




drink well do good

2020 Corporate
Responsibility Report





About This Report

Keurig Dr Pepper (KDP) has reported on its corporate responsibility program since the Company was formed in July 2018. This progress report focuses on the goals, programs and initiatives that encompass our key corporate responsibility efforts for 2020. In addition, we have created a Data Summary, which can be found at the end of this report. Unless otherwise noted, this report covers data and activities for calendar year 2020 from KDP's wholly owned operations, which are primarily located in the U.S., Canada and Mexico. The content covers the parts of our business in which we have operational control and does not include joint ventures, franchised or outsourced operations, except where noted. Selected data and information on our global supply chain activities are also included.

We have expanded the scope of independent verification for 2020 to include more environmental metrics, assurance on the Environmental and Supply Chain sections of the report, and assurance for applicable Sustainability Accounting Standards Board (SASB) standards. This assurance was conducted by ERM Certification and Verification Services. The assured data points are flagged in the Data Summary and SASB index, both located in the Appendix of this report. To view the ERM CVS assurance statement, please visit [here](#).

This report was created in accordance with Global Reporting Initiative (GRI) Standards Core option. The GRI Index can be found in the Appendix.

Table of Contents

OVERVIEW	3	PEOPLE & COMMUNITIES	32
A Letter from our Chairman & CEO and CSO	3	Employee Health & Safety	33
Our Company	4	Employee Engagement & Development	35
Key Highlights	5	Diversity & Inclusion	37
Our Corporate Responsibility Strategy	6	Community Engagement	39
Stakeholder Engagement & Materiality	8		
Goals & Progress	9	GOVERNANCE	41
Responding to COVID-19	10	Board Management & Oversight	42
		Ethics & Compliance	43
ENVIRONMENT	11	Human Rights	44
Product Design & Circular Economy	12		
Resource Use & Conservation	15	APPENDIX	45
Water Efficiency & Stewardship	16	Data Summary	45
Climate, Emissions & Energy	18	Goal Methodology	52
		Stakeholder Engagement	58
SUPPLY CHAIN	20	Reporting Framework Indices (GRI, SASB, TCFD)	61
Responsible Sourcing	21		
Improving Livelihoods	23		
Restoring Nature	26		
HEALTH & WELL-BEING	27		
Consumer Health & Well-being	28		
Responsible Marketing & Labeling	30		
Product Quality & Food Safety	31		

A Letter from our Chairman & CEO and Chief Sustainability Officer

In the wake of the historic events of 2020, our resolve to be a driving force for good for our employees, our communities, our stakeholders and our planet has never been stronger. We are proud of the ambitious *Drink Well. Do Good.* corporate responsibility program we established shortly after our July 2018 merger, and our organization has been on a mission to make a positive impact ever since.

We are pleased to share that, in addition to prioritizing employee health and safety during the pandemic and fulfilling our role as an essential business for our customers and communities, we achieved many of our longstanding corporate responsibility goals this past year. We also set new commitments in both established and new areas, including health and well-being, diversity and inclusion and environmental stewardship.

In 2020, we advanced the circularity of several key products in our portfolio, including the achievement of our goal to make 100% of our K-Cup pods recyclable, while leading collaborative industry efforts to invest in critical recycling infrastructure improvements. Our sustainable packaging efforts, in concert with other initiatives, are focused on safeguarding the health of the planet by reducing our energy use and greenhouse gas emissions – supporting the achievement of the science-based targets we set last year.

We continued to take proactive steps to improve the well-being of the people and communities within our supply chain. We achieved our goals to responsibly source

100% of our coffee and to engage more than one million people in our supply chain to improve their livelihoods. We are now expanding our responsible sourcing program across our other high priority inputs, and making a bold, new commitment to support regenerative agriculture to protect farm ecosystems against the growing threat of climate change. Both of these new goals are designed to expand our impact in addressing social and economic inequalities in our supply chain.

As a beverage company, we support consumer choice and aim to offer a beverage for every need, everywhere consumers shop and consume. We share in this report a new goal to provide positive hydration, which focuses on developing and expanding our offerings of products with nutritional and functional benefits. This commitment was developed with input from experts in the fields of public health and nutrition, among others, and we will continue to engage with outside, credentialed resources to shape our efforts.

Our health and well-being focus is also centered on our employees and their families, and we remain driven to support our team through robust benefits and career development, while upholding a culture of respect, inclusivity and trust. In 2020, we accelerated our diversity and inclusion efforts and are announcing in this report new employee representation goals to help ensure our organization increasingly reflects the consumers and communities we serve. We have also launched eight new Employee Resource Groups to support our culture by creating space for our colleagues to build connection and community.

Underpinning all our efforts is a commitment to accountability and integrity through a strong corporate governance framework. As KDP evolved from a controlled company to a widely held one in 2020, we enhanced the structure and diversity of our Board, including creating the position of Lead Independent Director. The oversight and collaboration from our Board will continue to support the rigor around our corporate responsibility efforts, among other priorities across the business.

At Keurig Dr Pepper, we remain steadfast in our commitment to making a positive impact and, while we recognize that there is always more work to be done, we are proud of the progress we continued to make and the passion demonstrated by our nearly 27,000 employees. They remain our true competitive advantage and an inspiration for what's possible when we work together towards a common purpose. On behalf of our Board and our team members, we look forward to sharing our continued progress on this important journey.



Bob Gamgort
Chairman &
Chief Executive Officer



Monique Oxender
Chief Sustainability Officer

Our Company

Our vision is to provide a beverage for every need, available everywhere consumers shop

125+
OWNED, LICENSED
AND PARTNER BRANDS

INCLUDING:

KEURIG



WHO WE ARE

8th LARGEST

FOOD & BEVERAGE COMPANY IN THE U.S.

~27,000
EMPLOYEES

30+
MANUFACTURING
LOCATIONS

160+
PRINCIPAL WAREHOUSES /
DISTRIBUTION CENTERS

\$11.6
BILLION

NET SALES
IN 2020

\$45+
BILLION

MARKET CAP AS
OF END OF 2020

2 HEADQUARTERS:
FRISCO, TX
BURLINGTON, MA

CATEGORY LEADERSHIP



**SINGLE SERVE
BREWING SYSTEMS**



**FLAVORED CARBONATED
SOFT DRINKS**



MIXERS



PREMIUM WATER



FRUIT JUICE/DRINKS



**SHELF-STABLE
PREMIUM READY-
TO-DRINK TEA**

Key Highlights

ENVIRONMENT



- Converted all K-Cup pods to recyclable polypropylene plastic
- Powered our total hot production network with 100% renewable electricity
- Launched three new water stewardship projects in high water-risk operating areas

SUPPLY CHAIN



- Achieved 100% responsibly sourced coffee for our owned and partner brands
- Engaged 1 million+ people in our coffee supply chain to significantly improve their lives
- Committed to supporting regenerative agriculture or conservation on 250k acres of land

HEALTH & WELL-BEING



- Committed to 60% positive hydration products by 2025
- Increased transparency on labeling and marketing of our products
- Launched new better-for-you offerings across multiple categories

PEOPLE & COMMUNITIES



- Implemented robust Employee Health and Safety Program at onset of COVID-19
- Committed to two new employee diversity goals
- Donated 4 million beverages and thousands of brewers in support of frontline healthcare workers

Awards & Recognition



Our Corporate Responsibility Strategy



Our Ambition: Ensure our beverages make a positive impact with every drink.

KDP's broad portfolio of hot and cold beverages and nearly 27,000 employees give us many opportunities to be a catalyst for good. Our *Drink Well. Do Good.* corporate responsibility platform focuses our energy and resources on areas in which we believe we can have the greatest impact. We are committed to partnership, innovation, transparency and investment as we work to deliver progress.

 <h2>ENVIRONMENT</h2> <p>Refreshingly Responsible</p>	<p>We are committed to reducing our environmental impacts while restoring resources for a regenerative and circular economy. From eliminating packaging waste to reducing our emissions, we partner to protect and replenish the earth's valuable resources.</p>
 <h2>SUPPLY CHAIN</h2> <p>Good From the Start</p>	<p>We use our buying power for good with a commitment to responsible sourcing across our supply chain. We work with suppliers and a range of innovative partners around the world to improve livelihoods and restore nature.</p>
 <h2>HEALTH & WELL-BEING</h2> <p>Better Choices, Better Lives</p>	<p>We strive to make a positive impact by offering a broad, well-balanced portfolio that is accessible to all consumers. We partner with leading organizations to accelerate our portfolio innovation and transparency.</p>
 <h2>PEOPLE & COMMUNITIES</h2> <p>Meaningful Engagement</p>	<p>We are committed to creating a work environment in which all voices are heard, employees feel supported and talent can thrive. Extending our efforts beyond our workplace, we engage locally to build strong, vibrant communities.</p>

Our Commitment to the UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) were developed to address the global challenges facing our current world and represent the transformative power of collective action. We have aligned our corporate responsibility strategy with several of these important initiatives, as we work toward achieving our goals. We focus on SDGs that align with our highest-priority issues across our value chain and for which we can most directly contribute.



ALIGNING UN SDGS ACROSS OUR VALUE CHAIN



SOURCING

We are committed to responsibly sourcing our priority inputs and our brewers. Across our global supply chain, KDP partners to promote natural resource protection, ecosystem resilience, human rights, worker well-being and farmer profitability. Since 2014, we've engaged over 1M people in our supply chain to improve their lives. We're also strengthening climate resilience by supporting regenerative agriculture and are focused on increasing our use of post-consumer recycled content to reduce our use of virgin plastic.



PRODUCTION

At our manufacturing facilities, we collaborate to use water, energy and ingredients efficiently to produce our beverages. We're committed to sourcing electricity from renewable sources to reduce our greenhouse gas emissions, with our hot production network currently using 100% renewable energy.



DISTRIBUTION

Our distribution capabilities across North America enable us to align our operations with our customers and our sales channels, to ensure our products are available to meet consumer demand and to reduce costs and our climate impact. We're focused on reducing our greenhouse gas emissions through fleet fuel efficiency and network optimization.



USE & CONSUMPTION

We are responding to changing consumer preferences by evolving our product portfolio, offering choices that deliver beneficial nutrients, reduced calories or lower sugar. We are also focused on sustainability, with particular attention to increasing the recyclability of our product packaging as well as adding more products that use post-consumer recycled content.



POST-CONSUMER

We invest in numerous initiatives to improve recycling infrastructure and recycling behaviors – most notably as a co-founder in both the Polypropylene Recycling Coalition and the Every Bottle Back program. We are also increasing our recycled content in Keurig brewers. Our Core Hydration, 16 oz. Snapple and 500 mL Aguafiel Natural beverages bottles now use 100% recycled plastic.



Stakeholder Engagement & Materiality

We engage a broad range of stakeholders, including suppliers, partners, customers, regulatory agencies, non-governmental organizations (NGOs), consumers, employees, investors and others. We maintain ongoing dialogue through collaboration and leverage their expertise, insights, influence and energy to elevate our performance and find new solutions to common challenges. These engagements occur at the staff and executive leadership levels to ensure integration of new and innovative ideas across our organization. Learn more about our approach to [Stakeholder Engagement](#) in our Appendix.

Understanding our priority Environmental, Social and Governance (ESG) issues informs how we develop our corporate strategy, invest our resources and report on our business and corporate responsibility efforts. In early 2021, we conducted our first formal materiality assessment as KDP, to ensure that we are focused on the issues in which we can have the greatest impact across our value chain.

The materiality analysis included an evaluation of emerging trends and internal and external stakeholder input. The outcome of this process was our new materiality matrix, which outlines a total of 30 non-financial issues ranked in relation to most important to stakeholders and most impactful to the business. A total of 15 issues were identified as being our highest priority. Moving forward, we plan to conduct a materiality analysis on a regular basis to ensure we take into consideration the evolving ESG landscape. We describe information about our approach to and progress on these issues throughout this report and in the [Reporting Framework Indices](#) in this report.

Materiality Matrix



Goals & Progress

For detail on methodologies and boundaries for our goals, see our [Goal Methodology Table](#).

	Year	Goal	2018 Actual	2019 Actual	2020 Actual
ENVIRONMENT	2020	100% of K-Cup pods recyclable	10%	70%	100%
	2025	100% of packaging to be recyclable or compostable	86%	87%	90%
	2025	30% post-consumer recycled content used across packaging portfolio	20%	20%	22%
	2025	25% post-consumer recycled content used across plastic packaging portfolio	0.3%	0.4%	2%
	2025	20% virgin plastic reduction across plastic packaging portfolio	N/A	Baseline Year	1%
	2025	Send zero waste to landfill across our operations	86%	88%	92%
	2025	Partner with our highest water-risk operating communities to replenish 100% of water used for our beverages in those communities	73%	73%	79%
	2025	20% improvement in water use efficiency	3%	4%	7%
	2025	100% electricity used in operations from renewable sources	28%	47%	50%
	2030	30% reduction in Scope 1 and 2 emissions	0%	11%	7%
	2030	15% reduction in Scope 3 emissions in select categories	0%	0%	-23%
	2024	Engage bottlers and select suppliers representing 50% of Scope 3 emissions to set a science-based target	17%	32%	38%
SUPPLY CHAIN	2020	100% responsibly sourced coffee	31%	65%	100%*
	2020	100% responsibly sourced brewers	50%	63%	86%
	2020	1M people engaged in our supply chain to significantly improve their lives	630K	783K	1.1M
	NEW: Responsibly source our brewers and 100% of our priority inputs				
	NEW: Advance inclusion by addressing barriers to entry and prosperity in our supply chain				
	NEW: Support regenerative agriculture and conservation on 250K acres of land by 2030				
HEALTH & WELL-BEING	NEW: Provide positive hydration in 60% of KDP products by 2025				
PEOPLE & COMMUNITIES	2020	13.5M kids and families provided play opportunities	12.9M	14.2M	14.6M**
	NEW: Increase female representation in Director and above positions by 25% by 2025				
	NEW: Increase people of color representation in Director and above positions by 25% by 2025				

Note: our recyclable K-Cup pods are made from polypropylene (#5) plastic.

* During 2020, 82% of our purchases of green coffee were responsibly sourced through third party sourcing programs. By the end of 2020, all coffee contracted to be received going forward is 100% responsibly sourced.

** Including approximately 400,000 kids that will benefit from awards provided in early 2020, as the pandemic delayed construction, which is now underway.

Responding to COVID-19



KEEP employees safe & healthy

DELIVER for our customers & consumers

PROVIDE for our communities

The outbreak of COVID-19 profoundly changed our lives, our work and the ways we interact with one another. We responded by refocusing our Company mission under the banner of ONE KDP – underscoring our commitment to keep our employees safe and healthy, deliver for our customers and consumers and provide for our communities. Throughout the year, our employees responded by showing resilience and creativity as they manufactured and delivered the essential goods our communities need.

Keep Employees Safe And Healthy

Our first priority, always, is to keep our employees safe and healthy. We have taken extraordinary precautions to do so, while also providing support to our employees and their families during this unprecedented time. Early in the pandemic, we developed a **6-Point Employee Health and Safety Program** to prioritize employee safety and operational continuity. New procedures included daily temperature checks and health screenings, extensive sanitization practices, face covering mandates and social distancing protocols for team members in our facilities



and in the trade. We also enhanced our technology and collaboration tools to support office employees who were transitioned to working from home, and we provided support through financial incentives, enhanced paid sick time and childcare assistance in addition to our Employee Assistance Program.

Deliver For Our Customers & Consumers

We continued to deliver for our customers and consumers, diligently working around the clock to fulfill strong demand. We leveraged proprietary data and insights to quickly adapt to changes in shopping behaviors, flexing to navigate significant channel shifts as consumer mobility slowed during the pandemic. We also continued to deliver robust brand innovation, bringing consumers new offerings across brewers, coffee, carbonated soft drinks, juice and water, among others.

Provide For Our Communities

Through our **Fueling the Frontline** program, we provided four million cups of coffee and other beverages, along with thousands of brewers, to more than 500 hospitals in the U.S. and Canada in support of healthcare workers on the frontline of the crisis. We also made product donations to local health institutions in Mexico. Additionally, we gifted our 21,000 frontline employees with a free brewer and coffee pods, as recognition for their hard work and dedication, and empowered our U.S. employees working remotely to recognize an essential worker in their own community with a free brewer and coffee. We also donated \$250,000 to the National Restaurant Association Education Foundation Employee Relief Fund to support cash grants provided to U.S. restaurant workers financially impacted by the COVID-19 crisis.



ENVIRONMENT

Reducing Our Footprint, Restoring Resources

At KDP, we are committed to reducing our environmental impact, while restoring resources for a circular economy. From removing material in packaging and using more recycled content, to designing all our packaging to be recyclable or compostable, we are on a mission to eliminate packaging waste. We also embrace our responsibility to contribute to solutions that reduce greenhouse gas emissions and conserve resources like water, with the objective of building resiliency to climate change. Guided by our sustainability ambitions, we are activating plans and driving new initiatives that deliver on our commitment to environmental stewardship.

IN THIS SECTION

[Product Design & Circular Economy](#) →

[Resource Use & Conservation](#) →

[Water Efficiency & Stewardship](#) →

[Climate, Emissions & Energy](#) →

Product Design & Circular Economy

2020 GOAL

PROGRESS

100% of K-Cup pods recyclable

▶ 100%

2025 GOALS

PROGRESS

100% of packaging recyclable or compostable

▶ 90%

30% post-consumer recycled content used across packaging portfolio

▶ 22%

25% post-consumer recycled content used across plastic packaging portfolio

▶ 2%

20% virgin plastic reduction across plastic packaging portfolio

▶ 1%

Packaging waste – particularly plastic waste – is a growing global challenge. Our vision is a circular future in which our packaging is recycled and repurposed to remain in use and out of the environment. To accelerate this shift, we are focused on smart design, which involves the absolute reduction of materials used and the ability to recycle or compost those materials after use. We are also increasingly incorporating recycled content into our products and packaging to further reduce our virgin plastic footprint, and we are investing in recycling infrastructure to ensure valuable recycled materials are more readily available.

Designing for Circularity

To remove unnecessary packaging materials, we continually innovate packaging designs and manufacturing processes to optimize material use. We also incorporate materials that are accepted for recycling and highly valued as post-consumer recycled (PCR) content. We work closely with the Association of Plastic Recyclers (APR) guidelines to design “APR preferred” packaging that is fully compatible with plastics recycling systems. By making it easier to recycle our products, we support creating a better stream of recycled materials to reuse in new products.

At the close of 2020, 90% of our packaging was recyclable, an increase of three percentage points from 2019. We are also working to eliminate problematic and non-recyclable materials via substitution and fully removed polystyrene from packaging use as of 2020. Through execution of our existing packaging goals, KDP is committed to reducing its use of virgin plastic by 20% by 2025. We will achieve this absolute reduction goal via the increased use of recycled content, elimination of unnecessary materials, redesign of packaging and exploration of reuse models.

