies. Our supplier diversity program will be inclusive of small business enterprise (SBE) in addition to diverse spend and will be formally launched next year in North America with a scalable plan to expand to Europe in the years that follow.

### Supplier Audits

Contractually, and based on supplier's compliance with the Global Supplier Code of Conduct, we have the right to conduct audits on suppliers. Audits or inspections can be conducted by us or by a third-party organization for all supplier facilities, records, or associates. We continue to assess implementing a social auditing methodology to enable us to assess the social compliance and responsible business practices of our suppliers. The goal of supplier audits is to create a mechanism to engage with suppliers and seek out opportunities to enhance responsible business practices.

## 4.2.5 COMMUNITY ENGAGEMENT + COMPLIANCE

### Our Approach

Through our mission to promote hydration and wellness, we are strongly committed to the communities we serve as well as the world at large. As a water company our products are in high demand during disasters, and we are proud to be responding to disasters globally. We are formulating a formal strategy focused on disaster relief and social impact to improve our reach. To deliver on our mission, we continue to center our efforts towards community engagement on two axes:

**01** Community Wellness + Access to Clean Water

**02** Disaster Support

### Policies, Action Plans + Initiatives

#### Community Wellness + Access to Clean Water

We recognize the importance of hydration as a contributor to good health and aim to provide our bottled water to as many people as possible. Our purpose is to inspire healthier lives with water your way. We believe that everyone should have access to high-quality drinking water whenever, wherever, and however they want it. One of our tenets at Primo Water is to create Moments that Matter, always thinking globally and acting locally. This year, we increased our focus on building awareness for our associates on the different ways to get involved with communities. We allow associates to engage in their local community, choosing where they see the most need.

We are proud to have initiated over a dozen support activities globally, through which our associates have shown up and helped communities in need by donating bottled water and related supplies. We pride ourselves on our consistency in philanthropy, with many sponsorships and initiatives taking place yearly. We provide sponsorships and bottled water products for local sporting events, culinary and hospitality programs, schools, fundraisers, and other community events.

In Israel we engage 2-3 Non-Governmental Organization (NGO) partnerships every year, where all proceeds from specially branded Mey Eden bottles go to a respective NGO. In 2022, we were able to raise over \$700,000 for these NGOs, one of them being a 15-year ongoing partnership.

We also regularly assist communities facing serious health threats due to a lack of clean, sanitary drinking water when the public water supply is contaminated or unreliable. This year we supported the community in Jackson, MS among others that are affected by poor water conditions by providing them with over 300 free water bottle cases. In the U.S. this year, we have donated over \$168,000 worth of products to charities and events.

Since 2012, Primo Water has been purchasing fresh Spring water from Bethany Springs, a for-profit entity of Bethany Children's Home (BCH). BCH is a non-profit residential youth facility that provides resources needed for children to heal from trauma including therapeutic, educational, and recreational services. BCH is home to more than 200 youth per year and provides counseling services to families in the region. Youth from ages 6-21 are served at Bethany through a full range of programming.

Our project is supporting BCH's services through direct and sustainable revenue streams generated from sales of bulk Spring water, producing several local, social, and economic benefits to the community.





### Disaster Support

Across the globe we are involved in disaster relief, using our products to respond to certain catastrophes, because water is a necessity at such times. In 2022, Primo Water and its global associates donated over \$147,000 to Ukraine to support necessary war relief equipment. Recognizing that water is a lifeline in the aftermath of disasters, we continue to offer our support to areas affected by natural disasters and to people in need. To aid Ukrainian refugees, our European operations worked closely with charities to deliver water and water pumps to different refugee centers across Poland and Hungary. To support the outstanding work done by the teams in these countries and to empower our associates across the world to get involved, we launched a global associate donation campaign to support UNICEF to scale up our ongoing humanitarian response in Ukraine.

### Success Stories

#### UNICEF Global Campaign in Ukraine

Thanks to the contributions from our global associates and Primo Water, a total of \$147,666 was raised in support to Ukrainians. Contributions from our One Primo Team provided approximately:

- 3,200** Emergency water, sanitation, and hygiene kits for families
- 30,000** High thermal resistance blankets
- 4,000** First aid kits for **40,000** health workers
- School supplies for nearly **40,000** children

#### Continuously Supporting NGOs in Israel

In 2022, we raised over \$700,000 through our different partnerships where we donated all proceeds from the sales of specialized products used in fund raising campaigns.

