Welcome to your CDP Climate Change Questionnaire 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Keurig Dr Pepper Inc. is a leading beverage company in North America with a diverse portfolio of flavored (non-cola) carbonated soft drinks ("CSDs"), specialty coffee and non-carbonated beverages ("NCBs"), and the #1 single serve coffee brewing system in North America. KDP has some of the most recognized beverage brands in North America, with significant consumer awareness levels and long histories that evoke strong emotional connections with consumers. We have a highly competitive distribution system that enables our portfolio of more than 125 owned, licensed and partner brands to be available nearly everywhere people shop and consume beverages. KDP key brands include Keurig®, Dr Pepper®, Green Mountain Coffee Roasters®, Canada Dry®, Snapple®, Bai®, Mott's® and The Original Donut Shop®. We have more than 25,000 employees and more than 120 offices, manufacturing plants, warehouses and distribution centers across North America.

In 2018, Keurig Green Mountain and Dr Pepper Snapple Group (DPS) merged to form Keurig Dr Pepper (KDP). The merger made us more than just a bigger company. With our united employees, expanded operations, broadened community presence and combined resources, we became a greater force for making a positive impact.

When we choose the ingredients and materials that go into our products and packaging, we carefully consider how these decisions affect every step of the journey, from our farmers and suppliers to our partners, employees and communities. In all we do, we are committed to acting responsibly and being a force for positive impact. We believe our greatest opportunities for impact are in our supply chain, the environment and the people and communities we touch via our operations and our products.

Throughout this response, we refer to our "hot business" and our "cold business". The "hot business" reflects our coffee segment which consists of our single-serve brewing system appliances, K-Cup® pods and other coffee products, and the "cold business" includes our packaged beverages, beverage concentrates, and Latin America beverages segments with CSDs, NCBs, other ready-to-drink beverages, and apple products.

Cautionary Statement: Certain statements contained herein are "forward-looking statements" which by their nature address matters that are, to different degrees, uncertain, such as statements regarding the estimated or anticipated future actions of Keurig Dr Pepper Inc. These statements are based on the current expectations of our management and are not predictions of actual performance, and are subject to a number

of risks and uncertainties regarding the company's business and actual results may differ materially. Any forward-looking statement made herein speaks only as of the date of this document. We are under no obligation to, and expressly disclaim any obligation to, update or alter any forward-looking statements, whether as a result of new information, subsequent events or otherwise, except as required by applicable laws or regulations.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Row 1	January 1, 2018	December 31, 2018	No

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

Canada
Mexico
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C-AC0.6/C-FB0.6/C-PF0.6

(C-AC0.6/C-FB0.6/C-PF0.6) Are emissions from agricultural/forestry, processing/manufacturing, distribution activities or emissions from the consumption of your products – whether in your direct operations or in other parts of your value chain – relevant to your current CDP climate change disclosure?

	Relevance

Agriculture/Forestry	Elsewhere in the value chain only [Agriculture/Forestry/processing/manufacturing/Distribution only]
Processing/Manufacturing	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Distribution	Both direct operations and elsewhere in the value chain [Processing/manufacturing/Distribution only]
Consumption	Yes [Consumption only]

C-AC0.6b/C-FB0.6b/C-PF0.6b

(C-AC0.6b/C-FB0.6b/C-PF0.6b) Why are emissions from agricultural/forestry activities undertaken on your own land not relevant to your current CDP climate change disclosure?

Row 1

Primary reason

Do not own/manage land

Please explain

KDP sources coffee, sugar, apples, and other beverage commodity ingredients from North America and around the globe via importers based on a number of factors like quality, certifications, and cost. The company is not vertically integrated in its agricultural supply chain and does not own any farms/crop production land or agricultural processing.

C-AC0.7/C-FB0.7/C-PF0.7

(C-AC0.7/C-FB0.7/C-PF0.7) Which agricultural commodity(ies) that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

Agricultural commodity

Other, please specify

Coffee

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

KDP's hot business consists of our single-serve brewing system appliances, K-Cup® pods and other coffee products. A very small proportion of our hot beverage portfolio

includes cocoa, tea, powdered drinks, and dairy, but coffee represents the majority of the hot beverage portfolio.

