



DR PEPPER  SNAPPLE
GROUP

WE DO GOOD THINGS WITH FLAVOR

sustainability 2012 report





A MESSAGE

FROM PRESIDENT AND CEO LARRY D. YOUNG

Corporate social responsibility (CSR) is more than just “doing the right thing.” When a company commits to sustainability, it’s making a promise to do good things that net a positive change for everyone it touches – customers, consumers, shareholders, employees, communities and the natural resources it shares with the broader world.

At Dr Pepper Snapple Group, our success and the vitality of the communities in which we operate go hand in hand. It is a cliché to say that a rising tide raises all ships, but with our more than 19,000 employees working at approximately 150 principal sites across North America, the positive effects of our journey to be the best beverage business in the Americas can be far-reaching if we operate responsibly.

Minimizing our environmental impacts, creating a safe and diverse workplace and doing our part to encourage fit and active lifestyles are all part of the integrated and comprehensive approach to CSR that is helping us bring our vision to life. As DPS’s employees take ACTION to deliver consistent growth, the behaviors that form the basis for our strong results also form the backbone of our approach to corporate citizenship.

Our inaugural sustainability report in 2010 was an important first step for DPS, as we established our goals and outlined our approach to CSR. Since then, we have made significant progress against some of our goals, even going so far as to revise our manufacturing waste recycling goal upward to 90 percent .

In our fourth year as a publicly traded company, DPS is maturing as an organization, and our CSR initiatives have developed along with our growth. Among our key accomplishments through 2011:

- Partnered with experts in the reuse of recycled materials at nine of our sites, diverting 7,780 tons of waste from landfills and resulting in \$1.3 million in revenue in 2011 alone.
- Reduced the amount of plastic required by our operations by 31 million lbs.
- Replaced more than 33,000 vending machines with EnergyStar-rated equipment.
- Focused 31 percent of our innovation pipeline on health and wellness initiatives in 2011, up 9 points since last year’s report.
- Launched the Let’s Play philanthropy program beginning with a \$15 million, three-year commitment to KaBOOM!, a national non-profit that’s saving play by ensuring there is a playground within walking distance of every child.
- Reduced our lost-time incident frequency by 13 percent since 2009.
- Increased supplier commitments to our Ethical Sourcing Code of Conduct to 51 percent, up 7 percentage points since the end of last year.

At the same time, it has been a learning process for us, as we continue to get a better grasp on how to effectively measure and benchmark everything from water usage to fuel consumption. Data collection and detailed understanding of our inputs and outputs continues to be the greatest challenge for us, and we’re improving every day with the growing engagement of our employees.



A MESSAGE

FROM PRESIDENT AND CEO LARRY D. YOUNG

As you'll see in the pages ahead, we're tackling our challenges head on. We remain committed to delivering on our environmental goals, even in cases where new information and improved understanding have caused us to reset our baselines.

Earlier this year, we ramped up our sustainability steering committee with new members, more field representation and a renewed focus on our present and future goals. With my direct involvement, this team of more than 40 professionals from all aspects and regions of our business will strengthen the link between CSR and business strategy and ensure that our goals and programs continue to be robust and impactful.

At DPS, our size is one of our strengths. We are a North American business, with the focus and scale to put our products in the hands of consumers from coast to coast while still remaining agile and timely in our decision making. We are uniquely situated for growth in the Americas, and in the years ahead, we will continue to leverage new learnings and keep pace with our peers in our efforts to operate sustainably.

Research tells us that consumers are concerned about the environmental and social impacts of their purchases, but even without this insight, I would be pushing DPS to operate responsibly in everything we do. The sustainability mindset is not an add-on to our business; it is integral to how we work, and it is one of the driving forces of our growth.

By finding more efficient ways to operate, we not only reduce the amount of raw materials we use, we improve our cash flow. When we lower our PET consumption, for example, the environmental benefit is clear, but we also reduce our production costs, saving more than \$24 million in 2011.

This is just one example of many. Now in its second year of deployment, our rapid continuous improvement (RCI) program continues to find opportunities to free up people, time and money to grow the business, and many of these programs have an environmental benefit. At the same time, safety is at the top of our five key RCI focus areas. In short, sustainability pays.

Our reputation is one of our greatest assets, and we don't want to give anyone reason to question it. Everyone from elected officials to NGOs to consumers expects us to maintain CSR ratings on par with others in our industry, and I expect even more than that. Sustainable practices are how consumers know they can trust our products, how potential employees know that DPS is a good place to work, and how our customers know that they can rely on us as a good business partner.

Our journey to be the best will take the full commitment of all DPS employees, collaboration with all of our stakeholders, and a free and open dialogue with everyone who impacts or is impacted by our business. Please, send your thoughts, suggestions and feedback to DPS.Communications@dpsg.com, and together we'll take DPS to the next level of sustainability.


LARRY D. YOUNG
President & Chief Executive Officer

OUR FIVE YEAR GOALS

By 2015, DPS will...



ENVIRONMENTAL
SUSTAINABILITY

- Improve energy efficiency and reduce CO2 from emissions in manufacturing by 10% per gallon of finished product.
- Increase product shipments per gallon of fuel used by 20%.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment that is approximately 30% more energy-efficient.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 90% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns and increased use of recycled PET.



HEALTH AND
WELLNESS

- Continue to provide a full range of products, with at least 50% of innovation projects in the pipeline focused on reducing calories, offering smaller sizes and improving nutrition.
- Support local and/or national programs that encourage active lifestyles and fitness.



PHILANTHROPY

- Contribute a total of 100,000 volunteer hours and attain an annual giving level of \$10 million in charitable cash donations, with the majority of support focused on fit and active lifestyles, environmental sustainability, emergency relief and community celebrations.



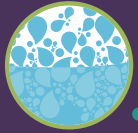
WORKPLACE

- Maintain team leader engagement scores comparable to or better than those of other high-performing companies.
- Reduce lost time injury rate by 25%.



ETHICAL
SOURCING

- Conduct regular risk assessments of our overall current supply base and audit any high risk suppliers to ensure full compliance with our Ethical Sourcing Code of Conduct.



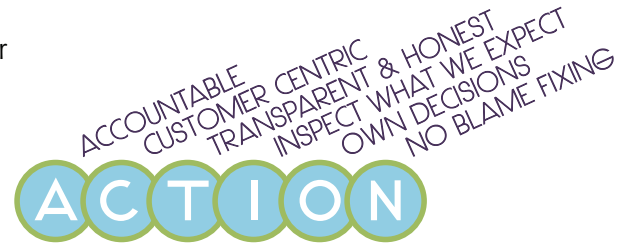
OVERVIEW

DOING GOOD THINGS WITH FLAVOR

Dr Pepper Snapple Group, Inc. (NYSE: DPS) is a leader in flavored beverages in North America and the Caribbean, with a 40 percent dollar share of flavored CSDs. Our success is fueled by more than 50 brands that are synonymous with refreshment, fun and flavor. We have six of the top 10 non-cola soft drinks, and 11 of our 14 leading brands are No. 1 in their flavor categories.

With a brand heritage spanning more than 200 years, the DPS portfolio includes some of the most recognized beverages in the Americas. Approximately 84 percent of the company's overall volume is from brands that are either No. 1 or No. 2 in their flavor categories. In addition to our flagship Dr Pepper and Snapple brands, our portfolio includes Sunkist soda, 7UP, A&W, Canada Dry, Crush, Mott's, Squirt, Hawaiian Punch, Peñafiel, Clamato, Schweppes, Rose's and Mr & Mrs T mixers.

When DPS was established in 2008, President and CEO Larry Young issued his Call to ACTION to our employees, outlining a series of behaviors that characterize the way we do business. These include: Accountable, Customer Centric, Transparent and Honest, Inspect What We Expect, Own Decisions and No Blame Fixing. These values remain constant, and they are driving our quest to be the best beverage business in the Americas.

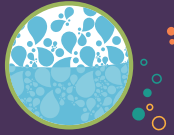


OUR WORKFORCE

DPS employs approximately 19,000 people across the U.S., Canada, Mexico and the Caribbean. Nearly 16,000 of our employees are based in the U.S., and approximately a quarter of these are covered by union collective bargaining agreements. In Mexico and the Caribbean, nearly a third of our 3,000 full-time employees are party to collective bargaining agreements.

Female employees account for more than 14 percent of the total DPS workforce in the U.S. and Canada and for approximately 16 percent of DPS's senior management (i.e., company vice presidents and above). Minority employees account for more than 42 percent of the total DPS workforce in the U.S. and Canada and for more than 9 percent of senior management.





OVERVIEW

DOING GOOD THINGS WITH FLAVOR

OUR BUSINESS MODEL AND ROUTE TO MARKET

DPS is composed of more than 40 different businesses brought together over the past 30 years to make up a unified, independent organization. We have a rich brand heritage, an integrated business model and a broad and flexible route to market for our products.

