

drink well  
do good



Keurig  
DrPepper

2021 Corporate Responsibility Report





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# A Letter from our Chairman & CEO and Chief Sustainability Officer

At Keurig Dr Pepper, we recognize that a strong environmental, social and governance (ESG) foundation provides opportunity to drive growth and create value for our stakeholders. That has certainly been the case at KDP, as we have advanced our ESG efforts every year. As we continue to make a positive impact through our *Drink Well. Do Good.* corporate responsibility platform, we are proud to share KDP's progress and lessons learned along our journey, along with aspirations and goals for the coming years.

This year, we responsibly sourced 100% of our coffee, cocoa and brewers, in line with our goals and laid important groundwork to expand sustainable sourcing programs to additional agricultural ingredients and manufacturing supply chains. We made significant progress in reducing our virgin plastic use by incorporating more recycled plastic, redesigning packaging and exploring alternative materials, even while navigating unprecedented supply chain challenges for critical inputs during a time of high consumer demand for our products. In pursuit of our science-based emissions reductions targets, we achieved a cumulative reduction in our Scope 3 emissions from our baseline, due, in part, to transitioning to packaging materials that produce lower emissions. We also expanded our offerings of and access to our better-for-you products, advanced our diversity and inclusion efforts and continued to give back to our communities. Across all our *Drink Well. Do Good.* efforts, our unique partnership philosophy enables us to maximize our scale and drive long-term impact, in collaboration with industry, non-profits and government.

Making a meaningful difference requires an enduring commitment. Our long-term goals remain rooted in near-term action where we can make real and lasting contributions. Our approach includes realistic glidepaths to targets that are created with intention and investment and supported by strategic partnerships and collaboration. For example, this year we set the aspirational goal to achieve net water positive impact by 2050. This aspiration builds upon a long-standing body of work at KDP to replenish water in local KDP communities facing high water-risk and maintain water-smart practices across our supply chain, both of which are supported through collective action and scale as a member of the United Nation's Water Resilience Coalition.

The bar for ESG performance continues to rise, and we continue to step up as a leader to meet the challenge. Beyond pursuing the goals we have already set, we continue to explore new ways to accelerate our ambitions, as technology, policy and investment opportunities develop and converge. The commitment and passion of the KDP team to drive our *Drink Well. Do Good.* agenda is at the heart of the significant progress we continue to make. Without wavering, the KDP team has demonstrated remarkable talent, agility and resilience and delivered tangible and measurable results that we can build upon in the future. We are inspired by their relentless pursuit of making a positive impact and honored to present their great work in this report.



**Bob Gamgort**  
Chairman & Chief Executive Officer



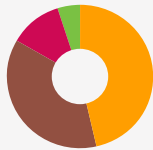
**Monique Oxender**  
Chief Sustainability Officer

# Our Company

## WHO WE ARE

A leading North American brand owner, manufacturer and distributor of non-alcoholic beverages in the U.S., Canada, Mexico and the Caribbean.

**\$12.7B**  
in total net sales



**\$5.9B** Packaged Beverages  
**\$4.7B** Coffee Systems  
**\$1.5B** Beverage Concentrates  
**\$0.6B** Latin American Beverages

**8<sup>th</sup> Largest**

Food & Beverage company in the U.S.<sup>1</sup>

**~27,000**  
Employees

**30**  
Manufacturing  
locations

**150+**  
Principal warehouses/  
distribution centers

## North American Category Leadership<sup>2</sup>



**#1** single-serve coffee brewing systems in the U.S. and Canada



**#2** shelf-stable premium ready-to-drink tea in the U.S.



**#1** flavored carbonated soft drinks in the U.S. and Canada; **#2** in Mexico



**#2** fruit juice/drinks in the U.S.



**#2** premium water in the U.S.; **#1** mineral water in Mexico



**#1** mixers in the U.S.

## OUR VISION

Provide a beverage for every need, available everywhere people shop and consume beverages.

## OUR VALUES

KDP's values define how we work together and are foundational to our culture.



### 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.

## OUR BRANDS

A diverse portfolio of cold and hot beverages, which includes 125+ owned, licensed and partner brands, and the leading single-serve coffee brewing system in North America.



# Our Corporate Responsibility Strategy

*Our Ambition:*

**Ensure our beverages make a positive impact with every drink.**



In all we do, we are committed to acting responsibly, and our ambition is to ensure our beverages make a positive impact with every drink. We focus on our greatest opportunities for impact in the environment, our supply chain, the health and well-being of our consumers and with our people and communities. We are committed to transparency and disclosure of corporate responsibility strategies, programs, progress and governance.

## The United Nations Sustainable Development Goals

The UN 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 the seven UN SDGs most relevant to our business.



### ENVIRONMENT

We are committed to reducing our environmental impacts while restoring resources in support of a regenerative and circular economy. From eliminating packaging waste to reducing greenhouse gas (GHG) emissions, we partner to protect and replenish the earth's valuable resources.



### SUPPLY CHAIN

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.



### HEALTH & WELL-BEING

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.



### PEOPLE & COMMUNITIES

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.

# Awards & Recognition



## CANADA'S TOP 100 EMPLOYERS

Selected as one of Canada's Top 100 Employers for the 5<sup>th</sup> consecutive year



## CANADA'S TOP EMPLOYERS FOR YOUNG PEOPLE

Listed as one of Canada's Top Employers for Young People for the 4<sup>th</sup> consecutive year



## CDP DISCLOSURE

Achieved an A- for leading on corporate action and transparency on water risk and a B for taking coordinated action on climate issues



## CDP SUPPLIER ENGAGEMENT LEADER

Earned an A for engagement suppliers on climate change



## EMPRESA SOCIALMENTE RESPONSIBLE

Recognized as one of the Best Socially Responsible Companies from the Mexico Center of Philanthropy for the 16<sup>th</sup> consecutive year



## FOOD ENGINEERING PLANT OF THE YEAR

Awarded in 2021 for the Allentown, Pennsylvania, facility



## FORBES HALO 100

Celebrated Dr Pepper as the top-ranked beverage brand named to Forbes' Halo 100, which highlights brands delivering the experience customers want



## FORTUNE WORLD'S MOST ADMIRABLE COMPANIES

Named one of Fortune World's Most Admired Companies for the 3<sup>rd</sup> consecutive year



## HUMAN RIGHTS CAMPAIGN BEST PLACES TO WORK FOR LGBTQ+ EQUALITY

Recognized as one of the Best Places to Work for LGBTQ+ Equality by Human Rights Campaign



## NEWSWEEK AMERICA'S MOST RESPONSIBLE COMPANIES

Recognized for the 2<sup>nd</sup> consecutive year



## REUTERS EVENTS RESPONSIBLE BUSINESS AWARDS

Won Reuters Responsible Business Award in the Social and Human Capital category for 20-year investment in the livelihoods of coffee farmers



## WSJ MANAGEMENT TOP 250

Named one of top 250 most effectively managed U.S. companies in ranking from The Wall Street Journal and Drucker Institute

# Impact Throughout our Value Chain

## 1. 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, support regenerative agriculture and aspire for net positive water impact. We also safeguard human rights and invest in the livelihoods of workers and farmers. Through circular design and material innovation with supply chain partners, we are reducing our use of virgin plastic in packaging and products.

## 2. PRODUCTION

At our manufacturing facilities, we collaborate to use water, energy and ingredients efficiently to produce our beverages. We are committed to sourcing electricity from renewable sources to reduce GHG emissions and dedicated to reducing, reusing and recycling all materials used in our production facilities. For all beverages and brewers that we manufacture and market, we apply our rigorous food safety and quality standards throughout every step of the product lifecycle.

## 3. DISTRIBUTION

Our distribution capabilities across North America enable us to align our operations with customers and sales channels so that our products are available to meet consumer demand and limit our climate impact. We are focused on reducing our GHG emissions through fleet fuel efficiency and network optimization in the near term, while supporting collaborations and advocacy aimed at investments in technology and infrastructure for future fleet decarbonization.

## 4. 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.

## 5. POST-CONSUMER

We invest in numerous initiatives to improve recycling infrastructure and recycling behaviors, most notably as a co-founder of The Recycling Partnership's Polypropylene Recycling Coalition, the American Beverage Association's Every Bottle Back program and the Circular Plastics Taskforce. Since 2014, KDP has committed over \$40 million in support of a more circular economy through collaborative projects, partnerships and investments across North America.



# Goals & Progress

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

	Year	Goal	2019 Actual	2020 Actual	2021 Actual
<b>Environment</b>	2025	Convert 100% of packaging to be recyclable or compostable	87%	90%	92%
	2025	Use 30% post-consumer recycled content across our packaging portfolio	20%	22%	24%
	2025	Use 25% post-consumer recycled content in our plastic packaging	0.4%	2%	11%
	2025	Achieve a 20% virgin plastic reduction across our plastic packaging portfolio	N/A	1%	6%
	2025	Send zero waste to landfill across our operations	88%	92%	92%
	2024	Engage bottlers and select suppliers representing 50% of Scope 3 emissions to set a science-based target	32%	38%	36%
	2025	Obtain 100% of electricity from renewable sources	47%	50%	62%
	2030	Reduce Scope 1 and 2 emissions by 30%	11%	7%	9%
	2030	Reduce Scope 3 emissions in select categories by 15%	0%	-23%	3%
	2025	Improve our water use efficiency by 20%	4%	7%	7%
2025	Partner with our highest water-risk operating communities to replenish 100% of water used in our beverages in those communities	73%	79%	85%	
<b>Supply Chain</b>	Ongoing	Responsibly source 100% of our coffee and cocoa	65%	100%	100%*
	2020	Responsibly source 100% of our brewers	63%	86%	100%
	2030	Support regenerative agriculture and conservation on 250,000 acres of land	N/A	N/A	N/A**
<b>Health &amp; Well-Being</b>	2025	Provide positive hydration in 60% of our products	N/A	54%	56%
<b>People &amp; Communities</b>	2025	Increase female representation in Director and above positions by 25% to 33% of the total	N/A	26%	28%
	2025	Increase people of color representation in Director and above positions by 25% to 21% of the total	N/A	17%	17%

\*During 2021, COVID-19 impacts and shipping delays resulted in a very small amount conventional coffee deliveries. In addition, 81% of our cocoa purchases were responsibly sourced through third-party sourcing programs. By the end of 2021, all cocoa contracted to be received going forward was 100% responsibly sourced.

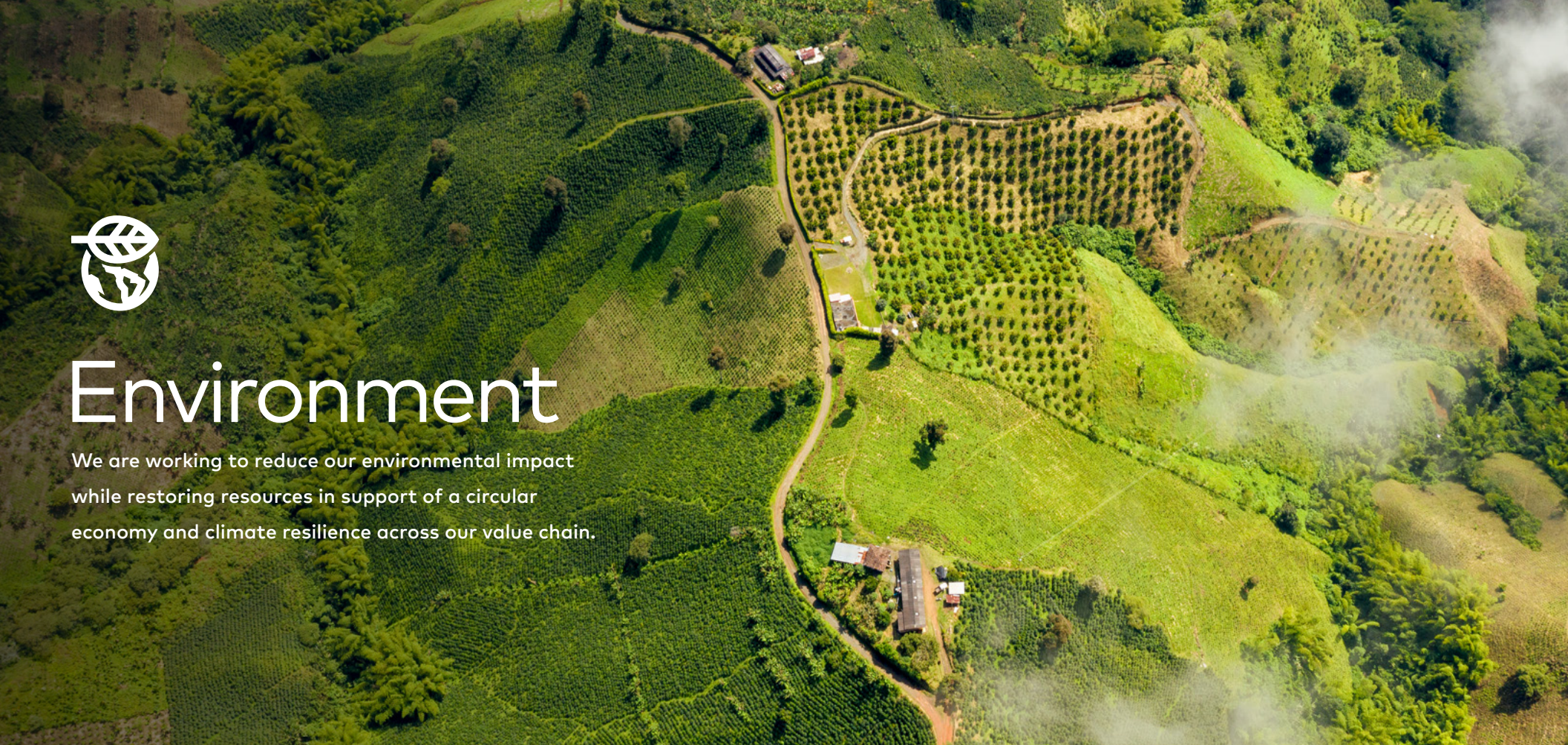
\*\*Projects initiated in 2021 will deliver regenerative agriculture and conservation benefits beginning in 2022.





# Environment

We are working to reduce our environmental impact while restoring resources in support of a circular economy and climate resilience across our value chain.



## IN THIS SECTION

In addition to threatening natural ecosystems, climate change creates a wide range of risks for businesses, from operational and workforce disruption to resource and supply scarcity. Across environmental impacts, KDP is advancing mitigation efforts by working to reduce resource use and increase resiliency measures that acknowledge a changing environment, including more frequent and severe weather events.

[Circular Economy](#)



[Climate, Emissions & Energy](#)



[Water Efficiency & Stewardship](#)



# Circular Economy

## 2025 GOALS

## PROGRESS THROUGHOUT 2021

Convert 100% of packaging to be recyclable or compostable

**92%**  
ACHIEVED

Use 30% post-consumer recycled content across our packaging portfolio

**24%**  
ACHIEVED

Use 25% post-consumer recycled content in our plastic packaging

**11%**  
ACHIEVED

Achieve a 20% virgin plastic reduction across our plastic packaging portfolio

**6%**  
ACHIEVED

Send zero waste to landfill across our operations

**92%**  
ACHIEVED

## Circular Design

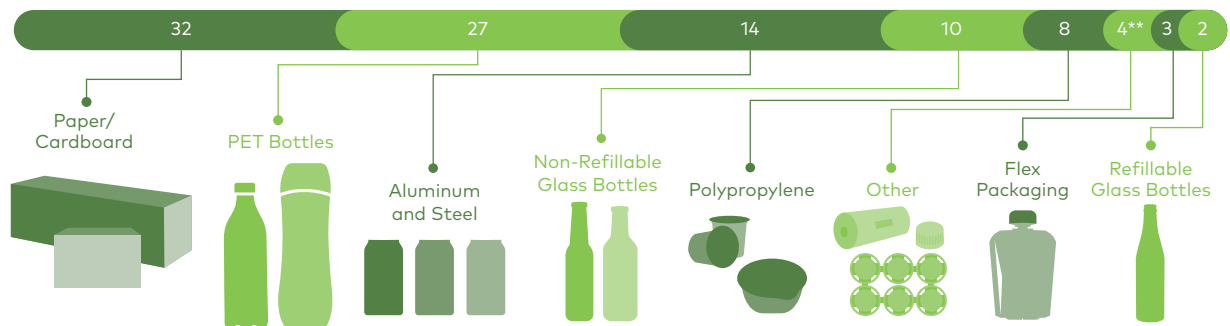
Our material use strategy is centered on the advancement of circularity throughout the lifecycle of our products and packaging. Our vision is a future in which the materials we use can be recycled, reused or repurposed. In support of this vision, we are using smart design to reduce the amount of material used and eliminate non-recyclable materials. For instance, we eliminated the use of non-recyclable rigid polystyrene from our primary packaging portfolio in 2020. Beyond the material, the colors used and how caps and labels are designed affect how compatible our packaging is with plastics recycling systems. KDP cross-functional teams work to meet our established goals and scale sustainability attributes across our packaging supply chain through material science and manufacturing partnerships, leveraging third-party design standards and guidelines, such as the [APR Design® Guide for Plastics Recyclability](#).

In 2021, we made progress against our goal to convert 100% of packaging to be recyclable or compostable. Progress was primarily due to design improvements that replaced the labels on select polyethylene terephthalate (PET) bottles. Specifically, improved materials on the shrink sleeves of our Snapple 16 oz. and Core Hydration bottles are now completely compatible with the PET recycling process. These new labels contain water-soluble inks that wash off during

the recycling process, further enhancing the quality of the recycled material coming from these bottles for potential reuse in new products.

We also know consumer education is a key consideration to encourage more and better recycling behaviors. We are taking action by updating our on-pack messaging in order to make "recycle right" instructions more visible to our consumers. For example, as part of the redesign of our Snapple bottles, our packaging team developed a contoured bottle with increased label space for consumer recycling instructions. We are also enhancing our recyclability messaging for our K-Cup pods\* to remind consumers to verify whether coffee pods are accepted in their municipality's recycling program<sup>3</sup>. We are also adding the How2Recycle® label across a broader portion of our packaging portfolio. Beyond education, we are making design improvements to make it easier for consumers to prepare our products for recycling. Recently, our Green Mountain Coffee Roasters and Van Houtte brands introduced select K-Cup pod varieties with a new lid design that features a built-in tab that allows consumers to more easily empty the grounds and prepare the pod for the recycling stream. KDP plans to roll out the easy-peel lid to more K-Cup pod varieties over time. These actions are critical to our efforts to help increase recycling rates among consumers.

## KEURIG DR PEPPER 2021 PACKAGING MIX (PERCENT)



\*Check locally - not recycled in many communities.

\*\*Other materials include packaging formats or categories that amount to less than 1%, by mass, of KDP packaging. See [Data Summary](#) for additional packaging data.

## Virgin Plastic Reduction and Innovation

KDP is committed to reducing our virgin plastic use by 20% across our product packaging portfolio by 2025. Important to this reduction will be incorporating more post-consumer recycled (PCR) content, eliminating unnecessary materials, redesigning packaging and exploring reuse and refill models. We have continued to progress toward our goal of 25% PCR plastic content in packaging by 2025. Our improvement in 2021 was primarily the result of completing the transition of Core Hydration, 16 oz. Snapple and several Aguafiel varieties to bottles made of 100% recycled polyethylene terephthalate (rPET) plastic. This reduced the need to use approximately 57 million pounds of virgin plastic in 2021<sup>4</sup>. Though COVID-19 has challenged the availability of recycled content for the industry, the efforts of our Research and Development, Procurement and Supply Chain teams are keeping us on track to achieve our 2025 PCR commitments.

We are also creating and testing innovative packaging solutions that will further reduce our plastic footprint.

In 2021, KDP partnered with packaging manufacturer PAPACKS to accelerate development of KDP's first fully recyclable and compostable paper bottle. Unlike other beverage packaging alternatives that use plant-based PET plastic or sustainably sourced pulp with polymer lining, we hope to leverage PAPACKS' technology to create a 100% plastic-free bottle. The goal is that the entire package, including bottle, label, cap and closure, is compostable or can be recycled alongside other paper products. We expect to begin testing the new bottle prototype with KDP beverages in late 2022 and will work closely with recyclers and composters to understand how this performs within existing systems.

Beyond material innovation, we provide consumers various options to enjoy our beverages in formats or on-premise locations that offer reduced packaging used per serving. Examples include multi-serve products in categories, such as juices and batch-brewed coffee, as well as traditional fountain drinks ideal for refillable containers.



### KEY DEFINITIONS

#### Recyclable Packaging:

Packaging for which design is not a barrier to the packaging being successfully collected, sorted and reprocessed into another material, a product component or a recycled raw material. Packaging we consider to be recyclable includes materials and formats for which recovery, sortation and end markets exist or can practically be scaled across North America, noting that many communities may not accept or sort certain materials or formats today.