##### "Variety Israel" -

For the 15th year in a row, we continued our partnership with Variety Israel, an organization aiding and supporting children with special needs. This campaign showcases limited edition pink bottles and features drawings by special needs kids.

Total proceeds of  
**~\$170,000**

##### "Pitchon Lev" ("Open Heart") -

dedicated to help removing families in Israel from the poverty cycle, provides direct support for nearly 250,000 men, women, and children each year.

Total proceeds of  
**~\$230,000**

In 2022, for the first time, we also cooperated with **Michal Sela Forum** - an organization dedicated to preventing domestic violence against women through innovation and technological solutions.

Total proceeds of  
**~\$300,000**

## 4.3 CHAPTER 3: COMMITTING TO ETHICAL PRACTICES

Our governance is based on our commitment to do the right thing - always. We value how we work, and we hold ourselves to the highest standards to provide better quality water. We have been integrating ESG principles into our risk management approaches for many years and we keep on accelerating our sustainable practices.

### 4.3.1 BUSINESS ETHICS + RISK MANAGEMENT

#### Our Approach

We take a comprehensive approach to ethical business practices and compliance through One Primo Way. One Primo Way is our governing principle for advocating behavior of accountability and promoting transparency. It sets a series of objectives, including:

- 01** Ensuring Compliance with Local, State, and Federal Regulatory Requirements
- 02** Advocating for Legislation that Helps Us Provide Safe, Quality, and Secure Products
- 03** Using Our Code of Business Conduct and Ethics as the Ethical Compass and a Guide to Decision-Making Across the Organization







## Policies, Action Plans + Initiatives

### Policies

We have established a series of policies and guidelines for our associates and business partners to ensure we always engage in responsible practices. We continually review the following policies to ensure current regulations and best practices are reflected.

| POLICIES + GUIDELINES                           |   |
|---|---|
| <b>Code of Business Conduct and Ethics</b>      | Equips all associates, officers and directors of all our subsidiaries with practical guidelines on how to apply our purpose and values through their work. Provides guidance on complying with laws and regulations and the ethical behaviors expected.<br><br>Covers topics related to ethics and compliance, including anti-corruption, fraud, confidential information, environmental stewardship, intellectual property and social responsibility.  |
| <b>Global Supplier Code of Business Conduct</b> | Ensures that all business is conducted in compliance with applicable law, clarifying expectations on topics including human rights, health and safety, environmental management, and business integrity.<br><br>Applies to all suppliers, vendors, contractors, consultants, agents and other providers of goods and services who wish to conduct business with Primo Water entities worldwide.   |
| <b>Code of Ethics for Senior Officers</b>       | Deters wrongdoing and provides guidance to the Company's senior officers regarding ethical conduct; full, fair, accurate, timely and understandable disclosure in reports and documents; compliance with laws; internal reporting of violations of this Code; and accountability for adherence to this Code.<br><br>Applies to the Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, Controller and any other person who performs similar functions, Treasurer and Assistant Treasurer, and the senior financial officer in each of our business units and divisions. |
| <b>Diversity, Equity, and Inclusion Policy</b>  | Defines the approach to diversity, particularly when identifying individuals to serve as members of the Board or senior management of the Company.<br><br>Applies to Board and senior management levels and includes diversity in experience, gender, age, ethnicity, disability, expertise, and geography.   |
| <b>Corporate Governance Guidelines</b>          | Sets out the corporate governance guidelines to promote the effective functioning of the Board of Directors and its committees, to promote the interests of shareowners, and to establish a common set of expectations as to how the Board of Directors, its various committees, individual directors, and management should perform their functions.<br><br>Provides a flexible framework within which the Board of Directors may carry out these functions.   |
| <b>Anti-bribery and Corruption Policy</b>       | Outlines our position and responsibilities on bribery and corruption matters.   |

### Risk Management

We have integrated ESG risks into our enterprise-wide risk management system (ERM). As standard practice, the Board and Audit Committee review enterprise risks regularly each year, during which management provides updates on risk management efforts at the organization. In 2022, the Board and Audit Committee paid particular attention to risks related to global and regional events and their impact on supply, as well as the impact of inflation on purchasing power and operating expenses. In some instances, we perform additional risk analysis on ESG topics outside our ERM, to facilitate a deeper understanding of our risk exposure. We are currently conducting a rigorous water risk study across our operations and are implementing practices to mitigate them.