We manufacture soft-drink concentrates and finished beverages, selling 1.6 billion equivalent 288 fluid-ounce cases in 2011. This includes the sourcing and acquisition of ingredients and packaging materials, the operation of 21 manufacturing facilities and more than 120 warehouses and distribution facilities in North America, and the transportation of our finished products to our customers' retail and foodservice outlets, distribution centers and vending machine locations.

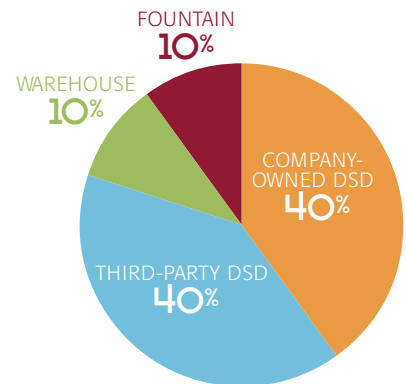
We also sell beverage concentrate to a significant number of third-party bottlers and finished products to distributors, ranging from smaller family-owned bottlers to multibillion-dollar, multinational bottling businesses such as the Coca-Cola Company and PepsiCo Inc. Approximately 40 percent of our direct store delivery (DSD) volume is manufactured, sold and distributed through third parties, and an additional 40 percent is manufactured, sold and delivered through our company-owned operations

MANAGING SUSTAINABILITY AT DPS

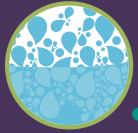
DPS takes a cross-functional approach to sustainability, and the link between our business strategy and corporate social responsibility grows with each passing year. In mid-2012, our CSR steering committee ramped up its activities with a renewed focus on rapid continuous improvement (RCI); new programs, policies and goals; field representation and program activation. This committee includes dozens of management- and senior-management-level participants with responsibilities for marketing, research and development, legal and regulatory affairs, sales, procurement, environmental health and safety, packaging and engineering, human resources, diversity, finance and strategy. Subcommittees have been established devoted to environment, health and wellness/philanthropy, ethical sourcing, workplace, Mexico and employee/stakeholder engagement.

Tim Gratto, vice president of sustainability, oversees our sustainability efforts and serves as chairman of our CSR steering committee. Through participation in key surveys and indices such as the Dow Jones Sustainability Index, the Carbon Disclosure Project, Newsweek Green Rankings and more, we communicate our sustainability efforts to external stakeholders and benchmark ourselves against others in our industry. We reach out regularly to customers, non-governmental organizations and others to get their feedback.

OUR ROUTE TO MARKET



Tim Gratto was appointed vice president of sustainability in 2010, bringing a greater focus to our CSR efforts.



OVERVIEW

DOING GOOD THINGS WITH FLAVOR

DOING THE RIGHT THING

At DPS, we pride ourselves on being a responsible company known for creating long-lasting relationships with our customers and consumers – and for doing the right thing. We hold transparency and honesty as one of our core behaviors.

DPS is committed to conducting our business in an ethical way, and our business practices safeguard our reputation and the trust placed in us by our stakeholders. We have systems in place for ensuring compliance with these principles. We require all salaried employees to complete training in our core business policies, administered via our online learning management systems and through our new employee orientation.

We also have a “Speaking Up” helpline, available 24 hours a day, seven days a week and manned by third-party specialists, to enable employees to anonymously report concerns about criminal conduct, illegal activity, theft, fraud, environmental safety, financial reporting, conflicts of interest, regulatory compliance, harassment and discrimination. Increased awareness and training, combined with technology improvements companywide, have enabled us to better detect, swiftly respond to and minimize unethical behavior.

OUR GOVERNANCE PROCESS

DPS and its subsidiaries set high standards for all employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of the board of directors to oversee the management of the company’s business. To fulfill its responsibilities and to discharge its duty, our board of directors follows the procedures and standards that are set forth in its Corporate Governance Guidelines. These guidelines are subject to modification from time to time as the board of directors deems appropriate in the best interests of DPS or as required by applicable laws and regulations. In 2012, DPS’s board of directors submitted a proposal to repeal its classified board structure and establish annual elections of all directors beginning with the meeting occurring after Dec. 31, 2014, increasing the board’s accountability to shareholders. The proposal was approved by shareholders at the company’s annual meeting in May 2012.





ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR[®]

In our manufacturing, distribution and sales operations, we strive to continuously improve every aspect of our business. We have invested heavily over the last several years to align and integrate our operations to serve our customers and consumers better while increasing energy efficiency, reducing our waste stream and lowering the amount of water and other resources used per gallon of finished product.

This poses unique challenges for a relatively young company like DPS. Our approximately 150 principal sites joined our business through the acquisition of dozens of brand and bottling companies over many years, and each brought its own set of processes and procedures. Each year, we have taken strides in understanding the environmental impacts of these various operations, and the integrity and precision of our data continue to improve.

We have simultaneously taken a new look at how we calculate manufactured production gallons across the business. With the help of third-party resources and a comprehensive internal examination of our measurement and reporting processes, we can now more accurately report the amount of product we make each year. Because many of our goals depend on this measurement, accuracy in this area is key.

This year, we will be revising the baselines for some of our environmental goals, but the goals we set out two years ago will remain unchanged.

ENERGY CONSERVATION

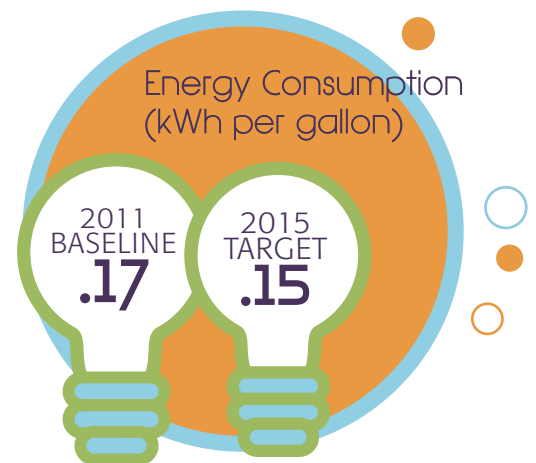
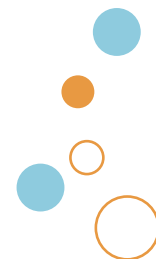
In 2011, DPS began using third-party resources to get a more complete picture of our energy and water usage by site across our company. Over the ensuing year, the new processes have become embedded in our operations, and our manufacturing facilities are now able to more accurately and consistently report on consumption at each location.

With renewed confidence in our ability to track our utility usage over the past year and into the future, combined with the data we have collected since our spin-off in 2008, we now have the ability to understand the changes in our energy consumption over time and use the data in a more meaningful way to identify opportunities for improvement within our operations.

As we make progress toward our 2015 goal to improve energy efficiency in our manufacturing locations by 10 percent, it is important that we understand the causes of any changes in our year-over-year data. For example, our absolute usage of energy may increase simply due to our output of gallons of finished product increasing in line with the growth of our business. By focusing on continuous improvement in lighting, cooling, heating and production-line operations, we will strive to produce more with less on a per-gallon basis.



“Our new processes have improved the integrity of our data, helping us to accurately report our production gallons – an important number in establishing our baselines.”



In 2012, we are setting a new baseline and target for energy consumption.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR[®]

In 2011, we used approximately 270 million kWh of electricity in our manufacturing operations to produce approximately 1.6 billion gallons of product. This equates to usage of 0.17 kWh per gallon of finished product on a normalized basis.

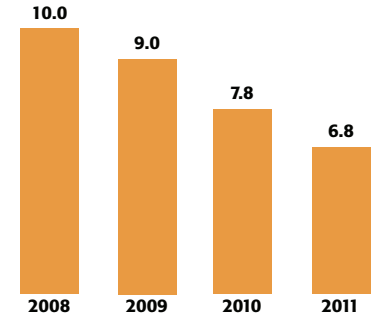
Last year, we reported 276 million kWh used in 2010. While our total electrical consumption has dropped, we are not claiming this as year-over-year progress toward our goal due to changes in the way we measure gallons of finished product. Instead, we will use our 2011 numbers as the new baseline for our 2015 goal, reflecting the latest improvements in our data-collection processes. Our target for 2015 is 0.15 kWh per gallon of finished product.

Beyond our manufacturing locations, our commitment to energy efficiency and reducing CO₂ emissions remains as strong as ever. All told, our operations, including corporate offices, distribution centers and other locations, used 315 million kWh of electricity in 2011.

Our ongoing RCI initiative has produced results that contribute to reduced energy use as well. In our warehouses, RCI activities continue to drive efficiencies in the storage and delivery of our products, frequently with an energy savings associated. Through a project focused on server consolidation, our IT department was able to decommission nearly 50 servers, freeing us from their costs and energy usage. With more than 150 RCI projects completed to date, we expect that these efforts, while focused on freeing up people, time and cash to grow the business, will continue to benefit our sustainability efforts in the future.