#### Circular Economy and Circularity:

Terms used to describe the efforts made by KDP and peers to develop packaging and systems to support the reuse, recycling, repurposing or composting of products and packaging with a desire to design waste out of the system and reduce the demand for non-renewable resources.



### RECYCLED CONTENT IN BREWERS

We continue to reduce virgin plastic used in our Keurig coffee makers. Our K-Mini, K-Mini Plus and K-Café Essentials all contain at least 50% PCR plastic. In addition, our K-Compact, K-Slim and K-Supreme Plus and K-Supreme Plus SMART brewers all contain at least 30% PCR content.

## Recycling Advocacy and Infrastructure Investments

Building a circular economy requires leadership from companies and all levels of government to modernize and standardize recycling infrastructure. In the U.S., inadequate investment, a patchwork of regulations and lack of minimum performance standards across more than 9,000 recycling programs<sup>5</sup> is preventing economies of scale in our recycling systems and confusing consumers. That is why KDP supports smart policy solutions focused on efficient and equitable ways to increase material recovery, while reducing the economic and environmental costs of disposal. Our advocacy is focused on enhancing consumer education and access to collection infrastructure and promoting Extended Producer Responsibility (EPR) programs that seek to generate strong environmental outcomes in an efficient and accountable manner, provide convenient services to consumers and create a financially and operationally sustainable circular economy. Under a national and/or regional EPR program, consumer brands would pay a packaging fee based on a series of attributes that would be collected by a Producer Responsibility Organization and then invested for improvements to recycling systems. The goal of these investments is to increase access to recycling and provide higher quality systems to move closer to a truly circular economy.

### COLLECTIVE ACTION FOR CIRCULARITY

We partner with and are members of many organizations across the plastics value chain.



Further, KDP has co-founded three industry coalitions and works with a variety of partners to invest in initiatives that amplify both dollars and action for recycling infrastructure and consumer education. Since 2014, KDP has committed over \$40 million in support of a more circular economy through collaborative projects, partnerships and investments across North America. These projects include:



### THE POLYPROPYLENE RECYCLING COALITION

KDP uses polypropylene plastic in our K-Cup pods<sup>\*</sup>, Mott's Applesauce cups and a variety of bottle closures. In 2020, KDP co-founded and became the largest funder of The Recycling Partnership's Polypropylene Recycling Coalition with the goal to increase the quantity and quality of polypropylene recovered and recycled in the U.S. As of April 2022, the Coalition has awarded more than \$6 million in funding to 20 local materials recovery facilities, which will increase polypropylene recycling access for an incremental 18 million Americans upon the installation of the new equipment during 2022.



### EVERY BOTTLE BACK

Every Bottle Back (EBB) is committed to increasing plastic bottle recycling through a \$100 million industry investment that is being matched with additional funding for collective resources of \$400 million. Since co-founding EBB in 2019 with industry peers and the American Beverage Association (ABA), our partnership has invested \$14.3 million in 13 U.S. communities. These investments are helping households recycle nearly 698 million additional pounds of PET plastic over 10 years<sup>6</sup>. As part of the initiative, we are promoting a "Recycle with the Cap On" message and investing in a rPET manufacturing facility to help boost the supply of food-grade rPET content for beverage bottles.



### CIRCULAR PLASTICS TASKFORCE

In 2020, KDP Canada co-founded the Circular Plastics Taskforce (CPT) dedicated to advancing the circular economy by optimizing plastics recycling. Along with our partners from Cascades, Danone Canada, Dyne a Pak, TC Transcontinental, the Chemistry Industry Association of Canada (CIAC) and Eco Entreprises Québec, CPT released a white paper<sup>7</sup> in 2021 that summarizes five key findings and 18 recommendations to improve the management of post-consumer recycled plastics in Canada. In 2022, CPT will deploy industrial-scale pilot projects in recycling and processing facilities.

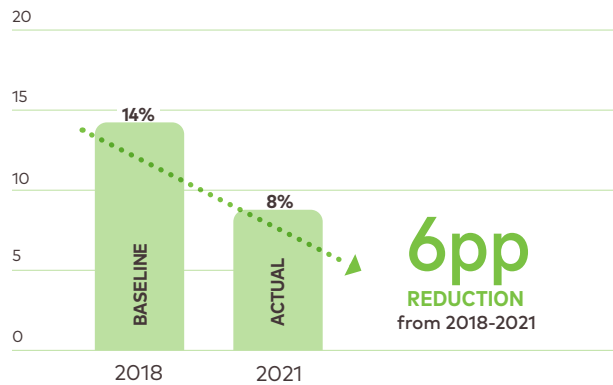
## Zero Waste to Landfill

Achieving zero waste to landfill from our manufacturing facilities is an important part of our circular economy ambitions. This commitment involves reducing, reusing and recycling our waste in creative ways. Despite pandemic-related challenges in 2021, KDP kept 92% of our manufacturing waste out of landfills and we remain on track to meet our 2025 goal.

We value the site champions we have in many of our locations who are working hard to get employees actively engaged in waste diversion. In our hot beverage manufacturing network, more than 99% of our waste was kept from landfills by composting coffee grounds, recycling filter paper scrap and burlap coffee bean bags and converting waste to energy.

Looking ahead, we will continue to pursue a range of inventive waste reduction strategies and collaborations across our operations.

### REDUCING WASTE SENT TO LANDFILL



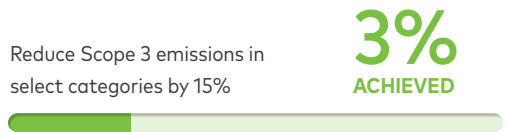
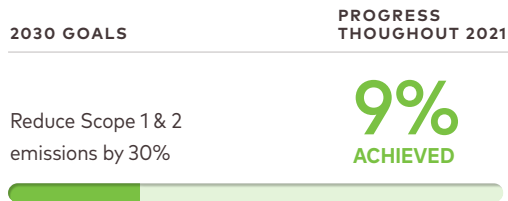
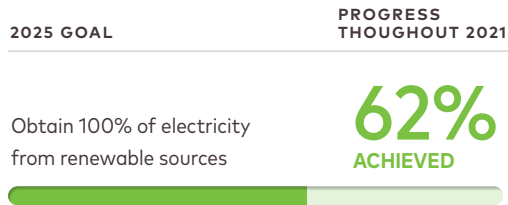
*Spotlight:*

### INNOVATIONS IN REDUCING WASTE

KDP Canada has explored different re-use partnerships for by-product from our Montreal manufacturing facility. In 2021, several insulation companies began repurposing KDP's paper filter scraps as eco-material for insulation. A local specialized composting facility was able to use coffee grounds in its fertilizer, while a Montreal borough used coffee grounds as a replacement for sand and gravel to help generate traction on icy paths and trails.

To support our workplace customers in reducing waste, we continue to offer our K-Cycle recycling and composting program. Working with recycling partners, this service collects high-volume bins of brewed K-Cup pods and recycles the pod plastic and aluminum lid. The coffee or tea and filter become organic compost. Since the inception of the program in 2011, nearly six million pounds of pods collected through the program have been kept out of landfills.

# Climate, Emissions & Energy



## Climate Action Approach

The latest science indicates that severe weather events are accelerating<sup>8</sup>, and the bar is rising across all sectors of business to judiciously assess, disclose and ultimately take action to mitigate GHG emissions and other climate-related risks. At KDP, the use of credible standards, robust disclosure and viable glidepaths to goals remain core to our strategy. Our current 2030 emissions-reduction targets, validated by the Science Based Target initiative (SBTi), are aligned to levels required to meet the Paris Agreement climate change goal of limiting global warming to well below 2°C<sup>9</sup>.

Looking ahead, we aim to make progress toward our existing emissions reduction goals with the tools and technologies available to us today and explore ways to accelerate our reductions in the future as technology, policy and investment opportunities develop. We will continue to use science-based targets (SBTs) that are aimed at reducing GHG emissions across our value chain, remaining mindful of evolving science and guidance, such as SBTi's 1.5°C guidance pathway. We are committed to continually assessing the risks climate change poses to our business and identifying near-term and long-term strategies to help mitigate climate-related risks. For more details, see our [CDP Climate disclosure](#) and our [Task Force on Climate-related Financial Disclosures \(TCFD\) Index](#).

### OUR PATH TO 2030

#### 2020 – 2025

- Engage bottlers and select suppliers representing 50% of Scope 3 emissions to set a science-based target
- Obtain 100% of electricity from renewable sources

#### 2025 – 2030

- Reduce Scope 1 & 2 emissions by 30%
- Reduce Scope 3 emissions in select categories by 15%
- Encourage our value chain partners to set and make progress against science-based targets and transition to low carbon energy
- Scale regenerative agriculture solutions across the value chain

#### 2030 – ON

- Scale decarbonization of our fleet, including heavy-duty trucks, to electric and low carbon fuels
- Explore sustainable, low carbon fuels for our manufacturing operations
- Scale low carbon packaging solutions across brand portfolio

### BUILDING CLIMATE RESILIENCE

We assess climate change risks most important to our business so that we can identify opportunities and implement measures that help build climate resiliency for the communities and regions in which we operate.

RISK			
Supply chain disruptions from changing weather patterns	Drought and water issues	Carbon tax	Stress on energy systems
OPPORTUNITY			
Regenerative Agriculture	Water stewardship and replenishment	Fleet electrification when available at scale	Transition to renewable energy

**OUR CLIMATE STRATEGY FOCUS AREAS:**

KDP's climate strategy is focused in six key areas.



**Pursuing energy efficiency and energy reduction for our operations and products**



**Decarbonizing our fleet**



**Continuing our transition to low carbon energy**



**Engaging with our value chain partners on our shared climate journey**



**Investing in infrastructure development and consumer behavior change**



**Building climate resilience into our operations and supply chain**

KEY HIGHLIGHTS FROM 2021

Secured Leadership in Energy and Environmental Design (LEED) Gold certification for Commercial Interiors at new co-headquarters in Frisco, Texas. LEED provides a framework for designing and operating efficient, carbon and cost-saving buildings<sup>10</sup>.

Closed a two-year pilot of electric forklifts in our Jacksonville, Florida, and Dallas, Texas, distribution centers, which reduced each facility's forklift fleet emissions by 67%<sup>11</sup>.

Expanded renewable electricity procurement activities to source 62% of our electricity needs from renewable resources, a 10 point improvement versus 2020. As part of this progress, our new Allentown, Pennsylvania, facility transitioned to 100% renewable electricity during the year.

Sourced rPET to complete the transition of Core Hydration, 16 oz. Snapple and Aguafiel varieties to bottles made of 100% recycled plastic. Bottles made with rPET produce about 30% less GHG emissions compared to bottles made of virgin plastic<sup>12</sup>, in addition to reducing our use of virgin plastic.

Continued investment in recycling access, education and infrastructure, which provides the opportunity for emissions reductions from recycling versus landfill<sup>13</sup>.

Continued investment in World Coffee Research, driving agricultural innovation to enhance productivity of climate-resilient farming to support farmer profitability.

LOOKING AHEAD

Initiate Strategic Energy Management (SEM) programs that encourage periodic reviews of energy consumption and sustain energy reductions over time at manufacturing sites.

Phase in electric forklifts across all distribution centers and warehouses by 2026, while exploring new and emerging technologies for broader fleet decarbonization at scale, including the heavy-duty trucks that distribute our beverages.

Build a portfolio of additional, long-term renewable energy opportunities to achieve our 100% goal across our operations, which may include on-site solar, retail renewable electricity products, power purchase agreements, investments in infrastructure and green tariffs.

Drive accelerated progress to develop tools and processes to measure value chain decarbonization.

Support industry collaboration, advocacy and legislation aimed at investments in technology and infrastructure to further reduce GHG emissions in the areas of U.S. recycling and truck fleets.

Build programs supporting regenerative agriculture for our top climate-sensitive crops, drawing carbon out of the atmosphere and creating climate resiliency.

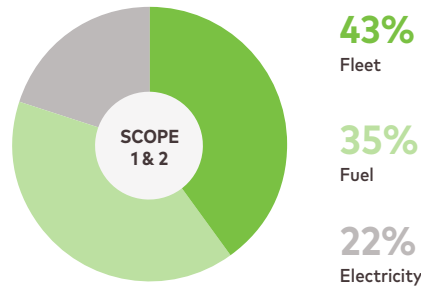
## 2021 Climate Progress

In total, our Scope 1 and 2 GHG emissions in 2021 were 9% less than our 2018 baseline, due to an increase in renewable electricity and positive results from a variety of energy efficiency initiatives throughout our operations. For example, all of our coffee roasting plants<sup>14</sup> achieved year-over-year improvements in roasting efficiency with an overall 1.4% network-wide reduction in energy use per pound of coffee roasted.

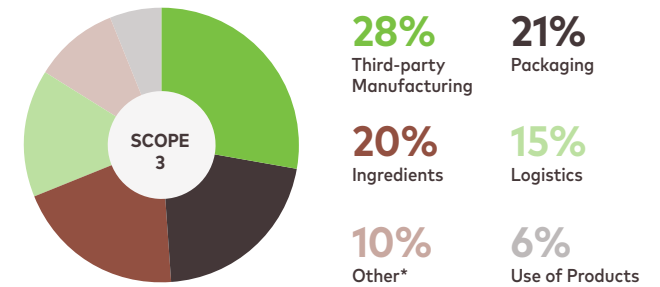
We reduced emissions from our selected Scope 3 categories by 3% from the 2018 baseline. This decrease was primarily driven by improving the energy efficiency of our Keurig brewers, by designing them with more efficient flow-through heaters that consume up to an estimated 70% less energy, compared to earlier Keurig brewer models that use hot water tanks. Also contributing to this significant improvement was the transition of some packaging from glass to PET and rPET, which helped to reduce our overall packaging lifecycle emissions for those products. We are also working to engage suppliers and bottlers representing 50% of our Scope 3 emissions to set their own SBTs and, in 2021, our engagement was at 36%, reflecting a gain of three new suppliers with SBTs as well as a loss of two prior companies as suppliers to KDP.

As members of the Supplier Leadership on Climate Transition Consortium (S-LoCT), we are collaborating to deliver training and resources for suppliers setting SBTs and navigating the transition to a low-carbon future. KDP is also part of the EPA SmartWay program focused on documenting and improving transport emissions, and we partner with the World Wildlife Fund (WWF) and CDP to advance supplier engagement.

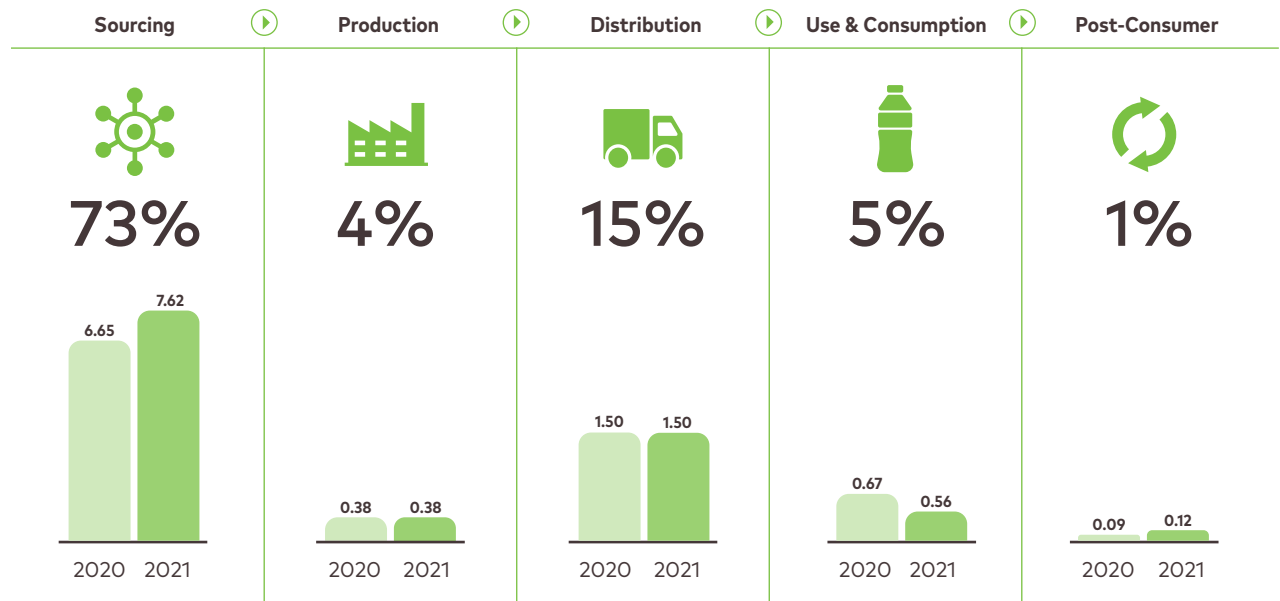
### SCOPE 1 & 2 GHG EMISSIONS BY CATEGORY



### SCOPE 3 GHG EMISSIONS BY CATEGORY\*



### ESTIMATED SHARE OF CARBON EMISSIONS THROUGHOUT OUR VALUE CHAIN



GHG Emissions (Thousand MTCO<sub>2</sub>e)

\* Ingredients and packaging are included in purchased goods and services; logistics includes upstream and downstream transportation and distribution; other includes employee commuting, business travel, upstream energy related, capital goods, professional services, etc. A more detailed breakdown of Scope 3 emissions can be found in the [Data Summary](#).



# Water Efficiency & Stewardship

2025 GOAL PROGRESS THROUGHOUT 2021

Improve our water use efficiency by 20%

**7%**  
ACHIEVED



2030 GOAL PROGRESS THROUGHOUT 2021

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

**85%**  
ACHIEVED

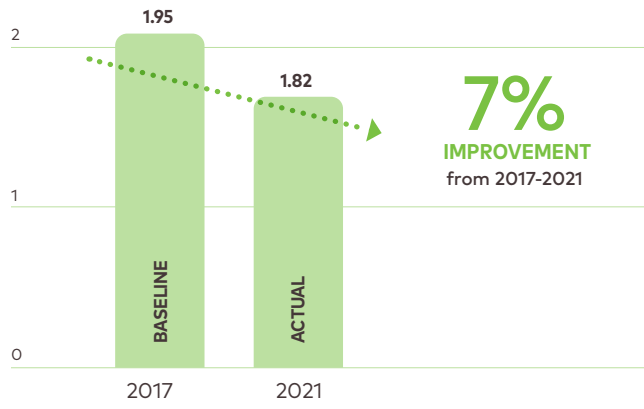


## Water Efficiency in Operations

Water is essential to our industry as a vital natural resource used in operations and products. At all of our cold beverage bottling sites, we focus on best practices for water use measurement and management coupled with ongoing improvement activities. Our water optimization team, a cross-functional team made up of representatives from Engineering, Sustainability, Environment, Health and Safety and Plant Operations, is tasked with this continuous improvement, including implementing water saving projects.

During 2021, we improved the efficiency of our water use and required 1.82 liters of water per liter of final product, a 7% improvement in water use ratio from our baseline<sup>15</sup>. Our goal is to improve our water use efficiency by 20% by 2025.

### LITERS OF WATER REQUIRED TO MAKE ONE LITER OF PRODUCT



**||** KDP's engagement in the Water Resilience Coalition moves us forward in our goal for companies to work together to accelerate progress on the global water and climate challenge. Its members, businesses with \$3.5 trillion in market capitalization, are collaborating in geographies of shared interest to address water stress and to build more water resilient systems."

– Jason Morrison, President, Pacific Institute, Head, CEO Water Mandate



We aspire to achieve Net Positive Water Impact by 2050.

Spotlight:

## WATER RESILIENCE COALITION

We recently announced our aspiration to achieve Net Positive Water Impact by 2050<sup>16</sup>, which builds on KDP's existing water stewardship commitments. To help scale the work we have underway through collective action, in early 2022 we joined the Water Resilience Coalition (WRC). The WRC is an industry-driven coalition of the CEO Water Mandate, a partnership between the UN Global Compact and the Pacific Institute, that aims to elevate global water stress and its connection to climate change to the top of the corporate agenda and preserve the world's freshwater resources through collective action and ambitious, quantifiable commitments.



## Water Replenishment

Water is a shared resource that is important to the health of communities and ecosystems. In 2019, KDP set a goal to partner with our highest water-risk operating communities to replenish 100% of water used in our beverages produced at those sites by 2025. Through collaborations with local partners, KDP has conducted on-the-ground conservation projects that have enhanced watersheds, protected habitats and conserved water. This, in turn, is leading to long-term impact in watersheds that are critical to sustaining healthy ecosystems and strengthening climate resilience, as long as conservation efforts in watersheds are sustained over time. As of the end of 2021, we have replenished 85% of the water used in KDP beverages in the six highest water-risk operating communities identified in our original scope. For an overview of KDP's local water projects, see our [Water Projects Map](#).