Agricultural commodity

Other, please specify

Apples

% of revenue dependent on this agricultural commodity

Less than 10%

Produced or sourced

Sourced

Please explain

Apples are the primary ingredient in our Mott's® branded applesauce products. (Apple juice products are dependent on apple juice concentrate, not considered in the scope for this response).

Agricultural commodity

Sugar

% of revenue dependent on this agricultural commodity

20-40%

Produced or sourced

Sourced

Please explain

We source cane sugar for several of our beverage brand products.

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain

Board Chair	KDP's Executive Chairman and CEO has ultimate oversight for the performance of the business including its sustainability strategy and goals. This position's responsibility for climate-related issues covers potential risk impacts to the organization as part of overall enterprise risk management and oversight; emissions and energy targets approval; and performance against these public goals.
Chief Executive Officer (CEO)	KDP's Executive Chairman and CEO has ultimate oversight for the performance of the business including its sustainability strategy and goals. This position's responsibility for climate-related issues covers potential risk impacts to the organization as part of overall enterprise risk management and oversight; emissions and energy targets approval; and performance against these public goals.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
	Reviewing and guiding risk management policies Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	KDP's Board of Directors reviews matters of the Company's corporate sustainability efforts bi-annually, including climate-related issues (but also: environment including water, waste, and packaging, health and wellness, and responsible sourcing). This process informs the Board's oversight of progress against goals and targets as well as the implementation of risk management policies.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chief Sustainability Officer (CSO) reports to the Chief Corporate Affairs Officer and leads Corporate Responsibility (CR) (also referred to as Sustainability) for KDP including development of vision and strategy as well as the day-to-day management, collaborating with a cross-functional team of employees across the organization, including such areas as procurement, supply chain, research and development, quality, facilities, human resources and legal, to drive execution and measurement of the CR strategy. Our rationale for having responsibility for climate-related issues lie with these positions is that they each have enterprise-wide scope, allowing them to assess risk and opportunity across the organization and its value chain, which is appropriate given the potential for climate issues to affect the company as a whole.

In addition to this key role, the Chief Sustainability Officer convenes the Sustainability Governance Committee, comprised of key functional Executive Leadership Team (ELT) members, which monitors progress monthly and approves key, cross-functional CR initiatives. The committee's responsibilities for climate-related issues are to review information on greenhouse gas emissions of the company, climate scenario assessment informing the company's consideration of a science-based target, and related topics. The full KDP ELT ensures our program aligns with the long-term objectives of the business and maintains broad oversight of programs and progress.

Our rationale for having responsibility for climate-related issues lie with the Sustainability Governance Committee is because it is the appropriate body to own these responsibilities since it can view the information cross-functionally from an executive perspective, act to guide the company's response to the issues, and consider climate within the full scope of sustainability impact of the company. Further, the members serve to actively integrate the sustainability vision and strategy into relevant functions. For example, the teams led by the Chief Supply Chain Officer and the Chief R&D Officer – both members of the Governance Committee – collaborate to select packaging material such as PET plastic for our bottled CSDs. The teams have aligned the organization to evaluate and source recycled content PET (rPET) which will reduce the Scope 3 emissions associated with our packaging. The Corporate Affairs executive directs interaction with and response to investors on climate topics and oversees the submission of information contained in this disclosure in the interest of transparency and communication with investors.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Chief Sustainability Officer (CSO)

Types of incentives

Recognition (non-monetary)

Activity incentivized

Emissions reduction target

Comment

Achievement of progress against our CR goals is recognized internally for all employees involved through acknowledgement in company-wide meetings, internal news items, or team events. Our CSO oversees energy and emissions targets and practices that are integrated to relevant functions and included in their annual performance goals.

Who is entitled to benefit from these incentives?