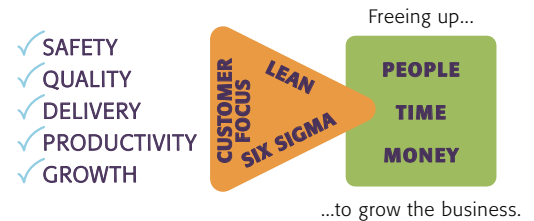
Our program to replace outdated vending machines and coolers continues to drive energy efficiency outside of our operations, lowering costs and improving service to our customers. In 2011, we replaced 13,000 older units with Energy Star-rated coolers and vending equipment, which combined with our 2010 efforts brings us more than halfway to our goal of replacing 60,000 units by 2015. Each unit represents an energy savings of up to 30 percent, yielding a total of 55 million pounds of CO₂ removed from the atmosphere, as much as would be produced by 4,855 cars. In addition, the establishment of a new cold-drink equipment control process in our business will give us greater insight to where our equipment is being used and by whom, helping us to speed decision making on replacements in the future.

ELECTRICAL USE IN THE DPS HEADQUARTERS (millions of kWh)

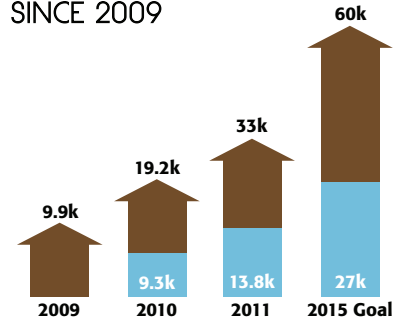


In pursuit of LEED and EPA Energy Star ratings, our Plano headquarters has reduced energy use each year since 2008.

RAPID CONTINUOUS IMPROVEMENT AN ENABLER OF GROWTH



CUMULATIVE COLD DRINK EQUIPMENT REPLACEMENT SINCE 2009



Since 2009, we have replaced more than 33,000 vending machines and coolers with more energy efficient equipment.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR[®]

FUEL CONSERVATION

The opening of our Victorville, Calif., plant in 2010, which completed our hub-and-spoke distribution system, has been a game changer for DPS. With the elimination of cross-country shipping of many finished goods such as Mott's, Clamato, Hawaiian Punch and mixers from our Aspers, Pa., and Williamson, N.Y., facilities, we have been able to remove 33 million pounds of CO₂ from the atmosphere per year.

This has provided the foundation for us to focus on increasing fuel efficiency in our operations, beginning with a reassessment of our data collection and measurement techniques. Last year, we improved our processes for tracking and analyzing our fuel use data. We used these insights to revise our 2009 baseline in last year's report, but further research revealed that more refinement was necessary. Following an intensive review process, we are now confident in our data and have established a new baseline for fuel efficiency.

To be clear, we are not revising our goal. We will still strive to achieve a 20 percent increase in product shipments per gallon of fuel. In 2011, we shipped 40.1 cases per gallon of fuel used. This will serve as our new baseline with a goal of reaching 48.5 cases per gallon of fuel used by 2015.

While our route optimization efforts are ongoing and continue to reduce total miles driven to get our products to our customers, our RCI efforts have recently added momentum to our fuel efficiency efforts. Our warehouses and distribution centers are consistently finding ways to reduce the total number of trips our trucks make each day, improving delivery speeds to customers while reducing our fuel usage and costs. At just two of our sites, for example, recent projects to maximize the number of pallets carried per truck per trip is expected to reduce carbon emissions by up to 1 million pounds of CO₂ annually.

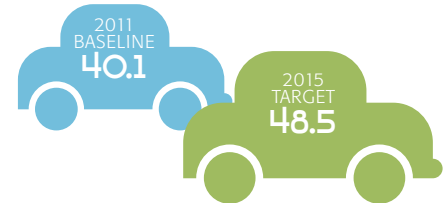
We're also saving fuel by leaving the roads entirely, as we rely increasingly on intermodal transportation to move our product long distances. Since 2009, our use of trains to transport product has saved approximately 68,416 tons of carbon when compared to transportation by truck. This is the equivalent of removing 11,260 cars from the road.

Our small fleet, not including our commercial vehicles, continues to see improvements. More than 75 percent of the vehicles added to our small fleet in the last four years meet the U.S. Environmental Protection Agency (EPA) standard for "green vehicles," and we expect this trend to continue in the future.

In addition, DPS is one of more than 2,900 companies to join the EPA's SmartWay Partnership since its founding. SmartWay partners have saved more than 50 million barrels of oil since 2004, and DPS is looking forward to contributing even more to their success in the future.

FUEL CONSERVATION

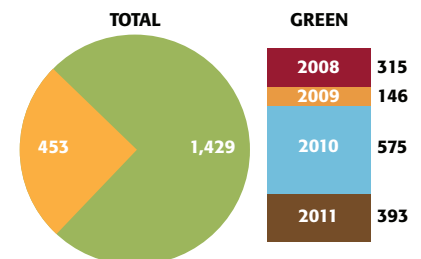
(cases per gallon)



By 2015, DPS will increase product shipments per gallon of fuel used by 20%.

"Two recent RCI projects focused on maximizing truck loads are expected to reduce carbon emissions by nearly 1 million pounds annually."

GREEN VEHICLE ACQUISITIONS BY YEAR



Since 2008, our new vehicle acquisitions have focused on those rated as "green" by the Environmental Protection Agency, with more than 1,400 green vehicles purchased to date.





ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

WATER CONSERVATION

As a beverage company, DPS will always have an important role to play in water stewardship. Water is the primary ingredient in our products, and it is as important to us as it is to the communities in which we manufacture beverages. As with other resources, we expect our total usage to increase with the growth of our company, but we are committed to reducing manufacturing water usage and wastewater discharge by 10 percent per gallon of finished product by 2015.

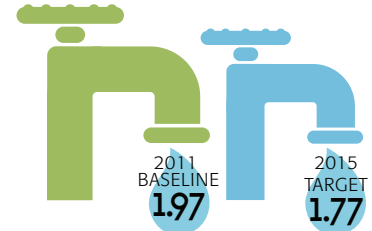
In 2011, we used approximately 3.1 billion gallons of water to produce 1.6 billion gallons of product, which equates to 1.97 gallons of water used per gallon of finished product. Our wastewater discharge was approximately 1.4 billion gallons, which equates to 0.88 gallons per gallon of finished product. These numbers will serve as the baselines for our 2015 goal, reflecting improvements in the way we measure gallons of finished product. Our goal is to get to 1.77 gallons of water used per gallon of finished product and 0.79 gallons of wastewater discharged per gallon of finished product.

We will achieve this through ongoing maintenance and facilities improvements, system upgrades on our production lines and the implementation of best practices in our manufacturing processes and technology. Most of our water is derived from municipal sources, and wastewater in our DPS manufacturing facilities is pretreated to meet local specifications prior to discharge to municipal wastewater treatment plants. In our manufacturing locations without access to public wastewater treatment plants – such as our Williamson, N.Y., and Tehuacan, Mex., facilities – we fully treat wastewater onsite via multistage systems prior to discharge.

In Mexico, Grupo Peñafiel is leading the way in water stewardship with the launch of its “New Way of Life” nationwide water awareness campaign. The campaign, while initially employee-focused, has extended into the neighborhoods surrounding our sites. Events have included everything from flash mobs to visits to local elementary schools to banner advertising, all in the service of promoting the responsible consumption of water. Through the use of improved water dispensers for employee consumption alone, Grupo Peñafiel saved approximately 35,000 gallons of water in its operations while highlighting easy ways to conserve.

WATER CONSUMPTION

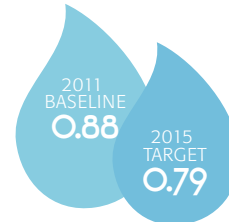
(gallons per gallon of finished product)



By 2015, DPS will reduce our ratio of water consumed to finished product by 10%.

WASTEWATER DISCHARGE

(gallons per gallon of finished product)



By 2015, DPS will reduce wastewater discharge by 10% per unit of production.



In 2011, Grupo Peñafiel launched a national campaign in Mexico to educate employees and local communities about the importance of water conservation.



ENVIRONMENTAL SUSTAINABILITY

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REDUCING WASTE

Of course, we couldn't get our products to consumers without using plastic, aluminum and other materials as containers. We recognize that there is a significant opportunity to reduce, reuse and recycle these materials as well as the packaging and shipping materials we use in manufacturing and distribution.

