



B Lab Statement on Compañía Salus' B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for bottled water companies:

"Bottled water companies are eligible for B Corp Certification with additional review by the Standards Advisory Council and, at minimum, incremental disclosure on their public B Corp profile regarding material sensitive issues in the industry."

Compañía Salus is required to disclose a summary of its practices in the areas of Sustainable Usage, Water Access, and Waste as a part of its B Corp Certification. For more information on the review process, please refer to B Lab's statement on the bottled water industry and B Corp Certification [here](#).

Summary of Company

Compañía Salus (Salus) is a water company whose headquarters are based in Montevideo, capital city of Uruguay. It's mission is to inspire Uruguayans towards healthier drinking habits, while protecting the environment and its resources. Its major brand is Salus, a mineral water brand, and the company also sells a beverage brand Frutté. All of the water sold by the company is pure spring mineral water. Salus owns the Salus Natural Reserve, which is a protected area in Minas, Lavalleja, Uruguay, where its one bottling plant is located. The company has a protected area management team with park rangers and biologists, protecting the ecosystem in the Natural Reserve.

Compañía Salus' Industry Practices

Sustainable Usage

Salus mineral water comes from different sources located in the Salus Natural Reserve. Its water extraction rates are regulated by the local water authority, which requires that each water source undergo an independent hydrogeological evaluation to establish a permitted extraction rate that will not deplete the water source. This includes an evaluation of the hydraulic characteristics of the catchments as well as a long-term pumping test (for boreholes).

Once the independent hydrogeological assessment is approved and a water permit is signed by the local water authority, a water management plan is developed. The water management includes continuous monitoring of water extraction via flow meters to ensure that permitted levels are adhered to, and monitoring of other parameters that influence the aquifer recharge (for example, rainfall, evapotranspiration, etc.) to have a complete understanding of the water cycle. Water extraction rates are reported to the local water authority in an annual report to ensure compliance with the permitted extraction rates.



Water Access

Salus owns the Salus Natural Reserve, which is a 3,217 acres parcel that achieved natural protection area designation in 2015 through a partnership between the company and a local NGO called Vide Silvestre Uruguay, and from which it extracts water. Compañía Salus operates within the framework of different regulations related to the access and use of water resources, and complies with current regulations applicable to its industry. In turn, it is covered by all the instruments and provisions that these regulations determine, some of them being unregulated as of today, such as the payment of fees. As such, Compañía Salus does not currently pay any fees or taxes directly related to their water extraction.

The company contributes annual community investments into the ongoing land and water resource management of the Salus Natural Reserve. These investments support a broad array of activities related to the Reserve's mission to conserve and promote the valuation of biodiversity and cultural heritage of the area, including forest protection and biodiversity identification activities. In addition to these community investments, Compañía Salus is participating in a water resource vulnerability study that is being conducted by local stakeholders in order to investigate the potential impacts of water use on local stakeholders.

There are three direct stakeholders that operate within the Salus Reserve and utilize the same water resources as Compañía Salus. The company has written agreements with each of these stakeholders stipulating both their right to access the water resources on the Reserve, as well as limitations in order to ensure sustainable usage in accordance with Compañía Salus' ongoing water management efforts.

Regarding policy advocacy activities, Compañía Salus has advocated for several health related policies, such as a national policy to require nutritional information on the front of packaging and the inclusion of water in national nutrition guidelines. They also participated in a multi-stakeholder engagement process to develop a new national waste bill along with NGO and government partners. The company has not been engaged in any lobbying activities related to water access or pricing.

Waste

Compañía Salus primarily sells its water products in PET bottles (92% of sales volume), and a small percentage is sold in reusable gallons and glass bottles (8% of sales volume). For its PET packaging, the company currently utilizes ~5% recycled PET (rPET) with an ambition to continuously increase the rPET content and transition to 100% rPET bottle by 2023 (water bottle formats).



The current rate of rPET in the company's products is primarily constrained by the availability and quality of rPET in the Uruguay market. Salus introduced the first rPET water bottle in Uruguay in 2015 and previously had a total rPET percentage of ~17%. However, in 2018 the primary supplier of rPET in Uruguay decided to close its operations in the country due to poor collection practices (PET supply) and a lack of sales volume in the market (rPET demand).

Salus has since partnered with a new supplier in the country that cannot currently produce higher than 5% rPET with its current input materials and processes, however, they have invested in transitioning to 100% rPET capabilities and are working in partnership with Salus on projects to improve collection rates in Uruguay. Salus is involved in a number of projects in order to improve the circular economy of PET in Uruguay, including financial contributions to waste picker programmes and partnering with an NGO to conduct a study on recycling infrastructure solutions to improve collection rates.