Buyers/purchasers

Types of incentives

Recognition (non-monetary)

Activity incentivized

Environmental criteria included in purchases

Comment

KDP purchases coffee that is managed under certification schemes such as Fair Trade, Rainforest Alliance, and UTZ Certified, which encourage practices with climate change mitigation or adaptation benefits. Our goal is that by 2020, 100% of our green coffee purchases will meet one of those certification programs. In addition, KDP funds projects with specific suppliers to support the implementation of these practices. For Procurement, we capture the percentage of coffee that is responsibly sourced. Progress towards our responsible sourcing goals is publicized and buyers/purchasers are responsible via their annual goals to deliver to annual targets for traceability and responsibly sourced coffee. Accordingly, they receive recognition for their contributions.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	These are the timeframes that our internal audit function utilizes when evaluating appropriate horizons over which to focus their work on risk assessment. Much of our sustainability-focused strategy fits in the long-term time horizon, for example when in 2019 we set 2025 targets.
Medium-term	1	3	These are the timeframes that our internal audit function utilizes when evaluating appropriate horizons over which to focus their work on risk assessment. Much of our sustainability-focused strategy fits in the long-term time horizon, for example when in 2019 we set 2025 targets.
Long-term	3	10	These are the timeframes that our internal audit function utilizes when evaluating appropriate horizons over which to focus their work on risk assessment. Much of our sustainability-focused strategy fits in the long-term time horizon, for example when in 2019 we set 2025 targets. Please note - long-term is anything beyond 3 years, 10 was selected as proxy for this. It depends on the issue and relevance over time as to what timeframe beyond 3 years would be considered, and it could be more than 10 years.

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks	Comment

		considered?	
Row 1	Six-monthly or more frequently	>6 years	As we develop our science-based target, we have considered risks and opportunities related to climate and emissions over 10 years into the future, to 2030. Near-term and frequent risk monitoring includes crop and market effects of weather patterns and events.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

As stated in the risk factors section of our annual Form 10K which was filed with the Securities and Exchange Commission on February 28, 2019, weather, natural disasters and the availability of water are all climate-related risks that could negatively affect our business. Climate-related risks could lead to substantive impact through one or more of the following: 1) physical damage 2) increased regulatory constraints, 3) impacts to operations or services, or 4) damage to our reputation. KDP further defines 'substantive impact' at the corporate level as a risk that could cause material financial change to our business. This definition is inclusive of direct and indirect impacts to operations, services and our supply chain. This distinction is in line with other KDP ERM risk assessment and audit processes. An impact that constitutes a climate related substantive change could accumulate through any or a combination of the following:

- Frequency of impact - a single or multiple occurrence over a 10-year time horizon.
- Disruption to production - at our manufacturing or distribution facilities as well as facilities of our suppliers, bottlers, contract manufacturers or distributors.
- U.S. and international laws and regulations could adversely affect our business.
- Weather, natural disasters, climate change legislation and the availability of water could adversely affect our business.
- Costs and supply for commodities, such as raw materials and energy, may change substantially and shortages may occur.
- Damage to our reputation - Product safety and quality concerns could negatively affect our business.

At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance (i.e. willingness and/or ability to take risks). Through this process climate change, particularly around its potential for operations disruption impacts and the issue of water security, was identified as a potential risk area. Risks and opportunities are identified via three different mechanisms: our EHS process, carbon inventorying, and our Environmental KPI Scorecard:
•EHS process: KDP utilizes the Bloomberg BNA Auditing tool to ensure all sites comply with applicable local and states laws, including environmental laws relating to air pollution and clean water.
•Carbon inventorying and Energy Star Benchmarking: Through our partners, KDP tracks and calculates the carbon output from our U.S-.based