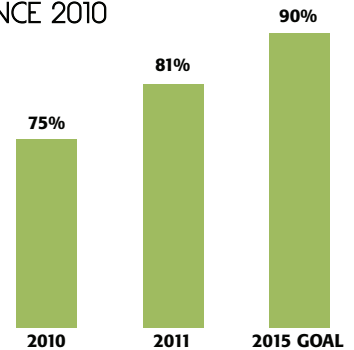
Beginning in 2010, we have been collecting comprehensive waste data from all of our manufacturing locations. In 2011, we recycled more than 81 percent of our manufacturing solid waste, diverting more than 37,000 tons of waste from landfills across the nation. This number exceeds the original goal we set out in 2010 and puts us well on our way to achieving the 90 percent goal we communicated in last year's sustainability update.

While all of our plants have recycling measures in place, we are currently expanding the number that work with third-party recycling companies not only to increase the efficiency of our landfill diversion, but also to drive revenue for the company. At just nine of our sites in 2011, we were able to divert nearly 7,780 tons from landfills and realize \$1.3 million in gains, proving once again that sustainability is not just a benefit to our communities, but to our business as well.

Our RCI efforts also have increased our efficiency in avoiding the creation of waste in our manufacturing facilities. Whether it's using reusable totes with recyclable bags to transport Hawaiian Punch, or simply reducing our backlog of inventory and avoiding the warehousing and storage materials that go with it, sites across our business are finding ways to save money while reducing the volume of waste they produce.

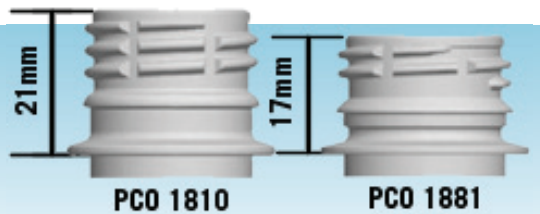
The lightweighting of our packaging remains one of our greatest opportunities, and our successes continue to drive reductions in the use of PET plastic. Our leadership position in bringing the "1881 Standard" finishes and closures (the threaded bottlenecks) to the market has served us well, and we continually investigate new technology and supply options for lowering our PET use.

PROGRESS TOWARD OUR RECYCLING GOAL SINCE 2010



In 2011, we achieved our initial goal of recycling 80% of our manufacturing solid waste, and we are well on our way to achieving our increased goal of 90% recycling.

"In 2011, we diverted nearly 7,780 tons of waste from landfills at nine sites working with third-party recycling companies."



Our leadership position in bringing the "1881 Standard" finishes and closures to market paved the way for our PET reduction efforts.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR®

In last year's sustainability update, we laid out a number of programs we were investigating in 2011. Each of these has met with some degree of success, although tests are ongoing. These include:

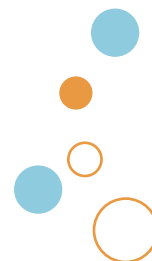
- Commercial implementation of 100-percent post-consumer recycled (PCR) single-serve containers in select markets, with select brands. This project is ongoing, with quality and cost continuing to be the greatest challenges. Recent encouraging trial runs on quality will spur this effort forward as we continue to examine cost opportunities.
- We have developed reusable multi-serve juice and secondary display packaging, which has proved to be a high-quality alternative to disposable corrugate boxes. Feasibility in the market is under investigation, with some market tests seeing increased product sales to consumers.
- We exceeded our expectations for rolling out Green Ink™ printing technology beyond Deja Blue. This technology is now used on 7UP, A&W and Diet Rite, as well as Sunkist soda, Sun Drop and Canada Dry in many markets.

All told, we reduced our PET usage by 14 million pounds in 2011, bringing our total conservation since 2007 to approximately 31 million pounds, more than halfway toward our 2015 goal. During this same period, our PET reductions have saved the company nearly \$25 million in costs.

The issue of post-consumer recycling of our packaging is another big opportunity we have in the years ahead. We have heard from our consumers and know that making a substantive change in post-consumer recycling will require effort from everyone affected by our industry, including consumers themselves. We are working with industry leaders such as the American Beverage Association (ABA) and are an integral part of their efforts. The ABA, for example, recently became a founding member in the National Recycling Partnership, created to reinvigorate recycling in the U.S. This first step will move us forward on our sustainability journey, and we expect to have more to report in the future.



"DPS works closely with industry leaders such as the American Beverage Association to address the issue of post-consumer recycling of our packaging."

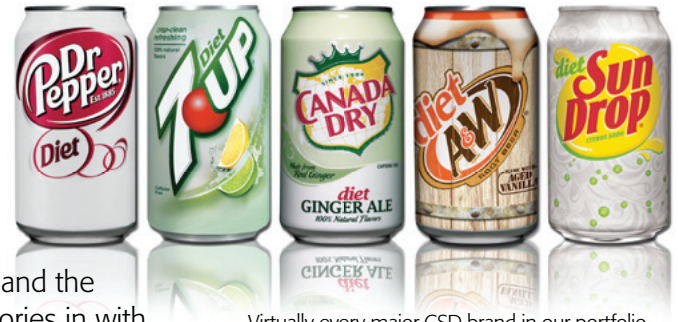




HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR.

At DPS, flavor is at the heart of everything we do. Our portfolio of more than 50 brands and hundreds of flavors offers a choice for virtually any person on any occasion. Soft drinks, juices, juice drinks, teas, apple sauce, energy drinks, mixers and other premium beverages are all among our offerings. In addition, the allied brands we carry on our trucks give us a presence in emerging categories with a variety of functional beverages (e.g., coconut water, low-calorie sports drinks), waters and other unique products.



Virtually every major CSD brand in our portfolio is available in diet.

DPS is committed to offering consumers the options they want and the information they need to make informed choices to balance calories in with calories out.

Whether it's through product innovation, responsible marketing and labeling or policy and educational partnerships with industry organizations, DPS is taking a holistic, collaborative approach to consumer health and wellness. Addressing far-reaching, complex issues such as obesity depends on everyone, and we are empowering consumers to make the choices that are best for them.

CALORIES IN

Our research and development team creates great-tasting products that consumers love. We have six of the top 10 non-cola soft drinks, and 11 of our 14 leading brands are No. 1 in their flavor categories.

In the liquid refreshment beverage market, consumers are shifting from full-calorie options to lower-calorie options, and carbonated soft drink (CSD) consumption is on the decline, especially among children. Despite these trends, obesity continues to rise. While our products are not a leading cause of the problem, we believe that beverage companies can be a part of the solution, which is why we promote fit and active lifestyles while offering more healthy options to consumers.

Virtually every major CSD brand in our portfolio is available in a diet variety, including Diet Dr Pepper (which is among the top 10 soft drinks in sales including diets, regular and colas), Diet 7UP, Diet Canada Dry Ginger Ale, Diet Sunkist soda and Diet A&W. Since 2009, more than a quarter of DPS sales has come from diet soft drinks, juices and waters, as we continue to meet the growing demand for "better-for-you" beverages.

For the full-year 2011, 42 percent of our innovation pipeline was focused on health and wellness, including reduced-calorie products, options with smaller portion sizes, and products with improved nutrition. During the same period, we spent more than \$70 million promoting our diet and better-for-you products.

"In 2011, 42% of our innovation pipeline was focused on health and wellness."



We are test marketing additional TEN options, and initial results have been promising for these low-calorie beverages.



HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR.

Dr Pepper TEN made its highly visible debut in 2011, reaching a whole new audience of low-calorie beverage drinkers. With a proprietary blend of sweeteners, Dr Pepper TEN is bringing lapsed consumers back to the category and attracting male consumers who don't like the image of diet beverages. With its one-of-a-kind taste, Dr Pepper TEN offers the same bold flavor as regular Dr Pepper but with only 10 calories per 12-oz. serving. During the first three months of national distribution, trial rates for Dr Pepper TEN were nearly 9 percent, significantly above other recent beverage industry innovations.

Consumers, both male and female, have asked us for more, and we're delivering. In February 2012, just four months after the national launch of Dr Pepper TEN, we began market testing additional TEN options, including 7UP, Canada Dry, Sunkist soda, A&W and RC Cola. Initial results have been promising, and we hope to have more to report later in the year.

As the No. 1 apple sauce brand, Mott's has long been an innovation leader in "better-for-you" options. Mott's Medleys Snacks, introduced in 2011, contains one fruit and vegetable serving per container and is the first nationally distributed fruit and veggie snack in the sauce category. Mott's for Tots juices with added nutrients provide additional healthy choices and contain 40 percent less sugar than leading apple juices. The rollout of Mott's Garden Blend in the U.S. brought consumers a new entry in the red-juice aisle, available in original and low-sodium varieties.

Mott's Snack & Go pouches have expanded usage occasions for healthy snacks, putting apple sauce in the hands of moms and kids on the go. Available in four-packs of convenient, resealable 3.2-oz. pouches, Mott's Snack & Go pouches are an excellent source of vitamin C and are available in natural and strawberry flavors. With no sugar added, each pouch contains 40 calories.