In 2020, we successfully achieved one of our longstanding sustainability commitments – all of the K-Cup pods we produce are now recyclable, as they are made of #5 polypropylene plastic. Polypropylene is a valued material

that meets our stringent requirements for food safety and compatibility with our brewing process. This plastic is also able to be processed in many recycling systems around North America and is in strong demand as a recycled material.

The transition to recyclable pods represented the culmination of a multi-year effort that involved converting more than 100 diverse pod manufacturing lines to accommodate the design change. Using radio-frequency identification technology, we pioneered large-scale testing in 12 material recovery facilities (MRFs) across the U.S. and Canada to demonstrate that the polypropylene K-Cup pods could be sorted from incoming curbside materials with the ability to be captured by modern optical or robotic sortation equipment. New packaging for the polypropylene K-Cup includes industry-respected How2Recycle® labels that clearly communicate recycling instructions to consumers to drive recycle-right behavior, and we continue to engage with MRFs and communities to advance the recovery of K-Cup pods.

To support our workplace customers in recycling higher volumes of K-Cup pods, we continue to offer our K-Cycle service. Working with recycling partners, this mail-back program collects bins of brewed K-Cup pods and recycles the pod plastic and aluminum lid. The coffee or tea and filter become organic compost.



The test through our Material Recovery Facility proved that the latest recycling technology is able to successfully capture the pods, which will result in significantly less plastic waste in the landfill.

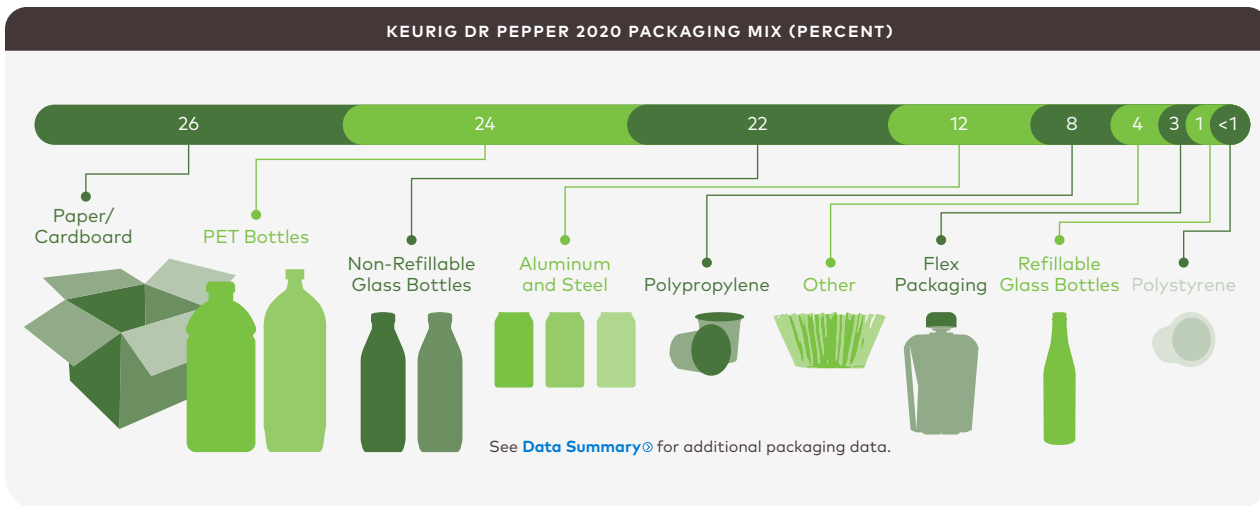
- James F. Mazza, Jr., President & CEO, Mazza Recycling





USING ARTIFICIAL INTELLIGENCE AND ROBOTICS TO INCREASE PCR SUPPLY

We know demand for quality recycled plastic is high, yet only about 10% of plastic is currently recycled for use in new products globally. A constraint that we see on current plastic PCR supply for KDP products and packages is consistent quality of supply which can be addressed with better sortation. As a result, we're partnering with AMP Robotics, a pioneer in artificial intelligence, robotics and infrastructure for the waste and recycling industry, and investing in solutions to increase the recovery of valuable plastics, such as the polypropylene we use in our K-Cup pods. Robots at recycling facilities can differentiate between different colors, shapes and materials at superhuman speeds. Using artificial intelligence, robots continue to learn about each item and increase their performance over time. This improves the sorting process, ensuring that similar materials are processed together and more efficiently. The end result is more supply of high-quality recycled plastic ready for use in new products.



Buying & Using Recycled Content

Designing to use less plastic, including lightweighting, and using recycled content are important pathways to reducing our use of virgin plastic. We have committed to achieve 30% PCR content across our packaging portfolio by 2025, and as of year-end 2020, our packaging contained 22% PCR content. With a focus on plastics specifically, we are targeting to achieve 25% plastic PCR content in packaging by 2025.

In 2020, we implemented the transition of Core Hydration, 16 oz. Snapple and 500 mL Aguafiel Natural to bottles made of 100% recycled polyethylene terephthalate (rPET) plastic. This transition was completed by mid-year 2021 and is expected to eliminate approximately 47.5 million pounds of virgin plastic used by KDP annually.¹ This effort will also produce about 30% less greenhouse gas (GHG) emissions compared to using virgin plastic – the equivalent of taking 7,700 cars off the road annually – contributing to our climate reduction targets. Each rPET bottle is recyclable and features the How2Recycle® label for clear, standardized recycling instructions. We expect to transition additional products to rPET this year.

Beyond packaging, we have also eliminated one million pounds of virgin plastic used in our popular Keurig K-Mini coffee makers.² The K-Mini brewer in matte black is made with 25% PCR plastic and the K-Mini Plus brewer in matte black is made with 50% PCR plastic. In addition, our new K-Supreme Plus brewer contains at least 30% PCR content.

Other Sustainable Packaging

From refillable products to new bio-based and other material innovations, we continue to explore and diversify our sustainable packaging options. Deja Blue was the first water brand to use recyclable aluminum cans more than 10 years ago and our Limitless sparkling water brand and Adrenaline Shoc energy drink are sold exclusively in recyclable aluminum can formats. Aluminum is lightweight, of high-value and recycled at a relatively high rate, helping to reduce waste. In addition, multi-serve formats, including juices, batch-brewed coffee and our fountain drinks, are a few ways we reduce the amount of our packaging used for each customer drink served.

Investing In Recycling Infrastructure

As KDP and other companies increase commitments to reduce virgin plastic and use more recycled materials, it will be critical for recyclers to ensure a quality supply of recycled plastic. That's why we're founding partners in two industry coalitions and investing in numerous initiatives to improve recycling infrastructure and inspire better recycling behaviors with consumers.

Since 2014, we've committed over \$30 million to encourage the circular economy through collaborative projects and partnerships across North America.

Polypropylene Recycling Coalition

According to The Recycling Partnership's 2020 State of Curbside Recycling report, data suggests an estimated 1.6 billion pounds of polypropylene is available for recycling in the U.S. each year. However, just 60% of Americans have access in their community to a recycling program that accepts rigid polypropylene.³ To address this important infrastructure issue, we catalyzed improvements to polypropylene recovery by co-founding and becoming the largest funder of The Recycling Partnership's Polypropylene Recycling Coalition (The Polypropylene Coalition). The Polypropylene Coalition is a collaborative of organizations dedicated to increasing the quantity and quality of polypropylene plastic recycling in the U.S.

Since its launch in 2020, The Polypropylene Coalition has made seven grants to MRFs across the country that face significant challenges in their ability to effectively sort and recycle polypropylene. The grants made to-date will allow an additional 7.2 million more people to recycle polypropylene, along with other household plastics, at the curb, increasing the supply of recycled polypropylene for use in new products, such as packaging, automotive parts and household goods.

Every Bottle Back

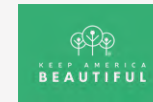
In 2019, in concert with industry peers and leadership by the American Beverage Association (ABA), KDP cofounded the Every Bottle Back (EBB) initiative to ensure that our plastic bottles stay out of landfills and the environment, and become new bottles or other valuable products. Together, we're committed to increasing plastic bottle recycling with a \$100-million industry-funded investment program that will be triple matched with additional grant and investment dollars, bringing the collective resources against this critical need to \$400 million. Funds will be invested in increasing and optimizing recycling access, education and infrastructure, to improve recovery rates and increase the supply of rPET for use in new beverage bottles. It is estimated that EBB could lead to a 20% increase in the amount of PET recycling over the next ten years.⁴ At the time of this report, the initiative had announced seven community grants to improve PET recycling in key states.

Advocating to Modernize Recycling Infrastructure

In order for a circular economy to truly succeed in the U.S., there must be leadership at all levels of government to modernize and standardize recycling. Inadequate investment, tight municipal budgets and a patchwork of regulation across more than 20,000 local jurisdictions is preventing economies of scale in our recycling systems and confusing consumers throughout the country. We are supportive of smart policy solutions that aim to find efficient and equitable ways to increase material recovery and reduce the economic and environmental costs of disposal. Working with groups such as The Recycling Partnership's Circular Economy Accelerator, we are actively exploring various recycling policy models, including options like extended producer responsibility.

COLLECTIVE ACTION FOR CIRCULARITY

Our network of partnerships across the plastics value chain is robust. Most recently, we joined the U.S. Plastics Pact and Canada Plastics Pact, which convene diverse public-private stakeholders to rethink the way we design, use and reuse plastic. We also became a member of the Ocean Conservancy's Trash Free Seas Alliance™, which unites thought leaders from academia, conservation and private sectors to work toward solutions that will mitigate plastic waste entering the ocean. We also co-founded the Circular Plastics Taskforce, which aims to provide concrete solutions to the challenges currently facing the recycling industry in Quebec, and throughout Canada.



Resource Use & Conservation

2025 GOAL

Send zero waste to landfill across our operations

PROGRESS

▶ 92%

Building a Zero Waste Culture

By reducing, reusing and recycling our waste in creative ways, we are committed to zero waste from our manufacturing facilities sent to landfills by 2025. Even with the challenges presented by the COVID-19 pandemic that temporarily closed one waste partner with whom we work, we rebounded and achieved zero waste to landfill in our hot beverage manufacturing network in 2020 for the second consecutive year. Our solutions to waste management included composting coffee grounds and recycling burlap coffee bean bags and filter paper scrap, which can be converted into insulation and pet bedding. We continue to optimize our waste reduction strategies in collaboration with our procurement team, including conducting site surveys, streamlining data collection and assessing new items not previously considered. Across both our hot and cold beverage production sites, we kept 92% of our total waste out of landfills and we're on track to meet our 2025 goal of zero waste to landfill.



Energy-efficient cooling at our Allentown, PA facility.

Sustainably Built Facilities

Our new K-Cup pod manufacturing site in Spartanburg, South Carolina is the largest industrial manufacturing facility certified under the LEEDv4 BD+C rating system in North America. The site includes a separation room that moves all waste from production to be recycled, reused, repurposed or converted to energy. In addition, our new high-speed cold beverage production facility in Allentown, Pennsylvania, incorporates sustainability focused design, including a central room with magnetic bearing chillers that provide cooling for air-conditioning as well as chilled water for production processes, a highly energy-efficient approach. This site was recently named the 2021 Plant of the Year by *Food Engineering* magazine. Lastly, our new Frisco, Texas co-headquarters is targeting a high-level LEED certification for Commercial Interiors, with plans to source 100% of its electricity from renewable sources

and integrate recycled material into furniture and surfaces throughout the building.

Closing the Loop on Manufacturing Waste

In collaboration with our local recycling partner, we launched a new pilot project in 2020 to close the loop on scrap K-Cup pods from our manufacturing site in Montreal, Canada. All components are currently being dismantled and efficiently directed for future reuse. The polypropylene plastic pod is recycled on site with plans to reintroduce it into our own manufacturing processes soon. This approach is expected to reduce GHG emissions from waste incineration, increase supply of recycled plastic and improve our waste management practices.

Water Efficiency & Stewardship

2025 GOALS

PROGRESS

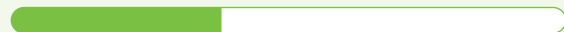
Partner with our highest water-risk operating communities to replenish 100% of water used for our beverages in those communities

▶ 79%



20% improvement in water use efficiency

▶ 7%



Water is a precious natural resource that is essential to our business. As water is the primary ingredient in most of our beverages, we have a particular responsibility to be good stewards of water use in our operations, our communities and throughout our supply chain. Our water stewardship goals are focused on safeguarding water resources and building healthy communities resilient to climate change. Our holistic water approach includes a corporate [Water Policy](#), governance, measurable targets and engagement in our value chain. We've also strengthened our risk assessment approach and enhanced our transparency, while continuing to report to CDP Water.



Achieved an A- CDP water disclosure score, indicating we're leading on corporate action and transparency on water risk

Managing Water in Our Operations and Supply Chain

Within our operations, KDP's water management practices are supported by a cross-functional water optimization team. We focus on increasing site water tracking and metering to help us better measure and manage water use, and the team supports continuous improvement activities.

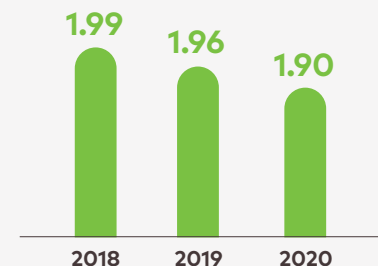
During 2020, we continued to improve the efficiency of our water use and required 1.90 liters of water per liter of final product, a 7% improvement in our water use ratio from our baseline. Some of our bottling plants in our highest water-risk sites, including two in Mexico and one in California, achieved water use ratios well below 1.60 for the year. Our goal is to improve our water use efficiency by 20% by 2025.

KDP is partnering with stakeholders in the communities of our highest water-risk operations with the goal to replenish 100% of the water used for our beverages produced at those sites by 2025. This goal is based on the total 2025 projected volume of water used in products at these sites and the volume of water used to brew coffee with our pods. We assess these sites in the context of the surrounding watershed, local water issues and local stakeholder perspectives.

We are partnering with The Nature Conservancy (TNC) to ensure our efforts in these communities are comprehensive, grounded in scientific understanding and locally relevant. Projects generally result in water benefits that last in perpetuity or for many years, as long as conservation efforts in watersheds are sustained over time. As of the end of 2020, we have replenished 79% of the water used to make our beverages in our highest water-risk manufacturing locations through projects that enhance watersheds, protect habitats and conserve water.

WATER USE RATIO

LITERS OF WATER REQUIRED TO MAKE ONE LITER OF PRODUCT

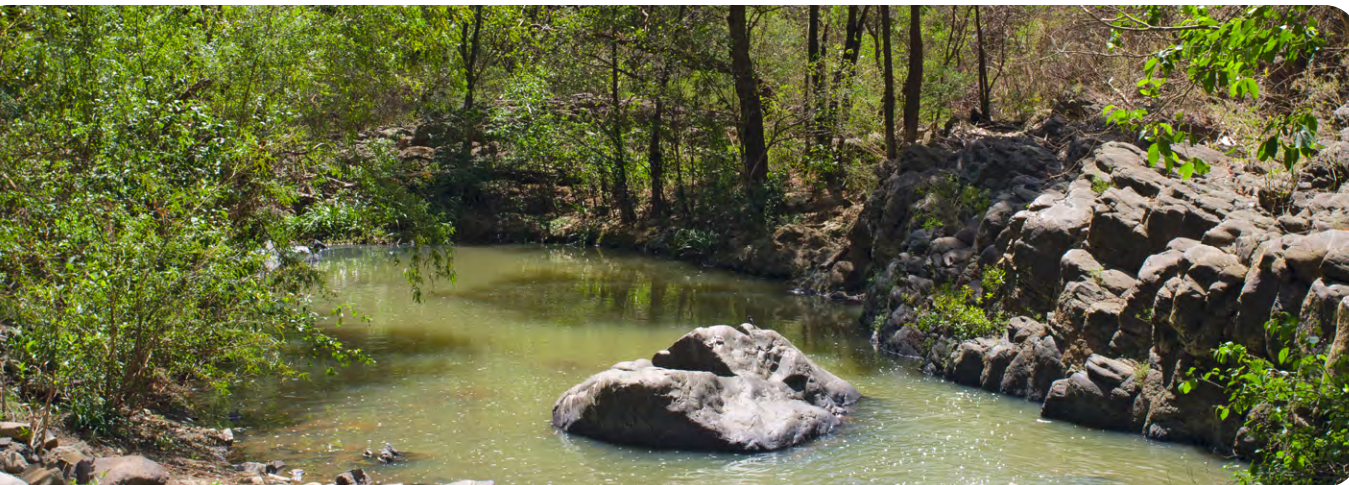


See [Data Summary](#) for additional water data.

Strengthening Our Approach to Understanding Water Risks

In 2020, we conducted an updated water risk assessment of our operating sites and agricultural supply chain, leveraging expanded tools including the World Resources Institute's Aqueduct Water Risk Atlas, World Wildlife Fund's Water Risk Filter, key crop databases and individual KDP manufacturing site surveys. Our assessment included all of our production facilities and 11 priority raw material inputs, including agricultural commodities, such as coffee and sweeteners, as well as some packaging.

Findings from the assessment confirmed our highest water stress operating locations continue to be in California, Texas and Mexico, with threats including drought and floods. Overall, water quantity risks were low for all currently traced priority raw materials. We will continue to conduct annual water risk assessments and will use this data to inform and adapt our water strategy and stewardship. See our [CDP Water responses](#) for more information on our water risk methodology.



Jalisco, Mexico

NEW COMMITMENT TO WATER STEWARDSHIP & REGENERATIVE AGRICULTURE

The largest portion of our water footprint, approximately 96%, comes from indirect water use, consumed when growing agricultural raw materials (see our [2019 Corporate Responsibility report](#) for more details). Our new regenerative agriculture and conservation goal supports our efforts to protect water resources in the supply chain. For more information, visit the [Supply Chain](#) section).

Collective Action for Water Security

We conduct on-the-ground conservation projects by working with various groups who share a vested interest in safeguarding water resources. For example, our partnership with Blue Harvest in Central America helps us to protect and restore water sources on and around coffee farms, while strengthening local water resource management. In 2020, we embarked on three new water stewardship initiatives that will contribute to our replenishment goal and help address water security in Texas, Mexico and the Colorado River basin. We have also joined the California Water Action Collaborative, a network of organizations that develop impactful conservation and restoration solutions to improve water security in California, and the Texas Water Action Collaborative, a coalition of industry, nonprofit and governmental organizations formed to benefit the Trinity River watershed.

As endorsers of the CEO Water Mandate, a UN Global Compact initiative, we regularly report against our water stewardship progress, projects and risks.

2020 WATER STEWARDSHIP PROJECTS

Texas

In the Trinity River watershed, TNC executed a water lease agreement for 444 million liters to help restore environmental flows during critical drought periods. These flows benefit not only fish and wildlife habitat, but, ultimately, all users downstream. Our ongoing support will scale and build capacity for similar transactions elsewhere in the state.



Jalisco, Mexico

We are part of a first-of-its kind industry collaboration to address shared water challenges in the Municipality of Tlajomulco de Zúñiga. The project involves restoring riparian land important to the region's water quality and quantity through native vegetation planting and water infrastructure improvements.