buildings and manufacturing on a monthly basis, and that information is added to annual carbon emissions data from our fleet, Mexico operations, third-party logistics, and currently captured value-chain carbon. Understanding our asset level carbon data, and associated trending, gives KDP decision makers relevant information from which to make possible mitigation decisions. Moreover, our Plano corporate headquarters building's energy consumption is reported to the U.S. EPA's Energy Star Portfolio Manager, which assists in benchmarking our buildings' energy usage (our Burlington MA headquarters building is LEED Gold certified).
•Environmental KPI Scorecard: We collect data on water, waste, fuel, and energy to integrate into our Environmental Scorecard, which is produced on a monthly basis. This process assists KDP in quickly and proactively identifying outliers to resolve possible environmental issues.
Our CR strategy is based on the most important sustainability issues for our Company and for our stakeholders. We utilized sustainability materiality analysis to prioritize the risks and opportunities, and we take into account the above data, tools, and context in developing our responses and actions to manage each issue identified, including climate.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Concern over climate change has led to legislative and regulatory initiatives directed at limiting greenhouse gas ("GHG") emissions. For example, proposals that would impose mandatory requirements on GHG emissions continue to be considered by policy makers in the countries in which we operate. Laws enacted that directly or indirectly affect our production, distribution, packaging, cost of raw materials, fuel, ingredients and water could all negatively impact our business and financial results, which is why KDP considers regulatory risk in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Risks relating to current regulation are relevant and always included in that process.
Emerging regulation	Relevant, always included	Concern over climate change will continue to lead to legislative and regulatory initiatives directed at limiting greenhouse gas ("GHG") emissions. For example, emerging proposals that would impose mandatory requirements on GHG emissions continue to be considered by policy makers in the countries in which we operate. Laws enacted that directly or indirectly affect our production, distribution, packaging, cost of raw materials, fuel, ingredients and water could all negatively impact our business and financial results, which is why KDP considers regulatory risk in our climate-related risk assessment. At KDP,

		Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Risks relating to emerging regulation are relevant and always included in that process.
Technology	Relevant, always included	We use a significant amount of energy in our business, and therefore may be significantly impacted by changes in fuel costs due to the large truck fleet we operate in our distribution business and our use of third-party carriers. As part of our 2025 sustainability targets, we have committed to procuring 100% renewable electricity for our operations, and to setting a science-based emissions reduction target (SBT). We evaluate risks and opportunities across our value chain, therefore, to be able to meet an SBT. For example, one opportunity is the use of electric vehicles in our fleet. Vehicle and charging infrastructure technology is still maturing in North America, particularly for long-haul trucks, and may not be available in the locations or in the volume required to adapt our fleet and achieve electrification. This would maintain reliance on fossil fuels and the associated business risks of fuel costs, which is why KDP considers technology risk in our climate-related risk assessment. Risks relating to technology are relevant and always included in the process of identifying risks and opportunities related to climate change.
Legal	Relevant, always included	From time to time we may be a party to various litigation claims and legal proceedings that may include employment, tort, real estate, antitrust, environmental, intellectual property, commercial, securities, false advertising, product labeling, consumer protection and other claims. From time to time we may be a defendant in class action litigation, including litigation regarding employment practices, product labeling, including under California's "Proposition 65," public statements and disclosures under securities laws, antitrust, advertising, consumer protection and wage and hour laws. Plaintiffs in class action litigation may seek to recover amounts that are large and may be indeterminable for some period of time. We evaluate litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and estimate, if possible, the amount of potential losses. We will establish a reserve as appropriate based upon assessments and estimates in accordance with our accounting policies. We will base our assessments, estimates and disclosures on the information available to us at the time and rely on legal and management judgment. Actual outcomes or losses may differ materially from assessments and estimates. Costs to defend litigation claims and legal proceedings and the cost and any required actions arising out of actual settlements, judgments or resolutions of these claims and legal proceedings may negatively affect our business and financial performance. Any adverse publicity resulting from allegations made in litigation claims or legal