### Business Continuity

We have created business continuity plans to identify and mitigate any potential impacts that could put our activities at risk should a business interruption occur. We work with our crisis management teams at the enterprise level and in each of our businesses to include specific mitigation measures.

### Ethics Reporting Line

We are committed to establishing a culture that leaves no place for unethical conduct, and we do not tolerate unfair treatment or retaliation for reporting violations of our Code. For this purpose, we provide mobile, phone, and web-based mechanisms for our associates to report any ethical concerns. Our human resources partners and our leaders are also always available to all associates. Appropriate disciplinary actions, including possible termination of employment, will be taken in the event of violations of our Code of Business Conduct and Ethics.

### Training

Our compliance group coordinates online trainings on ethical matters for all business units. Training programs include modules on our Code of Conduct, anti-money laundering (AML), anti-bribery and corruption (ABC), harassment prevention, human trafficking, human rights, and more.





### Product Safety + Quality

We are committed to providing safe, high quality drinking water solutions to our customers and consumers. This is one of our guiding principles. As a leading manufacturer of bottled and refill drinking water solutions, the company is dedicated to ensuring that food safety and quality is effectively managed throughout the business.

To guarantee that our water meets the highest quality standards, our sources and products are routinely tested by accredited laboratories certified to perform testing on our water sources, refill stations, and bottled water products. For example: In the U.S. around 250 individual biological, chemical and physical analyses (referred to as the full annual analysis) are performed by accredited laboratories annually on each source and water type, for every bottling plant. This ensures continued compliance with U.S. FDA regulations for bottled water. Additionally, Primo Water maintains an accredited national analytical laboratory, staffed by educated and trained environmental laboratory scientists, microbiologists, inorganic and organic chemists. This laboratory conducts more than 130,000 individual analyses annually: performing microbiological, organic and inorganic chemical testing on well/Spring/municipal sources, water products and packaging materials.

Our water bottling plants include complex multibarrier filtration and disinfection steps, focused on sanitary process design principles. The multibarrier water processing systems, bottling and filling equipment and finished products are routinely monitored at a frequency meeting or often exceeding industry and regulatory recommendations by skilled and knowledgeable production and quality teams. Additionally, many of our water bottling processes include world-class, state-of-the-art continuous monitoring in-line instrumentation and computer controls, providing instantaneous, real-time feedback in conjunction with hands-on monitoring and testing.

Our United States operations are governed by the Food and Drug Administration (FDA) and our bottled water production plants are annually inspected by independent, third-party organizations. We also comply with state-level agencies that regulate safe and healthy water for consumers. In North America, Primo Water is a member of the International Bottled Water Association (IBWA), and the Canadian Bottled Water Association (CBWA). Our North American plants are compliant with both the IBWA and CBWA's Codes of Practices and aim to continuously meet or exceed the minimum standards. This includes a required annual, independent third-party compliance audit that is specific to bottled water production facilities. Our water bottling facilities routinely and consistently rank among the best in the industry achieving the highest audit rating of "Excellence in Manufacturing". In 2022, 26 of our U.S. plants achieved the coveted IBWA Excellence rating and 7 of our Canadian plants achieved the CBWA Excellence rating.