Arizona, Nevada & California

We joined 10 businesses and philanthropic entities to increase water supply reliability through a project with the Colorado River Indian Tribes. This project supports conservation efforts that directly shore up declining water levels in Lake Mead, while enhancing water security.



Climate, Emissions & Energy

2025 GOAL

PROGRESS

100% of electricity used in operations from renewable sources

▶ **50%**



2030 GOALS

PROGRESS

30% reduction in Scope 1 & 2 emissions

▶ **7%**



15% reduction in Scope 3 emissions in select categories

▶ **-23%**



2024 GOAL

PROGRESS

Engage bottlers and select suppliers representing 50% of Scope 3 emissions to set a science-based target

▶ **38%**



Achieved an A- CDP climate disclosure score, indicating we're leading on corporate action and transparency on climate change

Climate change presents risks to our environment and our value chain—from the farmers who grow our ingredients, to our employees who make and deliver our products, to our consumers who drink our beverages. Our climate strategy is guided by our policies and governance processes to ensure sustainability-related risks are evaluated regularly. KDP uses Science-Based Targets (SBT) that are aimed at reducing GHG emissions across our value chain. Approved by the [Science Based Targets initiative](#) (SBTi), these targets are in line with the reductions that are required to meet the Paris Agreement on the climate change goal of keeping global warming to well below 2 degrees Celsius.

Throughout this report, and in our annual CDP Climate disclosure, we include material that responds to the Task Force on Climate related Financial Disclosures (TCFD) recommendations and provide a dedicated TCFD index in the [Reporting Framework Indices](#).

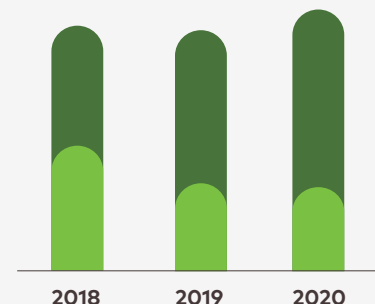
Addressing Climate Change Across Our Value Chain

Our climate goals provide a clear path for KDP to reduce our share of GHG, and we are taking actions across our value chain. Beginning at source, we are expanding into new areas for impact by supporting regenerative agriculture for our top climate-sensitive crops, which helps to draw carbon out of the atmosphere and back into soil. For some of our production facilities, we are sourcing our renewable electricity through the local utilities. For example, our new Ireland beverage concentrate manufacturing site is powered with 100% wind energy.

Within our distribution network, we are continually looking for ways to improve our fleet's fuel use, including by replacing older vehicles with more fuel-efficient models. We are also trialing new aerodynamic devices to smooth airflow over our trucks at highway speeds, allowing them to burn less fuel, and piloting on-the-go tire inflation devices to improve the miles per gallon needed to deliver to our customers. Beyond operations, we are enhancing the energy efficiency of

SCOPE 1 & 2 CARBON FOOTPRINT

MILLION MT_{CO₂e}



2018

2019

2020

● SCOPE 1

● SCOPE 2

See [Data Summary](#) for additional GHG & energy data.

our Keurig brewers by designing more of them with more efficient flow-through heaters that consume up to an estimated 70% less energy compared to earlier Keurig brewer models that use hot water tanks. Lastly, we are increasing our use of PCR content in our products, which reduces carbon emissions by 30% compared to virgin plastic production.

Our scope 1 and 2 GHG emissions decreased 6.8% in 2020, compared to our 2018 baseline, but increased from 2019 due primarily to the addition of new distribution centers, including our new Allentown facility. Our emissions were also impacted due to the robust demand for our products during the pandemic, which drove higher production and distribution volumes than the year prior. This robust demand drove a 23% increase in our scope 3 emissions, primarily due to higher emissions from packaging and the energy used to operate our brewers. We will continue to identify and target areas in which we can reduce our impact to help drive the transition to a low-carbon economy.

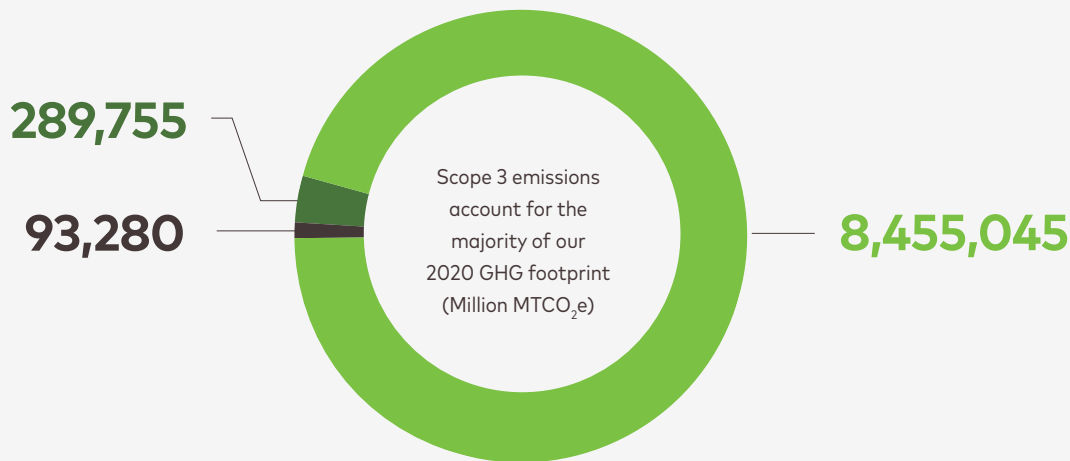
Partnering to Support Our Suppliers

More than 95% of GHG emissions related to our business occur outside of KDP's direct operations, and our upstream supply chain emissions are about 14 times greater than in our direct operations. In order to meet our own 2030 science-based carbon reduction goals, we are taking action across our supply chain to ensure suppliers and bottlers representing 50% of our Scope 3 emissions will have their own science-based targets⁵ and, in 2020, we reached 38%. We're partnering with World Wildlife Fund (WWF) and CDP to advance this supplier engagement approach. In collaboration with our procurement team, WWF and CDP will deliver training and resources to help our suppliers set science-based targets and navigate the transition to a low-carbon future. We also remain members of the EPA SmartWay program, focused on documenting and improving transport emissions.



Our CDP Climate response earned us a spot on the Supplier Engagement Leaderboard[®], reserved for the top 7% of companies assessed for supplier engagement on climate change

TOTAL SCOPE 1, 2 AND 3 EMISSIONS



- SCOPE 1**
Emissions from KDP-owned sources
- SCOPE 2**
Emissions from the energy we purchase
- SCOPE 3**
Emissions from activities outside our direct control

See [Data Summary](#) for additional GHG emissions & energy data.

ESTIMATED SHARE OF CARBON EMISSIONS THROUGHOUT OUR VALUE CHAIN





SUPPLY CHAIN

Building Resilient and Sustainable Supply Chains

We use our buying power for good, pursuing responsible sourcing across our global supply chain to ensure the quality and integrity of our products. KDP works with suppliers and a range of innovative partners to drive positive impact in a number of critical areas, including natural resource protection, ecosystem resilience, human rights, worker well-being and farmer profitability. These interconnected environmental and social issues require holistic solutions, and KDP is committed to developing them to ensure a thriving future for the people and communities across our supply chain.

IN THIS SECTION

[Responsible Sourcing](#) →

[Improving Livelihoods](#) →

[Restoring Nature](#) →

Responsible Sourcing

2020 GOALS

PROGRESS

100% responsibly sourced coffee



100%

100% responsibly sourced brewers



86%

NEW GOAL

- Responsibly source our brewers and 100% of our priority inputs

We engage our suppliers, farmers and business partners to ensure sustainable practices are used across our supply chain. Our previous goal of responsibly sourcing 100% of our coffee and brewers by 2020 has been extended to incorporate all of our top priority crops, including coffee, cocoa, corn and apples, as well as other priority inputs, including packaging raw materials. In addition, we remain committed to responsibly sourcing our Keurig brewers. We will achieve our commitments by continuing to partner with industry associations, governments, NGOs and other third-party accreditation bodies to help us make informed purchasing decisions.

Traceability & Transparency

Traceability improves our ability to understand and manage social and environmental risk, secure long-term supplies of high-quality raw materials and identify

opportunities for supply chain investments to build farmer, worker and community resilience. With the achievement of our 100% responsibly sourced coffee commitment, we now have traceability to farmer group level for the majority of our purchases. This traceability is provided by our third-party sustainable sourcing programs and, where gaps in their tracking systems arise, we work with the programs and our upstream suppliers to close them. For agricultural ingredients beyond coffee, different supply chains result in different levels of traceability. We have achieved traceability from our factory back to the individual farm for the majority of our fresh apples supply, while our visibility into our corn-derived sweetener supply chain stops at the regional level within key sourcing countries.

Agricultural Ingredients

At KDP, responsibly sourced means that we work with our supply chain to ensure that fundamental human rights and environmental protections are in place. To date, we have achieved this by purchasing inputs that are certified or verified to a third-party sustainable sourcing program, aligned with our KDP Supplier Code of Conduct (see [Governance](#) section).

At the end of 2020, for coffee, our accepted third-party partner programs were Fairtrade International, Fair Trade USA, Rainforest Alliance and Utz. Beginning in 2021, we added 4C, OLAM AtSource Entry Verified and Great Lakes Coffee MaxTRACE. These programs were added following evaluation against a comprehensive set of criteria. The development of these criteria included independent review by Conservation International and WWF. All of our accepted programs lay out more specific requirements for our suppliers on focus areas relevant to the ingredient in question. These focus areas include labor risks, employee health and safety, biodiversity, GMOs, agrochemical use and protecting ecosystems. Through remediation and continuous improvement requirements, these programs also help us to monitor risk and address social and environmental issues at the farm level within coffee-producing countries.



Achieving this ambitious target of 100% responsibly sourced coffee means that all of the coffee sourced around the world for Keurig Dr Pepper and its business partners puts the well-being of forests, farmers and nature at the forefront. KDP's leadership in this most important decade will spur others in the sector to set bold targets aligned with the Sustainable Coffee Challenge's goal to make coffee the world's first sustainable agricultural product.

–Bambi Semroc, SVP, Center for Sustainable Lands & Waters, Conservation International



As part of our responsibly sourced commitment, we pay a corresponding premium above the base commodity price for our coffee purchases. In addition, our purchasing practices, coupled with our farmer support programs, are designed to ensure coffee remains a viable livelihood for farmers over the long-term. For example, we collaborate with Verité and its U.S. Department of Labor-funded Cooperation On Fair, Free, Equitable Employment (COFFEE) Project to address the key risk areas of worker recruitment by labor brokers and piece-rate payment systems that may result in low wages, child labor and gender-based discrimination. Through one of our suppliers, RGC Coffee, we support the Las Manos del Café program in Colombia that provides alternative income opportunities and enhanced services, such as medical and accident insurance and health and safety training, to farmworkers. These programs offer important insights and tools to help us and our trading partners address labor challenges in our shared supply chain and to improve farmworker well-being.

As we build on the strength of our responsibly sourced coffee program, we are now expanding our scope to include cocoa and other priority ingredients, such as corn, apples and apple juice concentrate. Priority status is determined by the raw material's importance to KDP by magnitude of spending for the ingredient, its social and environmental risk profile and the opportunity for impact. By the end of 2021, all of our cocoa will be 100% responsibly sourced through approved third-party partner programs – Fairtrade International, Fair Trade USA, Rainforest Alliance or Utz. We are now also engaging suppliers and piloting projects for apples and corn to further accelerate our responsible sourcing goals.

Brewers

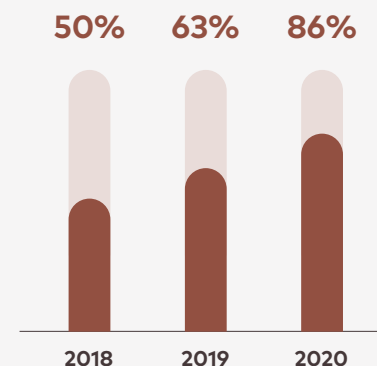
Our brewers are made of various materials and components from all over the world and are largely manufactured in China, Indonesia, Italy, Malaysia and Thailand. We are a member of the Responsible Business Alliance (RBA), the world's largest industry coalition focused on corporate social responsibility in global supply chains. For our coffee brewers, KDP holds our suppliers accountable to the RBA's Code of Conduct, which sets standards for labor, health and safety, environmental practices and ethics.

We audit our suppliers for compliance using the RBA's Validated Assessment Program (VAP). Our brewers are considered responsibly sourced if they receive a minimum VAP assessment score of 160 out of 200 with all Priority Findings closed, which is considered Silver level according to the RBA's VAP. We were on target to achieve 100% responsibly sourced brewers from our in-scope⁶ suppliers by the end of 2020, but progress was delayed due to COVID-related supply chain disruptions, such as factory shutdowns and compliance auditor travel restrictions, we now expect to achieve this goal in 2021.

Despite the pandemic, we made great progress in 2020, achieving 86% responsibly sourced brewers from our in-scope suppliers, a significant improvement from 63% in 2019. We achieved this improvement by diligently executing remediation initiatives after initial audits of our contract manufacturers found areas of non-compliance related to working hours, emergency preparedness, environment and health and safety. As a result of our efforts throughout the year, audit scores improved by an average of 72%, or an average score of 108 to 188, between initial and closure audits. We are also proud to report that in 2020, 14% of our in-scope suppliers reached Platinum level according to the RBA's VAP program. Platinum is awarded to suppliers that score a 200 out of 200 on their audit and have no open findings. Going forward, we are committed to going beyond compliance-focused audits by also investing in worker well-being and empowerment.



BREWER RESPONSIBLE SOURCING PROGRESS



See [Data Summary](#) for more responsible sourcing/appliances data.

Improving Livelihoods

2020 GOAL

1M people engaged in our supply chain to significantly improve their lives

PROGRESS

▶ 1M+

NEW GOAL

- ◆ Advance inclusion by addressing barriers to entry and prosperity in our supply chain

Supply chain resiliency — the ability of our suppliers to adapt and prosper under a range of conditions — is vital to our business. Climate change, low productivity and lack of access to credit and farming equipment, among other long-term issues, can all impact our suppliers and the goods and services they provide to KDP. In 2020, we met our goal of engaging one million people in our supply chain to significantly improve their lives. Since 2003, our social impact investment program has invested \$64 million toward improving the livelihoods of coffee farmers. In 2020, we managed a portfolio of 20 investment projects globally.

For more than 20 years, KDP has worked collaboratively with Root Capital, a nonprofit agricultural lender, to



deliver critical advisory services and catalytic financing to small farmers in vulnerable communities around the globe. As of the end of 2020, our Partnership for Sustainable Coffee (PSC) project — a three-year collaboration with Root Capital and Feed the Future, the U.S. Government's global hunger and food security initiative — reached 183 farmer businesses with lending and advisory services, supporting sustainable livelihoods for 330,000 smallholder coffee farmers and their families. In 2020, the PSC was selected to participate in Business for Inclusive Growth (B4IG)'s Accelerator program, resulting in additional cross-sector collaboration and learnings to maximize the social and business value of similar programs in the future. KDP is an inaugural member of B4IG, a global coalition that

aims to accelerate projects to fight inequalities in companies and global supply chains.

In order to achieve real impact, we continue to integrate our sustainability commitments into our procurement practices. To inform our strategy across both manufacturing and agricultural supply chains moving forward, we're working with B4IG's Inclusive Sourcing workstream. During 2021, we will work with a small group of peer companies to trial new tools created by the workstream to support member companies to develop and mature inclusive sourcing strategies. These tools focus on a company's efforts with suppliers with whom they have direct contracts, but also with indirect suppliers further upstream in the supply chain.



COLLABORATING TO ADAPT TO NEW CHALLENGES

In 2020, coffee communities weathered new crises as they dealt with the impact of the COVID-19 pandemic and, for some, the aftermath of natural disasters. Through our longstanding partnerships, we were able to mobilize humanitarian support quickly to help impacted farmers and communities.

Food & Biosecurity – In Peru, where coffee communities are particularly isolated, KDP joined with one of our suppliers, Sustainable Harvest, to get food and biosecurity supplies out to 26 farm co-ops, helping 4,368 families address COVID-19 safety challenges and food insecurity.

Direct Hurricane Relief – We provided relief funding to organizations delivering direct emergency assistance to suppliers, farmers and their communities when Central America was hit by back-to-back hurricanes in the span of two weeks in late 2020.

Pandemic-Related Business Support – Along with Root Capital, we launched the Partnership for Sustainable Supply Chains (PSSC) in 2020 to help farmers withstand the financial impacts of the pandemic and build long-term resiliency. In collaboration with Feed the Future and Ezrah Charitable Trust, the PSSC is providing financial support and advisory services to farmer businesses in 12 countries across Africa, Latin America and Indonesia. KDP is funding the project's "COVID-19 Resilience Grants" that help co-ops address a range of short-term recovery needs, such as purchasing personal protective equipment, revamping space for social distancing and developing health and safety resources to keep workers safe. Longer-term recovery efforts include subsidizing income during months of uncertainty, creating social emergency funds and supporting farming families facing food insecurity.

In addition, we will continue to deepen our understanding of how supply chains can deliver improved and sustained economic returns for farmers. We'll do this by working with our partners to establish and improve economic transparency along the supply chain, for example by pushing for improvements within our approved coffee responsible sourcing programs. In 2021, we are also launching an innovative three-year pilot program designed to significantly improve smallholder coffee farmer income, testing variables such as volume commitments, preferred pricing and targeted social impact investments. The pilot is comprised of four designated farmer groups in Colombia, Honduras and Uganda and will generate data-driven insights and learnings on inclusive growth that will inform our future strategies and plans. This pilot, along with others in development for apples and brewer manufacturing, will lay the groundwork for KDP's strategy to promote well-being and livelihoods within an inclusive value chain.



Root Capital has partnered with KDP for 20 years to bring catalytic support to coffee cooperatives throughout the globe. The company's commitment to their suppliers has always been at the forefront. During a time of climate crisis and a looming global pandemic, strengthening the livelihoods of coffee farming families makes them more resilient to these threats. We're proud to be a part of this accomplishment, and to call KDP a true partner.

–Willy Foote, Founder & CEO, Root Capital



2020 Social Impact Projects

1M+

People engaged to significantly improve their lives since 2014

\$64M+

Total social impact investments since 2003

20

Projects in 2020



Addressing local water issues and planning for changes in climate

Improving farming techniques

Strengthening farmer organizations

Disaster Relief (including COVID-19)

Grantee and Partner Organizations



Restoring Nature

NEW GOAL

- Support regenerative agriculture and conservation on 250K acres of land by 2030



Regenerative agriculture is a key driver for protecting, restoring and managing natural resources to support the resilience of our supply chain. Regenerative practices focused on soil health also contribute to improved water quality and quantity, biodiversity and farmer resilience, while also reducing carbon impacts. In early 2021, we announced a new commitment to support regenerative agriculture and conservation on 250,000 acres of land by 2030, representing 50% of the land used to grow KDP's top climate-sensitive crops, including coffee, corn and apples.