In late 2020, KDP completed a comprehensive water risk assessment, leveraging expanded tools including the World Resources Institute's Aqueduct Water Risk Atlas, WWF'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. Based upon further in-depth analysis in 2021, KDP identified four additional manufacturing sites in areas of high-water risk, in addition to the original six we identified as part of our original target.

Therefore, we are expanding the scope of our 100% water replenishment goal to include 10 high-risk water sites and extending the time horizon of our goal to 2030. Now included are all of our manufacturing sites in California, Florida, Texas and Mexico, with threats that span from drought to floods. This revised target is based

on the 2030 projected volume of water used in products at these sites and the volume of water used to brew coffee with our pods. For more information on our water risk methodology, see our [CDP Water responses](#).

## Regenerative Agriculture & Conservation

Approximately 96% of our water footprint comes from indirect water use by our suppliers to grow our agricultural raw materials. While our most recent risk assessment found overall water quantity risks are low for all currently traced priority raw materials, we are taking action to safeguard water at the farm level. Regenerative agriculture practices can protect and restore the water required for the production of raw ingredients that go into our beverages. For more information, visit the [Supply Chain](#).

# 2021 Water Stewardship Projects

## 1. INFRASTRUCTURE IMPROVEMENT

Vernon, California

Working with the Water Replenishment District of Southern California to create infrastructure that will deliver brackish groundwater to an underutilized desalting facility to treat 0.6 million gallons of water per day, increasing the water supply for the Los Angeles metro area.

## 2. SHORING UP WATER LEVELS

Lake Mead, Arizona, Nevada & California

Joining over 15 organizations that collaborate with the Colorado River Indian Tribes to conserve 150,000 acre-feet of its Colorado River water, directly shoring up declining water levels in Lake Mead and increasing water supply reliability throughout the lower Colorado River Basin states.

## 3. VEGETATIVE LAND RESTORATION

Municipality of Tlajomulco de Zuñiga, Jalisco Mexico

Addressing shared water challenges as part of a first-of-its-kind industry collaboration to restore riparian land important to the region's water quality and quantity through native vegetation planting and water infrastructure improvements.

## 4. FOREST PROTECTION AND CONSERVATION

Tecamac, State of Mexico

Protecting forests in the upper watershed of the Izta-Popo National Park to promote water catchment and groundwater recharge in places that provide water for Mexico City's metropolitan area, as well as the conservation of habitat for a variety of species.

## 5. PROTECTING WILD LANDS

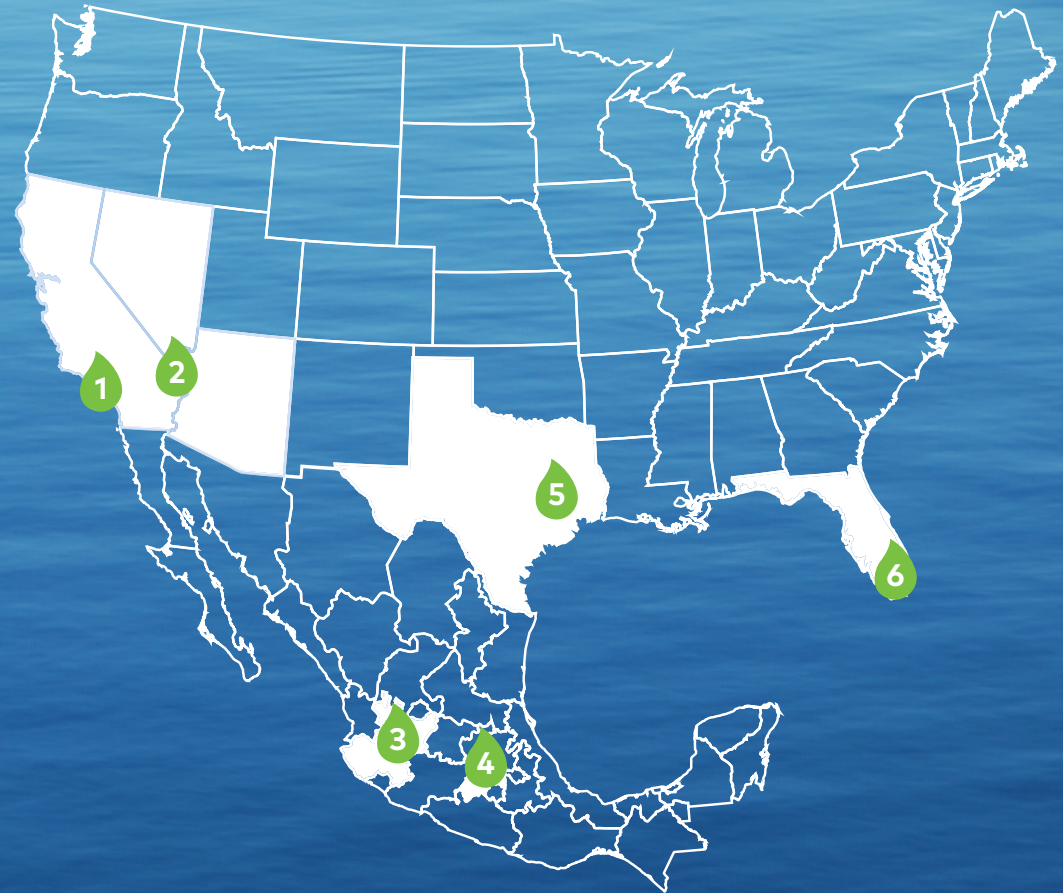
Trinity River, State of Texas

Contributing to ecosystem integrity and safeguarding the natural sources of water, biodiversity and bio-cultural heritage in natural landscapes by promoting analog agroforestry techniques and passive conservation.

## 6. WETLAND REHABILITATION

Miami, Florida

Restoring Corkscrew Swamp Sanctuary's marshes and wet prairies via a multi-year restoration process to improve water resources and encourage biologically diverse, high functioning wetlands.



### Partners:





# Supply Chain

We use our buying power for good, pursuing responsible sourcing and building resiliency across our supply chain.



## IN THIS SECTION

Ongoing complications from the pandemic, disruptions in global supply chains and concerns regarding climate change have prompted companies everywhere to build stronger resilience to supply chain interruptions and sourcing challenges. KDP works with suppliers and a range of innovative partners to drive positive impact in key priority areas, including natural resource protection, climate resilience, human rights and the livelihoods of the workers and farmers who make our business possible.

[Responsible Sourcing](#)



[Nature](#)



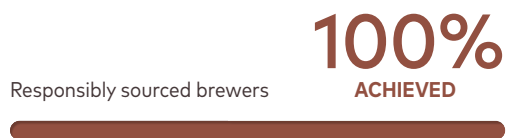
[Livelihoods](#)



# Responsible Sourcing

ONGOING GOAL PROGRESS THROUGHOUT 2021

**Responsibly source our brewers and 100% of our priority inputs:**



## Integrated Supplier Management

KDP sources agricultural ingredients, Keurig brewer components and packaging raw materials from communities and ecosystems around the world, each with its own regional challenges. In 2021, we announced an expanded goal to responsibly source not only our coffee and brewers, but also 100% of the other ingredients we define as priority inputs, which currently include cocoa, apples, apple juice concentrate and corn (high-fructose corn syrup)<sup>18</sup>. 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 our unique opportunity for impact within the supply chain. Responsible sourcing issues are varied and complex, so we use a combination of complementary tools and approaches to address them:

- **Risk assessment** – KDP leverages third-party risk data, industry resources and audit results for our priority inputs and brewer components to assess geographic and supply chain sourcing risks<sup>19</sup>. Based on this information, we then prioritize our efforts on the raw materials or geographies we deem the highest risk.
- **Certification or verification** – Where available, we use third-party sustainable sourcing programs or standards to safeguard fundamental protections for specific ingredients or raw materials. While these programs are an important step in managing risk on key issues, we also invest in addressing the root causes of key issues like forced labor.
- **Traceability and transparency** – We rely on several strategies to pursue supply chain transparency and product traceability back to the factory, region or farm level, informing purchasing decisions and risk assessments.
- **Audits** – KDP works with accredited third-party auditing programs to evaluate and address the performance of specific high-risk suppliers<sup>20</sup> working conditions across the areas of labor, health and safety, environment and business ethics. We are expanding

the scope of these audits to additional suppliers and ingredient categories over time, with our historic focus on coffee and appliance supply chains.

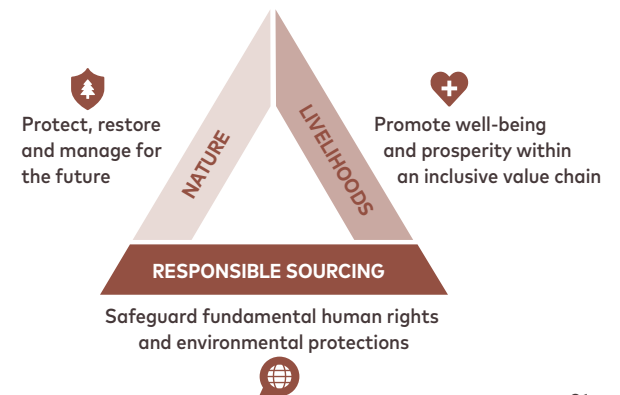
- **Industry engagement and collaborative investments** – We collaborate with both industry and NGOs to drive for positive impact and achieve greater scale.

See the [Appendix](#) for KDP's specific responsible sourcing methodologies.

The KDP [Supplier Code of Conduct](#) is the foundation of our commitment to responsibly source our products, and we ask our most important and/or high-risk suppliers to review and sign the Code each year. The document outlines key compliance criteria and addresses issues such as labor risks, employee health and safety, environmental impacts and safe management of agrochemicals. When applicable, we define further standards specific to a particular ingredient or product<sup>21</sup>. Additionally, we have established an integrated operating model within our Procurement function aimed at fully embedding responsible sourcing practices into KDP's processes and procedures, such as buyer training, contracting, supplier selection and onboarding and supplier performance evaluation. For more on our Human Rights commitments, visit [Governance](#).

## SUSTAINABLE SUPPLY CHAIN FRAMEWORK

Interconnected environmental and social issues require holistic solutions.



Keurig Dr Pepper is the largest buyer of Fair Trade Certified coffee in the world for the 12<sup>th</sup> consecutive year<sup>17</sup>.

## At the Farm

### Coffee and Cocoa

KDP sources coffee for our own brands and for certain partner brands. All of these beans are included in our 100% responsibly sourced commitment. We source our coffee across Latin America, Africa and Asia and, in 2021, the total volume of green coffee beans we received was more than 278 million pounds. KDP is a relatively small cocoa buyer, which is used in our Yoo-Hoo, Cafe Escapes and partner brand hot cocoas. We source cocoa from a variety of countries situated near the equator and achieved our 100% responsibly sourced goal for cocoa in 2021.

For both ingredients, we use third-party certification or verification programs to safeguard fundamental social, environmental and economic protections. All of our accepted programs consist of supplier requirements relevant to the specific ingredient and cover focus areas such as labor risks, employee health and safety, climate adaptation, biodiversity, agrichemical use and ecosystem protection.

### KDP'S ACCEPTED THIRD-PARTY CERTIFICATION OR VERIFICATION PROGRAMS

Coffee	Cocoa
	Fairtrade International
	Fair Trade USA
	The Rainforest Alliance/UTZ
4C	
AtSource Entry Verified by ofi	
Great Lakes Coffee MaxTRACE	



### ROOT CAUSES OF COFFEE SECTOR LABOR RISK IN BRAZIL AND COLOMBIA

Beyond purchasing 100% of our coffee via third-party certification or verification programs, we also invest in impact projects that help address broader issues outside of our direct influence. Since 2015, KDP has partnered with Verité, a nonprofit committed to illuminating and remedying labor rights violations in supply chains to the benefit of workers and companies alike. With \$2.2 million in funding from the U.S. Department of Labor's Bureau of International Labor Affairs, Verité is implementing the Cooperation On Fair, Free, Equitable Employment (COFFEE) project. To complement the initiative, in 2021 KDP provided co-funding for two pilot projects:

- **Ethical labor recruitment in Brazil.** Verité is examining recruitment practices and working conditions and then providing tools and training to help reduce related risks.
- **Living wage in Colombia.** Verité's living wage and living income study will help in the identification and evaluation of alternatives to piece-rate pay to support better working conditions for vulnerable workers, while helping farmers mitigate their financial risk.



## Apples and Corn

To make Mott's Applesauce, KDP sources whole, fresh apples directly from U.S. growers with no traders or processors acting as intermediaries. The vast majority are grown by over 100 predominantly multi-generation family farmers in upstate New York. A smaller number of KDP's apples are sourced from Washington state.

Corn is part of KDP's supply chain through our purchase of high-fructose corn syrup for our beverages. Our traceability work with suppliers shows that the vast majority of our high-fructose corn syrup comes from corn grown in the U.S., with a smaller minority sourced from Mexico. We are working to define an appropriate approach to responsibly sourced apples and corn that accurately reflects a primarily domestic sourcing footprint. Our primary focus for positive impact for KDP's corn and apple crops is in our Nature and Livelihood impact areas. Our initial work in apple juice concentrate is focused on our supplier factories, but we will push toward farm-level engagement over time.

## At the Factory

### KDP's Auditing Program Evolution

As validated by audits completed in March 2022, we achieved our commitment of 100% responsibly sourced

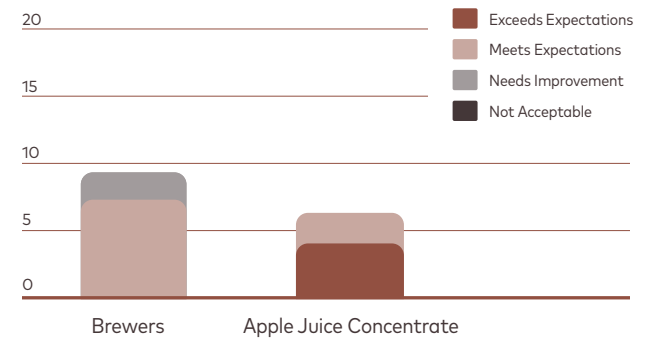
brewers for the scope of suppliers included when we set the goal back in 2017. In 2021, we expanded the scope of our auditing program to include a larger portion of brewer component suppliers, as well as high-risk suppliers of apple juice concentrate. This expansion significantly increased the number and variety of facilities included in our manufacturing responsible sourcing program. To accommodate the broader range of suppliers, we evolved our methodology to evaluate supplier performance across product categories and a range of accredited third-party auditing programs<sup>22</sup>. Based on those results, we apply a uniform scoring system to rate each facility's performance.

With our new methodology, we consider factory production responsibly sourced if it earns an audit score that meets or exceeds KDP's social and environmental standards. When facilities receive a "needs improvement" rating, they must remediate their issues within three months with verification by a third-party auditor. Production at factories with a "not acceptable" finding is suspended until issues are remediated. In 2022, we will continue to expand our responsible sourcing program for factory suppliers across additional brewer component suppliers and other categories such as aluminum and sweeteners. For more audit details on KDP's manufactured inputs, see the [Appendix](#).

## KDP SUPPLIER RATING SYSTEM

Rating	Description
Exceeds Expectations	Leadership performance
Meets Expectations	Foundational compliance
Needs Improvement	Performing below minimum compliance standards
Not Acceptable	Zero tolerance issues or continuous performance below expectations

## 2021 MANUFACTURING AUDIT SCORE SUMMARY



## SUSTAINABLE SUPPLY CHAIN PARTNERS



## Brewers

Our brewers are made of materials and components from all over the world and are largely manufactured in Indonesia, Thailand, Malaysia and China. In 2017, we set a goal to responsibly source 100% of our brewers from key suppliers by 2020, defining suppliers as responsibly sourced if their factory achieved a Silver-level recognition<sup>23</sup> with the Responsible Business Alliance (RBA), the largest industry coalition focused on corporate social responsibility in global supply chains. While we were unable to reach our 100% goal in 2020, due to COVID-19-related supply chain disruptions, we are proud to report that 100% of all facilities in that initial scope<sup>24</sup> of key suppliers have now received Silver-level recognition.

## Apple Juice Concentrate

We source apple juice concentrate from a variety of suppliers in Europe, Latin America and Asia. In 2021, KDP began conducting audits to assess the human rights and environmental protections in place at these manufacturing facilities. The results showed that among our total apple juice concentrate suppliers, 25% of facilities were in high-risk countries and 98% of the volume produced in those high-risk countries was processed in facilities that either met or exceeded our audit performance requirements. Our supply chain can change year over year, and KDP strives to audit all facilities in high-risk countries as they onboard and drive performance improvements when necessary. In parallel, we are working to develop our approach for addressing the farm-level risks in this supply chain.



*Spotlight:*

## ACCOUNTABILITY AT OUR TIER 1 SUPPLIER SITES

The long-term objective of our responsible sourcing program at factories is for our suppliers to implement and manage a robust compliance program in their owned operations and extended supply chain. In 2021, 40% of our brewer contract manufacturers took an important step in this direction by signing up for RBA's Factory Lead Certification. Factory Leads are individuals that work on the factory floor, are trained on RBA's standards and help ensure social and environmental standards are being implemented and followed on a day-to-day basis.



# Nature

## 2030 GOAL

Support regenerative agriculture and conservation on 250K acres of land

## PROGRESS THOUGHOUT 2021

**Projects initiated in 2021 will deliver regenerative agriculture and conservation benefits beginning in 2022.**

## Regenerative Agriculture & Conservation

Regenerative agriculture and conservation actions are key drivers for protecting, restoring and managing natural resources to support the resilience of supply chains. Smart agricultural practices contribute to soil health, water quality and quantity improvements, biodiversity and farmer resilience, while also reducing carbon impacts. In 2021, we committed to a new goal of supporting conservation and regenerative agriculture on 250,000 acres of land by 2030, which represents approximately 50% of the land used to grow KDP's top climate-sensitive crops.

KDP expects to meet this commitment through investments directly related to coffee, corn and apple farming and through investing in conservation within the regions where these crops are grown. Over the course of 2021, we developed a methodology for measuring progress in

partnership with experts, including significant stakeholder outreach to growers, NGOs and industry organizations. Our methodology is available on our [website](#). Given the vastly different sourcing geographies and local contexts of our three priority crops, progress within each supply chain will look different over time.

Looking ahead, KDP will continue to partner with experts such as the Sustainable Agriculture Initiative Platform and the Sustainable Food Lab to ensure that we progress toward outcome-focused measurement approaches that are aligned across industries. We anticipate positive climate and water impacts associated with our regenerative agriculture and conservation projects that will, in turn, contribute to KDP's climate and water commitments and aspirations.

## KEY DEFINITIONS

### Regenerative Agriculture:

A holistic, localized approach to agricultural production and land management that seeks to mitigate climate change, increase soil health, support resilient landscapes and improve farmer livelihoods.

### Conservation:

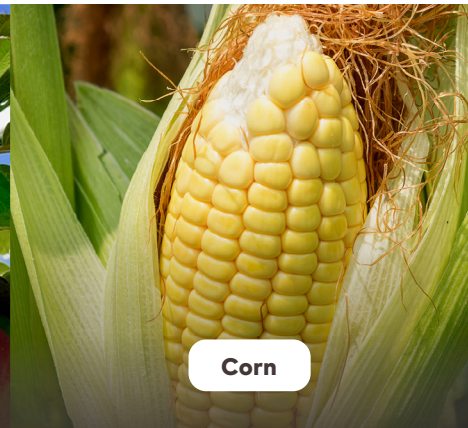
The act of bringing non-agricultural land into conservation protection or supporting an increase in protections and/or stewardship on already conserved lands.

## KDP'S REGENERATIVE AGRICULTURE & CONSERVATION PROJECTS ACROSS THREE DISTINCT SUPPLY CHAINS



**Apples**

Support pollinator populations, soil health and land conservation in the Mott's producer community in western New York in partnership with key NGO and technical assistance stakeholders.



**Corn**

Support cover cropping, fertilizer pollution reduction and soil health in the midwestern U.S. Corn Belt in partnership with KDP suppliers, growers and industry organizations.



**Coffee**

Support rainforest conservation, agroforestry production, climate resilience and biodiversity across Latin America, Africa and Asia in partnership with KDP suppliers, key NGO partners and industry stakeholders.

# Livelihoods

## Economic Viability for Farmers and Workers

In 2021, we set an ambition to advance inclusion by addressing barriers to entry in our supply chain because we believe all workers need to make a decent wage, farmers need to be profitable and prosperity should be within reach for those in the marketplace. When growers have access to economic opportunities, they are better positioned to contribute positively to sustainability challenges, such as preservation of biodiversity, climate change, water stewardship and personal and community well-being.