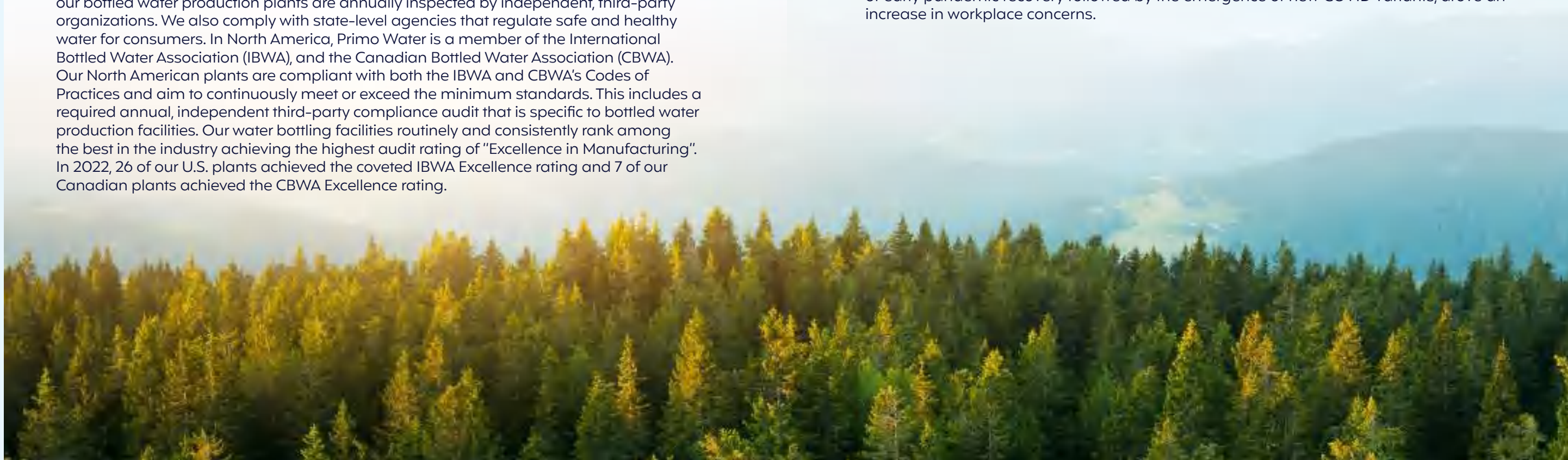
Primo Water Europe is a member of the Watercooler Europe (WE) organization which promotes better practices for the industry. It provides us with information on technical, scientific, and regulatory principles and trainings. It specifically offers guidelines for hygienic practices and proper sanitation procedures for consumer protection and to improve ethical practices in the water industry.

We continue to be voluntary members and supporters of these associations that are grounded in integrity and strong food safety and quality principles. This is our commitment to our valued customers, associates, and shareowners.

### Performance

| KPI   | 2022 | 2021 | 2020 |
|---|------|------|------|
| Number of inquiries, complaints, or issues received by the legal or compliance office   | 28   | 47   | 29   |
| Amount of legal and regulatory fines and settlements associated with violations of bribery, corruption, or anti-competitive standards | None | None | None |

The increase in ethics reports in 2021 is likely attributable to the many changes in our business driven by the emerging recovery from the COVID-19 pandemic. Staffing shortages in customer-facing roles, new metrics for assessing job performance, more associates in-office at our call centers, on-boarding and training requirements for new hires – these are examples of situational factors that, when combined with the stresses of early pandemic recovery followed by the emergence of new COVID variants, drove an increase in workplace concerns.