We're currently assessing measurement frameworks and engaging partners to maximize our impact across our priority raw materials. For example, we know that training and incentives for implementing regenerative practices like cover cropping will be an important way to support corn farmers to transition their acreage to more sustainable farming. Similarly, we see potential to support apple farmers to boost productivity with new technologies, like climate-adapted tree varieties and improved planting systems. We are also exploring new sources of data, such as cost of production and weather monitoring, that can better equip farmers to make strategic decisions about their farms. Our membership in the Sustainable Agriculture Initiative Platform and their expanding work on regenerative agriculture will help guide our next steps.

Our commitment to regenerative agriculture builds on our ongoing work focused on climate- and water-smart agriculture projects with coffee growing communities, including our longstanding investment with Catholic Relief Services' Blue Harvest program in Central America. Since 2014, Blue Harvest has reached over 4,500 farmers, helping them adopt regenerative practices to build soil health, reduce synthetic inputs and restore nature. The program also supports conservation and restoration activities in protected areas, such as planting forest trees. As a result of the Blue Harvest program, over 131 million liters of water have been saved through infrastructure upgrades and new water stewardship practices, improving the water supply for over 145,000 people.

COLLABORATING TO SAFEGUARD COFFEE'S FUTURE

To help farmers better adapt to the growing stressors of climate change and declining productivity, World Coffee Research (WCR) is conducting research and accelerating new approaches to grow, protect and enhance supplies of quality coffee. KDP is a co-founder and long-term supporter of WCR and recently committed \$1 million over the next four years in funding to make coffee farming more profitable and resilient to climate change. The grant supports developing and testing future coffee tree varieties on a global scale for field performance and quality. It will also support improving the seed and nursery infrastructure to get healthy, new trees into the hands of farmers that need them.



Our new regenerative agriculture goal is a positive step forward on our journey to ensure a long-term, sustainable supply of high-quality crops like coffee, apples and corn, by improving soil health for the farmers who supply us.

—Monique Oxender, Chief Sustainability Officer,
Keurig Dr Pepper





HEALTH & WELL-BEING

Focusing on Positive Hydration

At KDP, we aim to be a trusted partner on the well-being journey of our consumers. We know people are looking for more than great taste from their beverages. Along with offering choices that reduce calories or sugar, we are also committed to delivering products containing beneficial nutrients. That's why we are expanding the way we think about health and well-being with a new focus on "positive hydration." Our partnerships with leading organizations support our efforts to accelerate our innovation and transparency, while we empower consumers to make informed choices. We also do our part by responsibly marketing and advertising our products, as well as maintaining strict quality and food safety standards and systems to ensure we deliver high-quality products for consumers.

IN THIS SECTION

[Consumer Health & Well-being](#) →

[Responsible Marketing & Labeling](#) →

[Product Quality & Food Safety](#) →

Consumer Health & Well-being

NEW GOAL

- Provide positive hydration in 60% of KDP products by 2025

We provide options that meet different consumer needs at any time of day, from a pick-me-up in the morning, to hydration during a workout, to a favorite beverage with a meal or snack or a treat at the end of a long day. We balance our offerings of treat occasions with low-calorie, reduced-sugar beverages, as well as choices that provide functional attributes.

Positive Hydration

Over the past year, we've spent time exploring the future of well-being, engaging a diverse mix of external, credentialed experts in public health, nutrition, fitness, mindfulness and academia to help shape our efforts. Through collaboration, we've identified "positive hydration" as aligning with our objectives to expand product offerings that deliver nutritional and functional benefits, in addition to reduced sugar and calories.

We have committed that by 2025, 60% of our portfolio will provide positive hydration.⁷ This new goal expands on our commitment to reduce beverage calories in collaboration with the Balance Calories Initiative (BCI), a nationwide effort by leaders in the beverage industry who have pledged to help fight obesity by reducing beverage calories consumed. In 2020, 54% of KDP's portfolio provided positive hydration, and we are excited to grow

OUR POSITIVE HYDRATION DEFINITION

A product that provides a serving of fruits or vegetables OR is below 40 calories per serving⁸ with a functional attribute⁹ (e.g., hydration with water¹⁰; antioxidants to help fight cellular damage from free radicals; immune support with vitamins A, C, E and zinc; healthy digestive system support with dietary fiber and relaxation with L-theanine) or at least 10% Daily Value of a nutrient to encourage¹¹ (protein, fiber, vitamin A, vitamin C, calcium, iron, vitamin D or potassium).



our portfolio of choices in the coming years. Examples of existing positive hydration products include non-caloric coffees and teas, 100% fruit juice and sauces with no sugar added, low calorie energy and soft drinks and sparkling, still and functional waters. Our product offerings that do not meet our definition of positive hydration include full-calorie carbonated soft drinks for treat occasions and sweetened varieties of juices, coffee, cocoa and energy drinks.

We are collaborating with Partnership for a Healthier America (PHA) on our positive hydration goal. PHA is a national nonprofit working to transform the food landscape in pursuit of health equity in the United States. Through our multi-year partnership, PHA will provide annual validation of the progress we are making towards our positive hydration goal, as well as expertise in the health and well-being space.



By creating transparency around their marketing practices and committing to increase the number of better-for-you products in their portfolio, Keurig Dr Pepper is joining the movement to transform the food landscape in pursuit of health equity.

– Nancy E. Roman, President and CEO of Partnership for a Healthier America



Our marketing, research and development teams continue to develop and support new product innovations that prioritize nutrients and consider the benefits of functional ingredients to support positive hydration. We're also expanding the choices we offer to consumers to complement a balanced lifestyle, including new product offerings that are reduced in sugar or use sugar alternatives without compromising on taste. In addition, we know portion control is key to balance, so we offer smaller portion sizes, like our full calorie treat beverages in mini cans, to give people more control over their calorie consumption.

Partnering to Increase Access

We support consumer choice by ensuring consumers have access to healthful beverage options. We prioritize accessible nutrition by expanding distribution of our well-being offerings to new and varied markets to reach a diverse mix of consumers.

Balance Calories Initiative

We continue to be active partners with the ABA and the Alliance for a Healthier Generation on the BCI. With a goal to reduce beverage calories consumed per person nationally by 20% by 2025, BCI is the single-largest voluntary effort by an industry to help fight obesity. In addition, the BCI is tracking calorie reduction efforts in five communities in the U.S. where health disparities have led to higher obesity rates compared to the national average and where reducing beverage calories is expected to be the most challenging.

In 2019, independent evaluation of the BCI data found that the industry helped to drive the largest, single-year reduction in beverage calorie consumption, leading to the third consecutive year of declines since the launch of the initiative. Consumption of calories and sugar from beverages fell by 2.4% in 2019, even as sales volumes grew. This was due in large part to the introduction of new, low- and no-calorie offerings and, more recently, smaller portion-size offerings, all supported by a significant increase in industry marketing spend on these products.



The most recent evaluation also concluded that beverage calories per person fell in all five selected communities of Eastern Los Angeles, Little Rock, Bronx-Brooklyn, Montgomery-Lowndes and the Mississippi Delta. The 2019 report shows low- and no-calorie beverages have grown in these communities, while full calorie beverages have declined, driving an 8-13% reduction in calories per 8-ounce serving from the baseline.¹² Results from 2020 will be published later this year.



Dr Pepper Zero Sugar is made with a new blend of sweeteners that delivers the delicious taste of Dr Pepper with zero sugar and zero calories.

BETTER-FOR-YOU OFFERINGS

We are innovating and expanding hot and cold beverage offerings to meet evolving needs and well-being goals. Recent innovations, including some that meet our definition of positive hydration, include:



Mott's Mighty products include no-sugar-added applesauce containing a good source of fiber and juice drinks fortified with vitamins A, C & E, formulated to contain 50% less sugar than 100% apple juice.



Bai® Boost, containing as much caffeine as a cup of coffee, is made with plant-based energy from tea extract and has only 10 calories.



Limitless Relax is sparkling water with L-Theanine to support relaxation and Limitless Refresh is lightly caffeinated with caffeine sourced from green coffee beans. Both are formulated to contain zero sugar, sodium and calories.



Green Mountain Coffee Roasters Brew Over Ice K-Cup pods are a specially crafted premium roast coffee blend with an extra boost of 100% Arabica coffee, offering a refreshing, full-flavored iced coffee.

Responsible Marketing & Labeling

We are committed to transparency in our product packaging, labeling and responsible marketing practices. Our employees and media agencies are trained annually on our responsible marketing and advertising policies and are required to strictly adhere to these policies on our behalf.

We fully acknowledge the need to promote health and well-being and believe in harnessing the power of product communications to support consumers' well-being goals and drive healthful choices. In 2020, 32% of our overall marketing budget focused on our positive hydration beverages.

Advertising Policies

We respond to evolving societal concerns and partner with other leading companies for collective action to support responsible and truthful marketing. We do not advertise our products to children under 12, unless the products meet the nutritional criteria outlined by the Children's Food and Beverage Advertising Initiative (CFBAI). As members of CFBAI in the U.S., KDP monitors and publicly reports compliance with our [pledge](#) annually. In 2020, KDP did not target any product advertising to children under the age of 12, regardless of the product's nutrition profile.

We strive to advertise in environments that are aligned with our values and appropriate for our products. We take precautions across all marketing and communications channels to ensure our advertisements do not appear on or near inappropriate content. Our media buying agencies know our values and are required to strictly adhere to these policies on our behalf.



Product Labeling

To empower consumers to make informed choices, we are committed to providing them with transparent nutrition information about our beverages. Going beyond regulatory requirements, as part of the ABA's industry-wide [Clear on Calories](#) efforts, our beverage containers include voluntary product transparency with front-of-pack calorie labeling. Through this initiative, consumers have access to prominent, consistent and user-friendly caloric information on the beverages they consume. In addition, we voluntarily disclose added caffeine content on labels of our cold products.

Consumer Education & Transparency

We continue to expand our product facts websites in the [U.S.](#) and [Canada](#) to increase transparency to consumers beyond information found on the label. This includes providing information such as ingredient and nutrient descriptions and comparisons to other KDP cold beverage products. Future enhancements underway to these sites will meet consumers evolving needs for information, as well as include our hot beverage portfolio.

Product Quality & Food Safety

Product quality and safety are top priorities for KDP, which is why these principles are embedded into every step of the product lifecycle for every beverage and brewer we manufacture and market.

At KDP, food safety and quality starts with our robust corporate Food Safety & Quality Management System that incorporates standards of performance and compliance with all applicable regulations and third-party food safety certification standards. This quality management system also includes external and internal auditing to ensure compliance and effectiveness. All KDP manufacturing sites meet or exceed the requirements of the Global Food Safety Initiative (GFSI), an industry-recognized coalition that oversees food safety standards.

We adhere to strict quality testing procedures throughout our production processes to ensure our products meet or exceed all legal requirements as well as our own rigorous quality standards. KDP's [Chemicals Management Policy](#) includes our approach to assessing and mitigating risks associated with identified chemicals. Furthermore, our ingredient risk program routinely assesses suppliers and ingredients to ensure we are using only safe, high-quality ingredients.

We are equally committed to appliance safety. Each Keurig brewer model is independently certified by a third-party, industry-recognized lab that follows standards tailored to the environment in which the appliance will be used, including commercial use. Returned Keurig brewers are analyzed by our technicians to identify failures that may have occurred, allowing us to improve design, quality and construction.



We are actively engaged in a number of external industry organizations, including the American Society for Quality, Food Allergy Research and Resource Program and the International Society of Beverage Technologists, to ensure continued benchmarking against industry best practices.

Supplier Quality

Suppliers of packaging and ingredients to KDP must meet a rigorous set of requirements to supply materials to our manufacturing sites and co-packer operations. Our supplier quality guidelines detail the end-to-end requirements of supplying raw materials and packaging to KDP, including mandatory documented standards and third-party audits. The result of these stringent protocols is that the majority of our suppliers are GFSI certified. Additionally, we have an ongoing program to audit key suppliers every year on a risk-based rotation schedule.

Training & Review

KDP requires 100% of our manufacturing facility employees to undergo food safety and quality training annually. We developed several key training platforms with respected food safety and quality partners to ensure our team members have the necessary competencies to drive our Food Safety & Quality Management System requirements and sustain our overall performance in food safety. We have robust compliance programs and review systems in place, led by a team representing functions including Food Safety, Quality Assurance and Regulatory Affairs. We review all of our quality policies annually and update them in accordance with the latest industry best practices.



KDP Montreal earned the **McDonald's Canada Food Safety and Quality Award** for the 2020 national launch of McCafé retail coffee



PEOPLE & COMMUNITIES

Empowering Our Team,
Providing For Our Communities

We strive to be an employer of choice – a place where our employees feel inspired, valued and proud to be part of KDP. We are committed to providing workplaces that are safe and offer opportunities for our people to develop both professionally and personally. We foster a culture that is growth focused, collaborative, accountable and inclusive. We also enrich the communities in which we operate, by investing in meaningful social impact programs and providing our employees with opportunities to give back.

IN THIS SECTION

- [Employee Health & Safety](#) →
- [Employee Engagement & Development](#) →
- [Diversity & Inclusion](#) →
- [Community Engagement](#) →

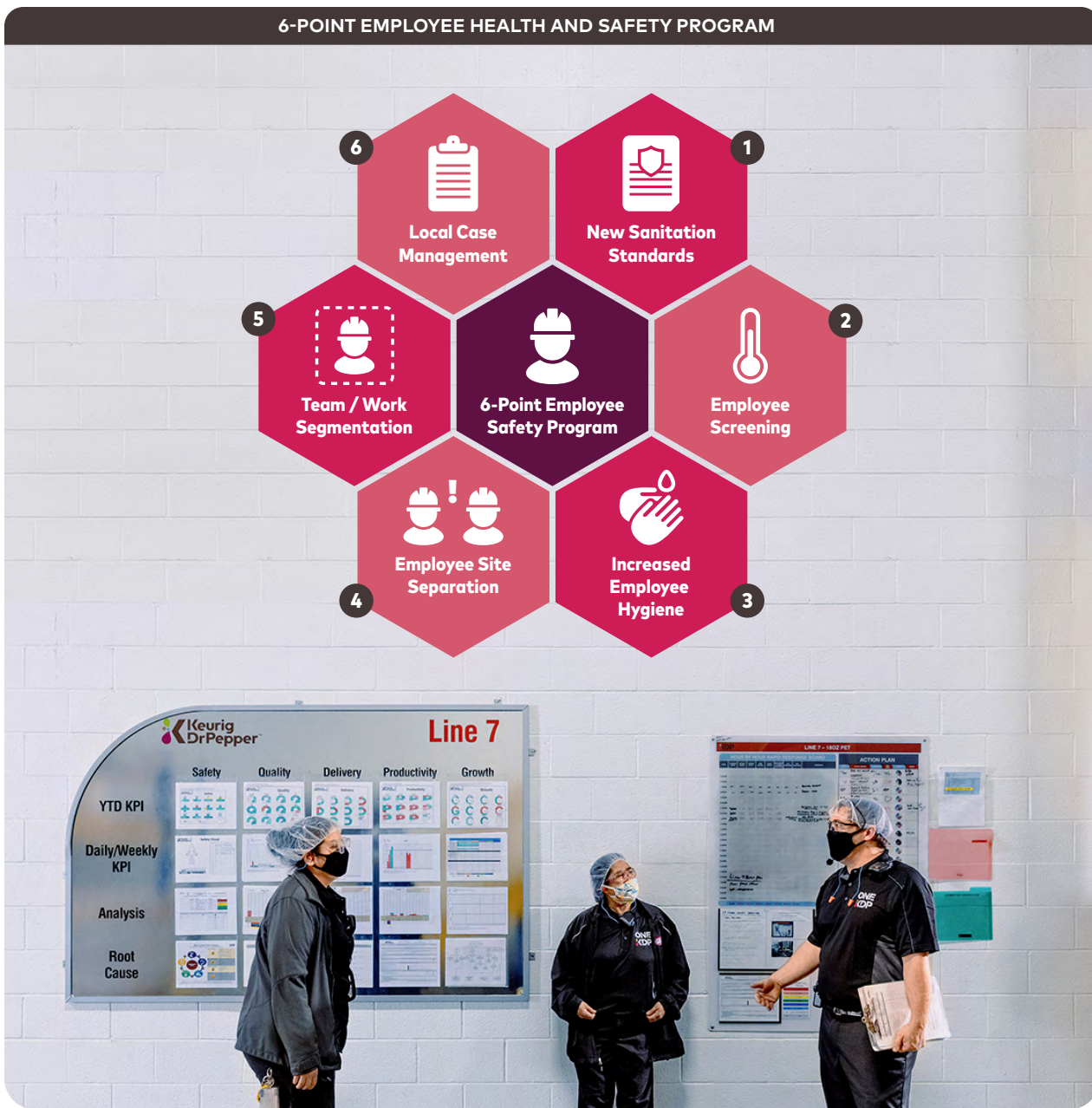
Employee Health & Safety

Ensuring the health, safety and well-being of our employees is a top priority at KDP. We provide our employees with the training, tools and resources they need to safeguard their health and that of their families, and we empower them to put safety first. Our Environmental, Health and Safety (EHS) Management System ensures that our facilities implement health and safety processes to improve employee safety, reduce workplace risks and drive for continuous improvement.

Advancing a Culture of Safety Across Our Operations

At the onset of COVID-19 in North America, we implemented extraordinary precautions and a new framework across our facilities to prioritize employee safety. Our **6-Point Employee Health and Safety Program** included new procedures, such as temperature checks and health screenings, extensive sanitization practices, required face coverings and mandated social distancing protocols. Employee commitment and compliance with the 6-Point program continues to be extremely high.

In 2020, we introduced advanced EHS programs to help improve how we identify, evaluate and report against critical areas of safety. We accelerated the roll out of a standardized risk assessment program to help identify the risk level of potential hazards and manage the necessary control measures or process improvements needed. We also launched a new database that tracks safety metrics across the enterprise, giving our teams access to fulsome data to help detect potential issues before they become incidents.



We also invested in new technologies to help keep our people safe. We partnered with Workcare, a physician-directed occupational health company, to develop a robust health screening process for employees and onsite medical support at more than 140 KDP sites – in some cases, 24 hours a day. Workcare also partnered with us to develop a mobile app to enable employee self-screening prior to entering a facility. If symptoms were identified, additional support was provided. To promote social distancing, we rolled out new armband devices at select facilities to alert the wearer to another person coming within six feet by momentarily lighting up red and vibrating. We've installed thermal cameras to monitor employees' temperatures and built electro misting sanitizers in common areas. We're also installing new air purification systems in many of our facilities.

Our goal is a zero incident, injury-free workplace. We currently maintain lost-time injury and total injury frequency rates well below benchmark rates for beverage manufacturing.¹³ In 2020, our Lost-Time Incident Rate (LTIR) was 0.19 for our manufacturing sites, a 17% improvement from 2019, and our Total Recordable Injuries Rate (TRIR) was 0.78, a 38% improvement from last year, despite the volume surge related to COVID-19.