KDP's commitment to inclusion extends from our direct suppliers to the farms, related operations and local businesses further upstream that make our supply chain possible. Decades of working with global coffee suppliers have shown us that market access and overall economic viability are essential for truly sustainable sourcing. Having achieved our 2020 goal of engaging more than one million people in our coffee supply chain to improve their lives<sup>25</sup>, we are now focused on supporting these issues with the farmers and workers in our broader supply chains.



**We aspire to advance inclusion by addressing barriers to entry and prosperity in our supply chain.**

*Spotlight:*

### BUSINESS FOR INCLUSIVE GROWTH MEMBERSHIP

During 2021, KDP continued its journey to integrate social and environmental considerations into our Procurement practices. Our ongoing membership to Business For Inclusive Growth (B4IG) and engagement with their Inclusive Sourcing workstream has been an inspiration and a driver for KDP to further institutionalize a focus on supporting vulnerable populations across the value chain. During 2021, we applied those learnings to develop an Inclusive Sourcing toolkit, including a Supplier Diversity program. See [People & Communities](#) for more information on our Supplier Diversity program.

**"RGC Coffee has worked hand in hand with KDP for over a decade to improve the quality of life of coffee families, including both farmers and farmworkers. With a very unique and impactful approach, we have designed our projects on the ground in collaboration with those who are the beneficiaries. This has strengthened the commitment of the community and empowered them as owners of the results. We feel very proud to be part of KDP's sustainability journey and our communities remain at the forefront of our efforts."**

– Angela Pelaez, Director of Sustainability, RGC Coffee

## NATURE & LIVELIHOODS INVESTMENT HIGHLIGHTS



### Understanding the Barriers to Improved Income in the Coffee Sector

KDP has partnered with the Sustainable Food Lab to learn about the challenges to improving farmer income. We are particularly interested in understanding “living income,” which is the annual income required for a household to afford a decent standard of living. By combining analysis with tests of different sourcing and financing programs, KDP aims to identify the best mechanisms for increasing profitability with coffee growers.

Projects include:

- **A three-year pilot project, launched in 2020, to examine how variables in KDP’s control, such as preferred pricing, volume commitments and investments, can impact the income of four groups of smallholder coffee farmers in Colombia, Honduras and Uganda.** Further, in 2021, we solicited proposals from those farmers for targeted impact investments they felt would most benefit their net household income. All four groups requested support to replace the old trees on their farms with new climate-adapted seedlings.
- **A study to determine what a living income would be** for smallholder coffee farmers in Peru.



### Strengthening Climate Resilience and Protecting Watersheds in Colombia

In 2021, KDP completed a three-year initiative to support smallholder coffee farmers to implement water and climate-smart practices on their farms. In partnership with RGC Coffee and Solidaridad in Colombia, the initiative focused on reforestation, water management, soil management and community building. A key enabler of the effort’s success was its emphasis on community engagement and ownership. Farmers were integrally involved in the project from the beginning.

By the end of 2021:

- **2,464 farmers** reported adopting good agricultural practices taught through the project.
- **28.3 hectares of land** were reforested through the planting of 30,735 trees.
- **525 hectares of land** were brought under good soil management approaches.
- **131 farms** were equipped to properly treat wastewater generated through milling.
- **1,600+ people** received access to safe drinking water through installation of home filters.



### Building Economic Prosperity and Environmental Stewardship with Apple Farmers

Over the past two years, KDP has engaged the growers who supply apples for our Mott’s Applesauce to better understand the economic factors of growing apples for processing in the region, as well as the environmental landscape to uncover opportunities to support regenerative agriculture practices.

In 2021, our work included:

- **Building an open-source cost model** to accurately reflect on-farm costs for processing apples, which will allow users to model variables such as regulatory changes to labor costs and changing crop protection sprays.
- **Engaging growers** to determine which regenerative agricultural practices they already use, and those they are interested in using, to support improved outcomes.



### Supporting Nebraska Corn Farmers to Boost Resiliency Via Cover Cropping

In the first year of a three-year partnership in Nebraska, we supported a cost-sharing framework for farmers to plant cover crops between rotations of corn and soy plantings. The project—a collaboration between KDP, ADM, PepsiCo and Practical Farmers of Iowa—contributes funds to educate growers and subsidize cover crop seed. As a result of cover cropping and farmer technical assistance, these acres will see reduced GHG emissions and water pollution.

In 2021:

- **7,250 acres of cover crops planted by 38 farmers** were subsidized by KDP and PepsiCo.
- **8,608 additional acres of cover crops** were planted by those farmers leveraging the education provided by the project.
- **15,858 total acres in cover crops** resulted from the first year of the program.



# Health & Well-being

We aim to be a trusted partner on the health and well-being journey of our consumers.



## IN THIS SECTION

More than ever, people are prioritizing their health and well-being and want to know what is in the products they consume. Simultaneously, health issues remain a growing concern in communities across North America. Given this context, our health and well-being strategy focuses on accelerating innovation to provide more better-for-you beverage options, increasing transparency about what is in our products and expanding distribution of well-being offerings in new and varied markets. Working alongside credentialed health and well-being experts, we are committed to empowering consumers to make informed choices that support their holistic health and well-being journeys.

[A Balanced Product Portfolio](#)



[Access to Better-For-You Products](#)



[Transparency & Consumer Information](#)



[Product Safety & Quality](#)



# A Balanced Product Portfolio

2025 GOAL

PROGRESS  
THROUGHOUT 2021

Provide positive hydration in 60% of KDP products

**56%**  
ACHIEVED



## Positive Hydration

We know consumers are looking for more than just great taste from their beverages. In 2021, we set out to be a trusted partner on their well-being journeys, and we have expanded the way we think about health, focusing not only on the reduction of calories or sugar, but also offering nutritional and/or functional attributes. KDP has committed that, by 2025, 60% of our product portfolio in the U.S. will provide positive hydration<sup>26</sup>, a goal we established last year and against which significant progress was made. Specifically, in 2021, 56% of our products provided positive hydration, an increase from 54% in 2020. The increase was primarily due to our expanded nationwide distribution of Polar Beverages and the launch of new brand extensions like Dr Pepper Zero Sugar and Green Mountain Coffee Roasters Brew Over Ice flavors.

According to research, the majority of U.S. consumers want to improve their dietary intake and are looking for

functional benefits from their food and drinks<sup>27</sup>. That is why KDP's Research and Development teams are focused on product innovations that prioritize reduced sugar and calories and consider the benefits of functional ingredients to support positive hydration. Despite supply chain constraints in 2021, we expanded our range of positive hydration choices, including Dr Pepper Zero Sugar and Bai Boost, as well as new hot coffee seasonal flavors and Brew Over Ice flavors. At the close of 2021, 43% of our cold products and 93% of our hot products met the definition of positive hydration.

To support our positive hydration goal, we collaborate with Partnership for a Healthier America (PHA), a nonprofit committed to transforming the food landscape in pursuit of health equity in the U.S. PHA is providing KDP health and well-being guidance and annual validation of our positive hydration progress through our multi-year partnership.

## POSITIVE HYDRATION ACROSS OUR PORTFOLIO

A product meets the positive hydration criteria if it:

- ✓ Provides a serving of fruit or vegetables
- OR
- ✓ Is below 40 calories per serving<sup>28</sup> with a functional attribute<sup>29</sup> or at least 10% Daily Value of a nutrient to encourage<sup>30</sup>

Examples of our products that meet these criteria include non-caloric coffees and teas, 100% fruit juice and sauces with no added sugar, low-calorie energy and soft drinks, and sparkling, still and functional waters.



“As registered dietitians, we’re always looking for products that help consumers make smarter nutrition decisions, which is why I’m excited to have worked with Keurig Dr Pepper on their Health and Well-being strategy.”

– Kathleen Zelman, MPH, RD/LD, Member of Keurig Dr Pepper Health & Well-being Advisory Panel



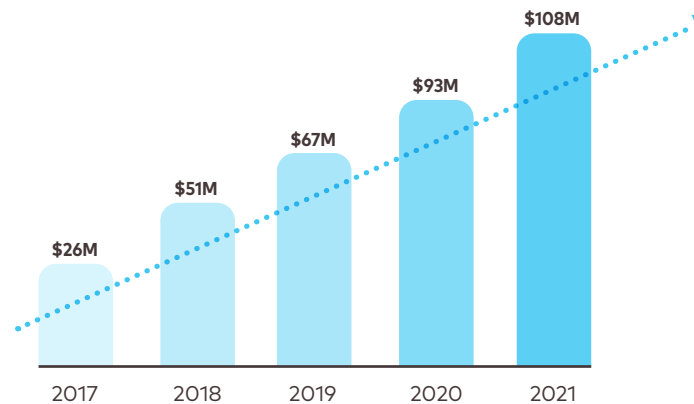
## More Choices, Less Sugar

Beyond the positive hydration products in our portfolio, KDP continues to expand consumer choices that complement a balanced lifestyle. For instance, in 2021, KDP reformulated products to reduce sugar and calories in five major brands: A&W, RC Cola, Sunkist Soda, Big Red and Squirt. We also introduced Mott’s Mighty juice drink that has 50% less sugar and vitamins A, C & E to help support a healthy immune system, as well as Mott’s Mighty Sauce with no sugar added and a good source of fiber to help support a healthy digestive system.

Because portion control is key to balance, we also offer smaller portion sizes, like full-calorie beverages in mini cans, to give people more control over their calorie consumption. We continue to see consumers respond positively to this option; since the full year of our launch in 2017, we quadrupled sales of our flagship Dr Pepper mini cans<sup>32</sup>.

### DR PEPPER MINI CANS

Based on IRI dollar sales through December 26, 2021



4x the sales  
from 2017-2021



# Access to Better-For-You Products



## EXPANDED DISTRIBUTION

KDP supports consumer choice by offering a wide selection of products including better-for-you beverage options. We have accelerated and expanded the distribution of those offerings to new and varied markets in order to reach a diverse mix of consumers. In 2021, we advanced that access through new outreach at both the local and national level. Recent efforts include:

- We implemented a national campaign for Core Hydration, promoting water consumption in 7-Eleven stores through discount price promotions and in-store end cap displays.
- In 2020, we entered into a long-term franchise agreement with Polar Beverages to drive national distribution of Polar Seltzer, a zero-calorie offering with a variety of flavors and a leading sparkling water brand in the Northeastern U.S. In 2021, distribution of Polar Seltzer outside of the Northeast market grew by 127%.

## Industry Collaboration

In 2021, we continued to collaborate with the ABA, the Canadian Beverage Association (CBA) and the Alliance for a Healthier Generation on the Balance Calories Initiative (BCI). With a goal of reducing beverage calories consumed per person in the U.S. and Canada by 20% by 2025, BCI is the single-largest voluntary effort by an industry to help fight obesity.

The 2020 U.S. National BCI Progress Report<sup>33</sup> highlighted an important shift in consumption from full and mid-calorie beverages to water and other low- and no-calorie beverages. Average calories consumed per person has decreased by 10%, or halfway to the goal, since the 2014 launch of BCI. In the 2020 Canadian report<sup>34</sup>, the Conference Board of Canada determined the BCI initiative is on track to reaching its goal, citing a 16% reduction in the amount of beverage calories consumed by Canadians between 2014 and 2019.

The BCI also tracks calorie reduction efforts in five U.S. communities where health disparities have led to higher obesity rates compared to the national average and where reducing beverage calories is expected to be challenging. With varying socio-economic conditions, these areas have historically seen lower demand and availability of no- and low-calorie beverages. The industry's localized actions in these communities are providing access to more beverage choices with less sugar and smaller portion sizes and encouraging consumers to balance the sugar they consume from beverages. According to the 2020 Communities BCI Progress Report<sup>35</sup> average calories per person fell in all five selected communities.

In 2022, we are forming a Health Disparities Working Group with our peers at the ABA to explore industry solutions that can scale the issue.



# Transparency & Consumer Information

## Labeling & Product Facts

To empower consumers to make informed choices, we transparently provide important nutrition information about our beverages. Beyond adhering to local laws and regulations for nutrition labels, we include voluntary front-of-pack calorie labeling on many of our beverage containers. Additionally, we have product facts websites in the **U.S.** and **Canada** that provide nutrition information for cold beverages. In 2022, KDP is expanding these sites to include owned coffee brands, certifications such as USDA organic or Fair Trade and packaging attributes such as recycled content.

## CLEAR ON CALORIES LABEL



## Responsible Marketing

KDP has strict policies across all communications channels to ensure our advertising does not appear on or near content we deem objectionable or harmful. Employees and media agencies with primary responsibility for adhering to these policies complete mandatory training on our marketing standards. As participants in the U.S. Children’s Food and Beverage Advertising Initiative (CFBAI), we comply with their advertising standards set in CFBAI’s Core Principles and report annually on our pledge to either not engage in advertising primarily directed to children under 12 or to advertise only products that meet CFBAI’s strict nutrition criteria

for this age group. KDP complied with this commitment and did not advertise to children under age 12 in 2021, regardless of the product’s nutrition profile.

We are committed to promoting our positive hydration products and believe in harnessing the power of marketing to support consumer well-being goals and drive healthful choices. In 2021, 49% of our overall marketing budget focused on positive hydration beverages, an increase of 17 percentage points from 2020. This was primarily driven by a robust marketing campaign in support of the launch of Dr Pepper Zero Sugar, which was the number one carbonated soft drink innovation in 2021<sup>36</sup>.



# Product Safety & Quality

KDP applies rigorous food safety and quality standards throughout every step of the product lifecycle for all beverages and brewers we manufacture and market. We have robust compliance programs and review systems led by a cross-functional team of Food Safety, Quality Assurance and Regulatory Affairs experts who ensure our products meet or exceed all legal requirements for product safety as well as our own rigorous quality standards.



Our food safety systems utilize the Preventative Controls and Hazard Analysis and Critical Control Point (HACCP) method, an internationally recognized system of identifying and managing food safety-related risks. Every KDP manufacturing site meets or exceeds requirements set by the Global Food Safety Initiative (GFSI), an industry-recognized coalition that oversees food safety standards. These programs include internal and third-party audits to verify our food safety processes and controls are operating effectively. In 2021, COVID-19-related constraints impacted our ability to conduct on-site audits at our manufacturing facilities. We addressed this through risk-based prioritization of on-site audits and remote audits. KDP requires 100% of our manufacturing facility employees to undergo annual food safety and quality training and, in 2021, we expanded our virtual learning options due to ongoing in-person meeting limitations related to the pandemic.

We actively work to drive compliance to our food safety and quality policies and objectives including mandatory documented standards and third-party audits and/or certification, among our suppliers of raw materials and packaging. The majority of our suppliers are GFSI-certified, and we have a program to audit key suppliers every year on a risk-based rotation schedule. Our [Chemicals Management Policy](#), introduced in 2021, governs how we assess and mitigate risks associated with identified materials in our products and packaging, and we regularly monitor our suppliers and ingredients to stay ahead of developing food safety regulations.

To stay informed and benchmark best practices, we consult with external quality experts and peers through industry organizations such as the ABA, CBA, Consumer Brands Association, National Coffee Association, the International Society of Beverage Technologists, the Food Allergy Research and Resource Program and the Association of Home Appliance Manufacturers.



## SPOTLIGHT ON APPLIANCE QUALITY

Keurig brewers must also meet or exceed third-party regulatory safety standards and compliance requirements. Our rigorous testing program identifies potential use cases and failure modes to ensure appliance quality and consistency of operation over time. In addition, we maintain a robust consumer care process to help us address brewer performance after purchase and use diagnostic tools built into our brewers to assess potential issues. For instance, with the launch of technologies within our Keurig Supreme Plus Smart brewer in 2021, we are now able to view diagnostic information in real-time to help our consumers maintain the performance of their Keurig appliance.



# People & Communities

We are supporting our diverse workforce and investing in our communities to drive for positive impact and inclusive growth.

## IN THIS SECTION

The pandemic accelerated shifts in the way people work, their expectations of their employers and their desire to make a positive impact through their work. More than ever, employers must prioritize employee health, development and well-being—and invest in their communities. At KDP, we are pursuing sustainable business performance with a continued focus on our people, their safety, their journey with us and the inclusive culture that defines our Company.

- [Employee Development, Engagement and Well-being](#) >
- [Diversity & Inclusion](#) >
- [Workplace Health & Safety](#) >
- [Community Engagement](#) >

# Employee Development, Engagement & Well-Being

“KDP’s Leadership Development program has helped me shape how I think and behave as an effective leader, which supports my goals of stronger business performance and embracing the ONE KDP culture. It provided me with additional strategic leadership skills and gave me the opportunity to meet new people and network with my peers that I don’t necessarily work with on a regular basis.”

– Adrian Sepcic, Senior Manager, Beverage Research and Development

## Recruitment, Development and Learning

Our approximately 27,000 employees make our success possible, and we strive to deliver meaningful career experiences to ensure we can attract, develop and retain a dynamic and talented workplace.

We leverage a variety of tools and resources to source qualified talent from a diverse talent pool. In 2021, we trained our recruiters and hiring managers on new strategies and techniques to ensure an inclusive recruitment process. In addition, we expanded our recruitment outreach with existing and new organizations including the National Black MBA Association, Reaching Out MBA and Out in Science, Technology, Engineering, and Mathematics (oSTEM).

From the very beginning of their career journey at KDP, we want our team members to feel welcome. In 2021, we evolved our employee onboarding experience to include a more intentional introduction to our KDP culture. We modernized all onboarding checklists to make the transition seamless for new employees and their managers, particularly for those joining in a remote or hybrid environment. We also created a workspace for new hires in one of our online collaboration apps to encourage virtual connections between new employees.

We understand that employee career development is critical to retaining our workforce, and we offer a robust library of on-demand and instructor-led learning experiences. In 2021, we expanded our KDP Fundamental Leadership Expectations training beyond our frontline leaders, inviting all new leaders to complete the training as part of their onboarding process. The multi-day virtual development program covers topics such as developing a leader’s mindset, creating a culture of feedback and leading teams through times of change.



At KDP, our performance management process<sup>37</sup> fosters alignment and accountability and creates a culture of development and recognition. Our annual performance management cycle ensures that employees set goals aligned with our business priorities and receive ongoing, real-time feedback throughout the year. In 2021, we streamlined and improved this process to make it more meaningful to employees but a lighter lift for people managers. We added a mid-year performance and developmental touchpoint to make sure team members are aligned on their performance against organizational priorities and their individual goals.

**71,000+ hours of training completed for our non-frontline team members, equaling 10 average hours per employee<sup>38</sup>**

## Employee Engagement

KDP invests in fostering a dynamic, equitable and rewarding environment where we enable conversations at the team level to create a great place to work. We conducted our third employee engagement survey as KDP in 2021, inviting all team members to share feedback on key topics like culture, engagement, diversity and inclusion, well-being and work environment. Employee participation increased to 89%, up from 81% in 2020. The Company's overall engagement score also increased to 70% in 2021, up from 62% in 2020.



### Shifting Meeting Culture

We announced the Company's first Our Voices Matter Awards in 2021 to recognize and celebrate the contributions of KDP's engagement teams. Our Waterbury, Vermont, organization won the Quick Win and Employee Choice Award with an initiative that shifted meeting culture. The team implemented a new standard where meetings traditionally set for 60 minutes were reduced to 45 minutes, and 30-minute sessions were reduced to 25 minutes. This ultimately empowered teams to implement changes that helped to improve focus, reduce overscheduling and drive efficiency.

## Workforce Benefits and Well-being

We offer a range of benefits and resources across geographies that support our employees' total well-being, including their physical, mental and financial health. For eligible non-union employees in the U.S., key offerings include:

- Physical, mental and financial well-being resources for our employees and their families
- Domestic partner coverage
- Paid parental leave for both mothers and fathers for the birth or adoption of a child
- 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

In 2021, we introduced a new interactive support tool designed to help employees make more informed and personalized benefit decisions, which is available through an expanded virtual resource library that contains educational resources about our benefits package and vendors. We also enhanced our available tools to support the mental and emotional well-being of our teams, including offering our virtual therapy services through an even wider range of channels, such as via text, live chat or video conference.

Benefits for our union team members within our manufacturing and direct store delivery (DSD) teams are covered by separate collective bargaining agreements. In 2021, approximately 29% of our employees across the U.S., Mexico and Canada were covered by collective bargaining agreements.