		proceedings may also adversely affect our reputation, which in turn could adversely affect our results of operations, which is why KDP considers legal risk in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Legal risks are relevant and always included in that process.
Market	Relevant, always included	The beverage industry is highly competitive and continues to evolve in response to changing consumer preferences. Competition is generally based upon brand recognition, taste, quality, price, availability, selection and convenience. Brand recognition can also be impacted by the effectiveness of our advertising campaigns and marketing programs, as well as our use of social media. For example, we compete with multinational corporations with significant financial resources. Our two largest competitors in the Liquid Refreshment Beverage (LRB) market are Coca-Cola and PepsiCo. We also compete against other large companies, including Nestle, Kraft Foods and Campbell Soup. These competitors can use their resources and scale to rapidly respond to competitive pressures and changes in consumer preferences by introducing new products, changing their route to market, reducing prices or increasing promotional activities. As a bottler and manufacturer, we also compete with a number of smaller bottlers and distributors and a variety of smaller, regional and private label manufacturers, such as Cott. Smaller companies may be more innovative, better able to bring new products to market and better able to quickly exploit and serve niche markets. We also compete for contract manufacturing with other bottlers and manufacturers. We have lower exposure to non-premium bottled water and ready-to-drink coffee compared to the overall LRB market. In Canada, Mexico and the Caribbean, we compete with many of these same international companies as well as a number of regional competitors. If we are unable to compete effectively, our sales could decline. As a result, we would potentially reduce our prices or increase our spending on marketing, advertising and product innovation, which could negatively affect our business and financial performance, which is why KDP considers market risks in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Market-related risks are relevant and always included in that process.
Reputation	Relevant, always included	Consumers' preferences can change due to a variety of factors, including the age and ethnic demographics of the population, social trends, negative publicity, economic downturn or other factors. For

		example, in the LRB industry, consumers are increasingly concerned about health and wellness, focusing on the caloric intake associated with regular CSDs, the use of artificial sweeteners in diet CSDs and the use of natural, organic or simple ingredients in LRB products. As such, the demand for CSDs has decreased as consumers have shifted towards NCBs, such as water, ready-to-drink coffee and teas, and sports drinks. If we do not effectively anticipate these trends and changing consumer preferences and quickly develop new products or partner with an allied brand in that category in response, then our sales could suffer. Developing and launching new products can be risky and expensive. We may not be successful in responding to changing markets and consumer preferences, and some of our competitors may be better able to respond to these changes, either of which could negatively affect our business and financial performance, which is why KDP considers reputational risks in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Reputational risks are relevant and always included in that process.
Acute physical	Relevant, always included	A disruption in production at our beverage concentrates manufacturing facility, which manufactures almost all of our concentrates, could have a material adverse effect on our business. In addition, a disruption could occur at any of our other facilities or those of our suppliers, bottlers or distributors. The disruption could occur for many reasons, including fire, natural disasters, weather, water scarcity, manufacturing problems, disease, strikes, transportation or supply interruption, government regulation, cybersecurity attacks or terrorism. Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively affect our business and financial performance, which is why KDP considers acute physical risks in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Acute physical risks are relevant and always included in that process.
Chronic physical	Relevant, always included	Unseasonable or unusual weather, natural disasters or long-term climate changes may negatively impact the demand for our products, our ability to produce our products and the price or availability of raw materials, energy and fuel. Unusually cool weather during the summer months may result in reduced demand for our products and have a negative effect on our business and financial performance. We also may be faced with water availability risks. Water is the main ingredient

		in substantially all of our products. Climate change may cause water scarcity and a deterioration of water quality in areas where we maintain operations. For example, the competition for water among domestic, agricultural and manufacturing users is increasing in the countries where we operate, and as water becomes scarcer or the quality of the water deteriorates, we may incur increased production costs or face manufacturing constraints which could negatively affect our business and financial performance. Even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations, which is why KDP considers chronic physical risks in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Chronic physical risks are relevant and always included in that process.
Upstream	Relevant, always included	Some raw materials we use, such as aluminum cans and ends, glass bottles, PET bottles, sweeteners, fruit, juice and other ingredients, are sourced from industries characterized by a limited supply base. If our suppliers are unable or unwilling to meet our requirements, we could suffer shortages or substantial cost increases. Changing suppliers can require long lead times. The failure of our suppliers to meet our needs could occur for many reasons, including fires, natural disasters, weather, manufacturing problems, disease, crop failure, strikes, transportation interruption, government regulation, political instability, cybersecurity attacks and terrorism. A failure of supply could also occur due to suppliers' financial difficulties, including bankruptcy. Some of these risks may be more acute where the supplier or its plant is located in riskier or less-developed countries or regions. Any significant interruption to supply or cost increase could substantially harm our business and financial performance, which is why KDP considers upstream risks in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Upstream risks are relevant and always included in that process.
Downstream	Relevant, always included	Food and beverage retailers in the U.S. have been consolidating, resulting in large, sophisticated retailers with increased buying power. They are in a better position to resist our price increases and demand lower prices. They also have leverage to require us to provide larger, more tailored promotional and product delivery programs. If we and our bottlers and distributors do not successfully provide appropriate marketing, product, packaging, pricing and service to these retailers, our product availability, sales and margins could suffer. Certain