With the impact of COVID-19, our workplaces will be different going forward. We will continue to explore new ways of working and design principles to further reduce our risk and improve our safety response, developing a culture of commitment that encourages engagement in safety and health by all KDP team members.



Our total injury rate was 0.78 per 100 employees in our production network in 2020, significantly below benchmark rates for beverage manufacturing

Improving Distribution and Fleet Safety

In the U.S., our company-owned Direct Store Delivery (DSD) operations extend across 34 states and serve two-thirds of the population. Our DSD team achieved an 18% reduction in injury rates in 2020, despite the significant increase in volume from rising consumer demand. To continue that trend, we've increased our focus on ergonomics training, such as safe lifting and handling, and introduced pallets within our small-format customer fleet that optimize safe and secure product movement during store delivery.

With a DSD fleet of approximately 2,300 trucks carrying both KDP-owned brands and partner brands that we distribute, driving is a core responsibility for many of our team members. We are investing in enhanced driver training programs and technologies to enable the regular sharing of best practices and safety techniques. We continually review electronic data from our trucks to better identify risks and preventive actions to help reduce incidents on the road.



Employee Engagement & Development

Our 27,000 employees are critical to our success and a source of true competitive advantage. We believe that our investment in building a dynamic, inclusive culture and a rewarding employee experience is not only the right thing to do, but also directly linked to our ability to deliver strong and sustainable results. Supported by our KDP values, we are building a work environment that drives employee engagement and accelerates our business strategy.

Employee Engagement

We conduct regular surveys of our employees so we can listen to and act on the unique perspectives of our team to make our workplace better. In 2020, we conducted our second employee engagement survey as ONE KDP, inviting all employees to share feedback on culture, engagement and the work environment. Our employee participation rose to 81%¹⁴, compared to 65% in our first survey in 2019. Our overall engagement score also increased, moving from 60% in 2019 to 62% in 2020.

These survey results provided valuable data for managers and their teams and formed the basis for dialogue and action. Through employee feedback, enhancements are being made in areas such as career development, benefits and communication. We also created tools for our leaders and teams to enable open, honest conversations with employees, while supporting their well-being. During this process, our team members found connection and support during an unprecedented year.

LIVING OUR KDP VALUES

Our KDP values were built in a collaborative way to bring voices across our company together. They define how we work, and they are the cornerstone of the KDP culture. In 2020, we continued to bring our values to life through employee stories and recognition during a Values Celebration in August and by encouraging teams to discuss how our values translate to our day-to-day work and interactions with each other.



TEAM FIRST

Win together. Be the kind of person you want on your team.



DELIVER BIG

Achieve our commitments. Then push beyond the expected.



THINK BOLD

Challenge the usual. Dare to try something new.



BE FEARLESS & FAIR

Tell the truth with courage. Listen and act with respect.

Career Development & Learning

KDP takes a holistic approach to career development, encouraging team members to embrace new experiences, building on the knowledge and skills available from both their day-to-day accountabilities as well as participation on various project teams. We also encourage formal development opportunities.

In 2020, we provided new career development opportunities for employees, including instructor-led courses and a robust library of on-demand training materials, ranging from technical skills to strategic thinking. In addition, we

launched KDP Fundamental Leadership Expectations, a frontline leadership development program focusing on skills and techniques to overcome challenges and drive positive results. Our 1,600 frontline leaders manage approximately 75% of our workforce and, in 2020, 90% of those leaders completed this training. The multi-day online program included modules on developing a leader's mindset, creating a culture of feedback and leading teams through times of change, among others. In 2021, we plan to complete our KDP Fundamental Leadership Expectations program with frontline leaders and expand this program to include



non-frontline leaders as part of onboarding and continued development. We are committed to supporting the growth and development of all KDP employees and continue to expand and raise awareness of learning resources for both leaders and individual contributors. As tracked through our online learning system, KDP employees participated in more than 124,000 hours of training in 2020.

At KDP, our performance management process fosters alignment and accountability, drives performance-based rewards and creates a culture of personal and professional development and recognition. Our annual performance management cycle ensures that non-frontline employees set goals aligned with our business priorities, supported by touchpoints throughout the year, to ensure ongoing feedback, and our frontline team members are provided regular, real-time feedback and frequent touchpoints around performance and behaviors.

Benefits For Our Employees

We offer a robust package of benefits and resources, including health and wellness, financial and retirement planning and education, among others, to support the varied and diverse needs of our employees. Eligibility for most benefits starts on the date of hire. Key offerings for all eligible, non-union team members include:

- **Domestic partner eligibility**
- **Paid parental leave for both mothers and fathers**
- **Free counseling sessions for employees and their family members**
- **Retirement savings plans with significant matching company contributions**
- **Employee tuition reimbursement for undergraduate, graduate and certificate programs**
- **Paid time off up to eight hours annually to volunteer in our communities**

Our KDP wellness program provides resources to support the physical, mental and financial health of our employees and their families. Our commitment to keep employees safe and healthy took on new meaning as we worked through the COVID-19 pandemic. In addition to onsite safety precautions for our frontline teams and select office staff that required use of our facilities, we provided additional support to eligible employees and their families:

- **Enhanced wellness programs** — Throughout 2020, we increased our focus, education and communications regarding KDP's wellness offerings, providing an expanded set of tools and resources with an emphasis on mental health. These included resources for the whole family to navigate the physical, mental and financial challenges brought on by the pandemic.

- **Expanded telemedicine offerings** — We expanded mental health resources via telemedicine and offered telemedicine access for the first time in Canada.
- **Increased child and eldercare assistance** — For parents and caregivers, we expanded our existing back-up child and eldercare resources through our partnership with Bright Horizons. This also included access to a broader network of in-home caregivers, discounts on learning pods, school-age tutoring services and test prep services.
- **Extended paid sick time** — We provided enhanced paid sick time to cover employees that got sick or had to quarantine, encouraging everyone to make health a priority.
- **Essential worker pay rewards** — For our frontline employees who worked in our manufacturing and distribution operations during the height of the pandemic, we provided temporary enhanced compensation and incentives, in addition to our extraordinary focus on health and safety protocols.

Benefits for our union team members within our manufacturing and DSD team are covered by separate collective bargaining agreements. In 2020, approximately 30% of our employees were represented by labor organizations and covered by collective bargaining agreements. These agreements generally address working conditions, as well as wage rates and benefits, and are renegotiated in good faith as they expire. Throughout the pandemic, we worked cooperatively with the unions which represent our employees to ensure the employees received temporary financial incentives and benefit program enhancements given their essential worker status.

Diversity & Inclusion

NEW GOALS

- Increase female representation in Director and above positions by 25% by 2025
- Increase people of color representation in Director and above positions by 25% by 2025

Our Diversity & Inclusion Aspiration

Just as each of our brands brings its own personality to our product portfolio, KDP employees bring their own unique backgrounds, experiences and perspectives to our business. KDP is embracing the richness of these differences to meaningfully advance our progress toward our aspiration and to inspire innovation and better connection to our customers, consumers and other stakeholders. During 2020, we accelerated our diversity & inclusion (D&I) journey, tackling this work with the same passion and rigor that we have applied to other successful transformation initiatives. We launched a formalized initiative structure with executive sponsorship, strong governance processes and clear goals and milestones to measure progress and hold ourselves accountable.

Our approach to further define our D&I commitment started with our employees, inviting them to join the conversation with roundtables and digital conversations.

We established a cross-functional D&I Leadership Team — led by Chairman & CEO Bob Gamgort and Chief Human Resources Officer Mary Beth DeNooyer — to help set priorities and lead meaningful dialogue throughout the organization. We also engaged external partners and experts on benchmarking and internal assessments.

The result is a D&I Aspiration focused on three key pillars that will guide our focus and prioritize our actions:

Diversity — We believe that our workforce should reflect our consumer base and the communities we serve. Our processes and actions are designed to ensure a level playing field for everyone to thrive.

Inclusion — Our leaders are accountable to create a culture of trust and respect in which all employees belong, all voices are heard and different perspectives are valued. All employees are expected to embrace and support this culture.

Driving Change — We are working to ensure that every employee knows the part they play in this journey, and we are committed to transparently communicate updates on our progress. Individually, as a team and as a company — we will grow together.

Using our D&I Aspiration as our north star, we are in the process of creating a strategic roadmap of actions across KDP in areas such as hiring, development, training and engagement. Most recently, we engaged our senior leaders in workshops to weave our D&I Aspiration into our operational activities and to allow senior leaders to become more aware of their role in creating an inclusive environment. In addition, we have set initial workforce representation goals, with a focus on increasing the number of women and people of color in leadership roles.



OUR COMMITMENT TO EQUALITY

At KDP, we stand against intolerance and inequality, and we recognize more must be done to address racism in our society. Our Respectful Workplace and Anti-Harassment Policy is the foundation for our commitment to our workplace. See a summary [here](#). Additionally, as a member of the B4IG coalition, we are committed to business action to advance human rights, build inclusive workplaces and strengthen inclusion. Read our Business Pledge Against Inequalities [here](#).

Fostering a Diverse and Inclusive Culture



Employee Resource Groups

In 2020, we launched eight Employee Resource Groups (ERGs) to create space for employees to build connection and community. More than 4,000 employees representing all functions have joined the ERGs as either members or allies. Each ERG includes an executive leadership team sponsor with membership currently open to all employees in the United States and Canada. The ERGs focus on four pillars – culture, company, career and community – to build programming for members and drive awareness and education across the broader KDP organization.

Pay Equity

We maintain robust internal processes to review our pay practices in each of our local markets to ensure our compensation programs and practices are fair and equitable among all employees without regard to gender, race or ethnicity. We remain committed to continuous improvement and expansion of this work.



The ERGs have been instrumental in bringing people of diverse backgrounds together to increase awareness of other cultures, tackle challenges, improve engagement and contribute to the well-being of their fellow employees.

–Tony Macaluso, Program Manager, Coffee

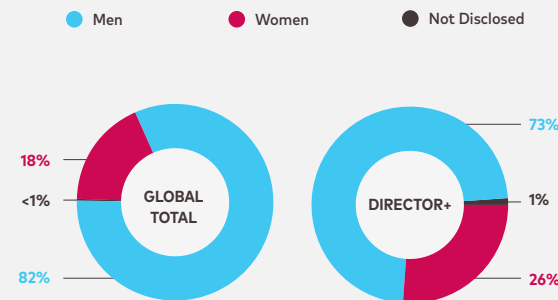


Supplier Diversity

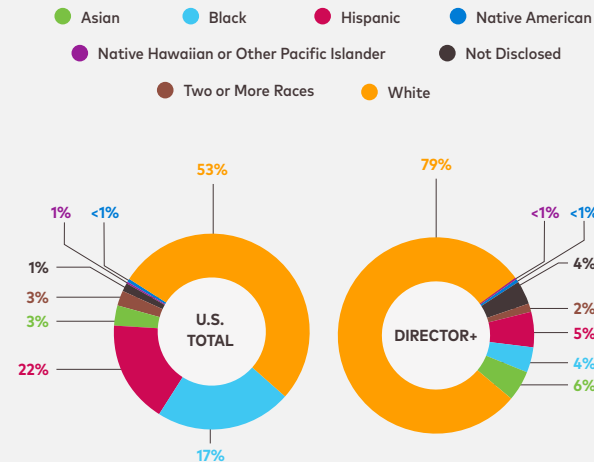
We are committed to working with diverse businesses and driving inclusivity across our supply chain. This includes working with suppliers identified as owned by minorities, women, veterans, disabled and members of the LGBT community. Since our merger in July 2018, we have spent more than \$600 million with diverse, Tier 1, suppliers. We are expanding the rigor of our supplier identification and sourcing processes, with plans to launch a formal Supplier Diversity program later this year. To inform our work, we are leveraging our membership in the B4IG coalition and their Inclusive Sourcing workstream, which aims to share best practices among peers and spur the development of more impactful inclusive sourcing programs in company supply chains. To learn more about this initiative, please see the [Supply Chain](#) section of this report.

EMPLOYEE DIVERSITY

GLOBAL GENDER DEMOGRAPHICS



U.S. RACIAL / ETHNICITY DEMOGRAPHICS



Please see [Data Summary](#) for additional employee diversity data.

Community Engagement

Our community programs allow us to make meaningful social impact in key areas important to our business, while also enriching our communities and engaging our employees. In 2020, we contributed to a variety of organizations and causes, and we provided our employees with opportunities to give back and amplify their charitable support.

Active Play for Healthier Kids and Communities

Our Let's Play program, which provides funding, equipment and play spaces for kids in underserved communities, was significantly impacted by the pandemic, as shelter-in-place orders forced the shuttering of playgrounds and youth sports events for the majority of 2020. Despite this shut down, which prevented us from building entirely new Let's Play playgrounds, in early 2020 we awarded 35 playground grants and 162 sports equipment grants to other organizations that collectively will provide play opportunities to approximately 400,000 kids, upon completion of projects underway. Of the sports equipment grants awarded, 58% were allocated in support of high school girls' sports and physical activity, as girls have 1.3 million fewer opportunities to play high school sports than boys.¹⁵



Since its inception in 2011, Let's Play has awarded 4,725 grants and built more than 100 play spaces, investing nearly \$40 million across thousands of communities.

FUELING THE FRONTLINE

At the onset of the pandemic, we refocused our community investment approach to enable us to meaningfully support the unwavering commitment and courage of those on the frontline, particularly hospital workers. We created our **Fueling the Frontline** program, leveraging our resources and people, as well as our broad distribution network, to provide coffee, brewers and other beverages to hundreds of hospitals across the U.S. and Canada.

BY THE NUMBERS:

- **506 hospitals** reached across 43 states and provinces
- **3,743 hospital breakrooms** outfitted with coffee stations featuring Keurig brewers and K-Cup pods
- **4 million cups of coffee and other beverages** donated to the frontline, primarily healthcare workers, including **16,905 beverages** served by the Keurig mobile coffeehouse to healthcare workers at seven Dallas-Fort Worth hospitals
- **30 million video views**, and more than **712,000 engagements** and **11,000 hashtags** as part of a National Hospital Week campaign to recognize and share thanks to healthcare workers through social media





Engaging Employees for Good

Our second annual Engage for Good company match campaign raised funds for more than 650 nonprofit organizations. Of those, 38% aligned with key KDP focus areas of health and well-being, environment, disaster relief and racial and social equality. During the annual campaign, employee donations made to nonprofits serving these four key areas were matched by the Company 2:1 and others received a 1:1 match, up to \$250.

Our employee volunteer program, Dollars for Doers, encourages employees to support their communities by volunteering, allowing them to earn financial grants for nonprofits of their choice. Employees earn grants of \$100 for every 10 hours volunteered, up to 30 hours per year. Grants are doubled for employees in board positions. In 2020, we supported 75 nonprofits through grants in the U.S. and Canada, despite the limitations of COVID-19 on volunteer opportunities.

Supporting More Students In Need

Since 2008, the Dr Pepper Tuition Giveaway Program has awarded more than \$12 million in tuition assistance to deserving students. Recognizing the unique circumstances many college students were facing due to COVID-19, the brand doubled its giving to \$2 million nationally for the 2020 college football season – its largest giveaway in the program's 12-year history. Students were encouraged to submit videos of their stories and career ambitions, for an opportunity to win life-changing tuition support. Amid the pandemic, Dr Pepper was able to bring back the iconic throw competition in a new, safe format. Recorded footage of the throw competition aired during the College Football Conference Championship games, creating a custom, once-in-a-lifetime experience for more than 20 deserving students.

Caring During Disasters

Our beverages, in particular drinking water, provide hydration and comfort to our communities in need in the midst of natural disasters. In 2020, we donated more than 277,000 beverages in support of 12 different disasters throughout the year, including wildfires, hurricanes and other incidents. Additionally, we provided \$115,000 in grants to our employees through our Employee Relief Fund. The fund was established in September 2005 as a 501(c)(3) nonprofit to assist colleagues directly impacted by Hurricane Katrina and now provides financial assistance to employees and family members of KDP who experience a disaster or emergency hardship.



Hurricane Laura caused devastating flooding across the Gulf Coast, becoming one of the strongest hurricanes to ever make landfall in the state of Louisiana. Through our planning efforts, KDP locations in the area were able to track the storm and quickly resume operations to serve customers once it was safe to do so. We worked with disaster relief agencies to assess community needs and partnered with Operation Blessing to provide 2,200 cases of water for residents in impacted areas.



For 16 consecutive years, Grupo Peñafiel was recognized by the Mexico Center for Philanthropy for its **commitment to social responsibility.**



GOVERNANCE

Operating Ethically and Responsibly

We believe strong governance and oversight is the foundation for fostering a culture of integrity, building trust with our consumers and generating sustainable business performance. We invest significant time, resources and expertise in developing and maintaining processes and policies that keep us competitive, prepared and financially resilient. We continuously explore evolving best practices and assess what we can implement to further strengthen our approach.

IN THIS SECTION

[Board Management & Oversight](#) →

[Ethics & Compliance](#) →

[Human Rights](#) →

Board Management & Oversight

Corporate Governance

Guided by our values, ethics and integrity, our governance and management systems ensure that we operate our business and conduct ourselves with the highest level of accountability. The KDP Board of Directors oversees KDP's corporate strategy, overall business and financial performance and risk management, and serves as an advisor to management on a range of topics. The Board has two standing committees to assist in discharging its duties – the Audit and Finance Committee and the Remuneration and Nomination Committee. The charter for each committee and information about the Company's corporate governance principles are available on [our website](#).

Corporate Responsibility & ESG Governance

The Board oversees KDP's corporate responsibility strategy and progress and approves long-term goals and commitments under our focus areas of Environment, Supply Chain, Health & Well-being and People & Communities. KDP leadership provided quarterly updates to the Board on ESG topics in 2020, focused on sustainable packaging, energy and emissions, D&I initiatives and corporate governance. The Audit and Finance Committee assists the Board with oversight of financial controls, disclosures and risk management and serves as an advisor to KDP financial leadership. The Remuneration and Nomination Committee assists the Board with oversight of corporate governance matters and supported the enhancement of governance structures over the past year, as KDP evolved from a controlled company to a widely held one. These enhancements

included the appointment of a Lead Independent Director and the recruitment of new Directors.

The Chief Sustainability Officer (CSO) reports to the Chief Corporate Affairs Officer (CCAO) and leads corporate responsibility for KDP, including development of vision and strategy as well as day-to-day management of our corporate responsibility program. In addition to this key role, the CSO convenes the Sustainability Governance Committee, composed of key Executive Leadership Team (ELT) members, which approves cross-functional corporate responsibility initiatives and regularly monitors progress. The KDP ELT ensures the corporate responsibility program aligns with the long-term objectives of the business, advises on programs and oversees progress. The CSO and CCAO regularly collaborate with a cross-functional team of employees across the organization, including such areas as procurement, supply chain, research and development, quality, facilities, human resources and legal, to drive execution and measurement of the corporate responsibility strategy.