Snapple is also innovating in a big way. Launched earlier this year, Snapple Diet Half 'n Half is the first truly national offering of a diet lemonade iced tea. Lemonade iced teas drove 23 percent of ready-to-drink tea growth in 2010. With only five calories per 8-oz. serving, Snapple Diet Half 'n Half is available in a wide variety of package sizes, including 16-oz. glass bottles (single serve and six packs) and 32- and 64-oz. PET. Lightly sweetened yet still refreshing, Snapple Lightly Sweetened Teas are bringing new consumers to the ready-to-drink tea category. With only 40 calories per 8-oz. serving and sweetened with real sugar, this flavor will satisfy consumers' desire for lightly sweetened, all-natural teas.





HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR[®]

CALORIES OUT

In 2011, DPS made fit and active lifestyles more fun than ever with the launch of our Let's Play initiative, now in its second year. Let's Play is a community partnership led by DPS to get kids and families active nationwide. Our goal is to provide families the tools, places and inspiration to make physical activity a daily priority.

The company is midway through its first Let's Play initiative, a \$15 million, three-year commitment to KaBOOM!, the national nonprofit that's saving play by ensuring there is a great place to play within walking distance of every child. So far, Let's Play has built or improved 528 playgrounds, giving more than 1.3 million children across North America access to a great place to play. These playgrounds provide an indispensable place for kids to grow and have fun and give communities an important foundation to help families establish more active lifestyles.

In 2012, Let's Play is offering more than \$3.3 million in playground grants to communities across North America. Grants are available in various sizes, ranging from \$500 for playground completion projects to \$30,000 to help build brand new playgrounds from the ground up. Together through Let's Play, DPS and KaBOOM! will build or fix up 2,000 playgrounds by the end of 2013, benefiting an estimated 5 million children across North America.

Off the playground, DPS and its bottlers continue their longstanding tradition of supporting programs that promote active lifestyles, including everything from major sports arena sponsorships to philanthropic support for local sporting teams and events. With its international flair and engagement of young athletes, the Dr Pepper Dallas Cup continues to be one of our most visible partnerships. For seven years, DPS has played a prominent role in drawing thousands of players to soccer fields in North Texas for one of the world's most prestigious tournaments for 12- to 18-year olds.

We also partner with Good Sports, an organization that since 2003 has provided more than \$6 million in sports equipment to nearly 750 youth programs, impacting more than 350,000 kids, to increase youth participation in sports and recreational activities. Last April, through Let's Play, DPS piloted employee engagement events with Good Sports in Illinois and Texas, where DPS donated \$20,000 in sports equipment to two nonprofit organizations – Miracle League DFW, benefiting children with disabilities, and Franklin Park, benefiting at-risk youths in one of Chicago's toughest neighborhoods.

This year, the company is expanding its relationship with Good Sports by giving \$10,000 in sports equipment to each of five targeted non-profits.





HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR^o.

NUTRITIONAL AWARENESS

Transparency is one of the key ACTION behaviors that drives the way we do business at DPS. An informed consumer is a responsible consumer, and that is why we are committed to providing information in appropriate channels and offering a variety of options so that consumers can choose the products that are right for them.

First and foremost, we do not market our brands in venues or media where the primary audience is children under 12. This policy forms the foundation of our approach to responsible marketing, which we've built on over the last several years.

Along with our industry peers in the ABA, we joined with the Alliance for a Healthier Generation (a partnership of the American Heart Association and the William J. Clinton Foundation) to establish and implement guidelines for beverage sales in schools. Through the national school beverage guidelines, only low-calorie, nutritious offerings such as waters and juices are available during the school day. These guidelines have been phased in since 2006, accounting for long-term contractual obligations with schools and school districts. In the process, DPS and its industry peers have reduced beverage calories shipped to schools by 88 percent.

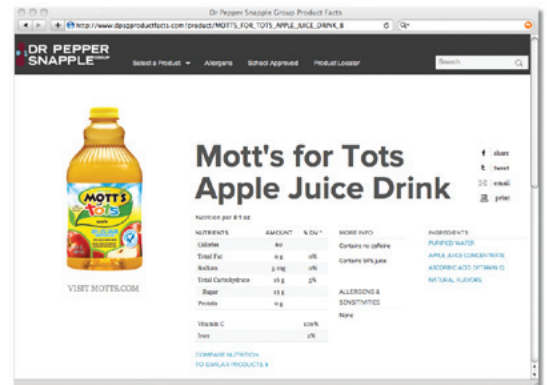
In 2012, DPS took a big leap forward in nutritional awareness with the launch of DPSProductFacts.com, a site that offers nutritional information on virtually all of our products in virtually all available serving sizes. In addition to the standard U.S. Food and Drug Administration (FDA)-required nutrition and ingredient information currently on our packaging, the site offers allergen information as well as how each product matches up to our school beverage guidelines. Our brand websites will soon link to this central repository of updated nutritional information, ensuring that consumers have on-demand access to accurate, updated and consistent information wherever they want to learn about our products.

This includes front-of-pack, where more and more of our products are displaying calorie counts. Since 2010, DPS has been a member of the ABA's Clear on Calories initiative, which supports First Lady Michelle Obama's Let's Move campaign. As a participant, DPS is rolling out calorie counts on the front of our product packaging.

Containers up to and including 20-oz. will show total calories on the front of the label. Larger sizes will show calories per 12-oz. serving, except juices and juice drinks, which will be labeled with calories per 8-oz. serving as requested by the FDA. Information will also be posted on or adjacent to company-controlled vending machines and fountain equipment.



"We do not market our brands in venues or media where the primary audience is children under 12."





PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

Our success as a company begins with our Call to ACTION, and not just in the way that every DPS employee takes action to meet the needs of our customers and consumers. ACTION is also about giving back to improve the communities in which we live and work.

DPS has a long history of philanthropy, with programs and partnerships dating back decades before we went public in 2008. We have the reach and the prominence to make a lasting difference, and our diverse employee base brings a wide range of talents and interests that they use to make a positive impact in a variety of ways.

To get the most out of the good things our people do, we channel our philanthropic efforts into a focused philanthropic program called ACTION Nation.

ACTION NATION

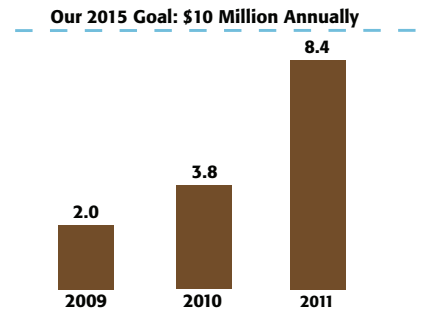
Our ACTION Nation platform was established in August 2010 with the intent of providing the direction and focus needed to achieve our 2015 goals of contributing 100,000 volunteer hours and attaining an annual giving level of \$10 million in charitable cash donations. ACTION Nation's mission is to foster physically active, engaged and sustainable communities where our employees, customers and consumers live and work.

The program brings together the many ways that we give back to our communities and targets four focus areas that make the most strategic sense for our business and where we can make the biggest impact. These are:

- Fit and active lifestyles
- Environmental initiatives
- Emergency relief
- Community celebrations

ACTION Nation is not a separate philanthropic foundation. Rather, it is a fully-integrated part of our business, managed by our in-house philanthropy team. Through a combination of volunteerism and cash and in-kind donations, ACTION Nation is touching the lives of millions of people across North America.

ANNUAL CHARITABLE CASH DONATIONS SINCE 2009 (US\$ Millions)



As our ACTION Nation program continues to gain momentum, our philanthropic giving has grown on pace to meet our 2015 goal.



FIT & ACTIVE LIFESTYLES



ENVIRONMENTAL INITIATIVES



EMERGENCY RELIEF



COMMUNITY CELEBRATIONS



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

VOLUNTEERISM

DPS's employees make a difference directly through their commitment to volunteerism. Whether during the workday or on their own time, our employees are taking ACTION in the communities in which they live and work, contributing nearly 38,000 hours to philanthropic activities in 2011. This puts DPS more than halfway to its 2015 goal, with 55,000 hours of time donated by employees since 2010.

In 2011, DPS's participation in playground builds took place as part of the Let's Play community partnership described earlier in this report. More than 1,100 DPS employees contributed to our broader Let's Play efforts, donating more than 8,900 hours to support these builds in 2011. Working together with local nonprofits, beverage associations, legislators and customers, DPS employees built 20 playgrounds across the U.S. and Mexico last year, giving an estimated 50,000 children a great place to play.

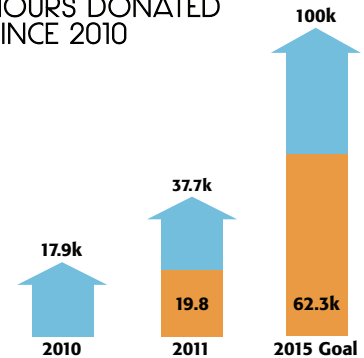
Following the success of our inaugural ACTION Nation Week tied to our United Way campaign in 2010, we expanded the program in 2011 with great results. During the new ACTION Nation Month, we asked our sites to donate 50 volunteer hours each to earn a \$1,000 grant to apply toward their site's United Way fundraising goal.