## SECTION 5

# APPENDIX







## 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      |
|--------------------|--------------|--|----------------|------------------------|-----------|-----------|
| <b>ENVIRONMENT</b> |              |  |                |                        |           |           |
|                    | FB-NB-410a.1 | Percentage of sales from reusable packaging                              | %              | Over 50% <sup>26</sup> |           |           |
|                    | FB-NB-410a.1 | Percentage of packaging that is recyclable, reusable, and/or compostable | %              | 100%                   | 100%      | 100%      |
| 303-3-a            | FB-NB-140a.1 | Water withdrawal   | m <sup>3</sup> | 8,812,170              | 8,793,340 | 8,140,840 |
| 303-3-a            | FB-NB-140a.1 | Company wide water consumption   | m <sup>3</sup> | 8,812,170              | 8,793,340 | 8,140,840 |
|                    |              | Bottling plant water withdrawal  | m <sup>3</sup> | 4,305,681              | 4,981,150 | 4,864,763 |
|                    |              | Third-party sources – municipal water                                    | m <sup>3</sup> | 6,186,698              | 6,450,314 | 5,868,541 |
|                    |              | Third-party sources – contract Spring sources                            | m <sup>3</sup> | 285,521                | 254,190   | 291,128   |
|                    |              | Renewable Groundwater – owned Spring sources                             | m <sup>3</sup> | 497,059                | 372,680   | 689,378   |
|                    |              | Renewable Groundwater – well water                                       | m <sup>3</sup> | 1,842,893              | 1,716,155 | 1,291,793 |
|                    |              | Company wide water discharges  | m <sup>3</sup> | 4,330,874              | 4,568,147 | 5,238,907 |
|                    |              | Bottling plant water discharges  | m <sup>3</sup> | 1,596,224              | 2,181,111 | 3,357,218 |
|                    |              | Third-party destinations – municipal water                               | m <sup>3</sup> | 4,235,498              | 4,391,445 | 5,103,138 |
|                    |              | Fresh surface water  | m <sup>3</sup> | 92,650                 | 173,966   | 133,034   |
|                    |              | Groundwater – septic system/infiltration pond                            | m <sup>3</sup> | 2,725                  | 2,736     | 2,736     |
|                    |              | Company wide water consumption   | m <sup>3</sup> | 4,481,297              | 4,225,193 | 2,901,933 |
|                    |              | Bottling plant water consumption   | m <sup>3</sup> | 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 <sup>3</sup> | 1.91L                  | 1.77L     | 1.77L     |
|                    |              | Bottling plant water efficiency (liters withdrawn/ liters produced)      | m <sup>3</sup> | 1.59                   | 1.51L     | 1.52L     |

26 % Depending on format; small pack with copackers make up much smaller portion of our sales.

| GRI                            | SASB         | Metric   | Unit                           | 2022       | 2021       | 2020       |
|--------------------------------|--------------|--|--------------------------------|------------|------------|------------|
| <b>ENVIRONMENT (CONTINUED)</b> |              |  |                                |            |            |            |
| 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          |
| 305-4-a                        |              | GHG Emissions Intensity  | tCO <sub>2</sub> -e/production | 0.00016    | 0.00017    | 0.00023    |
| 305-1-a                        |              | Scope 1 GHG emissions  | tCO <sub>2</sub> -e            | 115,136.90 | 113,822.50 | 164,905.40 |
| 305-2-a                        |              | Scope 2 GHG emissions  | tCO <sub>2</sub> -e            |            |            |            |
|                                |              | Location based total   | tCO <sub>2</sub> -e            | 43,774.40  | 50,617.80  | 45,315.10  |
|                                |              | Market based total   | tCO <sub>2</sub> -e            | 45,329.20  | 50,000.00  | 43,816.30  |
| 305-2-a                        |              | Scope 3 GHG emissions  | tCO <sub>2</sub> -e            | 82,974.80  | 89,649.80  | 110,552.60 |
| 305-2-a                        |              | Total GHG emissions  | tCO <sub>2</sub> -e            |            |            |            |
|                                |              | Location based total   | tCO <sub>2</sub> -e            | 241,886.10 | 254,089.10 | 320,772.9  |
|                                |              | Market based total   | tCO <sub>2</sub> -e            | 243,440.9  | 253,471.20 | 319,274.1  |
| <b>SOCIAL</b>                  |              |  |                                |            |            |            |
| 102-8                          |              | Total number of full time and part time employees <sup>27</sup>                                  | #                              |            |            |            |
|                                |              | Total full-time employees  | #                              | 9,211      | 9,248      | 8,539      |
|                                |              | Total part-time employees  | #                              | 88         | 35         | 44         |
| 102-8                          |              | Number of permanent employees  | #                              | 9,299      | 9,283      | 8,583      |
| 401-1-b                        |              | Employee turnover rate   | Rate                           |            |            |            |
|                                |              | Voluntary  | Rate                           | 27%        | 25%        | 16%        |
|                                |              | Involuntary  | Rate                           | 9%         | 10%        | 21%        |