Transparency & Disclosure

We are committed to provide stakeholders with transparent and candid information in all our public communications and disclosures. This third annual Corporate Responsibility Report for KDP is prepared in accordance with guidance from frameworks including those of the GRI, SASB, TCFD and relevant SDGs. We also respond to the CDP Climate and Water questionnaires and make those disclosures publicly available on [our website](#).

For this report, we have updated our materiality matrix and expanded our disclosure in several areas, including supply chain, product quality & safety, health & well-being, D&I and governance. For more information please see the [Reporting Framework Indices](#) in this report.

BOARD COMPOSITION

The Board is committed to the ongoing review of Board composition and regularly discusses the skills and characteristics required of KDP directors in the context of the current makeup of the Board, the operating requirements of the Company and the long-term interests of stockholders. The Board seeks candidates with diverse personal and professional backgrounds and experiences, who are committed to active participation and providing constructive feedback to management. As of this report publication, the makeup of the Board includes:



54%
are "independent" under
Nasdaq listing rules
7 OUT OF 13



46%
are women
6 OUT OF 13




23%
are racially or
ethnically diverse
3 OUT OF 13


More information on our Board is available on [our website](#) and in our [2021 Proxy Statement](#).



Ethics & Compliance

Policies & Training


Anchoring our ethics and compliance program is the KDP [Code of Conduct](#) , which applies to all KDP officers and employees, as well as the Board of Directors. The Code of Conduct outlines the commitments we've made to our stakeholders and those with whom we do business, as well as the expectations we have of our Company and employees to act in a professional, ethical and legal manner in all of their dealings.

KDP's Code of Conduct, along with our Respectful Workplace and Anti-Harassment Policy, Business Pledge Against Equalities, Supplier Code of Conduct, Conflict Minerals Policy, Modern Slavery Statement and Environmental Policies may be found on [our website](#) .


We require employees and our Board of Directors to complete training in our Code of Conduct and core policies, administered via our online learning management systems and onsite training and through new employee orientation.

We also have a "Speaking Up" hotline and web portal, available 24 hours a day, seven days a week, that is managed by an independent third party to enable employees to confidentially and anonymously report any concerns regarding misconduct, compliance issues or violations of policies or laws.

Data Privacy & Protection

We are committed to the privacy of our consumers, customers, employees and others with whom we conduct business. We take precautions to safeguard all personal information and ensure a secure environment in accordance with applicable data protection laws. Those precautions include devoting focused resources to network security, backup and disaster recovery, upgrading systems and networks, enhanced training and other security measures to protect our systems and data. Our privacy policy governs the collection and use of consumer data and can be found on [our website](#) .

Advocacy & Public Policy

KDP has historically engaged in selective and bipartisan corporate political activity to support the interests of our customers, employees, shareholders and communities. This limited political advocacy consisted of membership in beverage and consumer trade associations, lobbying and political contributions made directly to candidates or through our political action committee (PAC). Our KDP PAC is funded solely through voluntary contributions from eligible employees, and we have not held a fundraising campaign since 2018. All activity is conducted in line with applicable law and according to the highest ethical standards. Please visit [our website](#)  for more information regarding KDP's approach to political engagement and our corporate policy governing political contributions.

Human Rights

We recognize our responsibility to protect human rights and are committed to exemplifying good labor practices throughout our business activities. Our commitment to human rights starts with our employees, ensuring they have safe, supportive and respectful workplaces in which to thrive.

Our ongoing commitment to responsibly source our priority inputs, such as coffee, cocoa and apples, ensures fundamental human rights are respected and the environment is protected. The integrity and quality of our products also depends on an inclusive supply chain that promotes the livelihoods of farmers, workers and marginalized populations. We have a legacy of pursuing projects and industry collaboration efforts for the benefit of coffee farmers and farm workers, and we are expanding that work into other [KDP supply chains](#).



Advancing human rights within business operations and supply chains makes them safer, more secure and stable, and thus has the potential to boost productivity for all actors involved.

—B4IG Pledge Against Inequalities



ADVANCING AND PROTECTING HUMAN RIGHTS IN OUR SUPPLY CHAIN

Modern Slavery Statement

Our [Modern Slavery Statement](#) sets out the steps taken by KDP to prevent, identify and address human rights and modern slavery risks in our operations and supply chains.

Supplier Code of Conduct

Our [Supplier Code of Conduct](#) forms the cornerstone of our commitment to responsibly source our products. The requirements are based on internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, among others.

B4IG

As an inaugural member of the B4IG coalition, we are committed to business action to advance human rights, build inclusive workplaces and strengthen inclusion. Visit [here](#) to read our Business Pledge Against Inequalities.

Conflict Minerals Policy

We are committed to the ethical sourcing of minerals, including tin, tantalum, tungsten and gold (3TG), often referred to as “conflict minerals”. Our Conflict Minerals Policy is available [here](#).

Data Summary

For detail on methodologies and boundaries for the goals that these data support, see our [Goal Methodology Table](#).

Year ended December 31	2018	2019	2020
All Packaging*			
Percentage of all KDP packaging recyclable or compostable	86%	87%	90%
Percentage of post-consumer recycled (PCR) content across total packaging portfolio	20%	20%	22%
Plastic Packaging			
Percentage of plastic packaging recyclable or compostable **	N/A	64%	74%
Percentage of post-consumer recycled (PCR) content across total plastic packaging portfolio	0.3%	0.4%	2%
Virgin Plastic Reduction (%)	N/A	Baseline Year	1%
Plastic Packaging – Total (Metric Tons)	208,000	230,000	230,000

* In 2020, we expanded our packaging reporting to include most tertiary packaging and brewer packaging. These additions are reflected in 2019 and 2020 data.

** Reported data reflects plastics that are designed for recycling systems in the geographies where KDP distributes product. The Ellen MacArthur Global Commitment definition of "recyclable" specifies that a package type be recycled at a 30% recycling rate across geographies of 400M or more inhabitants, which moves beyond the traditional definition of "recyclable". In 2019, 46% of KDP plastic packaging fit this definition. In 2020, 50% of KDP plastic packaging fit the Global Commitment definition of "recyclable".

Year ended December 31

2018

2019

2020

Packaging Mix (% of Total Weight)

	2018	2019	2020
PET Bottles	25%	23%	24%
Paper/Cardboard	28%	26%	26%
Non-Refillable Glass Bottles	24%	23%	22%
Aluminum & Steel	10%	11%	12%
Polypropylene	3%	6%	8%
Polystyrene	6%	4%	0.2%
Other	1%	4%	4%
Flexible Packaging and Plastic Film	2%	2%	3%
Refillable Glass Bottles	2%	2%	1%

Waste

Total Waste Generated (Short Tons)	72,096	72,407	114,241
Waste Diverted from Landfill (%)	86	88	92

Year ended December 31

2017

2018

2019

2020

Water

	2017	2018	2019	2020
Total Withdrawal (Million Liters)	13,112	13,132	12,653 [†]	13,166 [†]
% Withdrawal, Municipal	74	74	74 [†]	75 [†]
% Withdrawal, Groundwater	26	26	26 [†]	25 [†]
Total Consumption (Million Liters)	7,259	7,559	7,290 [†]	7,407 [†]
% Consumed in High Baseline Water Stress Areas	N/A	38%	38%	30% [*]
Total Discharge (Million Liters)	5,848	5,573	5,363 [†]	5,759 [†]
% Discharge to Municipal	68	66	66 [†]	66 [†]
% Discharge to Waterbody	32	34	34 [†]	34 [†]
Water Use Ratio (L/L)** (Liters of Water Required to Make One Liter of Product)	2.05	1.99	1.96	1.90 [†]
*Water Replenished in High Water-Risk Areas (Million Liters per Year)***	N/A	N/A	5,328	5,824
% Replenished****	N/A	N/A	73	73

[†] Third-party data assurance completed by ERM CVS with limited assurance for 2019 and 2020 and by Trucost for 2018. Most recent statement available on our reporting website [here](#).

^{*} Based on WRI's Aqueduct Water Risk Atlas v3.0 (2019) locations with High or Extremely high baseline water stress, aligned with SASB metric. Prior years used v2.1 of Aqueduct and additional indicators.

^{**} The Water Use Ratio is calculated based on water withdrawals and production volumes, for cold beverage sites only.

^{***} Total water "replenished" or otherwise restored, protected, conserved in nature through our water stewardship partner projects.

^{****} Progress as the volume of water replenished vs. the projected total need by the end of 2025. All prior water balance projects related to our high-risk areas and coffee volumes are included, going back to 2014.

Year ended December 31

2018

2019

2020

Greenhouse Gas Emissions & Energy

	2018	2019	2020
SCOPE 1: Direct Emissions (MtCO₂e)*	273,576[†]	268,712[†]	289,755[†]
Stationary	116,495 [†]	116,081 [†]	128,958 [†]
Mobile	157,081 [†]	152,631 [†]	160,797 [†]
SCOPE 2: Indirect emissions, purchased energy (MtCO₂e)*			
Market-based	137,560 [†]	97,345 [†]	93,280 [†]
Location-based	166,484 [†]	162,746 [†]	165,076 [†]
SCOPE 3: Indirect emissions, value chain (MtCO₂e)*	8,809,224	8,844,933	8,455,045
Category breakdown:			
Purchased goods and services	3,963,399	4,048,579	3,245,773
Capital goods	35,627	34,831	45,134
Fuel-and-energy-related activities (not included in scope 1 or 2)	97,291	93,618	97,180
Upstream transportation and distribution**	481,603	476,052	455,091
Waste generated in operations	797	6,120	7,365
Business travel	8,324 [†]	9,335	4,243
Employee commuting	52,644	53,681 [†]	50,833 [†]
Downstream transportation and distribution	1,007,135	960,902	1,073,631
Processing of sold products	2,632,469	2,648,284	2,726,216
Use of sold products	390,703	381,773	664,521
End-of-life treatment of sold products	138,531	131,058	85,058
Downstream leased assets	700	700	0
Total Energy Use (MWh)	1,637,400	1,687,239[†]	1,812,598[†]
Total direct energy usage (MWh)	1,211,103	1,248,290 [†]	1,352,299 [†]
Total purchased electricity use (MWh)	426,297	438,949 [†]	460,299 [†]
% Grid electricity	N/A	N/A	100%
Percentage of Renewable Energy***	28%	47%	50%[†]
Fleet Fuel Management			
Total Fuel Consumed (Gigajoules)	N/A	N/A	2,325,866
% Renewable	N/A	N/A	0%

[†] Third-party data assurance completed by ERM CVS with limited assurance for 2019 and 2020 and by LRQA for 2018. Most recent statement available on our reporting website [here](#).

* Scope 1, 2, and 3 emissions are accounted for in accordance with the Greenhouse Gas (GHG) Protocol. We use the most current emission factors in our inventory each year and site- and supplier-specific factors where available. Scope 1 emissions are calculated with United States Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories. Scope 2 emissions are calculated following both the location-based and the market-based methodologies as defined in the GHG Protocol. Location-based factors are taken from the eGRID and International Energy Agency (IEA) datasets for U.S. and international sites, respectively; market-based factors are taken from supplier-specific utility factors (for larger sites), Green-e (U.S.), AIB (Europe) and IEA. The latest datasets available at time of publication are used.

** We have updated our methodology to reflect well-to-tank impacts and include CH₄ and N₂O. This resulted in a revision to prior year estimates for this category, and therefore Scope 3 totals as well.

*** Renewable electricity in 2020 was sourced through a mix of Green-e certified REC products. For our under-construction Ireland site, the utility supplies 100% wind electricity.

Year ended December 31

2018

2019

2020

Responsible Sourcing - Coffee

Fair trade community development premiums (million USD) (cumulative) (since 2001)	N/A	96	107
Percentage of coffee responsibly sourced	31%	65%	100%*

* During 2020, 82% of our purchases of green coffee were responsibly sourced through third party sourcing programs. By the end of 2020, all coffee contracted to be received going forward is 100% responsibly sourced.

Responsible Sourcing - Appliances

Percentage of In-scope Suppliers for Brewers Responsibly Sourced	50%	63%	86%
Tier 1 Contract Manufacturers			
Percentage Suppliers in Program Scope	N/A	100%	100%
Number of Facility Audits Completed (Initial and Closure)	N/A	8	11
Average Initial Audit Score	N/A	142	109
Average Audit Score Post Closure Audit	N/A	176	188
Percentage of Findings Closed	N/A	50%	86%
Tier 2 Component Suppliers			
Percentage of Suppliers In Program Scope	N/A	36%	36%
Number of Facility Audits Completed (Initial And Closure)	N/A	28	19
Average Initial Audit Score	N/A	71	128
Average Audit Score Post Closure Audit	N/A	112	156
Percentage of Findings Closed	N/A	36%	31%

Year ended December 31

2018 2019 2020

Livelihoods

Number of people in our supply chain engaged to significantly improve their lives (cumulative) (since 2014)	630,000	783,000	1,084,000
Investments in improving livelihoods of coffee farmers (million USD) (cumulative) (since 2003)	60	63	64

Employee Engagement

Annual Survey Participation Rate	N/A	65%	81%
Employee Engagement	N/A	60%	62%
Total Employee New Hire Rate	N/A	N/A	32%
Total Employee Turnover Rate	N/A	N/A	32%

Workplace Safety - Manufacturing*

Lost Time Injury Rate	0.17	0.23	0.19
Total Fatalities (work-related)	0	0	0
Total Recordable Injury Rate	1.23	1.25	0.78

*Includes only owned and operated KDP facilities in the U.S., Mexico and Canada; rates are calculated as frequency of injuries per 100 employees. 2018 and 2019 data revised due to incidents turning recordable after end of calendar year.

Workplace Safety - Direct Store Delivery*

Lost Time Injury Rate	2.0	1.6	1.9
Total Recordable Injury Rate	9.7	8.2	6.7

*Includes only U.S. operations. Rates are calculated as frequency of injuries per 100 employees.

2020 Global Employee Gender Demographics

	Total	Director+ Professional	Other Professional	Hourly
Total Global KDP	26,701	687	10,227	15,787
Female	4,759	180	2,215	2,364
Male	21,869	501	7,992	13,376
Not Disclosed	73	6	20	47

2020 U.S. Employee Racial/Ethnicity Demographics

	Total	Director+ Professional	Other Professional	Hourly
Total U.S. KDP	21,097	622	5,465	15,010
White	11,125	493	3,832	6,800
Hispanic	4,714	32	701	3,981
Black	3,611	25	502	3,084
Asian	657	36	227	394
Two or More Races	575	10	105	460
Not Disclosed	258	23	67	168
Native Hawaiian or Other Pacific Islander	84	1	10	73
American Indian or Alaska Native	73	2	21	50

Data Definitions:

"Director+ Professional" - CEO, CFO, ELT, SVP, VP, Sr. Director, Director

"Other Professional" - Any employee with a pay rate type of salaried, below Director

"Hourly" - Any employee with a pay rate types "Hourly-Bi-weekly", "Hourly-Weekly", "Daily", "Commission Only"

Goal Methodology

Goal	Unit of Measure	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
Convert 100% of packaging to be recyclable or compostable by 2025	% of total packaging by weight	2019	2025	Primary, secondary, and tertiary packaging from KDP owned and operated food and beverage manufacturing facilities as well as packaging used for brewers and brewer accessories	Third-party bottlers' packaging material Plastic Strapping, adhesives, tapes, brewers and brewer components	None	We are also working with third party bottlers to enable measurement and reporting of recyclability. Ongoing projects to recycle coffee brewers are additional to this goal.
Use 30% post-consumer recycled (PCR) content across our packaging portfolio by 2025	% of total packaging by weight	2019	2025	Primary, secondary, and tertiary packaging from KDP owned and operated food and beverage manufacturing facilities as well as packaging used for brewers and brewer accessories	Third-party bottlers' packaging material Plastic Strapping, adhesives, tapes, brewers and brewer components	None	We are also working with third party bottlers to enable measurement and reporting of PCR content. Ongoing projects to incorporate PCR in coffee brewers are additional to this goal.
Use 25% post-consumer recycled (PCR) content in our plastic packaging by 2025	% of all plastic packaging by weight	2019	2025	Primary, secondary, and tertiary plastic packaging from KDP owned and operated food and beverage manufacturing facilities, as well as plastic packaging used for brewers and brewer accessories	Third-party bottlers' packaging material Plastic Strapping, adhesives, tapes, brewers and brewer components	None	Baseline year for goal measurement was 2020. We are also working with third party bottlers to enable measurement and reporting of PCR content. Ongoing projects to incorporate PCR in coffee brewers are additional to this goal.
Achieve a 20% virgin plastic reduction across our plastic packaging portfolio by 2025	% of virgin plastic packaging by weight	2021	2025	Primary, secondary, and tertiary virgin plastic packaging from KDP owned and operated food and beverage manufacturing facilities, as well as virgin plastic packaging used for brewers and brewer accessories	Third-party bottlers' packaging material Plastic Strapping, adhesives, tapes, brewers and brewer components	None	Baseline year for goal measurement was 2019. We are also working with third party bottlers to enable measurement and reporting of virgin plastic reduction. Ongoing projects to reduce virgin plastic use in coffee brewers are additional to this goal.

Goal	Unit of Measure	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
Send zero waste to landfill across our operations by 2025	% solid waste, by weight, diverted from landfill	2019	2025	Solid waste at manufacturing sites only.	Does not include offices, warehouses/DCs except in some instances of co-location with the manufacturing site, or any other properties that are not production facilities. Nonetheless, many of these excluded facilities have robust recycling and waste diversion practices.	None	Baseline year for goal measurement was 2018.
Partner with our highest water-risk operating communities to replenish 100% of water used for our beverages in those communities by 2025	% water replenished of projected 2025 volume used in products produced at high-water risk sites and water used to brew beverages with our pods	2019	2025	<p>6 focus communities were determined by a water risk assessment that utilized the Ecolab Water Risk Monetizer and the World Resources Institute's Aqueduct Water Risk Atlas, and expert knowledge from LimnoTech. The locations are: Houston, TX, Vernon, CA, and Victorville, CA, in the U.S., and Tecamac, Tehuacan, and Tlajomulco in MX.</p> <p>Water replenishment project water volumes are calculated on a yearly basis (ML/yr) - that is, the annual volume benefit they deliver. Replenishment progress is calculated as a percentage of the goal, not of a given year's water consumption.</p> <p>Replenish volumes are only counted toward the site they are relevant for, and only up to 100% of that site's projected 2025 volume.</p>		Limnotech	Baseline year for goal measurement was 2014.