Collectively, DPS employees donated more than 2,500 volunteer hours during ACTION Nation Month, more than double the participation of 2010. A total of 35 grants were awarded, representing not just an increase in United Way donations, but also 35 additional nonprofit organizations helped by DPS employees.

Employees from Los Angeles and San Fernando, Calif., for example, contributed more than 60 hours in support of Operation Gratitude, where they packaged care boxes for members of the U.S. military. By collecting food at Family Fare, 18 Lansing, Mich., employees collectively contributed 61 hours in support of the Greater Lansing Food Bank and the Mid-Michigan Food Bank. Sherman, Texas, employees contributed more than 50 volunteer man hours to support youth development through fit and active lifestyles at the Boys and Girls Club of Sherman.

Our ACTIONeer program continues to supplement ACTION Nation Month, with \$1,000 awards granted year-round to sites that donate more than 50 volunteer hours to the cause of their choice. In 2011, awards went to such organizations as the Snapple Bowl, an annual charity football game benefiting Lakeview School for Cerebral Palsy in Edison, N.J., and the Children's Specialized Hospital in Mountainside, N.J. We expect to see more use of our ACTIONeer program in the years ahead.

CUMULATIVE VOLUNTEER HOURS DONATED SINCE 2010



Since 2011, DPS employees donated more than twice the number of hours they did in 2010, putting us on track to meet our 2015 goal of 100,000 donated hours.





PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

DONATIONS

As our ACTION Nation platform continues to gain momentum, we have seen our charitable donations grow dramatically. In 2011, DPS more than doubled its annual charitable contributions, giving approximately \$8.4 million in cash and \$1.8 million in product donations to a wide variety of causes.

Our company-wide initiatives were the chief drivers of this growth, with United Way returning once again as our largest employee giving program in 2011. We had 167 sites participate in our 2011 United Way Campaign, competing against each other in a football-themed contest to see who could achieve the highest participation rates and raise the most per capita. The winning site received a visit from President and CEO Larry Young and the chance to dump a cooler full of All-Sport sports drink on his head. Our 19-person team in Lubbock, Texas, took home the honor, raising \$263 per capita for the cause and achieving 94 percent participation.

The grand total, including the company's dollar-for-dollar match, for our 2011 United Way campaign was \$1.7 million, a 70 percent increase over 2010. Since 2008, DPS has raised more than \$4.1 million for United Way. In 2011, employee participation was more than twice what it was in 2010, and we more than doubled the number of local United Way chapters supporting the DPS Employee Relief Fund, raising nearly \$90,000 to benefit employees experiencing hardship or disaster.

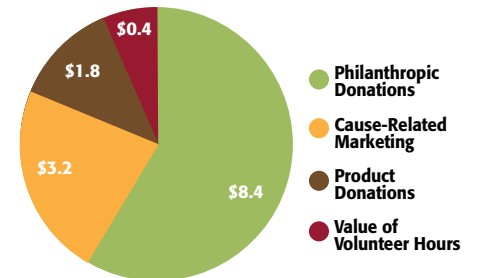
In 2011, DPS also completed its first year of our \$1 million, four-year commitment to the American Red Cross and the organization's Annual Disaster Giving Program (ADGP). DPS is among an elite group of 36 companies to be part of the ADGP, and as a flagship partner in 2011 DPS helped:

- Respond to 131 disasters nationwide.
- Provide 6.7 million meals and snacks to those in need.
- Supply 2.6 million relief items, including everything from cots to first-aid supplies.
- Open more than 1,000 shelters.

Through an online donations site, DPS employees also contributed nearly \$2,000 in personal donations to the American Red Cross in support of relief efforts. DPS further donated more than \$16,000 worth of product nationwide in response to disasters such as tornadoes, floods and wildfires.

On the environmental front, DPS's \$200,000 partnership with the Student Conservation Association (SCA) made a tremendous impact in 2011. SCA is the largest youth conservation organization in the U.S., dedicated to natural resource conservation and environmental education. As a national sponsor for the nonprofit, DPS collaborated to help create sustainable communities through a series of conservation service events (e.g., restoration of parks, trails and other natural resources) involving our employees and community members.

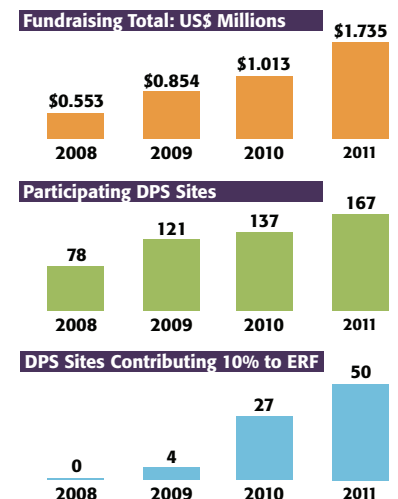
2011 COMMUNITY INVESTMENTS (US\$ Millions)



In 2011, DPS invested more than \$13 million in its communities through a mix of philanthropic donations, cause-related marketing, product donations and volunteerism.

“2011 kicked off our \$1 million, four-year commitment to the American Red Cross.”

OUR ANNUAL UNITED WAY CAMPAIGN



Our United Way fundraising campaign has seen higher participation and more funds raised with each passing year, while also increasing contributions to our Employee Relief Fund.



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

In addition, DPS's commitment enabled the SCA to provide opportunities for college and graduate students to complete internships in conservation and environmental services that restore and preserve public lands nationwide. In 2011, DPS helped the SCA deploy 2,085 interns nationwide to complete 37,005 weeks of conservation service. Some of the accomplishments from our interns include:

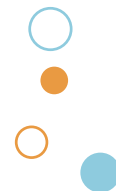
- Restoring 1,106,373 feet of shoreline.
- Conducting 3,295 water quality tests.
- Reaching 950,000 people through visitor programs.
- Clearing 25,880 acres of invasive plants.

Our SCA relationship also spurs our employee volunteerism efforts, as 154 employees contributed 580 volunteer hours through four Get Outdoors Day service projects in California, Illinois, New York and Texas. We also celebrated Earth Day's 25th anniversary by having the DPS Houston team join community volunteers and SCA interns in a trail restoration project, completing 141 hours of service.

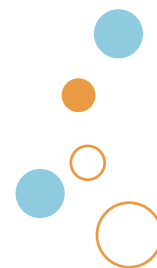
In mid-2012, DPS announced a four-year, \$1 million relationship with The Nature Conservancy, the leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. The partnership will support water-protection programs in Dallas, Houston and San Antonio, Texas, with a focus on restoration and stewardship activities at select preserves in the area. In our first year, DPS will commit \$100,000 to be used primarily in conservation efforts at the Clymer Meadow Preserve, a 1,400 acre tallgrass prairie vital to Dallas' water supply. We will have more to share about this partnership in the months and years ahead.

Throughout the year, DPS supports activities such as community fairs, festivals and cultural celebrations to foster physically active, engaged and sustainable communities where our employees, customers and consumers live and work. Celebrations such as the Wayne County Fair in New York or the Fair Park Fourth Independence Day celebration in Dallas are other ways we have improved our communities. In addition, support of organizations such as the Boys & Girls Clubs of America, March of Dimes, the Juvenile Diabetes Research Foundation, and many more spread our positive influence more broadly across North America.

Cause-related marketing further supplements our financial commitment to our communities, with more than \$3.2 million spent in 2011. This money covers everything from our decades-long, multimillion dollar relationship with the Muscular Dystrophy Association to local charity golf tournaments supported by our bottlers. Whether it's 7UP donating \$50,000 to the causes of the finalists on "The Celebrity Apprentice," or Snapple partnering with rock band Maroon 5 to launch "Tea Will Be Loved" and giving \$250,000 to Feeding America, our brands took DPS's legacy of caring straight to consumers in 2011.



"In 2011, DPS helped SCA deploy 2,085 interns to restore and preserve public lands nationwide."





OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR[®]

DPS team members are driven by our vision to be the best beverage business in the Americas. We are dynamic and aggressive, pursuing our goals to grow sales and crush costs through teamwork, innovation, precise execution and great customer relationships. We continually ensure we're doing what it takes to win in a challenging market.

Great brands and great people are our greatest assets, and we have a broad range of programs and policies designed to help our employees reach their full potential both at work and in life. In 2010, we reported the results of a Towers Watson survey that showed that 92 percent of our team leaders have high levels of engagement with our company and our vision, putting us ahead of many other high-performing companies.