		retailers make up a significant percentage of our products' retail volume, including volume sold by our bottlers and distributors. Some retailers also offer their own private label products that compete with some of our brands. The loss of sales of any of our products by a major retailer could have a material adverse effect on our business and financial performance, which is why KDP considers downstream risks in our climate-related risk assessment. At KDP, Enterprise Risk Management (ERM) is a process designed to identify potential risk events that may significantly impact the achievement of the company's objectives and to manage those risks to be within the company's risk tolerance. Downstream risks are relevant and always included in that process.

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

Through our Enterprise Risk Management (ERM) process, climate change continues to influence the way we plan for possible future risks associated with water security and watershed protection as well as supply chain disruption.
To manage and execute our ERM process, KDP engages its leadership on climate-related issues. The ERM process includes identification of risks and action planning to then manage risks. Additionally, for climate-related issues, the Chief Corporate Affairs Officer is responsible for investor relations, communications, Corporate Responsibility (CR) and community for KDP. The Chief Sustainability Officer (CSO) reports to the Chief Corporate Affairs Officer and is responsible for leading all CR (also referred to as sustainability) for KDP including development of vision and strategy as well as the day-to-day management. Our rationale for having responsibility for climate-related issues lie with these positions is due to the enterprise-wide scope they each have to be able to assess risk and opportunity across the organization and its value chain, and potential for climate issues to affect the company as a whole. This structure ensures that business continuity plans, financial planning and more all contribute to the mitigation of risk, including climate risk, but also contribute to identifying and leveraging climate-related opportunities that could result in improved resilience in our supply chain, enhanced reputation and a lower environmental impact.
One example of how the climate-related risk assessment process has been applied to physical risks is our decision to include resource consumption, pollution prevention and waste minimization guidelines to our suppliers through our Supplier Code of Conduct. These guidelines state that business shall be conducted in a manner which proactively embraces sustainability. Suppliers shall optimize their consumption of natural resources, including energy and water. Compliance with these guidelines also presents a climate-related opportunity as it results in resource conservation and improved environmental quality for our suppliers and nearby communities.
One example of how the climate-related opportunity assessment process is applied to transitional opportunities is our goal that by 2020, 100% of our green coffee purchases will be responsibly sourced and meet one of the following accepted sustainability programs: Fair

Trade USA, Fairtrade International, Rainforest Alliance or UTZ. KDP is committed to high standards of social and environmental responsibility and ethical conduct. We believe this presents an opportunity for KDP to prepare and develop new suppliers while working with existing coffee growers, as well as establishing ourselves and our products as an ethical choice to increasingly informed and discerning consumers and investors alike.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Physical risk

Primary climate-related risk driver

Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description

Keurig Dr. Pepper Inc. is a leading beverage company in North America with a diverse portfolio of flavored (non-cola) carbonated soft drinks ("CSDs"), specialty coffee and non-carbonated beverages ("NCBs"), and the #1 single serve coffee brewing system in North America. In the CSD market segment in the U.S. and Canada, we participate primarily in the flavored segment of the CSD category. According to IRI, we had a 22.1% share of the U.S. CSD market in 2018 (measured by retail sales), an increase of 4 points versus 2017. Thus, the CSD market is a noteworthy portion of our net sales. A disruption in production at our beverage concentrates manufacturing facility, which manufactures almost all of our concentrates for carbonated soft drinks, could have a material adverse effect on our business if we did nothing to respond. In addition, a disruption could occur at any of our other facilities or those of our suppliers, bottlers or distributors. A disruption could occur for many reasons, including fire, natural disasters,

weather, or water scarcity. These physical risks would negatively impact our direct operations with a potential for delays in shipment, or reduction in revenue due to decreased production capacity. As the frequency and severity of extreme weather events increase, we acknowledge the inherent risks to production capacity and incorporate those assessments into our Enterprise Risk Management processes accordingly.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The estimated financial implications of our beverage concentrate plant temporarily shutting down due to a disruption could result from delays or interruptions to supply chain, production, or shipping, potentially impairing our ability to meet demand for our packaged beverage products.