## SUPPORTING FLEXIBLE WORKING

At the onset of the COVID-19 pandemic, close to 5,000 global KDP employees made an unexpected transition from working onsite working from home and created a need for us to rethink how, when and where work gets done most effectively. In planning for a broader return from home, in 2021 we introduced a new hybrid work model for KDP, "We Flex. We Deliver," designed to offer a flexible mix of onsite and virtual work to drive high productivity and engagement. Employees were encouraged to return to the office on a voluntary basis in November and December to enable and empower them to start building new routines, test hybrid ways of working and adjust schedules based on learnings. We launched our hybrid approach with our broad return to the office in February 2022 and have used feedback from our teams to continue to shape our new ways of working.

# Diversity & Inclusion



## 2025 GOALS

## PROGRESS THROUGHOUT 2021

Increase female representation in Director and above positions by 25% to 33% of the total

**28%**  
REPRESENTATION

Increase people of color representation in Director and above positions by 25% to 21% of the total

**17%**  
REPRESENTATION

## Our Diversity & Inclusion Aspiration

We understand that embracing our team's diverse experiences, perspectives and background is key to inspiring innovation, fostering and retaining talent, driving change and better connecting with our customers and consumers. Our diversity and inclusion work is led by a cross-functional leadership team that includes Chairman & CEO Bob Gamgort and Chief Human Resources Officer Mary Beth DeNooyer.

### Diversity

We believe that our workforce should reflect our consumer base and the communities we serve. Our processes and

- DIVERSITY
- INCLUSION
- DRIVING CHANGE

actions are designed to ensure a level playing field for everyone to thrive. Last year, we announced initial workforce representation goals to increase the number of women and people of color in leadership roles by 25% by 2025. We chose to focus on the Director and above leaders because we know that leadership representation has a disproportionate impact on driving positive change throughout the organization. Achieving this ambition would result in females representing 33% of Director and above positions globally and people of color representing 21% of Director and above positions in the U.S. over the five-year period.

In 2021, we made significant progress towards our female representation goal, increasing female representation at the Director and above level to 28% from a 26% baseline. Our people of color representation at the Director and above level held steady at our 17% baseline throughout the year. Despite progress made in hiring and promoting diverse team members, we experienced an equal level of attrition.

We have identified three key drivers to encourage evolving our representation across our workforce: recruitment, retention and development of talent. Actions are underway to support progress against those drivers, including identifying and building even more sources for diverse talent, providing more development opportunities

for underrepresented groups and continuing to evolve our internal processes and talent approach.

### 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. In early 2021, KDP's leadership team at the VP-level and above participated in skill-building sessions on the benefits of a diverse workforce and actions they can take to support inclusion. Later in the year, more than 6,000 leaders and team members completed a training program designed to help people understand the importance of diversity and inclusion, the impact of exclusion and how to foster an inclusive culture and psychological safety within teams. New KDP employees are now expected to complete this program.

### 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. In 2021, our ERGs offered more than 100 events that celebrated diversity and culture. Further, we began a cadence of quarterly updates to our executive and functional leadership teams about our progress against our overall diversity and inclusion aspiration and goals, as well as specific functional action plans.

**We are committed to providing a respectful workplace that is free from discrimination or harassment, as outlined in our Respectful Workplace and Anti-Harassment Policy.**



## WORKFORCE DATA & TRANSPARENCY

We continue to enhance our disclosure about our workforce demographics. In this report, our [Appendix](#) includes a deeper level of detail specific to our U.S. employee population across gender and race/ethnicity compared to what we reported last year. We have also made available our EEO-1 Report, which can be accessed from our [website](#).

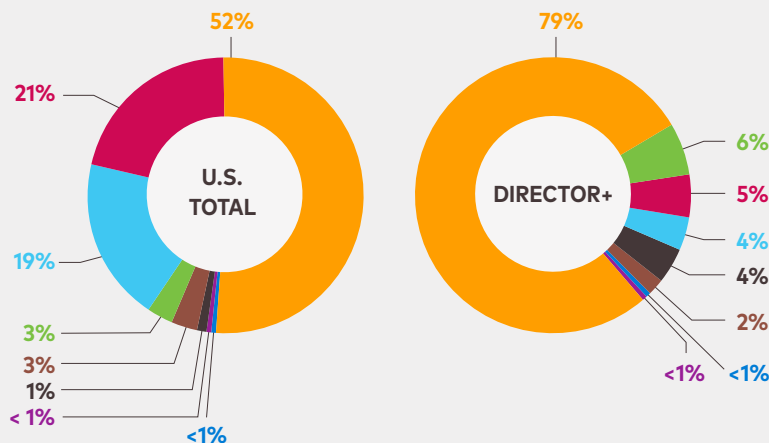
### Global Gender Demographics

- Men
- Women
- Not Disclosed



### U.S. Racial/Ethnicity Demographics

- Asian
- Black
- Hispanic
- Native American
- Native Hawaiian or Other Pacific Islander
- White
- Two or More Races
- Not Disclosed



## 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. Since the merger that created KDP in 2018, we have been focused on harmonizing salaries, bonus targets, job titles and benefits across our enterprise. The harmonization work was completed in 2021. In 2022, we will conduct a third-party pay equity audit in the U.S. for salaried employees to understand our current pay equity metrics related to gender and race/ethnicity among equal or similar roles and identify any unanticipated areas of improvement.

## Supplier Diversity

We are fostering inclusive growth by engaging suppliers for needs across our entire enterprise. This includes working with suppliers identified as owned by minorities, women, veterans, disabled and members of the LGBTQ+ community. Since our merger in July 2018, we have spent more than \$870 million with diverse, Tier 1 suppliers. In 2021, KDP developed and launched a new Supplier Diversity program, which will continue to be expanded over time. This new Procurement program, coupled with a revised Procurement Policy on Supplier Diversity, will allow for more diverse suppliers to participate in the growth and success of our business than ever before. As we look for additional opportunities to drive diversity, we will continue to leverage our membership in the B4IG coalition and its Inclusive Sourcing workstream, which aims to spur the development of more impactful inclusive sourcing programs in company supply chains.



## EMPLOYEE RESOURCE GROUPS

More than 4,300 KDP employees are members of one or more of our eight company-sponsored Employee Resource Groups (ERGs) that help our people build connection and community. In 2021, these groups hosted over 100 events in activities focused on the “4Cs” – culture, career, community and company.



## Culture

Each ERG organizes a month of cultural awareness programming for their coworkers every year. Our ERGs' 2021 outreach across KDP included panels and events addressing Black History Month, Women's History Month, Asian and Pacific Islanders Heritage Month, Hispanic Heritage Month, Pride Month, Family Month, Service Appreciation Month and Mental Health & Wellness Month.

## Career

KDP ERGs provide development opportunities for their members through career advancement and mentoring programs. Throughout October, we hosted Internal Career Fairs for functions including Direct Store Delivery, Supply Chain, Marketing and Corporate to help internal candidates learn more about making a new career move within the Company.

## Community

Our impact in communities is amplified by ERG volunteerism, sponsorship and fundraising. ERG members and allies raised more than \$90,000 in 2021 for nonprofits focused on health and well-being, environment, disaster relief and racial and social equality. When matched by KDP's Engage for Good campaign, their donations totaled over \$193,000.

## Company

KDP ERGs began contributing to our beverage pipeline in 2021 with new ideas and innovations. For example, the Hispanic & Allies ERG hosted the Company's first entrepreneurial "Shark Tank" competition. The event's top three entries are now in development at KDP, including new K-Cup pod and beverage flavors inspired by Latino culture.

# Workplace Health & Safety

## Safety Management

Our employees' safety and well-being are top priorities and considered a shared responsibility across KDP. Our Environmental, Health and Safety (EHS) programs are focused on implementing practices within our facilities to consistently improve employee safety and reduce workplace risk.

We use globally recognized Total Productive Maintenance (TPM) principles as the framework behind our EHS Management System. TPM principles are designed to improve manufacturing productivity by encouraging employees to share the responsibility of watching for developing hazards and preventing issues such as unplanned downtime, personnel errors and employee accidents. The implementation of TPM in our facilities empowers our employees to be accountable for solving

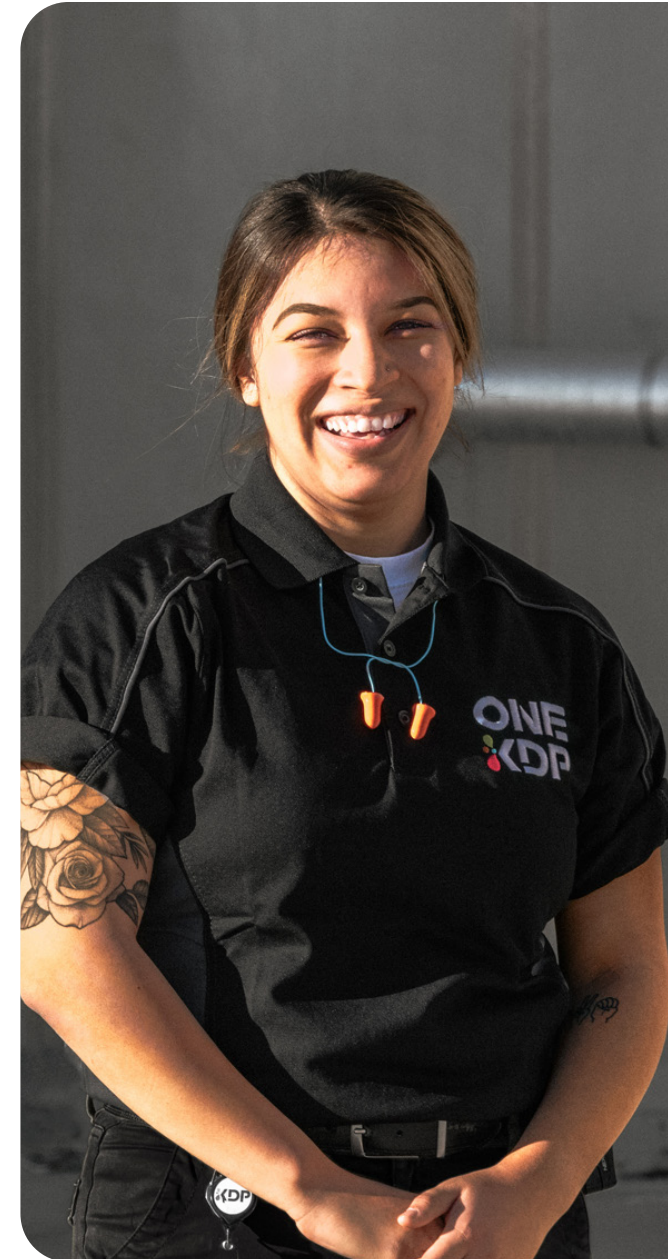
problems and taking corrective action as issues arise, helping to foster an environment where our employees are active in safety prevention and operational efficiency.

Safety metrics and trends are monitored throughout the enterprise utilizing our Global Safety Tracking System. We leverage internal and third-party experts to assess our compliance with safety procedures, laws and Occupational Safety and Health Administration (OSHA) standards. Importantly, we recognize that employee training is critical to our ability to eliminate accidents, work-related illnesses and other safety incidents at our facilities. Safety training begins with our new hire orientation and continues throughout the tenure of our employees, with activities including ongoing leadership training, daily safety huddles, site-specific education and specialized training such as ergonomics and repetitive motion injury prevention.



## OUR APPROACH TO COVID-19

As KDP remained an essential business throughout the COVID-19 pandemic in 2021, the health, safety and well-being of our employees and their families remained our highest priority. More than 21,000 of our employees continued to run our plants and distribute our beverages and other products to our customers and consumers. We relied on our 6-Point Employee Health and Safety Program to ensure employee safety and operational continuity. This program included employee health screenings, enhanced cleaning and sanitation, team segmentation, face mask policies, social distancing and our confirmed COVID-19 case management task force assessments and actions. We also began to put new procedures and tools in place at our office locations, anticipating the return of our approximately 5,000 remote workers more broadly in 2022. We continue to evaluate and evolve these protocols as appropriate in accordance with CDC guidance and local mandates.







## Safety Progress

We stay at the forefront of ensuring workplace safety through continuous improvement programs and investing in tools and technologies to improve how we report, manage and solve health and safety issues. Initiatives implemented within our DSD and supply chain operations in 2021 include:

- Enhancing our U.S. fleet of powered industrial trucks, including forklifts and motorized hand trucks, to align with required equipment standardization and improved safety features.
- Launching an in-cab video monitoring pilot program in our U.S. commercial vehicle feet, designed to improve our operator safety on the road through increased driver accountability and incident visibility as well as improved safety technology such as speed limit and forward-collision warnings.
- Implementing a certified driver training program that empowered our lead commercial drivers to better identify, coach and train new drivers while creating a new career development path for entry-level employees within our sales and warehouse operations.
- Adding more physical barriers and gates throughout all of our manufacturing and distribution facilities to clearly

differentiate employee walkways from powered industrial truck travel-ways.

- Installing active purification systems for air and surface disinfection across more than 30 of our supply chain and corporate facilities, creating a healthier indoor environment for our on-site employees.
- Introducing a workplace violence prevention policy and launching an active assailant awareness training program to keep our employees informed on how to stay safe during an emergency.
- Reviewing hiring practices to ensure we are recruiting candidates who will advance our focus on building a workforce committed to our safety principles.

We evaluate our safety performance across a variety of indicators and track safety metrics across the enterprise. In 2021, our lost-time injury and total injury frequency rates within our supply chain were well below benchmark rates for beverage manufacturing, amid ongoing volume surges for our products related to COVID-19. Within our DSD operations, we have achieved a nearly 50% reduction in our total injury rate since 2018, allowing us to move into the industry average for beverage distribution.

## WORKPLACE SAFETY METRICS

### Manufacturing

	2020	2021
<b>Lost Time Injury Rate</b>	<b>0.19</b>	<b>0.18</b>
<b>Total Fatalities (work-related)</b>	<b>0</b>	<b>0</b>
<b>Total Recordable Injury Rate</b>	<b>0.81</b>	<b>0.89</b>

### Direct Store Delivery

	2020	2021
<b>Lost Time Injury Rate</b>	<b>1.9</b>	<b>1.3</b>
<b>Total Recordable Injury Rate</b>	<b>6.7</b>	<b>5.2</b>

For more detail, see [Data Summary](#).

# Community Engagement

## Employee Giving & Volunteer Programs

KDP's commitment to creating meaningful social impact in the areas in which we live and work allows us to enrich communities and engage employees. In 2021, our annual *Engage for Good* campaign raised donations for more than 750 nonprofit organizations across the U.S., Canada, Mexico and, for the first time, Switzerland, where our coffee buying team is based. KDP matched each employee donation up to \$250, supporting those causes most important to the individual. Almost half of our 2021 employee donations aligned with key KDP focus areas of health and well-being, environment, diversity and inclusion and disaster relief, qualifying for a double match by the Company.

In 2022, we are enhancing *Engage for Good* to involve global employees across all KDP locations and will now accept donations throughout the entire year versus just the campaign period. Additionally, we will collaborate with our ERGs to support activations with specific organizations tied to their mission.



Our employee volunteerism program, formerly called *Dollars for Doers*, will also now be included in our *Engage for Good* program. This employee benefit encourages employees to support their communities by volunteering for nonprofits of their choice, allowing them to earn financial grants for that organization. In 2021, we supported 55 nonprofits through grants in the U.S. and Canada by employees earning \$100 for every 10 hours volunteered, up to 30 hours per year. In 2022, we are updating the program to make it easier for employees to participate, as they can now receive \$10 for every one hour of volunteer work, up to 30 hours. Grants will continue to be doubled for those employees who hold a nonprofit board position.

## Disaster Relief

Our beverages, especially water, provide hydration and comfort to communities in need amid crises and natural disasters. In 2021, we donated more than 426,000 beverages in the wake of six natural disasters resulting from snowstorms, wildfires, floods and hurricanes. Additionally, we provided more than \$200,000 in grants to KDP employees through our Employee Relief Fund. This fund, a 501(c)(3) nonprofit, provides financial assistance to KDP employees and their family members who experience a disaster or emergency hardship.

## Program Evolution

At the end of 2021, we completed a strategic review of our community work and the findings have informed our future strategy and programming. One opportunity identified is to amplify our commitment to Health & Well-being by partnering to improve access to better-for-you products in diverse communities. In 2022, we will also explore new ways to support disaster relief efforts and relaunch our employee giving and volunteerism program with the aim of re-engaging employees in a world significantly altered by a global pandemic and social inclusivity movements.



**Winter Storm Uri's below-freezing temperatures, snow and ice left millions in the U.S. without power or water. In response to the emergency, KDP facilitated donations of more than 8,000 cases of water to Operation Blessing, Houston Food Bank and City of Dallas for relief efforts across the state of Texas. We also provided support to impacted KDP employees through the KDP Employee Relief Fund.**

## COVID-19 Community Response

The COVID-19 pandemic resulted in unique challenges and needs within our local communities. KDP has continued to provide meaningful support to those fighting on the frontlines. Initiatives included:



### COVID-19 Vaccination Clinic

KDP Canada, along with four local partners, joined forces to open a COVID-19 vaccination clinic in the Saint-Michel neighborhood of Montréal. Located in the same neighborhood as our Canadian headquarters, the new vaccination center added resources and capacity to accelerate the pace of vaccinated individuals in an area that had one of the lowest participation rates. The partner companies set up and operated the vaccination clinic for three months, including managing the site, staff and logistical equipment. KDP Canada employees also had the opportunity to volunteer every Friday during this period. Over a three-month period, the clinic administered approximately 15,000 vaccine doses to patients.



### Beverage Donations

KDP Mexico stepped up in 2021 to support the Red Cross of Tehuacán, Puebla and the local Ministry of Health by donating thousands of beverages. These beverages provided hydration to the healthcare personnel who provided care during the pandemic, as well as to the staff and participants of a COVID-19 vaccination drive focused on older adults.



### Fueling the Frontline

At the height of the pandemic in 2020, KDP donated coffee and beverages, along with Keurig brewers and K-Cup pods, to hundreds of hospitals across the U.S. and Canada. In response to the Omicron variant outbreak, KDP reactivated the program in early 2022 to fuel hospital workers in four of the hardest hit communities. Since the program's inception through early 2022, more than 3,800 breakrooms in 500 hospitals across 44 states and provinces have been outfitted with coffee stations, resulting in over four million cups of coffee and other beverages donated.

## Activations for Underserved Communities

### Adopt a School

In 2021, KDP's African American & Allies partnered with the Hispanic & Allies and Women & Allies ERGs to provide much needed supplies to 10 local schools in the communities in which we work. Donations provided personal protective equipment such as individual sanitizers and cleansing wipes for students' desks, as well as fulfilling virtual wish lists for basic school supply needs. The teams surpassed the overall goal of \$500 in supplies for each school by 116% and have plans to expand the program further in 2022.



### Let's Play

At the close of 2020, KDP far exceeded our goal to provide play opportunities for more than 13.5 million kids and families in underserved communities. The pandemic has continued to force delays to complete the remaining playspace builds with our Let's Play partner, KABOOM!. As we anticipate the completion of those builds in the coming year, we have supported KABOOM!'s new efforts to advance equitable health and wellness outcomes for children, including a new initiative designed to end playspace inequity in 25 priority locations.

## BRAND-LED COMMUNITY HIGHLIGHTS

KDP has a portfolio of more than 125 owned, licensed and partner brands. Here are just a few examples of our brands giving back:



### Dr Pepper Tuition Giveaway

Since 2008, the Dr Pepper Tuition Giveaway Program has awarded more than \$12.5 million in tuition assistance to deserving students. This year, Dr Pepper was able to bring its annual football throwing competition back to the field during halftime at five marquee NCAA conference championship games, after a remote competition the year prior. The brand also introduced new program elements, including tuition submissions via TikTok and game day throw tips by star NCAA quarterbacks. Tuition efforts were further extended through Dr Pepper's partnerships with the College Football Playoff Foundation and 23XI Racing, where tuition was awarded to students who want to pursue a career in the motorsports industry.



### Core Hydration Find Your Balance

As part of Core Hydration's "Find Your Balance" active-lifestyle campaign, the brand partnered with top female U.S. park and street skaters and EXPOSURE SKATE, a nonprofit dedicated to empowering women through skateboarding, to champion a more inclusive community for women athletes in sport. One aspect of the campaign included the #CoreForeMore call-to-action on Facebook and Instagram. For every like or share, Core Hydration donated one dollar, up to \$15,000, to EXPOSURE SKATE.



### McCafé and Ronald McDonald House Charities® Canada Blending Coffee with Giving

Last holiday season, KDP's licensed partner brand, McCafé®, committed to helping Ronald McDonald House Charities® (RMHC) Canada. Throughout December 2021, one Canadian dollar from every purchase of a McCafé At-Home coffee product sold in participating Canadian retailers and online was donated to support RMHC's mission to keep families close to each other during the care of their sick child. This resulted in CA\$100,000 being donated, or the equivalent to 595 overnight stays at a Ronald McDonald House® for families in need across Canada.