Going forward, we are using direct polling of our employees to ensure that we maintain high levels of engagement. Using handheld polling devices at staff meetings and other group events, we can anonymously measure the engagement of employees at all levels of the company. This process gives us instant results, and the outcomes of the surveys can be discussed immediately with the participants to address any areas of opportunity.

DIVERSITY

At DPS, our brands are unique, and so are our people. We believe that diversity contributes to our success and helps us win in the marketplace. We're committed to providing an inclusive workplace where all employees are empowered to contribute and share their individual qualities.

We are an equal opportunity employer and affirmatively seek diversity in our workforce, workplace and marketplace, recruiting and advancing qualified applicants and employees without regard to race, color, religion, gender, sexual orientation, gender identity, gender expression, age, disability, genetic information, ethnic or national origin, marital status, veteran status, or any other status protected by law.

In 2011, we launched the Diversity Leadership Council, a group of senior leaders within our company focused on strategically leveraging diversity for business success. The council's primary objectives are to:

- Attract, motivate and retain a base of employees that reflect the diversity of our marketplace (consumers, customers and communities).
- Create an inclusive environment where all employees with varied backgrounds, skills and experience work together to contribute to our business.

"In 2011, senior leaders at DPS formed the Diversity Leadership Council to advance our diversity agenda."

"2011 was our third consecutive year to be recognized as a top-50 employer of choice by 'Diversity MBA' magazine."



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR[®]

This team was formed under the banner of a renewed Call to ACTION on diversity from President and CEO Larry Young:

At Dr Pepper Snapple Group, our vision is to be the best beverage business in the Americas, and we have a deep respect for the diverse talents, cultures and backgrounds that all of our employees bring to bear in pursuit of that vision. We are a business made up of great brands and great people who are defined by experience and expertise, as well as their passion for being the best.

In 2011, DPS continued its wide-ranging relationships with numerous local and national organizations committed to diversity. These include the National Society of Hispanic MBAs, the National Urban League, the United Negro College Fund, the National Black MBA Association, the Pacific Asian Consortium, the National Council of La Raza, Catalyst, the Network of Executive Women and the Women's Foodservice Forum. In partnership with these and other organizations, DPS participates in hundreds of diversity-themed job recruitment events and development programs throughout the year.

Our sales team has an ongoing partnership with Students in Free Enterprise, an international organization that mobilizes students around the world to make a difference in their communities while developing skills to become socially responsible business leaders.

In addition, DPS continues to build robust programs to recruit veterans and people with disabilities. We have developed relationships with state vocational rehabilitation agencies across the country, staffing agencies and government agencies such as U.S. Department of Veteran Affairs. DPS also has signed on to Milicruit's 10,000 Job Challenge, which aims to provide 10,000 jobs to veterans and military spouses by the end of 2013.

Our efforts continue to receive recognition, as DPS was once again recognized as a top-50 employer of choice by "Diversity MBA" magazine.

SAFETY

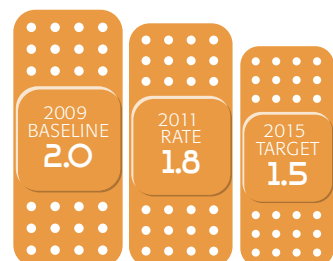
At DPS, employee safety is paramount. In fact, safety is top among the five key planks of RCI, along with quality, delivery, productivity and growth. Even before RCI, our focus on safety was an important part of bringing our diverse operations together to be the best.

In our inaugural sustainability report in 2010, we outlined the progress we've made since 2006 in consolidating our employee health and safety programs, unifying our efforts behind a cross-functional, comprehensive approach to safety. These included best practices such as written processes for the maintenance of equipment and machinery; hazardous chemicals handling, labeling and storage; having Material Safety Data Sheets (MSDS) readily available on our corporate intranet and elsewhere; combustibles/flammables handling, labeling, storage and disposal; personal protective equipment; and first-aid supplies accessibility and training.



LOST-TIME INJURY RATE

(incidents per 200,000 hours worked)



By 2015, DPS will reduce our lost-time injury rate by 25%.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR[®]

Last year, Larry Young, president and CEO, and Derry Hobson, executive vice president of supply chain, signed an environmental health and safety policy into effect, restating our commitment to environmental, health and safety management as an integral part of growing the value of our business. DPS has followed up on that commitment with the creation of a new safety board, chaired by our CEO and composed of senior executive leaders who meet on a quarterly basis to review safety standards across the company, set business-wide safety goals, oversee the development of training programs and monitor our ongoing safety performance metrics.

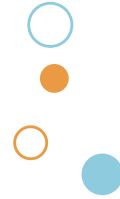
With these tools in place, we've made significant progress in ensuring safe working practices at DPS. We now have processes throughout the business to ensure the safety of our employees at our facilities, and we've greatly improved our ability to track our safety performance.

As a result, we're already well on our way to achieving our corporate goal of a 25 percent reduction in our lost-time injury frequency rate (LTIFR) in our locations by 2015. In 2011, we had an LTIFR of 1.8 incidents per 200,000 hours worked, an 11 percent reduction from our 2009 baseline. At the same time, our overall accident rate was 5.77 incidents per 200,000 hours worked, a 7 percent reduction since 2009.

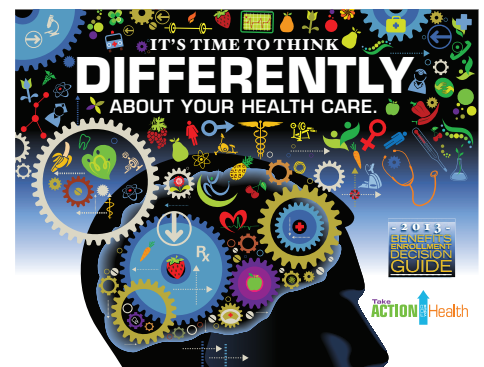
WELLNESS

The health of employees is as vital to our success as their safety. DPS offers a comprehensive benefits package, including medical plans, prescription drug coverage, a dental plan, a vision plan, flexible spending accounts, short- and long-term disability, life insurance, paid vacation days and adoption assistance.

Our "Take ACTION for Your Health" program continues to help DPS employees improve their health and get the most out of their benefits. With annual physicals and dental cleanings offered at no charge through in-network providers, employees have the opportunity to stay informed about their health and possibly avoid problems before they happen. The 16 "Know Your Numbers" events held at DPS sites last year allowed employees to check their blood pressure, cholesterol, blood sugar and weight, and gave each participant the chance to speak with trained health professionals about the significance of each number.



"In 2011, we created the safety board headed by President and CEO Larry Young to ensure high safety standards and inspect what we expect."





OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR[®]

In early 2012, we rolled out Personal Rewards, offering employees a direct incentive to take ACTION for their health. Eligible employees can earn up to \$500 in gift cards for completing activities including:

- Complete a health-assessment questionnaire.
- Get annual preventive care.
- Achieve healthy numbers for blood pressure, cholesterol, blood sugar and body mass index.
- Work with a wellness coach.
- Complete special activities based on age and health condition.

Smoking-cessation programs and an anonymous helpline for employees in crisis further reinforce our commitment to keeping employees healthy over and above treating them when they're ill. DPS also extends this philosophy to the families of our employees, offering comprehensive pre- and neonatal care. More than 80 percent of our eligible employees participate in the fully covered "well baby" checkups annually.*

In addition, our onsite clinics at our plants in Aspers, Pa., and Irving, Texas, have seen ongoing success. These clinics provide both work-related and primary care services at no cost to the employee. In Irving, approximately 73 percent of the employees used the facility in 2011, reporting a 97 percent satisfaction rate. With an average wait-time of just one minute to see a nurse, these clinics have not only improved the health of our employees, but also increased productivity and lowered costs for DPS.

* DPS benefits described in this document apply to employees participating in our benefits plan and who are not part of a collective bargaining agreement. Union benefits vary by work location.

LEARNING AND DEVELOPMENT

Our Call to ACTION is a way of life at DPS, and our employees have embraced it. They are unified behind this single vision of being the best beverage business in the Americas, defined by a set of business drivers that make up who we are and how we operate.

The Call to ACTION includes a day-long training course designed to give employees a strategic understanding of the company and educate them on every facet of our business, from the innovation pipeline to our route to market. Speakers from around the business participate in each session, delivering firsthand knowledge and putting a face to our complex business. Virtually all of our full-time, salaried employees have now completed the workshop, and new hires complete the program within months of joining the company.



Our "Know Your Numbers" campaign brings biometric screenings to employees, allowing them to check blood pressure, cholesterol and other key health indicators.





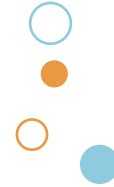
OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR[®]

Call to ACTION Huddles, rolled out last year, have brought a similar level of training to our front-line, hourly employees while giving managers and supervisors the opportunity to hear their feedback. This series of four sessions reinforces the ACTION behaviors and offers employees the chance to develop individual plans to positively impact the business. In the past year, virtually all of our part-time employees have had the chance to participate in Call to ACTION Huddle sessions.