Management method

Any disruption in production or inability of our manufacturing sites to produce adequate quantities to meet our needs, whether as a result of a natural disaster or other causes, could significantly impair our ability to meet demand for packaged beverage products. For example, for our beverage concentrate facility that produces the majority of our concentrate, we have a business continuity plan that mitigates risk in case of a business disruption. The plan has a two pronged approach that utilizes company manufacturing sites and supplier manufacturing sites to make products in the event of a business disruption. Intellectual property is protected in this process to avoid any risk to our brands. Precise cost data would be highly dependent on the exact scenario of weather impacts.

Cost of management

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Supply chain

Risk type

Physical risk

Primary climate-related risk driver

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

Type of financial impact

Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company- specific description

The principal raw materials used in our business, are aluminum cans and ends, PET bottles and caps, K-Cup® pod packaging materials, glass bottles and enclosures, green coffee, paper products, juices, teas, fruit, sweeteners, water, and other ingredients. We also use post-consumer recycled materials in the manufacturing of our single-serve brewing systems. The costs of these ingredients and packaging can fluctuate, and comprise approximately 55% of our cost of sales.

While changing input prices, or climate-related short-term or chronic disruptions to supply, for any of these could materially adversely affect our business, we use coffee here as a key example and critical input for our business. Coffee is a raw material used in K-Cup® pods and bagged coffee. In 2018, K-Cup® pods represented approximately 80% of the coffee segment's net sales. KDP recognizes as a long-term risk the threat climate change poses to its coffee supply chain and to the farming communities that the company depends upon to supply high-quality coffee beans. Specifically, a risk for coffee comes from decreased or shifting agricultural productivity in coffee-growing regions as a result of increasing temperatures, changes in precipitation patterns, and extreme variability in weather patterns. Coffee is highly sensitive to changes in weather, which can decrease both quantity and quality of harvests. These changes in yield could potentially pose a substantive risk to KDP in the form of increased prices.

As these climate-related changes constrain coffee, diseases could be harder to manage. For example, in 2012, an outbreak of Coffee Leaf Rust – the highest incidence in 40 years – infected more than half of Central America's coffee farms and caused losses reaching $1 billion in the 2012 – 2013 harvest, according to the International Coffee Organization. Root Capital launched the Coffee Farmer Resilience Initiative in partnership with Keurig Green Mountain, USAID, and others. From 2013 to 2016, this initiative helped coffee enterprises and their farmer members in Central America and Peru with short-term and long-term lending, financial training, agronomic assistance, income diversification training, mobile technology services, and knowledge sharing.

While in 2018 Coffee Leaf Rust is diminished, the impacts of climate change continue to threaten coffee production and farmer livelihoods.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential estimated financial implications of reduced coffee yield due to climate change could vary greatly. Increased global warming is projected to cause increased instances and intensity of drought, rain events, and “killing degree days.” These events will both increase and decrease coffee yields, with a projected overall yield decrease of up to 20% by 2050 according to a study by The Earth Institute of Columbia University.

Management method

To mitigate the risk of climate change and the implications on the cost of raw materials such as coffee, we work with farmers and industry coalitions to ensure positive impact in our supply chain on three levels: (1) Traceability as a means to understanding our risks and opportunities for supporting farming communities. By working with our suppliers, we have achieved a milestone of 85% of our beans being traceable back to the exporter, mill, group, or farm. (2) Compliance: engaging our suppliers in understanding and complying with responsible sourcing standards.These range from a commitment to our Responsible Sourcing Supplier Guidelines to purchasing coffee that is certified as sustainably sourced. (3) Beyond Compliance: Investing in coffee communities and in coffee R&D helps us address larger challenges like climate change, food insecurity, and the need to keep young people in farming.