27 Breakdown is unavailable for Europe and Israel and were therefore assumed full time employees.





| GRI                       | SASB | Metric  | Unit                      | 2022       | 2021  | 2020  |
|---------------------------|------|---|---------------------------|------------|-------|-------|
| <b>SOCIAL (CONTINUED)</b> |      |   |                           |            |       |       |
| 102-41                    |      | Percentage of total employees covered by collective bargaining agreements <sup>28</sup>             | %                         |            |       |       |
|                           |      | Non-Unionized employees   | %                         | 89%        | 94%   | 93%   |
|                           |      | Unionized employees   | %                         | 11%        | 6%    | 7%    |
| 403-9                     |      | Fatalities  | #                         | 0          | 0     | 0     |
|                           |      | Lost time injury frequency rate (LTIF) (employees and contractors) <sup>29</sup>                    | Rate                      | 19.7       | 12.6  | 11.9  |
| 403-9                     |      | Total recordable injury frequency rate (TRIF) (employees and contractors) <sup>30</sup>             | Rate                      | 7.6        | 6.7   | 6.3   |
| 404-1-a-i                 |      | Training and development investments  | Average \$ by employee    | \$104      | \$106 |       |
| 404-1-a-ii                |      | Training hours all associates<br>Training hours production/operation roles                          | Average hours by employee | 2.49<br>15 |       |       |
| 405-1-a-i                 |      | Percentage of individuals in each of the following diversity categories.<br>i. Gender <sup>31</sup> | %                         |            |       |       |
|                           |      | Female  | %                         | 15.8%      | 15.8% | 15.2% |
|                           |      | Male  | %                         | 84%        | 84.1% | 84.8% |
|                           |      | Not specified   | %                         | 0.1%       | 0.1%  | 0%    |
| 405-1-a-ii                |      | ii. Age group <sup>32</sup>   | %                         |            |       |       |
|                           |      | Under 30  | %                         | 11.6%      | 12.6% | 14.7% |
|                           |      | 30-50   | %                         | 53.4%      | 52.7% | 50.8% |
|                           |      | Over 50   | %                         | 34.8%      | 34.5% | 34.5% |
| 405-1-a-iii               |      | iii. Other indicators of diversity where relevant <sup>33</sup>                                     | %                         |            |       |       |
|                           |      | White   | %                         | 46.0%      | 47.0% | 49.0% |
|                           |      | Hispanic  | %                         | 26.6%      | 26.4% | 25.2% |
|                           |      | Black/AA  | %                         | 20.9%      | 20.0% | 19.7% |
|                           |      | Asian   | %                         | 2.4%       | 2.6%  | 2.4%  |
|                           |      | HI/Pac Isl.   | %                         | 0.6%       | 0.7%  | 2.3%  |
|                           |      | Am Ind/Alskn  | %                         | 0.5%       | 0.6%  | 0.5%  |
|                           |      | Two or more   | %                         | 2.3%       | 2.3%  | 2.3%  |
|                           |      | Not specified   | %                         | 0.8%       | 0.5%  | 0.2%  |

28 2020 data applies to US and Canada. 2021 onwards is global.  
 29 Applies to Europe and Israel.  
 30 Applies to U.S. and Canada.  
 31 Applies to U.S. and Canada.  
 32 Applies to U.S. and Canada.  
 33 Applies to U.S.