### KDP Mexico Breast Cancer Awareness

During Breast Cancer Awareness Month, KDP Mexico brands, Peñafiel Adas, Peñafiel Mineral Water, Schweppes Agua Mineral and Orange Crush, participated in the Breast Cancer Pink Campaign of Grupo La Comer. Together with the COI Foundation, the brands created a special packaging promotion that included a pink wrap to help create awareness and support for this cause. Proceeds from the campaign provided breast cancer patients improved access to treatment and timely detection and also provided 18 patients with prostheses post-surgery.

# Governance

We have strong governance structures in place to ensure we foster a culture built on integrity, transparency and responsibility.



In a world economy challenged by global events, such as the COVID-19 pandemic, unprecedented supply chain challenges, escalating inflation and growing concerns regarding climate change, the scope of board oversight responsibility is widening. Investors, policymakers and other key stakeholders view strong corporate governance as a way to safeguard businesses from future risk, while promoting long-term value creation. Effective and conscientious governance underpins our ability to plan, operate and grow responsibly and resiliently. Our governance practices and transparent oversight help us to build trust inside and outside the Company and to consistently act with integrity.

## IN THIS SECTION

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# Board Management & Oversight

## Corporate Responsibility & ESG Governance

Our governance and management systems are guided by our values, ethics and integrity. The KDP Board of Directors directly oversees KDP's ESG strategy and goals, as outlined in our [Corporate Governance Principles](#). In this role, the Board approves long-term commitments and monitors progress in topics including climate, water, circular economy, health and well-being, sustainable practices within our supply chain, human rights and diversity and inclusion. While the full Board is responsible for oversight of KDP's overall ESG strategy, committees of the Board, along with KDP's Executive Leadership Team, Sustainability Governance Committee, Chief Sustainability Officer and cross-functional KDP teams that includes leaders from all areas of the business provide specific management, advisory, accountability and collaboration capabilities in support of ESG efforts.

The Women's Forum of New York named KDP a "2021 Corporate Champion," a distinction recognizing companies that exceed the national average of board seats held by women.

### ESG OVERSIGHT

#### Board Of Directors

Provides primary board-level oversight of strategy, goals and policies.

#### Remuneration and Nomination Committee

Assists the Board with oversight of human capital management strategy and corporate governance.

#### Executive Leadership Team

Ensures alignment of our corporate responsibility platform and programs with our long-term business objectives and provides advisory support on programs and monitors progress.

#### Sustainability Governance Committee

Provides cross-functional decision-making and alignment with business strategy and oversees progress against commitments.

#### Chief Sustainability Officer In Collaboration With Cross-Functional Teams

Establishes robust ESG agenda and strategic priorities throughout the organization, identifying and addressing challenges, enhancing disclosure and monitoring emerging trends.

### BOARD COMPOSITION

The diverse personal and professional backgrounds and experiences of our Board enhance its effectiveness and ability to provide broad perspectives and constructive feedback to management. When selecting and recruiting director candidates, the Board seeks experienced, qualified members with a diversity of backgrounds, including attributes such as professional experience, cultural background, race, ethnicity and gender.

More information on our Board is available on our [website](#) and in our [2022 Proxy Statement](#).



**64%**

are "independent" under Nasdaq listing rules  
7 OUT OF 11



**36%**

are women  
4 OUT OF 11



**9%**

are racially or ethnically diverse  
1 OUT OF 11

# Ethical Business Practices

## Corporate Policies & Compliance

We have implemented a suite of policies and programs that outline the expectations we have of our Company, employees and suppliers to act in a professional, ethical and legal manner. Our [Code of Conduct](#) is an extension of our values and is the foundation that guides us in making the right decisions about how we work and what we do.

We recognize our responsibility to protect human rights and are committed to exemplifying good labor practices throughout business activities. In support of our Code of Conduct, we implement a range of corporate policies and business practices designed to promote ethical behavior and compliance, covering topics prohibiting corruption, forced and child labor and harassment, while recognizing freedom of association and collective bargaining, respectful workplaces and workplace safety. To-date, our commitment to human rights has been embedded across this range of policies and programs, including within our [Supplier Code of Conduct](#), [Modern Slavery Statement](#) and, as a member of B4IG, the [Business Pledge Against Inequalities](#). Our approach within our supply chain aligns with 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. We are creating an enterprise-level human rights policy to strengthen and clarify our principles around this topic through our own business operations and across our value chain.

Every KDP employee is required to complete regular trainings to ensure they know and understand our

policies and practices. In 2022, we are implementing an enhanced annual compliance training programs in focus areas relevant to specific employee populations. Beyond training, we are committed to supporting employees in reporting potential violations of our company policies or the law. Our 24/7 "Speaking Up" hotline and web portal are managed by an independent third-party to enable employees, customers and vendors to anonymously report any concerns about misconduct, wrongdoing or violation of KDP policies.

## Advocacy & Public Policy

KDP participates in the public-policy making process within the U.S. at both the state and federal levels of government. We focus a significant portion of our advocacy efforts on public policies that align with and accelerate progress of our *Drink Well. Do Good.* platform, since we recognize that individual company action often needs to be supported by enabling public-policy interventions. These policies include, but are not limited to, restoring resources for a more circular economy, supporting sustainable global agricultural supply chains, reinforcing responsible marketing and labeling and ensuring product quality and food safety.

Our public-policy activities include direct engagement with public officials as well as participation in trade associations, coalitions and stakeholder convenings. While our positions may not always align with those entities, we strive to maintain a strong and credible voice in shaping the views and policy agendas of these groups. Information pertaining to our direct engagement and associated expenditures are reported to the U.S. Congress in accordance with the Lobbying Disclosure Act of 1995. We adhere to all local, state and federal lobbying laws requiring registration and reporting, and a link to this information is provided on our [website](#).

In the U.S., the Company administers the Keurig Dr Pepper PAC, a political action committee registered with

the Federal Election Commission (FEC). The KDP PAC is funded solely through voluntary contributions from eligible employees and we have not held a fundraising campaign since 2018. All PAC contributions are bipartisan and given to federal and state candidates, where permissible by law, without regard to political party affiliation. Corporate funds are not contributed to the PAC and its receipts and disbursements are reported and available, as required, at the FEC's [website](#).

## Data Privacy & Cybersecurity

KDP is committed to protecting the privacy of our consumers, customers, employees and business partners. 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 and other security measures to protect our systems and data. Throughout 2021, we conducted regular cybersecurity training programs for our employees, including simulating phishing exercises and publishing ongoing data security educational tools. Our Privacy Policy governs the collection and use of consumer data and can be found on our [website](#).



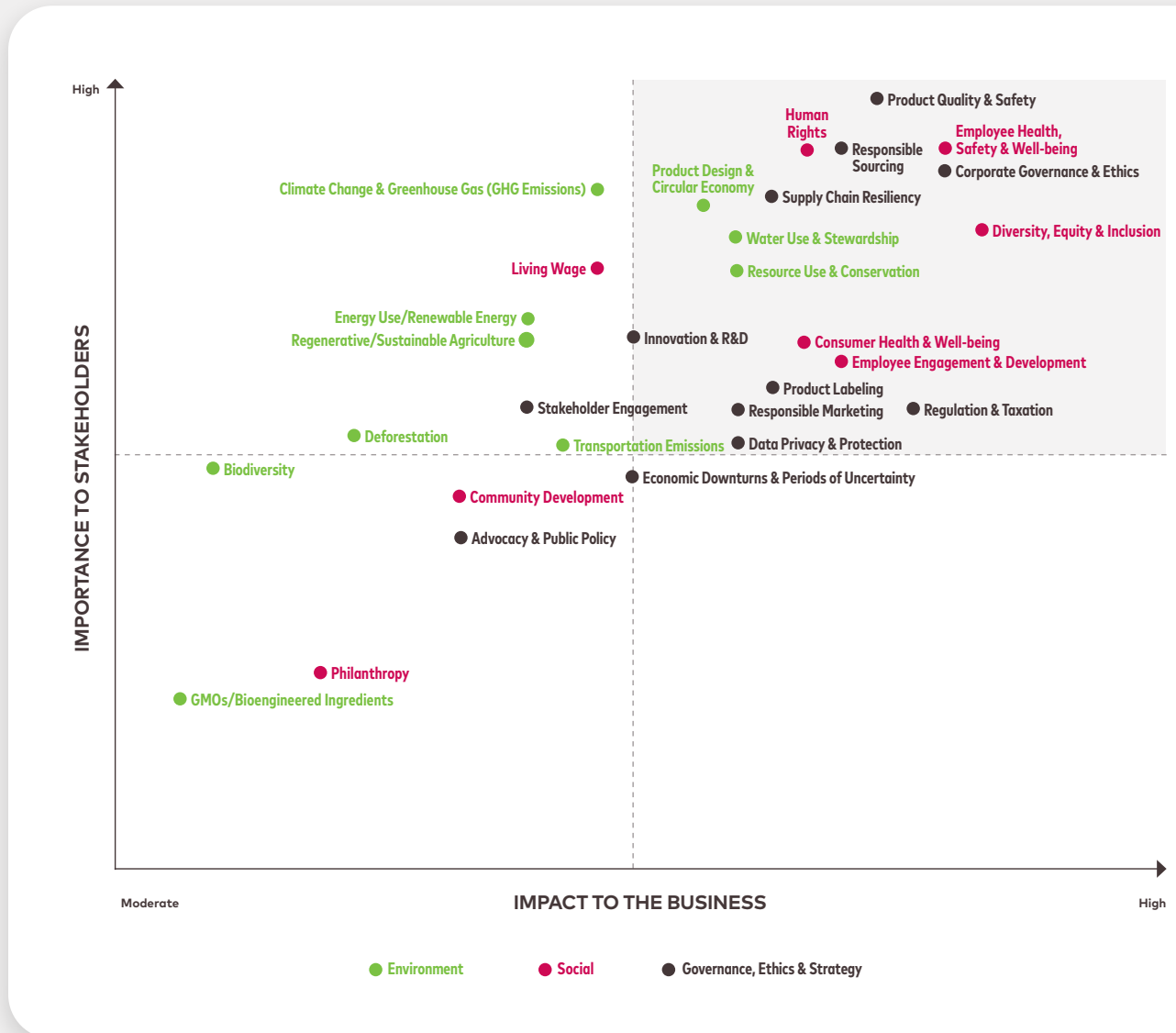
# ESG Materiality & Stakeholder Engagement

## ESG Materiality

Understanding our priority ESG issues informs the development of our corporate strategy, the investment of our resources and the reporting of our business and corporate responsibility efforts. In 2021, we conducted our first formal ESG 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 ESG materiality analysis included an evaluation of emerging trends and internal and external stakeholder input. The outcome of this process was our 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. Top ranking issues are aligned with our *Drink Well. Do Good.* agenda and will continue to play a prominent role in our strategy and related programs and policies. Moving forward, we plan to conduct an ESG materiality analysis on a regular basis to ensure we take into consideration the evolving ESG landscape, in addition to continuously engaging stakeholders through various channels. We describe information about our approach to and progress on these issues throughout this report and in the [Reporting Framework Indices](#) in this report.

The definition of materiality with respect to ESG issues in this report is different than the definition of materiality in the context of our filings with the U.S. Securities and Exchange Commission (SEC). The identification of material issues that guide our corporate responsibility strategy should not be construed as a characterization regarding the materiality or financial impact of such issues or related information to investors in KDP. For a discussion of the risks that are material to investors in KDP, please see our [Annual Report](#) on Form 10-K for the year ended December 31, 2021, filed with the SEC, our subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K.







## Stakeholder Engagement

We engage a broad range of stakeholders, including suppliers, partners, customers, regulatory agencies, NGOs, consumers, employees, investors and others. We maintain ongoing dialogue and 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.

### HOW WE ENGAGE

#### Employees



- 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
- Monthly VP+ meetings
- Employee engagement surveys
- Employee Resource Groups

#### Suppliers



- Individual and broad-based communications
- Supplier trainings, assessments and remediation processes
- Social impact investment through NGOs

#### Consumers



- Marketing and advertising campaigns
- Consumer Care hotlines
- Brand social media channels and websites
- Influencer engagement
- Sponsorships, sweepstakes and giveaways

#### NGOs



- Corporate and organizational memberships
- Direct engagement

#### Customers



- Individual and broad-based communications
- Industry conference/tradeshows
- Direct engagement
- In-store promotions

#### Investors



- Quarterly earnings reports, including conference calls and SEC filings
- Financial conferences, investor events and meetings, with involvement from both management and Investor Relations
- Financial publications and filings, including Annual Report and Proxy Statement
- Company website

#### Regulators/Policy Makers



- Direct engagement
- Industry trade associations
- Policy coalitions
- KDP U.S. Political Action Committee

#### Communities



- Employee volunteering and financial giving
- Partnerships with local and national NGOs

# About This Report

This progress report focuses on the goals, programs and initiatives that encompass our key corporate responsibility efforts for 2021. 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 2021 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.

This report was created in accordance with the Global Reporting Initiative (GRI) Standards: Core option and in alignment with the Sustainable Accounting Standards Board (SASB) Standards and the Task Force on Climate-Related Financial Disclosures (TCFD). Please visit the [Reporting Framework Index](#) for more information about these disclosures.

For 2021, we have obtained limited third-party assurance of certain key claims and sustainability performance metrics by ERM Certification and Verification Services (ERM CVS) for energy and GHG emissions, water and diversity and inclusion. ERM CVS conducted an "in accordance" assessment on the SASB disclosure requirements for all related topics that are material to KDP. The assured data points are flagged in the Data Summary and SASB Index, located in the [Appendix](#) of this report. To view the ERM CVS assurance statement, please visit our [website](#).

## Forward-Looking Statements

Certain statements contained herein are "forward-looking statements" within the meaning of applicable securities laws and regulations. These forward-looking statements can generally be identified by the use of words such as "outlook," "guidance," "anticipate," "expect," "believe," "could," "estimate," "feel," "forecast," "intend," "may," "plan," "potential," "project," "should," "target," "will," "would" and similar words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. These statements are based on the current expectations of our management, are not predictions of actual performance, and actual results may differ materially. Forward-looking statements are subject to a number of risks and uncertainties, including the factors disclosed in our Annual Report on Form 10-K and subsequent filings with the SEC. We are under no obligation to update, modify or withdraw any forward-looking statements, except as required by applicable law.



## Appendix

# 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	2021
<b>All Packaging*</b>				
% Packaging Recyclable or Compostable	86%	87%	90%	92%
% Post-recycled Content across Total Packaging Portfolio	20%	20%	22%	24%
<b>Plastic Packaging</b>				
% Plastic Packaging Recyclable or Compostable**	N/A	64%	74%	80%
% Post-recycled Content across Total Plastic Portfolio	0.3%	0.4%	2%	11%
% Virgin Plastic Reduction	N/A	Baseline Year	1%	6%
Total Plastic Packaging (Metric Tons)	208,000	230,000	230,000	243,000
<b>Packaging Mix (% Of Total Weight)</b>				
% Paper/Cardboard	28%	26%	26%	32%
% PET Bottles	25%	23%	24%	27%
% Aluminum & Steel	10%	11%	12%	14%
% Non-Refillable Glass Bottles	24%	23%	22%	10%
% Polypropylene	3%	6%	8%	8%
% Other	1%	4%	4%	4%
% Flexible Packaging and Plastic Film	2%	2%	3%	3%
% Refillable Glass Bottles	2%	2%	1%	2%
% Polystyrene	6%	4%	0.2%	0%
<b>Waste</b>				
Total Waste Generated (Short Tons)	72,096	72,407	114,241	124,859
% Waste Diverted from Landfill	86%	88%	92%	92%

\*Data reported for 2019 and going forward includes most tertiary packaging and brewer packaging.

\*\*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". In 2021, 58% of KDP plastic packaging fit this definition.

Year ended December 31

**2018**
**2019**
**2020**
**2021**

## Greenhouse Gas Emissions & Energy

	2018	2019	2020	2021
<b>SCOPE 1: Direct Emissions (MTCO<sub>2</sub>e)*</b>	273,576 <sup>†</sup>	268,712 <sup>†</sup>	289,755 <sup>†</sup>	294,455 <sup>†</sup>
Stationary	116,495 <sup>†</sup>	116,081 <sup>†</sup>	128,958 <sup>†</sup>	131,813 <sup>†</sup>
Mobile	157,081 <sup>†</sup>	152,631 <sup>†</sup>	160,797 <sup>†</sup>	162,642 <sup>†</sup>
<b>SCOPE 2: Indirect Emissions, Purchased Energy (MTCO<sub>2</sub>e)*</b>				
Market-based	137,560 <sup>†</sup>	97,345 <sup>†</sup>	93,280 <sup>†</sup>	81,091 <sup>†</sup>
Location-based	166,484 <sup>†</sup>	162,746 <sup>†</sup>	165,076 <sup>†</sup>	167,493 <sup>†</sup>
<b>SCOPE 3: Indirect Emissions, Value Chain (MTCO<sub>2</sub>e)*</b>	8,809,224	8,844,933	8,455,045	9,917,331
Category breakdown:				
Purchased Goods and Services	3,963,399	4,048,579	3,245,773	4,762,340
Capital Goods	35,627	34,831	45,134	53,177
Fuel-and-Energy-Related Activities (Not Included in Scope 1 or 2)	97,291	93,618	97,180	88,351
Upstream Transportation And Distribution**	481,603	476,052	455,091	432,347
Waste Generated in Operations	797	6,120	7,365	7,323
Business Travel	8,324 <sup>†</sup>	9,335	4,243	2,616
Employee Commuting	52,644	53,681 <sup>†</sup>	50,833 <sup>†</sup>	52,268 <sup>†</sup>
Downstream Transportation and Distribution	1,007,135	960,902	1,073,631	1,106,642
Processing of Sold Products	2,632,469	2,648,284	2,726,216	2,856,423
Use of Sold Products	390,703	381,773	664,521	559,947
End-of-Life Treatment of Sold Products	138,531	131,058	85,058	117,735
Downstream Leased Assets	700	700	0	0
<b>Total Energy Use (MWh)</b>	1,637,400	1,687,239 <sup>†</sup>	1,812,598 <sup>†</sup>	1,895,189 <sup>†</sup>
Total Direct Energy Usage (MWh)	1,211,103	1,248,290 <sup>†</sup>	1,352,299 <sup>†</sup>	1,398,647 <sup>†</sup>
Total Purchased Electricity Use (MWh)	426,297	438,949 <sup>†</sup>	460,299 <sup>†</sup>	496,542 <sup>†</sup>
% Grid Electricity	N/A	N/A	100%	100%
<b>% Renewable Energy***</b>	28%	47%	50% <sup>†</sup>	62% <sup>†</sup>
<b>Fleet Fuel Management</b>				
Total Fuel Consumed (Gigajoules)	N/A	N/A	2,325,866	2,312,032
% Renewable			0%	0%

<sup>†</sup>Third-party data assurance completed by ERM CVS with limited assurance for 2019, 2020 and 2021, and by LRQA for 2018. Most recent statement available on our reporting [website](#).

\*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 U.S. 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 CH<sub>4</sub> and N<sub>2</sub>O. This resulted in a revision to prior year estimates for this category, and therefore Scope 3 totals as well.

\*\*\*Renewable electricity in 2020, 2021 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

	2017	2018	2019	2020	2021
<b>Water</b>					
<b>Total Withdrawal (Million Liters)</b>	13,112	13,132	12,653 <sup>†</sup>	13,166 <sup>†</sup>	13,355 <sup>†</sup>
% Withdrawal, Municipal	74%	74%	74% <sup>†</sup>	75% <sup>†</sup>	79% <sup>†</sup>
% Withdrawal, Groundwater	26%	26%	26% <sup>†</sup>	25% <sup>†</sup>	21% <sup>†</sup>
<b>Total Consumption (Million Liters)</b>	7,259	7,559	7,290 <sup>†</sup>	7,407 <sup>†</sup>	7,463 <sup>†</sup>
% Consumed in High Baseline Water Stress Areas	N/A	38%	38%	37%**	40%*
<b>Total Discharge (Million Liters)</b>	5,848	5,573	5,363 <sup>†</sup>	5,759 <sup>†</sup>	5,893 <sup>†</sup>
% Discharge to Municipal	68%	66%	66% <sup>†</sup>	66% <sup>†</sup>	78% <sup>†</sup>
% Discharge to Waterbody	32%	34%	34% <sup>†</sup>	34% <sup>†</sup>	22% <sup>†</sup>
<b>Water Use Ratio (L/L)** (Liters of Water Required to Make One Liter of Product)</b>	1.95	1.87	1.88	1.82 <sup>†</sup>	1.82 <sup>†</sup>
+Water Replenished in High Water Risk Areas					
(Million Liters per Year) ***	N/A	N/A	5,328	5,824	6,200
% Replenished****	N/A	N/A	73%	79%**	85%

<sup>†</sup>Third-party data assurance completed by ERM CVS with limited assurance for 2019, 2020 and 2021, and by Trucost for 2018. Most recent statement available on our reporting [website](#).