Goal	Unit of Measure	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
Improve our water use efficiency by 20% by 2025	% improvement in water use ratio (water use ratio = water in final product divided by total water withdrawals and is measured as "Liters per Liters" or L/L).	2019	2025	Cold beverage manufacturing sites.	Does not include new sites Allentown or Newbridge (Ireland). Coffee roasting/ packaging sites, offices, DCs/ Warehouses, and any other properties that are not cold beverage production facilities. Does not include third party bottlers.	None	Approach is aligned to Beverage Industry Environmental Roundtable (BIER) definitions and approach. Baseline year for goal measurement was 2017.
Obtain 100% of electricity from renewable sources by 2025	renewable electricity purchases as % of total electricity consumption	2019	2025	All KDP owned and operated facilities' electricity consumption is included. Consumption is estimated for some small sites.		RE100	Baseline year for goal measurement was 2018.
Reduce Scope 1 and 2 emissions by 30% by 2030	MTCO ₂ e (metric tons carbon dioxide equivalents)	2019	2030	The reductions targeted are against all KDP energy use from owned and operated assets, and purchased electricity.	Refrigerant leaks from HVAC systems in facilities	SBTi (Science Based Targets initiative)	Baseline year for goal measurement was 2018.
Reduce Scope 3 emissions in select categories 15% by 2030	MTCO ₂ e (metric tons carbon dioxide equivalents)	2019	2030	The reductions targeted cover the Scope 3 categories of purchased goods and services, fuel and energy-related activities, upstream transportation and distribution and the use of sold products.		SBTi (Science Based Targets initiative)	The categories included in KDP's absolute reduction commitment of scope 3 GHG emissions are purchased goods and services, fuel and energy-related activities, upstream transportation and distribution and the use of sold products. Baseline year for goal measurement was 2018.
Engage bottlers and select suppliers representing 50% of Scope 3 emissions to set a science-based target by 2024	% of Scope 3 emissions covered by bottler and supplier SBTs	2019	2024	The suppliers and bottlers targeted cover the Scope 3 categories of purchased goods and services, downstream transportation and distribution, processing of sold products and the end-of-life treatment of sold products.		SBTi (Science Based Targets initiative)	The Scope 3 categories covered for bottler and supplier engagement are purchased goods and services, downstream transportation and distribution, processing of sold products and the end-of-life treatment of sold products will have science-based targets by 2024. Baseline year for goal measurement was 2018.

Goal	Unit of Measure	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
Responsibly source our brewers and 100% of our priority inputs	% of responsibly sourced coffee by volume	2014	Ongoing	All green coffee purchased by KDP for owned and partner brands.	Soluble and green coffee extract. Green coffee or other coffee inputs purchased by partners.	Purchased volumes validated by Fairtrade International, Fair Trade USA, Rainforest Alliance, Utz, 4C, OLAM AtSource Entry Verified, and Great Lakes Coffee MaxTRACE	KDP's evaluation tool was independently reviewed by Conservation International and World Wildlife Fund (WWF).
	% of responsibly sourced cocoa by volume	2021	2021	All cocoa purchased by KDP including if sourced as a standalone ingredient or within a blended powder finished product; including if sourced directly or from a co-manufacturer or processor	Cocoa purchased by partners	Purchased volumes validated by UTZ, Rainforest Alliance, Fair Trade USA, Fairtrade International	KDP's evaluation tool was independently reviewed by Conservation International and World Wildlife Fund (WWF).
	# of suppliers that have achieved a Silver recognition level in a Responsible Business Alliance audit	2014	2020	All in-scope Alliance and Strategic suppliers according to the supplier prioritization criteria of KDP's Supplier Performance Management Program. These include our most important appliance, finished goods, component, accessory and packaging suppliers.	All in-scope Core and Transactional suppliers according to the supplier prioritization criteria of KDP's Supplier Performance Management program.	Third party auditors	Suppliers deemed in scope for KDP's Supplier Performance Management program are determined by importance to KDP's business based on spend, quality, cost and substitutability. Each supplier is categorized as Alliance, Strategic, Core or Transactional to indicate their level of importance to KDP. Baseline year for goal measurement was 2017.

Goal	Unit of Measure	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
Engage one million people in our supply chain to significantly improve their lives by 2020	Number of people	2014	2020	Direct beneficiaries of KDP social impact investments. The full methodology is posted publicly here	See the full methodology document posted here	None	Methodology was co-developed by partner NGOs and academic institutions including the University of Vermont in Agroecology and Rural Livelihoods Group (ARLG), CRS, Global Environment and Technology Foundation, Fair Trade USA, Heifer International, Mercy Corps, Root Capital, and Save The Children.
Support regenerative agriculture and conservation on 250,000 acres of land by 2030	Number of acres	2021	2030	Coffee, Corn, Apple supply chains. Specific boundaries TBD	TBD	TBD	During 2021, KDP will work with third party validators to establish a methodology for measuring progress towards this new goal.
Advance inclusion by addressing barriers to entry and prosperity in our supply chain	TBD	2021	Ongoing	Coffee, Apple, Brewer supply chains. Specific boundaries: TBD	TBD	TBD	During 2021, KDP will work with third party validators to establish a methodology for measuring progress towards this new goal.

Goal	Unit of Measure	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
Provide positive hydration in 60% of our products by 2025	% of total number of KDP products	2021	2025	<p>Positive hydration is defined as a product that provides a serving of fruits/vegetables or is below 40 calories per serving with a functional attribute or at least 10% daily value of a nutrient to encourage.</p> <p>All hot and cold, owned, licensed and partner brands. Includes fountain beverages and all unique portion sizes.</p>	Excludes multi-packs, co-packed brands and private label.	Partnership for a Healthier America	
Provide play opportunities to 13.5 million children by 2020	Number of children	2016	2020	Impact defined as the number of children in programs using donated equipment over the average lifespan of the equipment and the number of children, on average, who visit a given playground over the lifespan of the playground.	Adult caregivers who accompany children to playgrounds; coaches & administrators of programs using donated equipment	None	Data reported by the beneficiaries of our playgrounds/equipment
Increase female representation in Director and above positions by 25% by 2025	% of Director-level and above employees	2021	2025	Director-level and above employees in all geographies	All employees below Director	None	
Increase people of color representation in Director and above positions by 25% by 2025	% of Director-level and above employees	2021	2025	Director-level and above employees in the U.S. only	All employees below director	None	

*Goals will be met by the end of the specified year

Stakeholder Engagement

Stakeholder	How We Engage	Sample Recent Initiatives
Employees	<ul style="list-style-type: none"> Intranet Employee communications website and app Online collaboration tools: Workplace and KDP Wellness platforms Weekly newsletters, executive communications, and team information cascades Quarterly Town Hall meetings Bi-monthly VP+ meetings Employee engagement surveys Peer-to-Peer Observation program in manufacturing facilities 	<ul style="list-style-type: none"> Launched 1st Up, a new KDP communications platform powered by industry-leading vendor Social Chorus, accessible anytime to all 27,000 employees from their work or personal devices to stay up to date on KDP news and information on a single platform Conducted weekly senior leadership meetings to keep leaders engaged and informed, supporting them in communicating and engaging with their teams Distributed daily emails to employees at the onset of the pandemic, as well as regional shelter-in-place orders, to keep them informed of safety protocols and our progress in navigating the rapidly changing environment Launched daily text messages on safety protocols, KDP news and COVID-19 developments to connect with distribution employees not at facilities Leveraged technology tools to support employee collaboration and new ways of working that enabled successful remote working arrangements necessitated by the pandemic Executed employee engagement campaigns focused on safety and wellness Launched eight Employee Resource Groups to create space for employees to build connection and community
Suppliers	<ul style="list-style-type: none"> Supplier Summits Individual and broad-based communications Supplier trainings, assessments and remediation processes Social impact investment through NGOs 	<ul style="list-style-type: none"> Trained targeted appliance suppliers on our responsible sourcing standards and expectations Invested in Blue Harvest to promote sustainable farming practices and increase access to clean water for coffee farmers and communities in Central America Invested in World Coffee Research to support the development of new coffee varieties, conducted on-farm trials and delivered new climate-smart technologies Invested in Root Capital efforts to strengthen coffee farmer cooperatives by providing financial management training, advisory services and financing to producer organizations serving coffee farmers Leveraged membership with the Business for Inclusive Growth coalition, providing partnership and shared learning on projects aimed to fight inequalities in companies and global supply chains
Consumers	<ul style="list-style-type: none"> Marketing & advertising campaigns Consumer Care hotlines Brand social media channels and websites Influencer engagement Sponsorships, sweepstakes and giveaways 	<ul style="list-style-type: none"> Promoted the transition of our K-Cup pods to recyclable polypropylene plastic in the U.S. and Canada through retail, consumer engagement and community partners Promoted Keurig brewers made from recycled content in Canada Granted \$2 million in tuition awards to deserving students through annual Dr Pepper Tuition Giveaway program Paid marketing campaigns related to new zero sugar carbonated soft drink varieties

Stakeholder	How We Engage	Sample Recent Initiatives
<p>Customers</p>	<ul style="list-style-type: none"> Individual and broad-based communications Industry conference/tradeshows Direct engagement 	<ul style="list-style-type: none"> Held semi-regular sustainability meetings with our top customers to provide updates on our sustainability initiatives, share best practices and explore partnerships Donated \$250,000 to the National Restaurant Association Education Foundation Employee Relief Fund to support cash grants provided to U.S. restaurant workers financially impacted by the COVID-19 crisis Earth Day shopper marketing campaign promoting Green Mountain Coffee Roasters recyclable K-Cup pods, now made with polypropylene plastic Point-of-sale marketing and digital activations promoting new Core Hydration bottle made from 100% recycled plastic
<p>NGOs</p>	<ul style="list-style-type: none"> Corporate and organizational memberships Direct engagement 	<ul style="list-style-type: none"> Continued work with The Nature Conservancy to identify and understand the watersheds in the areas where we operate, collaborating on targeted solutions With peers of the Beverage Industry Environmental Roundtable, Grupo Peñafiel joined a first-of-its kind industry collaboration to address shared water challenges in the Municipality of Tlajomulco de Zúñiga Investment in and advisory of Closed Loop Infrastructure Fund and The Recycling Partnership to remove obstacles to recycling access and improve profitability of the recycling industry Continued collaboration with the American Beverage Association, along with our beverage industry peers, in support of the Every Bottle Back initiative to increase recycling of PET plastic Co-founded The Recycling Partnership's Polypropylene Recycling Coalition to improve polypropylene recovery and recycling in the U.S. and further develop the end market of high-quality recycled polypropylene Worked collaboratively with the Partnership for a Healthier America to provide expertise in the health and well-being space as well as helping to set our portfolio-wide goal. We entered into a multi-year partnership for validation of our goal and advisement
<p>Investors</p>	<ul style="list-style-type: none"> Quarterly earnings reports, including conference calls and SEC filings Financial conferences and investor events, with involvement from both management and IR Financial publications and filings, including Annual Report and Proxy Statement Company website 	<ul style="list-style-type: none"> Attended multiple virtual investor conferences and fireside chats with financial analysts and investors throughout the year, addressing a wide range of business strategy and ESG topics Conducted a virtual Annual Shareholders Meeting, including a Q&A session Provided remarks from our Chairman & CEO during the Nasdaq 'Opening Bell' ceremony, along with significant media assets, in conjunction with our switch to the Nasdaq Enhanced disclosure on KeurigDrPepper.com to share our response to COVID-19 across the organization, including details on our approach to keeping our employees safe and healthy, delivering for our customers and consumers and providing for our communities Enhanced disclosure and content in our annual Proxy Statement

Stakeholder	How We Engage	Sample Recent Initiatives
Regulators/policymakers	<ul style="list-style-type: none"> Industry trade associations KDP U.S. Political Action Committee Policy coalitions Direct engagement 	<ul style="list-style-type: none"> Continued partnership with the American Beverage Association and Consumer Brands Association on a range of issues facing the beverage and CPG industries at the Federal and State level Collaborated with The Recycling Partnership's Circular Economy Accelerator, including contributions to the group's September 2020 White Paper on producer responsibility models Participated in the political process through contributions from the KDP PAC Conducted meetings and correspondence with members of Congress and the House of Representatives on key sustainability issues, with a particular focus on recycling Engaged with state and local officials to showcase KDP's work within communities and to promote improved recycling systems that can accept and recycle KDP products
Communities	<ul style="list-style-type: none"> Employee volunteering and financial giving Partnerships with local and national NGOs 	<ul style="list-style-type: none"> Created our Fueling the Frontline program, which provided four million cups of coffee and other beverages, along with thousands of brewers, to more than 500 hospitals in the U.S. and Canada in support of healthcare workers on the frontline of COVID-19 Awarded 35 playground grants and 162 sports equipment grants through our Let's Play program, which will provide play opportunities to approximately 400,000 kids, upon completion of projects underway Supported more than 650 nonprofits in communities across North America and Mexico through our match campaign Engage for Good Donated more than 277,000 beverages to support disaster relief efforts in communities affected by Hurricane Delta, Hurricane Laura, Hurricane Sally, California wildfires and more

Reporting Framework Indices

Global Reporting Initiative (GRI) Index

This 2020 Corporate Responsibility Report was created in accordance with GRI Standards: Core option.

All standards are the GRI 2016 version. Reporting disclosures may not be applied fully for all Standards.

Disclosure		Response
Organization Profile		
102-1	Name of the organization	2020 Form 10-K , Part I, Item 1, page 1
102-2	Activities, brands, products, and services	Overview, page 4 2020 Form 10-K , Part I, Item 1, page 1
102-3	Location of headquarters	2020 Form 10-K , Part I, Item 2, page 21
102-4	Location of operations	2020 Form 10-K , Part I, Item 2, page 21
102-5	Ownership and legal form	2020 Form 10-K , Part I, Item 1, page 1
102-6	Markets served	2020 Form 10-K , Part I, Item 1, page 1
102-7	Scale of the organization	2020 Form 10-K , Part I, Item 1, page 1
102-8	Information on employees and other workers	People & Communities, pages 32-40 2020 Form 10-K , Part I, Item 1, page 7
102-9	Supply chain	Overview, page 7 Supply Chain, pages 20-26 2020 Form 10-K , Part I, Item 1, pages 5-6
102-10	Significant changes to the organization and its supply chain	Supply Chain, pages 20-26 2020 Form 10-K , Part I, Item 1, pages 1-9
102-11	Precautionary Principle or approach	KDP supports the precautionary principle to guide its actions and routinely evaluates a wide range of risks and takes precautionary steps where warranted. Ethics & Compliance
102-12	External initiatives	Environment, pages 11-19 Supply Chain, pages 20-26 Health & Well-being, pages 27-31 People & Communities, pages 32-40
102-13	Membership of associations	Environment, pages 11-19 Supply Chain, pages 20-26 Health & Well-being, pages 27-31 People & Communities, pages 32-40

Disclosure		Response
Strategy		
102-14	Statement from senior decision-maker	Chairman & CEO and CSO Letter, page 3
102-15	Key impacts, risk and opportunities	Governance, pages 41-44 2020 Form 10-K , Part 1, Item 1, pages 1-9 & Part 1, Item 1A, pages 10-20
Ethics & Integrity		
102-16	Values, principles, standards, and norms of behavior	Our Corporate Responsibility Strategy, page 6 Governance, pages 41-44 Ethics & Compliance
102-17	Mechanisms for advice and concerns about ethics	Governance, pages 41-44 Corporate Code of Conduct KDP Conflict Minerals Policy KDP Modern Slavery Statement
Governance		
102-18	Governance structure	Governance, pages 41-44 2021 Proxy Statement , page 13 Principles of Corporate Governance
102-19	Delegating authority	Governance, pages 41-44 2021 Proxy Statement , pages 14-15
102-20	Executive-level responsibility for economic, environmental, and social topics	Governance, pages 41-44 2021 Proxy Statement , pages 14-15
102-21	Consulting stakeholders on economic, environmental, and social topics	Governance, pages 41-44 2020 Form 10-K , Part I, Item 1, pages 1-9 Stakeholder Engagement Table, page 58-60
102-22	Composition of the highest governance body and its committees	Governance, pages 41-44 2021 Proxy Statement , pages 13-14 Principles of Corporate Governance
102-23	Chair of the highest governance body	Governance, pages 41-44 2021 Proxy Statement , page 13

Disclosure	Response
Governance (cont.)	
102-24	Nominating and selecting the highest governing body
	Governance, pages 41-44 2021 Proxy Statement , page 6
102-26	Role of highest governance body in setting purpose, values, and strategy
	Governance, pages 41-44 2021 Proxy Statement , pages 14-15
102-27	Collective knowledge of highest governance body
	Governance, pages 41-44 2021 Proxy Statement , pages 14-15
102-28	Evaluating the highest governance body's performance
	Governance, pages 41-44 2021 Proxy Statement , page 15
102-29	Identifying and managing economic, environmental, and social impacts
	Governance, pages 41-44 2021 Proxy Statement , page 15
102-30	Effectiveness of risk management process
	Governance, pages 41-44 2021 Proxy Statement , page 15
102-31	Review of economic, environmental, and social topics
	Governance, pages 41-44 2021 Proxy Statement , page 15
102-32	Highest governance body's role in sustainability reporting
	Governance, pages 41-44 2021 Proxy Statement , page 15
102-33	Communicating critical concerns
	Governance, pages 41-44 2021 Proxy Statement , page 17
102-35	Remuneration policies
	2021 Proxy Statement , page 25 KDP Remuneration and Nomination Committee Charter
102-36	Process for determining remuneration
	2021 Proxy Statement , page 25 KDP Remuneration and Nomination Committee Charter
102-37	Stakeholders' involvement in remuneration
	2021 Proxy Statement , page 26
102-38	Annual total compensation ratio
	2021 Proxy Statement , page 41

Disclosure

Response

Stakeholder Engagement

102-40	List of stakeholder groups	Stakeholder Engagement & Materiality, page 8 Stakeholder Engagement Table, pages 58-60
102-41	Collective bargaining agreements	2020 Form 10-K , Part I, Item 1, page 7
102-42	Identifying and selecting stakeholders	Stakeholder Engagement & Materiality, page 8 Stakeholder Engagement Table, pages 58-60
102-43	Approach to stakeholder engagement	Stakeholder Engagement & Materiality, page 8 Stakeholder Engagement Table, pages 58-60
102-44	Key topics and concerns raised	Stakeholder Engagement & Materiality, page 8

Reporting Practices

105-45	Entities included in the consolidated financial statements	2020 Form 10-K , Exhibit 21.1
105-46	Defining report content and topic Boundaries	About this Report, page 2 Goal Methodology, pages 52-57
102-47	List of material topics	Stakeholder Engagement & Materiality, page 8
102-48	Restatements of information	About this Report, page 2 Data Summary, pages 45-51
102-49	Changes in reporting	About this Report, page 2 Goal Methodology, pages 52-57
102-50	Reporting period	About this Report, page 2
102-51	Date of most recent report	August 2020
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	KDP welcomes questions about, and feedback on, its corporate responsibility work and invites anyone to contact us at sustainability@kdrp.com .
102-54	Claims of reporting in accordance with the GRI Standards	About this Report, page 2
102-55	GRI content index	GRI Index, pages 61-70
102-56	External assurance	About this Report, page 2