In 2012, DPS is shifting its focus to the coaching skills of our managers with Mobilizing for ACTION, a series of workshops focused on coaching performance. The purpose is to raise the bar of performance by enhancing the application of ACTION behaviors in our key people management processes. Mobilizing for ACTION is a series of nine 90-minute sessions during which leaders train their teams to more effectively drive business results. These sessions will begin in mid-2012, with a goal of having all managers complete the training in 2013.

Mobilizing for ACTION builds on the foundation laid by our e-learning system, DPS Campus. Launched in October 2009, DPS Campus is open to all managers and supervisors who manage teams. It provides practical training on everything from the fundamentals of people management to core capabilities across the business, and new content is added on an ongoing basis.



“Virtually all of our full-time, salaried employees have completed Call to ACTION workshops, and new hires complete the program shortly after joining.”



“Mobilizing for ACTION will raise the bar of performance by improving the coaching skills of managers throughout the company.”





ETHICAL SOURCING

DOING GOOD THINGS WITH FLAVOR

Although DPS operations are based in North America and the Caribbean, we have suppliers around the world who provide us with the materials, ingredients, resources and equipment we need to get our portfolio of flavors to consumers. To ensure that our products meet our own high standards of quality and safety, we must make certain that our suppliers are operating responsibly.

The business practices of the thousands of companies we work with worldwide also reflect on DPS's reputation. From housekeeping, landscaping and courier services to international agribusiness, ingredient and flavor suppliers, the integrity of our partners influences the integrity of DPS. We expect our brands to be produced to high standards of quality and safety throughout our supply chain by people who are well-treated and compensated fairly for their work in accordance with all applicable governmental laws.

CONFIRMING SUPPLY CHAIN COMPLIANCE

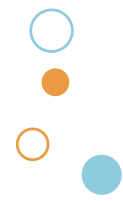
To achieve this expectation, our goal is to "Conduct a regular risk assessment of our supply base and audit any high-risk suppliers identified to ensure full compliance with our Ethical Sourcing Code of Conduct."

This assessment process reflects a change to the goal as previously stated, as the processes we have established to ensure compliance were not accurately reflected in the goal as written. Based on our experience over the last few years, we have concluded that annual third-party assessments of all 20,000 of our direct and indirect suppliers are impractical and unnecessary. Our new approach allows for continuous monitoring of our entire supplier base while enabling us to better focus on high-risk suppliers.

The intent of the goal remains the same. We expect every company we do business with to agree to, and meet or exceed the standards set forth in our Ethical Sourcing Code of Conduct. And we continue to see strong progress toward ensuring that our suppliers are in full compliance with the code. This code is based largely on the Ethical Trading Initiative, which has established internationally recognized standards covering employee rights and working conditions.

Among other requirements, suppliers are expected to guarantee that employment is freely chosen with no forced, bonded or involuntary labor of any kind; that working conditions are safe, hygienic, and compliant with industry standards; that wages and benefits meet minimum national legal standards or industry benchmarks; that working hours comply with national laws and industry benchmarks; and that no discrimination of any kind is practiced in any employment-related decision.

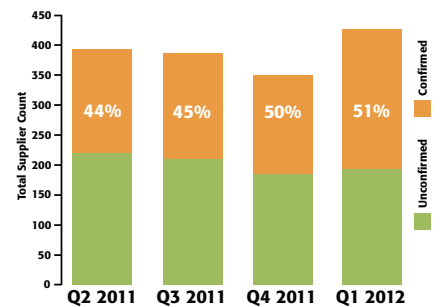
The work we have done in segmenting and identifying our direct suppliers into low-, medium- and high-risk categories has served us well in ensuring compliance. As our total number of suppliers can fluctuate by the hundreds from quarter to quarter, we are now able to perform regular internal assess-



"To date, 64% of our high-risk suppliers have committed to our Ethical Sourcing Code of Conduct, an increase of 8 percentage points since last year."



DIRECT SUPPLIER CODE OF CONDUCT COMMITMENT RATE



Since implementing our new risk assessment systems, we have increased our confirmed compliance rate each quarter.



ETHICAL SOURCING

DOING GOOD THINGS WITH FLAVOR

ments based on industry and location data, as well as the use of third-party risk assessment tools.

To date, 64 percent of our high-risk suppliers have committed to our Ethical Sourcing Code of Conduct, an increase of 8 percentage points since last year. The majority of these suppliers verified compliance through signed acceptance of our Code of Conduct or through participation in the Supplier Ethical Data Exchange. In addition, our auditing process began in earnest in the fourth quarter of 2011, and we can now confirm compliance of 10 percent of our high-risk suppliers on the basis of audits conducted, a good first step to achieving our 2015 goal.

Our low- and medium-risk suppliers have seen a dramatic increase in compliance over the last year. Through the first quarter of 2012, 41 percent of our low-risk suppliers have committed to our Ethical Sourcing Code of Conduct, an increase of 19 percentage points since last year. Compliance among our medium-risk suppliers is up 20 percentage points to 66 percent. These numbers have increased despite a rise in the total number of suppliers we use, and we expect our compliance rates to continue to grow in the future.

All told, 51 percent of our direct suppliers have confirmed their compliance with our ethical trading standards. Grupo Peñafiel continues to set the bar high in our ethical sourcing efforts, with 96 percent of our Mexican suppliers in compliance, an increase of 1 percentage point over last year.

DPS'S ANIMAL TESTING POLICY

DPS does not conduct animal tests and does not directly fund any animal tests in relation to its beverages. Where tests are needed to demonstrate ingredient safety, we and many other companies using those ingredients rely on third-party testing. We encourage the use of alternative testing methods whenever and wherever possible.

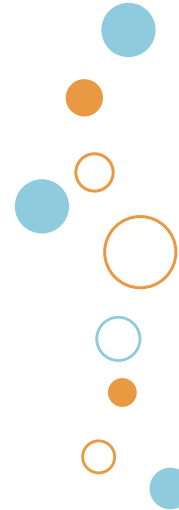
SUPPLIER DIVERSITY

While we do not have an explicit goal related to supplier diversity, DPS works with suppliers in our communities who reflect the markets we serve. We create opportunities for traditionally disadvantaged enterprises, including those owned by minorities, women, military veterans and the physically challenged, while seeking the best quality, value and service at the best cost, from all of our suppliers. It is our desire to select the supplier who delivers the best overall value – value that consists of competitive pricing, technological foresight, information management and customer support.

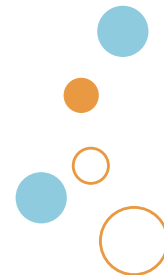
In 2011, we spent nearly \$145 million with businesses that are either wholly or majority owned by women or minorities, and another \$1.4 million with disadvantaged business enterprises. Collectively, these relationships accounted for nearly 4 percent of our direct and indirect supplier expenditures in 2011.

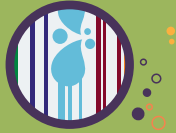


“All told, 51% of our direct suppliers have confirmed their compliance with our ethical trading standards.”



“In 2011, we spent nearly \$145 million with companies that are either wholly or majority owned by women or minorities.”





ECONOMIC IMPACT

DOING GOOD THINGS WITH FLAVOR

NET SALES

\$5.9 billion

GOODS PURCHASED

\$2.5 billion

TAXES PAID

Total - \$278 million

U.S. Federal - \$179 million

State/local - \$62 million

International - \$37 million

WAGES, BENEFITS AND PAYROLL TAXES

\$955 million (Note: Some additional people costs are represented in Goods Purchased.)

COMMUNITY INVESTMENTS

Financial Contributions - \$11.6 million

(Philanthropic: \$8.4 million; cause-related marketing: \$3.2 million)

PRODUCT DONATIONS

\$1.8 million (DPS cost)

VOLUNTEERISM

38,000 hours (Valued at approximately \$400,000)

RETURNS TO SHAREHOLDERS

In 2011, DPS returned \$773 million to shareholders in the form of share repurchases (\$522 million) and dividends (\$251 million).



ADDITIONAL INFO

DOING GOOD THINGS WITH FLAVOR[®]

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation, and cost and availability of raw materials. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “may,” “will,” “expect,” “anticipate,” “believe,” “estimate,” “plan,” “intend” or the negative of these terms or similar expressions. These forward-looking statements have been based on our current views with respect to future events and financial performance. Our actual financial performance could differ materially from those projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and our financial performance may be better or worse than anticipated. Given these uncertainties, you should not put undue reliance on any forward-looking statements. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2011, and our other filings with the Securities and Exchange Commission. Forward-looking statements represent our estimates and assumptions only as of the date that they were made. We do not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, after the date of this release, except to the extent required by applicable securities laws.