<sup>‡</sup>Updated from the prior year.

\*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.

## Responsible Sourcing - Coffee

<b>Fair Trade Community Development Premiums (Million USD) (Cumulative) (Since 2001)</b>	N/A	96	107	116
<b>% Coffee Responsibly Sourced</b>	31%	65%	100% <sup>†</sup>	99.62%**

<sup>†</sup>2020 was our final transition year, with 82% of our purchases of green coffee responsibly sourced through third-party certification or verification programs. By the end of 2020, all coffee contracted to be received going forward was 100% responsibly sourced.

\*\*During 2021, COVID-19 impacts and shipping delays resulted in a very small amount conventional coffee deliveries.

Year ended December 31

2018	2019	2020	2021
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## Responsible Sourcing – Cocoa

<b>% Cocoa Responsibly Sourced</b>	N/A	N/A	N/A	81%*
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\*During 2021, 81% of our cocoa purchases were responsibly sourced through third-party sourcing programs. By the end of 2021, all cocoa contracted to be received going forward was 100% responsibly sourced.

## Responsible Sourcing – Appliances

<b>Tier 1 Contract Manufacturers</b>				
% Suppliers in Program Scope	N/A	100%	100%	100%
Number of Facility Audits Completed (Initial and Closure)	N/A	8	11	5
Average Initial Audit Score	N/A	142	109	145
Average Audit Score Post Closure Audit	N/A	176	188	152
% Findings Closed	N/A	50%	86%	N/A*
% Priority Findings Closed	N/A	N/A	N/A	33%
<b>Tier 2 Component Suppliers</b>				
% Suppliers in Program Scope	N/A	36%	36%	100%
Number of Facility Audits Completed (Initial and Closure)	N/A	28	19	16
Average Initial Audit Score	N/A	71	128	125
Average Audit Score Post Closure Audit	N/A	112	156	133
% Priority Findings Closed	N/A	36%	31%	25%

\*In 2021, we decided to focus on closing Priority Findings in order to address the most pressing issues in our supply chain in a timely manner. Going forward we will report on percentage of Priority Findings closed year-over-year instead of total percentage of findings closed.

## Livelihoods

Investments in improving livelihoods of coffee farmers (million USD) (cumulative) (since 2003)	60	63	64	71
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## Health & Well-Being

<b>% Products that Meet Positive Hydration Definition</b>	N/A	N/A	54%	56.5%
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\*Includes partner brands and fountain, excludes private label. We define a positive hydration product as one that provides a serving of fruits or vegetables OR is below 40 calories per serving with a functional attribute or at least 10% Daily Value of a nutrient to encourage.

Year ended December 31

2018	2019	2020	2021
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## Employee Engagement

% Annual Survey Participation Rate	N/A	65%	81%	89%
% Employee Engagement	N/A	60%	62%	71%
% Total Employee New Hire Rate	N/A	N/A	32%	16%
% Total Employee Turnover Rate	N/A	N/A	32%	41%

## Diversity & Inclusion

% Female Representation in Director and Above Positions	N/A	N/A	26%	28%
% People of Color Representation in Director and Above Positions*	N/A	N/A	17%	17%

\*Includes only U.S. employees

## 2021 Global Employee Gender Demographics†

	Total	Director+ Professional	Other Professional	Hourly
<b>Total Global KDP</b>	27,276	678	8,696	17,902
Female	5,007	187	2,217	2,603
Male	22,067	480	6,396	15,191
Not Disclosed	202	11	83	108

### 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"

## 2021 U.S. Employee Racial/Ethnicity Demographics†

		Total	Director+ Professional	Other Professional	Hourly
<b>Total U.S. KDP</b>		21,392	611	6,057	14,748
<b>White</b>	Total	11,117	485	4,287	6,345
	Female	2,286	131	1,015	1,140
	Male	8,814	351	2,764	5,699
	Not Disclosed	17	3	5	9
<b>Hispanic</b>	Total	4,565	32	757	3,776
	Female	527	4	153	370
	Male	4,036	28	604	3,404
	Not Disclosed	2	0	0	2
<b>Black</b>	Total	3,991	24	571	3,420
	Female	719	11	154	565
	Male	3,266	13	414	2,852
	Not Disclosed	6	0	3	3
<b>Asian</b>	Total	699	34	234	431
	Female	225	14	97	114
	Male	473	20	136	317
	Not Disclosed	1	0	1	0
<b>Two or More Races</b>	Total	625	11	124	490
	Female	122	4	37	81
	Male	502	7	87	408
	Not Disclosed	1	0	0	1



## 2021 U.S. Employee Racial/Ethnicity Demographics<sup>†</sup> *(continued)*

	Total	Director+ Professional	Other Professional	Hourly	
<b>Native Hawaiian or Other Pacific Islander</b>	Total	85	1	8	76
	Female	31	0	4	27
	Male	53	0	4	49
	Not Disclosed	1	1	0	0
<b>Native American or Alaska Native</b>	Total	40	1	2	37
	Female	13	0	1	12
	Male	27	1	1	25
	Not Disclosed	0	0	0	0
<b>Not Disclosed</b>	Total	270	23	74	173
	Female	70	5	27	38
	Male	186	15	41	128
	Not Disclosed	16	3	6	7
		2018	2019	2020	2021

## Workplace Safety – Manufacturing\*

	2018	2019	2020	2021
<b>Lost Time Injury Rate</b>	0.17	0.23	0.19	0.18
<b>Total Fatalities (work-related)</b>	0	0	0	0
<b>Total Recordable Injury Rate</b>	1.23	1.23	0.81	0.89

\*Includes only owned and operated KDP facilities in the U.S., Mexico and Canada; rates are calculated as frequency of injuries per 100 employees. 2019 and 2020 data revised due to incidents turning recordable after end of calendar year.

## Workplace Safety – Direct Store Delivery\*

	2018	2019	2020	2021
<b>Lost Time Injury Rate</b>	2.0	1.6	1.9	1.3
<b>Total Recordable Injury Rate</b>	9.7	8.2	6.7	5.2

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

## Appendix

# Goal Methodology

Goal	Unit of Measure	Baseline (year)	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
<b>Convert 100% of packaging to be recyclable or compostable by 2025</b>	% of total packaging by weight	N/A	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, wood pallets, brewers and brewer components	TBD	We are working with third-party bottlers to enable measurement and reporting of recyclability.  Ongoing projects to recycle coffee brewers are additional to this goal.
<b>Use 30% post-consumer recycled content across our packaging portfolio by 2025</b>	% of total packaging by weight	N/A	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, wood pallets, brewers and brewer components	TBD	We are 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.
<b>Use 25% post-consumer recycled content in our plastic packaging by 2025</b>	% of total plastic packaging by weight	N/A	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	TBD	We are 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.
<b>Achieve a 20% virgin plastic reduction across our plastic packaging portfolio by 2025</b>	% of virgin plastic packaging by weight	2019	2019	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	TBD	We are working with third-party bottlers to enable measurement and reporting of PCR content.

Goal	Unit of Measure	Baseline (year)	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
<b>Send zero waste to landfill across our operations by 2025</b>	% solid waste, by weight, diverted from landfill	N/A	2019	2025	Solid waste at manufacturing sites only	Does not include offices or warehouses/ distribution centers 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	None
<b>Engage bottlers and select suppliers representing 50% of Scope 3 emissions to set a science-based target by 2024</b>	% of Scope 3 emissions covered by bottler and supplier SBTs	N/A	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.	None	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.  For more information on our GHG emissions calculation methodology and boundaries please refer to our <a href="#">CDP Climate disclosure</a> .
<b>Obtain 100% of electricity from renewable sources by 2025</b>	renewable electricity purchases as % of total electricity purchases	N/A	2019	2025	All KDP owned and operated facilities' electricity consumption is included. Consumption is estimated for some small sites.	None	RE100	None
<b>Reduce Scope 1 and 2 emissions by 30% by 2030</b>	MTCO2e (metric tons carbon dioxide equivalents)	2018	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)	For more information on our GHG emissions calculation methodology and boundaries please refer to our <a href="#">CDP Climate disclosure</a> .

Goal	Unit of Measure	Baseline (year)	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
<b>Reduce Scope 3 emissions in select categories by 15% by 2030</b>	MTCO <sub>2</sub> e (metric tons carbon dioxide equivalents)	2018	2019	2030	The reductions targeted cover the Scope 3 categories of purchased goods and services (PET and glass packaging), fuel and energy-related activities, upstream transportation and distribution and the use of sold products.	None	SBTi (Science Based Targets initiative)	The categories included in KDP's absolute reduction commitment of scope 3 GHG emissions are purchased goods and services (PET and glass packaging), fuel and energy-related activities, upstream transportation and distribution and the use of sold products. These categories account for approximately 20% of our Scope 3 emissions.  For more information on our GHG emissions calculation methodology and boundaries please refer to our <a href="#">CDP Climate disclosure</a> .
<b>Improve our water use efficiency by 20% by 2025</b>	% 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)	2017	2019	2025	Cold beverage manufacturing sites	Does not include Newbridge, Ireland, or Williamson, New York, production sites (Newbridge was not fully commissioned in 2021; Williamson primarily produces fruit sauce for our Mott's brand and operations are not comparable to typical cold beverage bottling operations), coffee roasting/packaging sites, offices, warehouses/distribution centers 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.
<b>Partner with our highest water-risk operating communities to replenish 100% of water used in our beverages in those communities by 2025</b>	% water replenished of projected 2025 volume used in products produced at highest water-risk sites and water used to brew beverages with our pods	2014	2019	2025	Six 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, Texas; Vernon and Victorville, California; and Tecamac, Tehuacan and Tlajomulco, Mexico.  Water replenishment project water volumes are calculated on a yearly basis (ML/year), based on the annual volume benefit they deliver. Replenishment progress is calculated as a percentage of the goal, not of a given year's water consumption.  Replenish volumes are only counted toward the site they are relevant for and only up to 100% of that site's projected 2025 volume.	None	LimnoTech	The scope of the goal will be adjusted for the 2022 reporting year to account for the four new sites identified as highest water-risk in 2021.

Goal	Unit of Measure	Baseline (year)	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
<b>Responsibly source 100% of our brewers</b>	# of suppliers that have achieved a Silver-level recognition in a Responsible Business Alliance audit	2017	2017	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.
<b>Responsibly source our brewers and 100% of our priority inputs</b>	% of responsibly sourced coffee by volume	N/A	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	Fairtrade International, Fair Trade USA, The Rainforest Alliance/UTZ, 4C, AtSource Entry Verified by ofi and Great Lakes Coffee MaxTRACE	KDP's evaluation tool to accept partner programs was independently reviewed by Conservation International and WWF.
	% of responsibly sourced cocoa by volume	N/A	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 The Rainforest Alliance/UTZ, Fair Trade USA and Fairtrade International	KDP's evaluation tool to accept partner programs was independently reviewed by Conservation International and WWF.
	# of brewer suppliers that Meet or Exceed Expectations in a social compliance audit	N/A	2021	Ongoing	All Alliance, Strategic and Core suppliers in KDP's Supplier Performance Management Program	Transactional suppliers in KDP's Supplier Performance Management Program	Third-party auditors	Scope for 2021 has expanded to include Core suppliers and will be an ongoing effort.

Goal	Unit of Measure	Baseline (year)	Commitment Made (year)	Target Completion (year*)	Boundaries	Exclusions	Validated by	Other/Comments
<b>Support regenerative agriculture and conservation on 250,000 acres of land by 2030</b>	Number of acres	N/A	2021	2030	Coffee, corn (for High Fructose Corn Syrup), apple supply chains	<p><b>Coffee:</b> Soluble and green coffee extract; green coffee or other coffee inputs purchased by partners</p> <p><b>Corn:</b> Corn starch, citric acid, erythritol, corn syrup, soluble corn fiber, gin, vodka, brown caramel color</p> <p><b>Apple:</b> Purees, flakes</p>	None	Methodology was developed in partnership with Terra Genesis International with significant stakeholder outreach to growers, NGO and industry organizations. The first version is publicly available on our <a href="#">website</a> .
<b>Provide positive hydration in 60% of our products by 2025</b>	% of total number of KDP products	N/A	2021	2025	<p>Positive hydration is defined as a product that provides a serving of fruits/vegetables with no added sugar 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, 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	None
<b>Increase female representation in Director and above positions by 25% to 33% of the total by 2025</b>	% of Director-level and above employees	2020	2021	2025	Director-level and above employees in all geographies	All employees below Director	None	None
<b>Increase people of color representation in Director and above positions by 25% to 21% of the total by 2025</b>	% of Director-level and above employees	2020	2021	2025	Director-level and above employees in the U.S. only	All employees below Director	None	None

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

## Appendix

# Reporting Framework Indices

### Global Reporting Initiative (GRI) Index

This 2021 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
<b>Organization Profile</b>		
102-1	Name of the organization	<a href="#">2021 Form 10-K</a> , Part I, Item 1, page 1
102-2	Activities, brands, products, and services	Overview, page 4 <a href="#">2021 Form 10-K</a> , Part I, Item 1, page 1
102-3	Location of headquarters	<a href="#">2021 Form 10-K</a> , Part I, Item 2, page 23
102-4	Location of operations	<a href="#">2021 Form 10-K</a> , Part I, Item 2, page 23
102-5	Ownership and legal form	<a href="#">2021 Form 10-K</a> , Part I, Item 1, page 1
102-6	Markets served	<a href="#">2021 Form 10-K</a> , Part I, Item 1, page 2
102-7	Scale of the organization	<a href="#">2021 Form 10-K</a> , Part I, Item 1, page 1
102-8	Information on employees and other workers	People & Communities, pages 33-44 <a href="#">2021 Form 10-K</a> , Part I, Item 1, page 7
102-9	Supply chain	Overview, page 7 Supply Chain, pages 20-27 <a href="#">2021 Form 10-K</a> , Part I, Item 1, page 10
102-10	Significant changes to the organization and its supply chain	Supply Chain, pages 20-27 <a href="#">2021 Form 10-K</a> , Part I, Item 1, pages 1-11

DISCLOSURE		RESPONSE
<b>Organization Profile</b> <i>(continued)</i>		
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. <a href="#">Ethics &amp; Compliance</a>
102-12	External initiatives	Environment, pages 9-19 Supply Chain, pages 20-27 Health & Well-being, pages 28-33 People & Communities, pages 34-44
102-13	Membership of associations	Environment, pages 9-19 Supply Chain, pages 20-27 Health & Well-being, pages 28-33 People & Communities, pages 34-44
<b>Strategy</b>		
102-14	Statement from senior decision-maker	Chairman & CEO and Chief Sustainability Officer Letter, page 3
102-15	Key impacts, risk and opportunities	<a href="#">2021 Form 10-K</a> , Part 1, pages 1-11 & Part 1, Item 1A, pages 12-22
<b>Ethics &amp; Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	Overview, pages 4-5 Governance, pages 45-49 <a href="#">Ethics &amp; Compliance</a>
102-17	Mechanisms for advice and concerns about ethics	Governance, pages 45-49 <a href="#">Corporate Code of Conduct</a> <a href="#">KDP Conflict Minerals Policy</a> <a href="#">KDP Modern Slavery Statement</a>



**DISCLOSURE**
**RESPONSE**
**Organization Profile** *(continued)*
**Governance**

<b>102-18</b>	Governance structure	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14 <a href="#">KDP Corporate Governance Principles</a>
<b>102-19</b>	Delegating authority	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
<b>102-20</b>	Executive-level responsibility for economic, environmental, and social topics	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , page 13 <a href="#">KDP Corporate Governance Principles</a> <a href="#">KDP Audit and Finance Committee Charter</a>
<b>102-21</b>	Consulting stakeholders on economic, environmental, and social topics	Governance, pages 45-49 <a href="#">2021 Form 10-K</a> , Part I, Item 1, pages 1-11
<b>102-22</b>	Composition of the highest governance body and its committees	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 5-10 <a href="#">KDP Corporate Governance Principles</a>
<b>102-23</b>	Chair of the highest governance body	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , page 11
<b>102-24</b>	Nominating and selecting the highest governing body	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , page 5
<b>102-26</b>	Role of highest governance body in setting purpose, values, and strategy	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
<b>102-27</b>	Collective knowledge of highest governance body	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
<b>102-28</b>	Evaluating the highest governance body's performance	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , page 13
<b>102-29</b>	Identifying and managing economic, environmental, and social impacts	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
<b>102-30</b>	Effectiveness of risk management process	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
<b>102-31</b>	Review of economic, environmental, and social topics	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14

DISCLOSURE		RESPONSE
<b>Organization Profile</b> <i>(continued)</i>		
<b>Governance</b>		
102-32	Highest governance body's role in sustainability reporting	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
102-33	Communicating critical concerns	Governance, pages 45-49 <a href="#">2022 Proxy Statement</a> , pages 11-14
102-35	Remuneration policies	<a href="#">2022 Proxy Statement</a> , page 30 <a href="#">KDP Remuneration and Nomination Committee Charter</a>
102-36	Process for determining remuneration	<a href="#">2022 Proxy Statement</a> , page 30 <a href="#">KDP Remuneration and Nomination Committee Charter</a>
102-37	Stakeholders' involvement in remuneration	<a href="#">2022 Proxy Statement</a> , page 15
102-38	Annual total compensation ratio	<a href="#">2022 Proxy Statement</a> , pages 39-40
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Governance, pages 50-51
102-41	Collective bargaining agreements	<a href="#">2021 Form 10-K</a> , Part I, Item 1, page 7
102-42	Identifying and selecting stakeholders	Governance, pages 50-51
102-43	Approach to stakeholder engagement	Governance, pages 50-51
102-44	Key topics and concerns raised	Governance, page 50
<b>Reporting Practices</b>		
105-45	Entities included in the consolidated financial statements	<a href="#">2021 Form 10-K</a> , Exhibit 21.1
105-46	Defining report content and topic Boundaries	About this Report, page 50 Goal Methodology, pages 58-62
102-47	List of material topics	Governance, page 50
102-48	Restatements of information	About this Report, page 50 Data Summary, pages 51-57
102-49	Changes in reporting	About this Report, page 50 Goal Methodology, pages 58-62

**DISCLOSURE**
**RESPONSE**
**Organization Profile** *(continued)*
**Reporting Practices**

<b>102-50</b>	Reporting period	About this Report, page 50
<b>102-51</b>	Date of most recent report	June 2021
<b>102-52</b>	Reporting cycle	Annual
<b>102-53</b>	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 <a href="mailto:sustainability@kdrp.com">sustainability@kdrp.com</a> .
<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	About this Report, page 50
<b>102-55</b>	GRI content index	GRI Index, pages 63-73
<b>102-56</b>	External assurance	About this Report, page 50

**Management Approach**

<b>103-1</b>	Explanation of the material topic and its Boundary	Governance, page 50 Goal Methodology, pages 58-62
<b>103-2</b>	The management approach and its components	Governance, page 50 Goal Methodology, pages 58-62
<b>103-3</b>	Evaluation of the management approach	Governance, page 50 Goal Methodology, pages 58-62

**Economic**

<b>201-1</b>	Direct economic value generated and distributed	<a href="#">2021 Form 10-K</a> , Part II, Item 8, page 49
<b>201-2</b>	Financial implications and other risks and opportunities due to climate change	<a href="#">2021 Form 10-K</a> , Part I, Item 1A, pages 12-15 <a href="#">2021 CDP Climate Submission</a>
<b>201-3</b>	Defined benefit plan obligations and other retirement plans	<a href="#">2021 Form 10-K</a> , Part I, Item 1, pages 7-8 & Part II, Item 8, page 49

DISCLOSURE	RESPONSE
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## Economic *(continued)*

### Indirect Economic Impacts

<b>201-1</b>	Infrastructure investments and services supported	Environment, pages 9-19 Supply Chain, pages 20-27 Health & Well-being, page 28-33 People & Communities, pages 34-44
<b>203-2</b>	Significant indirect economic impacts	Environment, pages 19-19 Supply Chain, pages 20-27 Health & Well-being, pages 28-33 People & Communities, pages 34-44

### Anti-Corruption

<b>205-1</b>	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.
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	<a href="#">KDP Ethics and Compliance policies</a>

### Anti-competitive Behavior

<b>206-1</b>	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">KDP Ethics and Compliance policies</a>
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## Environmental