Disclosure		Response
Management Approach		
103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement & Materiality, page 8 Goal Methodology, pages 52-57 Monitoring and Evaluation Guide for Social Impact Projects
103-2	The management approach and its components	Stakeholder Engagement & Materiality, page 8 Goal Methodology, pages 52-57 Monitoring and Evaluation Guide for Social Impact Projects
103-3	Evaluation of the management approach	Stakeholder Engagement & Materiality, page 8 Goal Methodology, pages 52-57 Monitoring and Evaluation Guide for Social Impact Projects
Economic		
Topic-Specific Standards		
201-1	Direct economic value generated and distributed	2020 Form 10-K , Part II, Item 8, page 51
201-2	Financial implications and other risks and opportunities due to climate change	2020 Form 10-K , Part I, Item 1A, pages 17-18 2020 CDP Climate Submission (FY 2019 Reporting)
201-3	Defined benefit plan obligations and other retirement plans	2020 Form 10-K , Part I, Item 1, page 7 & Part II, Item 8, pages 85-90
Indirect Economic Impacts		
203-1	Infrastructure investments & services supported	Environment, pages 11-19 Supply Chain, pages 20-26 People & Communities, pages 32-40 Coffee Supply Chain Sustainability Investments
203-2	Significant indirect economic impacts	Environment, pages 11-19 Supply Chain, pages 20-26 People & Communities, pages 32-40 Coffee Supply Chain Sustainability Investments
Anti-Corruption		
205-1	Operations assessed for risks related to corruption	KDP risk assesses our supply base utilizing third party risk data from Verisk Maplecroft, which includes country-level inherent corruption risk.
205-2	Communication and training about anti-corruption policies and procedures	KDP Ethics and Compliance policies
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	KDP Ethics and Compliance policies

Disclosure		Response
Environmental		
Materials		
301-1	Materials used by weight or volume	Environment, page 11-19 Data Summary, pages 45-51
301-2	Recycled input materials used	Product Design & Circular Economy, pages 12-14 Data Summary, pages 45-51
Energy		
302-1	Energy consumption within the organization	Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51
302-2	Energy consumption outside of the organization	Climate, Emissions & Energy, pages 18-19
302-4	Reduction of energy consumption	Data Summary, pages 45-51
302-5	Reductions of energy requirements of products and services	Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51
Water		
303-1	Water withdrawal by source	Water Efficiency & Stewardship, pages 16-17 Data Summary, pages 45-51
303-2	Water sources significantly affected by withdrawal of water	Water Efficiency & Stewardship, pages 16-17 Data Summary, pages 45-51
Emissions		
305-1	Direct (Scope 1) GHG emissions	Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51
305-2	Energy indirect (Scope 2) GHG emissions	Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51
305-3	Other indirect (Scope 3) GHG emissions	Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51
305-4	GHG emissions intensity	Data Summary, pages 45-51
305-5	Reduction of GHG emissions	Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51

Disclosure		Response
Effluents & Waste		
306-1	Water discharge by quality and destination	2020 CDP Climate Submission (FY 2019 Reporting)
306-2	Waste by type and disposal method	Resource Use & Conservation, page 15 Data Summary, pages 45-51
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	In the normal course of business, KDP is subject to a variety of federal, state and local environmental, health and safety laws and regulations. KDP maintains environmental, health and safety policies and a quality, environmental, health and safety program designed to ensure compliance with applicable laws and regulations. The cost of such compliance measures does not have a material financial impact on KDP operations.
Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	We require our most important coffee, appliance, packaging and ingredient suppliers (Tier 1 and some Tier 2) to certify each year to commit to following KDP Supplier Code of Conduct .
Social		
Employment		
401-1	New employee hires and employee turnover	Data Summary, pages 45-51
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement & Development, pages 35-36
Occupational Health & Safety		
403-2	Types of injury & rate of injury, occupation diseases, lost days & absenteeism and number of work related fatalities	Employee Health & Safety, pages 33-34 Data Summary, pages 45-51

Disclosure		Response
Training and Education		
404-1	Average hours of training per year per employee	Employee Engagement & Development, pages 35-36
404-2	Programs for upgrading employee skills & transition assistance programs	Employee Engagement & Development, pages 35-36
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Engagement & Development, pages 35-36
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Diversity & Inclusion, pages 37-38 Data Summary, page 45-51
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>No KDP operations were identified as having significant risks for incidences of child labor in 2020. KDP's Supplier Code of Conduct outlines expectations for the Company's suppliers regarding child labor in their supply chain. Our most important suppliers are asked annually to commit to following the KDP Supplier Code of Conduct. The company enforces the Code through supplier audits and through purchases of certified/verified products. KDP uses a risk assessment process to prioritize audits and other supply chain engagements.</p> <p>Human Rights, page 44 KDP Conflict Minerals Report KDP Modern Slavery Disclosure KDP Supplier Code of Conduct</p>
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>No KDP operations were identified as having significant risks for incidences of forced or compulsory labor in 2020. KDP's Supplier Code of Conduct outlines expectations for the Company's suppliers regarding forced or compulsory labor in their supply chain. Our most important suppliers are asked annually to commit to following the KDP Supplier Code of Conduct. The company enforces the Code through supplier audits and through purchases of certified/verified products. KDP uses a risk assessment process to prioritize audits and other supply chain engagements.</p> <p>Human Rights, page 44 KDP Conflict Minerals Report KDP Modern Slavery Disclosure KDP Supplier Code of Conduct</p>

Disclosure	Response
Rights of Indigenous Peoples	
<p>411-1 Incidents of violations involving rights of indigenous peoples</p>	<p>There were no reported incidents of violation involving rights of indigenous peoples in 2020. KDP's Supplier Code of Conduct outlines expectations for the Company's suppliers regarding rights of indigenous peoples in their supply chain. Our most important suppliers are asked annually to commit to following the KDP Supplier Code of Conduct. The company enforces the Code through supplier audits and through purchases of certified/verified products. KDP uses a risk assessment process to prioritize audits and other supply chain engagements.</p> <p>Human Rights, page 44 KDP Conflict Minerals Report KDP Modern Slavery Disclosure KDP Supplier Code of Conduct</p>
Human Rights Assessment	
<p>412-1 Operations that have been subject to human rights reviews or impact assessments</p>	<p>KDP suppliers are held to specific standards, which have been outlined in the KDP Supplier Code of Conduct. Our most important suppliers are asked annually to commit to following the KDP Supplier Code of Conduct.</p>
<p>412-2 Employee training on human rights policies or procedures</p>	<p>KDP requires all employees to undergo training on the Corporate Code of Conduct on an annual basis. KDP Procurement is also trained regularly on supply chain human rights risk. KDP Modern Slavery Statement</p>
Local Communities	
<p>413-1 Operations with local community engagement, impact assessments, and development programs</p>	<p>Environment, pages 11-19 Supply Chain, pages 20-26 People & Communities, pages 32-40</p>
Supplier Social Assessment	
<p>414-1 New suppliers that were screened using social criteria</p>	<p>Keurig suppliers are held to specific standards, which have been outlined in the KDP Supplier Code of Conduct. We require our most important coffee, appliance, packaging and ingredient suppliers to certify each year that they understand and agree to adhere to the KDP Supplier Code of Conduct. Our Code includes social criteria aligned to internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the UN Global Compact Principles and the International Labour Organisation (ILO) Declaration on Fundamental Rights and Principles at Work.</p>
<p>414-2 Negative social impacts in the supply chain & actions taken</p>	<p>KDP Modern Slavery Statement</p>

Disclosure		Response
Public Policy		
415-1	Political contributions	KDP Political Engagement Approach KDP Political Contributions Policy
Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Product Quality & Safety, page 31
Marketing & Labor		
417-1	Requirements for product and service information and labeling	Responsible Marketing & Labeling, page 30 KDP follows all regulatory labelling requirements. In addition, consumers can find information on all of our cold beverages such as nutritional facts and ingredients (with descriptions) on https://www.kdpproductfacts.com/ .
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no reported incidents of non-compliance.
417-3	Incidents of non-compliance concerning marketing communications	Responsible Marketing & Labeling, page 30
Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	KDP received no substantiated complaints regarding breaches of customer privacy and identified no losses of customer data in 2020.
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	KDP had no issues of non-compliance with social or economic laws or regulations in 2020.

Sustainability Accounting Standards Board (SASB) Index

For additional detail, including assurance on data for the report, see [Data Summary](#) in the Appendix.

Non-Alcoholic Beverages

Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-NB-110a.1	2,325,866, 0% Data Summary, page 45-51
Energy Management	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-NB-130a.1	(1) 2,542,414 total energy (2) 100% grid electricity (3) 50% renewable electricity Data Summary, pages 45-51
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m3), Percentage (%)	FB-NB-140a.1	(1) 13,166, 30% (2) 7,407, 30%
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	FB-NB-140a.2	We operate in areas of high baseline water stress, and stress is projected to increase over time. Our water efficiency target aims to reduce impact to local water supplies and our water stewardship efforts implement water replenishment and conservation in areas of highest water risk where we have operations. Water Efficiency & Stewardship, pages 16-17 Data Summary, pages 45-51

Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Health & Nutrition	Revenue from (1) zero- and low-calorie, (2) no-added-sugar, and (3) artificially sweetened beverages	Quantitative	Reporting Currency	FB-NB-260a.1	We do not report this publicly. However, we do have a goal that 60% of our beverages will provide positive hydration by 2025. Positive hydration is defined as a product that provides a serving of fruits/vegetables with no added sugar or is below 40 calories with either a functional attribute or at least 10% Daily Value of a nutrient to encourage. Consumer Health & Well-being, pages 28-29
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	N/A	FB-NB-260a.2	Consumer Health & Well-being, pages 28-29
Product Labeling & Marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines*	Quantitative	Percentage (%)	FB-NB-270a.1	0% Responsible Marketing & Labeling, page 30
	Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting Currency	FB-NB-270a.2	We do not report this publicly. Per our materiality assessment, we have determined this is not a material issue for KDP.
	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	Quantitative	Number	FB-NB-270a.3	0
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices**	Quantitative	Reporting Currency	FB-NB 270a.4	We do not report this publicly.

* Note to FB-NB-270a.1 – The entity shall disclose the applicable dietary guidelines and the methodology used to estimate advertising impressions.

** Note to FB-NB-270a.4 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Packaging Lifecycle Management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-NB-410a.1	(1) 640,663 (2) 22% (3) 90% Consumer Health & Well-being, pages 28-29
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	N/A	FB-NB-410a.2	Product Design & Circular Economy, pages 12-14
Environmental & Social Impacts of Ingredient Supply Chain	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrected action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-NB-430a.1	<p>KDP does not have audit conformance data across all our 2020 priority beverage ingredient supply chains, which are: Coffee, Cocoa, Apple, and Corn (for High Fructose Corn Syrup).</p> <p>The majority of our direct, Tier 1 suppliers are traders and processors. Since our risk assessments show that the major social and environmental risks are at the farm-level, we focus our social and environmental audits on upstream Ingredient suppliers (Tier 2+). In 2020, the scope of these audits was solely coffee and covered 82% of our purchases (by volume). Coffee is our top priority beverage ingredient for KDP and for our coffee systems business, which contributed 38% of 2020 net sales.</p> <p>In 2020, 82% of our purchases of green coffee by volume were certified to third-party environmental and social standards (Rainforest Alliance, UTZ Certified, Fair Trade USA, or Fairtrade International). By the end of 2020, all coffee contracted to be received going forward is 100% responsibly sourced. These certifications manage a strict system of audits and corrective action processes for both major and minor nonconformities. Any supplier with a major nonconformity, or failing a "Mandatory" or "Zero tolerance requirement", will have their certificate cancelled if they cannot fully address the nonconformance within a 30-day window. Therefore the major non-conformance corrective action rate is 100% because all suppliers selling to KDP must have a valid certificate in place. For other non-conformities, the acceptable non-conformance rate, corrective action process, and closure requirements vary by certification. All certifications require closure of nonconformities over time to ensure continuous improvement to the standard.</p>

Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Ingredient Sourcing	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-NB-440a.1	<p>In alignment with our CDP Water disclosure, we report the % of key ingredients (by volume) sourced from areas of water stress, which corresponds very closely to reporting the % by cost. In 2020, the data was as follows:</p> <p>Coffee: 0% Fresh apple: 0% Corn (for high fructose corn syrup): 0%</p>
	List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	Discussion and Analysis	N/A	FB-NB-440a.2	<p>We use Maplecroft Risk Data to assess our ingredients based on Environmental and Social Risk Factors. We consider risk level, volume purchased, KDP influence, and other factors to determine the prioritization of our ingredients. Our 2020 priority beverage ingredients are: Coffee, Cocoa, Apple, and Corn.</p> <p>For Coffee, our primary risks are labor conditions and climate change. We manage these risks by purchasing 100% of our coffee via a credible sourcing program that aligns with our company Supplier Code of Conduct and our strict environmental, social, and governance criteria. Through 2020, these programs included Rainforest Alliance, Fair Trade USA, Fairtrade International and UTZ Certified.</p> <p>For Cocoa, our primary risks are labor conditions and deforestation. We will manage these risks by purchasing cocoa via a credible sourcing program that aligns with our company Supplier Code of Conduct and our strict environmental, social, and governance criteria. Our currently accepted programs include Fairtrade International, Fair Trade USA, Rainforest Alliance and Utz with first certified shipments arriving in 2021.</p> <p>For our other identified priority inputs, our risks range from pesticide use and other environmental impacts (on farm) and labor conditions (on farm and in factories). Our strategies to manage these risks via engagements with upstream suppliers are in development, prioritizing Apple and Corn for 2021. Nonetheless, KDP's Supplier Code of Conduct outlines social and environmental expectations for the Company's suppliers. Our most important suppliers (Tier 1 and some Tier 2) are asked annually to commit to following the KDP Supplier Code of Conduct.</p> <p>Supply Chain, pages 20-26 KDP Modern Slavery Statement</p>

Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Ingredient Sourcing	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Quantitative	Percentage (%) by cost	FB-PH-430a.1	<p>Coffee is our top priority beverage ingredient for KDP and for our coffee systems business, which contributed 38% of 2020 net sales. During 2020, 82% of our purchases of green coffee (by volume; % cost not disclosed due to confidentiality constraints) were responsibly sourced through third party sourcing programs, and by the end of 2020, all coffee contracted to be received going forward is 100% responsibly sourced. KDP does not disclose our percentages by standard due to confidentiality constraints.</p> <p>Supply Chain, pages 20-26</p>

Active Metric

Topic	Category	Unit of Measure	Code	Response
Number of production facilities	Quantitative	Number	FB-NB-000.B	17 owned; 14 leased

2020 Task Force on Climate-Related Financial Disclosures Index

Given the immense affect climate change poses for business, now and in the future, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was established to help identify the information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities. In alignment with the TCFD recommendations, the following index provides links to KDP's key disclosures on climate change, including our CDP climate change response and this current 2020 Corporate Responsibility Report.

TCFD Metrics		Response
Governance	Describe the board's oversight of climate-related risks and opportunities.	2020 CDP Climate Submission (FY 2019 Reporting): C1.1, C1.1a, C1.1b Climate, Emissions & Energy, pages 18-19 Governance, pages 41-44
	Describe management's role in assessing and managing climate-related risks and opportunities.	2020 CDP Climate Submission (FY 2019 Reporting): C1.2, C1.2a, C1.3a Climate, Emissions & Energy, pages 18-19 Governance, pages 41-44
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2020 CDP Climate Submission (FY 2019 Reporting): C2.1, C2.2, C2.3, C2.4 2020 Form 10-K, Part 1, Item IA, pages 17-18 Our Corporate Responsibility Strategy, page 6 Climate, Emissions & Energy, pages 18-19
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	2020 CDP Climate Submission (FY 2019 Reporting): C2.3a, C2.4a, C3.1, C3.1d, C3.1e Our Corporate Responsibility Strategy, page 6 Climate, Emissions & Energy, pages 18-19
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2020 CDP Climate Submission (FY 2019 Reporting): C3.1a, C3.1c Our Corporate Responsibility Strategy, page 6 Climate, Emissions & Energy, pages 18-19

TCFD Metrics	Response	
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	2020 CDP Climate Submission (FY 2019 Reporting): C2.1, C2.2, C2.2a Stakeholder Engagement & Materiality, page 8 Climate, Emissions & Energy, pages 18-19
	Describe the organization's processes for managing climate-related risks.	2020 CDP Climate Submission (FY 2019 Reporting): C2.1, C2.2, C12.1a Climate, Emissions & Energy, pages 18-19
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2020 CDP Climate Submission (FY 2019 Reporting): C2.1, C2.2, C2.2a, C2.3a Stakeholder Engagement & Materiality, page 8 Climate, Emissions & Energy, pages 18-19
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2020 CDP Climate Submission (FY 2019 Reporting): C2.2, C4.2a, C4.2b Climate, Emissions & Energy, pages 18-19
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2020 CDP Climate Submission (FY 2019 Reporting): C4.1b, C6 C-FB6.6a Climate, Emissions & Energy, pages 18-19 Data Summary, pages 45-51 SASB Index, pages 71-75
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2020 CDP Climate Submission (FY 2019 Reporting): C4.1, C4.2 Climate, Emissions & Energy, pages 18-19

Footnotes

1. Based on volume comparison with 2019 for U.S., Canada and Mexico
2. Based on 2020 U.S. K-Mini brewer sales with PCR material substitution [vs. original K-Mini material design]
3. [How2Recycle® program downgrades the recyclability of certain plastic packaging](#)
4. Smalley, M. (2020, February 14), Katherine Lugar on Every Bottle Back initiative: "[We] estimate that about 9 million households will have improved access to recycling as a result of Every Bottle Back, which could lead to a 20 percent increase in the amount of PET recycling over what's currently done." [Recycling Today](#)
5. By 2024
6. In-scope suppliers for the 2020 target are our Alliance and Strategic Appliances suppliers, according to the supplier prioritization criteria of KDP's Supplier Performance Management Program. These include our most important appliance, finished goods, component, accessory and packaging suppliers
7. Includes all owned, licensed and partner beverage brands, excludes private label
8. U.S. Food and Drug Administration definition of "low calorie", Code of Federal Regulations, Title 21
9. European Commission: "A food product that together with its basic nutritional impact has a beneficial effect on one or more functions of the human organism either improving the general physical conditions or/and decreasing the risk of the evolution of disease." [Orrù S, et al. Nutrients. 2018](#)
10. [Institute of Medicine](#) (2005) and the [World Health Organization](#) (2003), water is an essential nutrient
11. [Drewnowski A, et. al. Nutr Rev. 2019 ; Dietary Guidelines for Americans 2020-2025](#)
12. The baseline for the Eastern LA and Little Rock communities is 2014, while Montgomery-Lowndes, Mississippi Delta and Bronx-Brooklyn communities have a 2015 baseline
13. Bureau of Labor Statistics, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, in cooperation with participating state agencies (modified 2020, November 14). [Injuries, Illnesses, and Fatalities](#)
14. A correction to our 2020 data resulted in a revision to this figure as previously reported in our 2019 Corporate Responsibility report
15. Women's Sports Foundation

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