| GRI                       | SASB         | Metric   | Unit    | 2022          | 2021          | 2020          |
|---------------------------|--------------|--|---------|---------------|---------------|---------------|
| <b>SOCIAL (CONTINUED)</b> |              |  |         |               |               |               |
| 414-2-a                   | FB-NB-430a.1 | Suppliers committed to the Supplier Code of Conduct  | %       |               |               | 0%            |
|                           |              | Number of supplier audits completed  | #       |               |               | 0             |
| 201-1-a-ii                |              | Community investment (cash contributions; staff time; in-kind contributions; management costs) <sup>34</sup>                           | \$      | ~\$315,730    | ~\$168,021    | ~\$95,976     |
| <b>ECONOMIC</b>           |              |  |         |               |               |               |
| 102-7-a-ii                | FB-NB-000.B  | Scale of the organization, including: i. total number of operations;   | #       | 397           | 388           | 363           |
| 102-7-a-iii               |              | ii. net sales/revenues from continuing operations;   | \$      | 2,215,000,000 | 2,073,000,000 | 1,953,500,000 |
| 102-7-a-v                 | FB-NB-000.A  | iii. gallons of water sold (including refill)  | gallons | 1.310 billion | 1.444 billion | 1.490 billion |
| <b>GOVERNANCE</b>         |              |  |         |               |               |               |
| 102-22                    |              | Board diversity (percentage of women)  | %       | 30%           | 25%           | 25%           |
| 102-22                    |              | Board independence (percentage of independent directors)   | %       | 70%           | 75%           | 75%           |
| 102-22                    |              | Board tenure   | #       | 9.3           | 9.2           | 9.6           |
| 409-1                     |              | Number of inquiries, complaints, or issues received by the legal or compliance office  | #       | 28            | 47            | 29            |
| 409-1                     |              | Amount of legal and regulatory fines, and settlements associated with violations of bribery, corruption, or anti-competitive standards | #       | None          | None          | None          |
|                           | CG-AM-250a.3 | Total amount of monetary losses as a result of legal proceedings associated with product safety  | \$      | 0             | 0             | 0             |
|                           | FB-NB-270a.1 | Percentage of advertising impressions made on children and made on children promoting products that meet dietary guidelines            | #       | 0             | 0             | 0             |
|                           | FB-NB-270a.2 | Revenue from products labeled as containing genetically modified organisms (GMOs) and non-GMO  | \$      | 0             | 0             | 0             |
|                           | FB-NB-270a.3 | Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes                                      | #       | 0             | 0             | 0             |
|                           | FB-NB-270a.4 | Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling processes                   | \$      | 0             | 0             | 0             |

34 Applies to North America





## SASB Index

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

| Code   | Accounting Metric  | Location   |
|--|--|--|
| <b>NON-ALCOHOLIC BEVERAGE</b>                                    |  |  |
| <b>WATER MANAGEMENT</b>  |  |  |
| FB-NB-140a.1   | (1) Total water withdrawn<br>(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)  |
| <b>PACKAGING LIFECYCLE MANAGEMENT</b>                            |  |  |
| FB-NB-410a.1   | (3) Percentage of packaging that is recyclable, reusable, and/or compostable   | 4.1.3 Packaging and Waste Management (Page 53)   |
| FB-NB-410a.2   | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle                                      | 4.1.3 Packaging and Waste Management (Page 52)   |
| <b>ENVIRONMENTAL + SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN</b> |  |  |
| FB-NB-430a.1   | Suppliers' social and environmental responsibility audit   | 4.2.4 Responsible Supply Chain (65), 4.3.1 Business Ethics + Risk Management (Page 69)   |
| <b>Code</b>  |  |  |
| <b>Activity Metric</b>   |  |  |
| <b>Location</b>  |  |  |
| FB-NB-000.A  | Volume of products sold  | 2.1 Primo Water At a Glance (Page 13)  |
| FB-NB-000.B  | Number of production facilities  | 2.1 Primo Water At a Glance (Page 13)  |
| <b>Code</b>  |  |  |
| <b>Accounting Metric</b>   |  |  |
| <b>Location</b>  |  |  |
| <b>APPLIANCE MANUFACTURING</b>                                   |  |  |
| <b>PRODUCT SAFETY</b>  |  |  |
|  | Number of recalls issued, and total units recalled   | 4.3.1 Business Ethics + Risk Management (Page 73)  |
|  | Discussion of process to identify and manage safety risks associated with the use of its products                                      | 4.3.1 Business Ethics + Risk Management (Page 69)  |
| CG-AM-250a.3   | Total amount of monetary losses as a result of legal proceedings associated with product safety  | 4.3.1 Business Ethics + Risk Management (Page 69)  |
| <b>Code</b>  |  |  |
| <b>Activity Metric</b>   |  |  |
| <b>Location</b>  |  |  |
| CG-AM-000.A  | Annual production  | Primo Water sells water dispensers but is not directly engaged in the production of appliances. Production is subcontracted out. |

## CONTACT INFORMATION

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