### Materials

<b>301-1</b>	Materials used by weight or volume	Environment, pages 9-19 Data Summary, pages 51-57
<b>301-2</b>	Recycled input materials used	Environment, pages 9-19 Data Summary, pages 51-57

DISCLOSURE		RESPONSE
<b>Environmental</b> <i>(continued)</i>		
<b>Energy</b>		
302-1	Energy consumption within the organization	Environment, pages 9-19 Data Summary, pages 51-57
302-2	Energy consumption outside of the organization	Environment, pages 9-19 Data Summary, pages 51-57
302-4	Reduction of energy consumption	Environment, pages 9-19 Data Summary, pages 51-57
302-5	Reductions of energy requirements of products and services	Environment, pages 9-19 Data Summary, pages 51-57
<b>Water</b>		
303-1	Water withdrawal by source	Environment, pages 9-19 Data Summary, pages 51-57
303-2	Water sources significantly affected by withdrawal of water	Environment, pages 9-19 Data Summary, pages 51-57
<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Environment, pages 9-19 Data Summary, pages 51-57
305-2	Energy indirect (Scope 2) GHG emissions	Environment, pages 9-19 Data Summary, pages 51-57
305-3	Other indirect (Scope 3) GHG emissions	Environment, pages 9-19 Data Summary, pages 51-57
305-4	GHG emissions intensity	Environment, pages 9-19 Data Summary, pages 51-57
305-5	Reduction of GHG emissions	Environment, pages 9-19 Data Summary, pages 51-57

DISCLOSURE	RESPONSE
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## Environmental *(continued)*

### Effluents & Waste

306-1	Water discharge by quality and destination	<a href="#">2021 CDP Climate Submission</a>
306-2	Waste by type and disposal method	Environment, pages 9-19 Data Summary, pages 51-57

### Environmental Compliance

307-1	Water sources significantly affected by withdrawal of water	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.
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### 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's <a href="#">Supplier Code of Conduct</a> . New appliance suppliers in high-risk countries are required to complete a Risk Self-Assessment Questionnaire which assigns an environmental risk rating by facility.
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## Social

### Employment

401-1	New employee hires and employee turnover	Data Summary, pages 51-57
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People & Communities, pages 34-44

### Occupational Health & Safety

403-2	Types of injury and rate of injury, occupation diseases, lost days and absenteeism and number of work-related fatalities	People & Communities, pages 34-44 Data Summary, pages 51-57
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DISCLOSURE		RESPONSE
<b>Social</b> <i>(continued)</i>		
<b>Training and Education</b>		
404-1	Average hours of training per year per employee	People & Communities, pages 34-44
404-2	Programs for upgrading employee skills and transition assistance programs	People & Communities, pages 34-44 Data Summary, pages 51-57
404-3	Percentage of employees receiving regular performance and career development reviews	People & Communities, pages 34-44
<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	People & Communities, pages 34-44 Governance, pages 45-49 Data Summary, pages 51-57
<b>Child Labor</b>		
408-1	Operations and suppliers at significant risk for incidents of child labor	No KDP operations were identified as having significant risks for incidences of child labor in 2021. 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. Supply Chain, pages 20-27 Governance, pages 45-49 <a href="#">KDP Conflict Minerals Report</a> <a href="#">KDP Modern Slavery Statement</a> <a href="#">KDP Supplier Code of Conduct</a>
<b>Forced or Compulsory Labor</b>		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No KDP operations were identified as having significant risks for incidences of forced or compulsory labor in 2021. 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. Supply Chain, pages 20-27 Governance, pages 45-49 <a href="#">KDP Conflict Minerals Report</a> <a href="#">KDP Modern Slavery Statement</a> <a href="#">KDP Supplier Code of Conduct</a>

**DISCLOSURE**
**RESPONSE**
**Social** *(continued)*
**Rights of Indigenous Peoples**
**411-1** Incidents of violations involving rights of indigenous peoples

No KDP operations were identified as having significant risks for incidences of violations involving rights of indigenous peoples in 2021. KDP's Supplier Code of Conduct outlines expectations for the Company's suppliers regarding violations involving 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.

Supply Chain, pages 20-27  
 Governance, pages 45-49

[KDP Conflict Minerals Report](#)  
[KDP Modern Slavery Statement](#)  
[KDP Supplier Code of Conduct](#)

**Human Rights Assessment**
**412-1** Operations that have been subject to human rights reviews or impact assessments

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.

**412-2** Employee training on human rights policies or procedures

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](#)

**Local Communities**
**413-1** Operations with local community engagement, impact assessments, and development programs

Environment, pages 9-19  
 Supply Chain, pages 20-27  
 Health & Well-being, pages 28-33  
 People & Communities, pages 34-44



DISCLOSURE		RESPONSE
<b>Social</b> <i>(continued)</i>		
<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	Keurig suppliers are held to specific standards, which have been outlined in the <a href="#">KDP Supplier Code of Conduct</a> . 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. People & Communities, pages 34-44
414-2	Negative social impacts in the supply chain and actions taken	<a href="#">KDP Modern Slavery Statement</a>
<b>Public Policy</b>		
415-1	Political contributions	<a href="#">KDP Political Engagement Approach</a> <a href="#">KDP Political Contributions Policy</a>
<b>Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Health & Well-being, pages 28-33
<b>Marketing &amp; Labor</b>		
417-1	Requirements for product and service information and labeling	Health & Well-being, pages 28-33 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 <a href="https://www.kdpproductfacts.com/">https://www.kdpproductfacts.com/</a> .
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no reported incidents of non-compliance in 2021.
417-3	Incidents of non-compliance concerning marketing communications	Health & Well-being, pages 28-33
<b>Customer Privacy</b>		
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 2021.
<b>Socioeconomic Compliance</b>		
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 2021.

## Appendix

# Sustainability Accounting Standards Board (SASB) Index

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

## Non-Alcoholic Beverages

Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
<b>Fleet Fuel Management</b>	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-NB-110a.1	2,312,032, 0%
<b>Energy Management</b>	(1) Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-NB-130a.1	(1) 4,485,756 (2) 43% grid energy (3) 62% renewable electricity
<b>Water Management</b>	(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) 13,355, 29% (2) 7,463, 38%
	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 17-19 Data Summary, pages 51-57

## Non-Alcoholic Beverages *(continued)*

### 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.  A Balanced Product Portfolio, pages 29-30
	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	A Balanced Product Portfolio, pages 29-30
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%  Transparency & Consumer Information, page 32
	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. We comply with the Federal bio-engineered labeling law in the U.S. for any product containing a bioengineered ingredient.
	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.
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	602,364 24% 92%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	N/A	FB-NB-410a.2	Circular Economy, pages 10-13

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.

## Non-Alcoholic Beverages *(continued)*

### Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
<b>Environmental &amp; Social Impacts of Ingredient Supply Chain</b>	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-270a.1	<p>KDP does not have audit conformance data across all our 2021 priority beverage ingredient supply chains, which are: coffee, cocoa, apple, apple juice concentrate and cor (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 2021, the scope of these audits included coffee (covering 99.62% of our purchases by volume) and cocoa (covering 81% of our purchases by volume). Coffee is our top priority beverage ingredient for KDP and for our coffee systems business, which contributed 37% of 2021 net sales. Cocoa is a minimal contributor to our packaged beverages segment.</p> <p>In 2021, 99.62% of our purchases of green coffee by volume were certified to third-party environmental and social standards (The Rainforest Alliance/UTZ, Fairtrade International, Fair Trade USA, 4C) or third-party verified (ofi AtSource Entry Verified by ofi, Great Lakes Coffee MaxTRACE). In 2021, 81% of our cocoa purchases were certified to either The Rainforest Alliance/UTZ and, by the end of 2021, all cocoa contracted to be received going forward is 100% responsibly sourced.</p> <p>With the exception of Great Lakes MaxTRACE (which represented less than 1% of our total purchases in 2021 and will include an associated third-party evaluation in 2022), each of these certification and verification programs include third-party audits and corrective action processes for both major and minor nonconformities. Suppliers with major nonconformities or failing a "Mandatory" or "Zero Tolerance Requirement", will have their certificate cancelled or be withdrawn from the program if they cannot fully address the non-conformance within a reasonable time frame. Therefore, the major non-conformance corrective action rate can be assumed to be 100% because all suppliers selling to KDP must have a valid certificate or be in good standing with the program operator. For other non-conformities, the acceptable non-conformance rate, corrective action process, and closure requirements vary by program. All programs require closure of non-conformities over time to ensure continuous improvement to the relevant standard.</p> <p>Outside of coffee and cocoa, we began audits in our apple juice concentrate supply chain during 2021. Out of our total apple juice concentrate suppliers, 25% of facilities were in high-risk countries. Out of the total volume produced in these facilities in high-risk countries, 98% of our apple juice concentrate volume from high-risk countries was processed in facilities that either met or exceeded our audit performance requirements.</p>

## Non-Alcoholic Beverages *(continued)*

### 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 percentage of key ingredients (by volume) sourced from areas of water stress, which corresponds very closely to reporting the percentage by cost. Based on our most recent risk assessment in 2021, the data was as follows:</p> <p><b>Coffee:</b> 0%  <b>Fresh apple:</b> 0%  <b>Corn (for High Fructose Corn Syrup):</b> 9%  <b>Apple juice concentrate:</b> 72%</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, as well as other industry group data, to assess our ingredients based on Environmental and Social Risk Factors. We consider risk level, spend, volume purchased, KDP influence, and other factors to determine the prioritization of our ingredients. Our 2021 priority beverage ingredients are: coffee, cocoa, apple and corn.</p> <p>For coffee, our primary risks are farmer profitability, 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. During 2021, these programs included The Rainforest Alliance/UTZ Certified, Fair Trade USA, Fairtrade International, 4C, AtSource Entry Verified by ofi and Great Lakes Coffee MaxTRACE.</p> <p>For cocoa, our primary risks are farmer profitability, labor conditions, climate change 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. During 2021, our accepted programs included Fairtrade International, Fair Trade USA, The Rainforest Alliance/UTZ Certified. During 2021, 81% of our cocoa purchases were responsibly sourced through third-party sourcing programs. By the end of 2021, all cocoa contracted to be received going forward was 100% responsibly sourced.</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, corn and apple juice concentrate 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 20-27  <a href="#">KDP Modern Slavery Statement</a></p>

## ACTIVITY METRIC

Topic	Category	Unit of Measure	Code	Response
Volume of products sold	Quantitative	Millions of hectoliters (Mhl)	FB-NB-000.A	KDP disclosed revenues by segment. <a href="#">2021 Form 10-K, Part 2, Item 7, page 28</a>
Number of production facilities	Quantitative	Number	FB-NB-000.B	<a href="#">2021 Form 10-K, Part 1, Item 2, page 23</a>
Total fleet road miles traveled	Quantitative	Miles	FB-NB.000.C	44,999,016

## Appliance Manufacturing

### Sustainability Disclosure Topics & Accountability Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Response
Product Safety	Number of (1) recalls issued and (2) total units recalled	Quantitative	Number	CG-AM-250a.1	0 appliance recalls
	Discussion of process to identify and manage safety risks associated with the use of its products	Discussion and Analysis	N/A	CG-AM-250a.2	Product Safety & Quality, page 33
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative	Reporting Currency	GC-AM-250a.3	We do not report this publicly.
Product Lifecycle Environmental Impacts	Percentage of eligible products by revenue certified to the ENERGY STAR® program	Quantitative	Percentage (%) by revenue	CG-AM-410a.1	0
	Percentage of eligible products certified to an Association of Home Appliance Manufacturers (AHAM) sustainability standard	Quantitative	Percentage (%) by revenue	CG-AM-410a.2	0
	Description of efforts to manage products' end-of-life impacts	Discussion and Analysis	N/A	CG-AM-410a.3	Across the U.S. and Canada, we offer a program to select retailers to send in-store returned Keurig brewers to be recycled responsibly through a third-party partner. Utilization of this program by our retailers varies. In Canada, we also offer a recycling program for our commercial brewers through the Van Houtte Coffee Services.

## ACTIVITY METRIC

Topic	Category	Unit of Measure	Code	Response
Annual production	Quantitative	Number of units	CG-AM-000.A	KDP discloses revenues by segment. <a href="#">2021 Form 10-K, Part 2, item 7, page 28</a>

Note to CG-AM-250a.1 – The entity shall discuss notable recalls such as those that affected a significant number of units of one product or those related to serious injury or fatality.

Note to CG-AM-250a.3 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

Note to CG-AM-000.A – Production shall be disclosed as the number of units produced by product category, where relevant product categories may include small appliances and major appliances.

## Appendix

# 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 2021 Corporate Responsibility Report.

TCFD Metrics		Response
Governance	Describe the board's oversight of climate-related risks and opportunities.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C1.1, C1.1a, C1.1b</a> Climate, Emissions & Energy, pages 14-16 Governance, pages 45-49
	Describe management's role in assessing and managing climate-related risks and opportunities.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C1.2, C1.2a, C1.3a</a> Climate, Emissions & Energy, pages 14-16 Governance, pages 45-49
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C2.1, C2.2, C2.3, C2.4</a> <a href="#">2021 Form 10-K</a> , Part 1, Item 1A, pages 19 Our Corporate Responsibility Strategy, page 5 Climate, Emissions & Energy, pages 14-16
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C2.3a, C2.4a, C3.1</a> Our Corporate Responsibility Strategy, page 5 Climate, Emissions & Energy, pages 14-16
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	KDP has completed qualitative climate risk assessments using 1.5°C and 4°C scenarios, which will be further described in our CDP climate questionnaire response for calendar year 2021, to be filed in the second half of 2022. <a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C3.2, C3.2b, C3.3</a> Our Corporate Responsibility Strategy, page 5 Climate, Emissions & Energy, pages 14-16

TCFD Metrics		Response
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C3.2, C3.2b, C3.3</a> Climate, Emissions & Energy, pages 14-16 Governance, pages 45-49
	Describe the organization's processes for managing climate-related risks.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C3.3, C3.4</a> Climate, Emissions & Energy, pages 14-16
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C3.3, C3.4</a> Climate, Emissions & Energy, pages 14-16 Governance, pages 45-49
<b>Metrics and Targets</b>	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C3.3, C4.1a, C4.2a, C4.2b</a> Climate, Emissions & Energy, pages 14-16
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C6 C-FB6.6a, C-FB6.9, C-FB6.9a</a> Climate, Emissions & Energy, pages 14-16 Data Summary, pages 51-57 SASB Index, pages 74-78
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<a href="#">2021 CDP Climate Submission (FY 2020 Reporting): C4.1a, C4.2a</a> Climate, Emissions & Energy, pages 14-16



# Footnotes

1. All information regarding our brand market positions in the U.S. is based on retail market dollars in 2021. U.S. beverage information is from IRI; U.S. brewing system information is from NPD.
2. Retail sales 52 weeks: US NPD (brewers) 12/25/2021, IRI MULO+C \$ 12/26/2021; Canada NPD (brewers) 12/25/2021, Nielsen \$ 8/31/2021, ACD volume 12/25/2021 (RTD Alcohol); Mexico Nielsen volume 12/25/2021.
3. On January 6, 2022, Keurig Canada Inc. entered into a Consent Agreement with The Commissioner of Competition in Canada settling an inquiry related to Keurig's representations around recyclability of its K-cup pods. The Consent Agreement resulted in Keurig enhancing its communications, reminding consumers to verify whether K-Cup pods are accepted in their municipality's recycling program and, if so, follow any additional steps that may be necessary to prepare the pods for recycling. Additionally, Keurig paid an administrative monetary penalty of CA\$3M and a donation to an environmental charity. The Consent Agreement carries a Term of five years.
4. Based on weight comparison from 2019 to 2021 for U.S., Canada and Mexico.
5. According to [The Recycling Partnership](#).
6. [America's Leading Beverage Companies Highlight Nationwide Effort to Improve Recycling Infrastructure During 'America Recycles Week'](#).
7. [Rethinking plastic packaging recycling Solutions towards increased circularity in Quebec and Canada](#); Circular Plastics Taskforce, September 2021.
8. [The Intergovernmental Panel on Climate Change](#).
9. SBTi 2025 scenarios were aligned to the Paris Agreement climate change goal of limiting global warming to well below 2°C above pre-industrial levels. In 2021, SBTi scenarios were adjusted for companies to be aligned to a 1.5°C pathway by 2030 and Net Zero by 2050 (90% reduction across all Scope 1, 2 and 3 emissions, with all remaining value chain emissions neutralized by purchases of carbon removal offsets). Our planned actions in 2022 will allow KDP to explore revising our goals, as appropriate, no later than 2024, prior to the expiration of existing SBTs in 2025.
10. LEED certified buildings save money, improve efficiency, lower carbon emissions and create healthier places for people. They are a critical part of addressing climate change and meeting ESG goals, enhancing resilience, and supporting more equitable communities. To achieve LEED certification, a project earns points by adhering to prerequisites and credits that address carbon, energy, water, waste, transportation, materials, health and indoor environmental quality. <https://www.usgbc.org/leed>. Office energy use accounts for a small portion of operations energy use.
11. Based on reduction of propane gas usage replaced with electric from 2019 to 2021. Forklifts account for a minor portion of fleet emissions.
12. Assumes rPET or vPET granulate + injection moulding to preform + blow moulding to bottle with appropriate process efficiencies included. Wernet, G., Bauer, C., Steubing, B., Reinhard, J., Moreno-Ruiz, E., and Weidema, B., 2016. The ecoinvent database version 3 (part I): overview and methodology. The International Journal of Life Cycle Assessment, 21(9), pp.1218–1230.
13. Ellen MacArthur Foundation. [Completing the Picture: How the Circular Economy Tackles Climate Change](#); Recirculating Materials, pg. 23, September 29, 2019.
14. Excludes Spartanburg, South Carolina, facility, as it was not fully operational in 2021.
15. Starting in 2021 and moving forward, we are excluding our Williamson, N.Y. plant from our measurement of beverage water efficiency, and have restated our 2017 baseline and goal progress with that exclusion. We plan to establish a site-specific goal for this facility that reflects its unique portfolio of products within our supply chain. See the [Data Summary](#) and [Goal Methodology](#).
16. [Global Business Leaders Unite for Water Resilience](#), The Water Resilience Coalition.
17. Largest buyer status designated by Fair Trade USA and based on purchases for both KDP-owned and partner brands.
18. Methodologies for our commitment to 100% responsibly sourced apples, apple juice concentrate and corn (for high fructose corn syrup) are in development. During 2021, coffee sourced was 99.62%, as COVID-19 impacts and shipping delays resulted in a very small amount conventional coffee deliveries. In addition, 81% of our cocoa purchases were responsibly sourced through third-party sourcing programs. By the end of 2021, all cocoa contracted to be received going forward was 100% responsibly sourced.
19. See the KDP [Modern Slavery Statement](#) for additional details.
20. For more detail on KDP's supplier risk assessment process, see the [Modern Slavery Statement](#).
21. See the Product Specific Standards document, which is the final page of our Supplier Code of Conduct.
22. We accept RBA, Sedex Member Ethical Audits (SMETA), SA 8000 and BSCI audit reports.
23. Silver-level recognition is defined as scoring 160 out of 200 on a RBA Validated Assessment Program (VAP) audit with no Priority Findings.
24. Facilities in our initial scope make up about 40% of our total current suppliers.
25. See pages 25 and 56 in KDP's [2020 Corporate Responsibility Report](#).
26. Includes all owned, licensed and partner beverage brands, excludes private label.
27. Food Insight, 2019; Nielsen, 2019.
28. U.S. Food and Drug Administration definition of "low calorie", Code of Federal Regulations, Title 21.
29. 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.
30. [Drewnowski A, et al. Nutr Rev. 2019; Dietary Guidelines for Americans, 2020-2025](#).
31. Per 8 fluid oz.
32. Based on IRI dollar sales through December 26, 2021.
33. The [2020 National BCI Progress Report](#) was published October 14, 2021, due to delayed data from the U.S. Census Bureau and other data collection disruptions.
34. [Finding Balance](#), The Conference Board of Canada; Canadian Beverage Association's Balance Calories Initiative; December 11, 2020.
35. The [2020 Communities BCI Progress Report](#) was published October 14, 2021, due to delayed data from the U.S. Census Bureau and other data collection disruptions.
36. Based on IRI dollar sales through December 26, 2021.
37. 100% of our U.S. salaried employees receive an annual performance review. Our hourly workforce receives on-going feedback and coaching throughout the year.
38. Based on completed training hours of full-time, salaried employees in 2021.

**Photo Credits:** Erik Enbody (page 18); Lucia Bawot (page 27: Strengthening Climate Resilience and Protecting Watersheds in Colombia); Kropatsch Farms (page 27: Supporting Nebraska Corn Farmers to Boost Resiliency Via Cover Cropping)

All amounts expressed in U.S. dollars unless otherwise noted.

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