WCR is an industry-backed R&D organization focused on growing, protecting and enhancing coffee as a global crop. Keurig Green Mountain was a founding member and now, as KDP, we are one of the organization’s largest donors, having invested more than $3 million since 2012. Thus, we have invested on average approximately $425,000 per year in WCR.

Cost of management

425,000

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type

Transition risk

Primary climate-related risk driver

Market: Increased cost of raw materials

Type of financial impact

Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatement)

Company- specific description

In 2018, KDP used approximately 426,000,000 KWh of electricity. We continue to focus on efforts to improve sustainability throughout our value chain, working to reduce our environmental impact while helping to ensure the company's financial growth. These efforts include identifying opportunities to reduce electricity consumption in our facilities. KDP uses electricity throughout the business for manufacturing and warehousing, heating/cooling equipment, and lighting. Increased production costs due to higher electricity prices could negatively affect our production.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1,400,000

Potential financial impact figure – maximum (currency)

2,800,000

Explanation of financial impact figure

The estimated financial impact is calculated based on the most recent average U.S. industrial electricity price of 6.53 cents per KWh, according to the Energy Information Administration (EIA) and potential for it to increase by 5% - 10%. Total 2018 electricity usage of 426,000,000 KWh is multiplied by 6.53 cents per KWh, and then multiplied by 1.05 and 1.1 to model potential price increases of 5% and 10%, respectively. A 5% increase is $1.4M, and a 10% increase is $2.8M.

Management method

We are focused on reducing our energy use and greenhouse gas (GHG) emissions to lessen our environmental impact. KDP has purchased RECs for a number of years, and is committed to procuring 100% renewable electricity by 2025. Doing so via additional methods and instruments, such as power purchase agreements, may provide savings or result in costs depending on the market, but can provide stability and certainty of pricing. These are among the options KDP will consider as we work toward our 2025 target. While renewables contracts carry their own risk, KDP recognizes the importance of reducing its climate change impact and the potential benefits of avoiding price increases for conventional fossil-based electricity.

In 2018, KDP spent approximately $250,000 on Renewable Energy Certificates (RECs) for a portion of its electricity use. Depending on the exact timing and extent of future renewable energy purchases, annual costs of $500,000 could be incurred.

Cost of management

500,000

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Type of financial impact

Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description

We are focused on reducing our energy use and greenhouse gas (GHG) emissions to lessen our environmental impact. In our manufacturing facilities, we pursue efficiency by implementing lighting upgrades, using low-energy idling mode on equipment, scheduling production efficiently, conducting leak audits and other techniques. KDP uses a significant amount of energy in our business operations. For example, in 2018 KDP consumed a total of 1,637,000 MWH of various types of energy. KDP uses electricity and natural gas in order to convert raw materials such as coffee, tea, and apples into beverages. In 2018, KDP consumed a total of 923,000 MWH for electricity and natural gas. Increased resource efficiency could result in substantial cost savings through reduced operating costs.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

30,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

For our preliminary science-based target (SBT) analysis, we used a 10+ year time horizon to 2030 (a common practice for SBT development) to estimate energy efficiency opportunities. These are high-level estimates that will need to be further validated. We have extrapolated from our audits that continuing and expanding current energy

efficiency programs could deliver net savings of approximately $30M in costs for natural gas and electricity over a time horizon to 2030. The net savings are after estimated opex and capex spend of approximately $12M (~$1M per year). The savings total recognizes ongoing savings in future years through 2030 of prior year efficiency gains (not just one-year energy cost savings).

Strategy to realize opportunity

As part of our analysis of opportunities to achieve an SBT, we have identified energy efficiency at our manufacturing sites as an opportunity to reduce our Scope 1 and 2 emissions during the 2020s. We have recently conducted a set of internal energy audits of our facilities and have identified opportunities including LED lighting and potential for greater efficiency in our compressed air systems. The carbon reduction estimates from these initiatives depends on the degree to which we then reduce electricity emissions through renewable energy and renewable energy certificate (REC) purchases. We estimate they would be in the range of 150,000 to 350,000 metric tons CO2e.

Cost to realize opportunity

1,000,000

Comment

Identifier

Opp1

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Type of financial impact

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

KDP acknowledges that demonstrating continued improvement and building opportunities to reduce value chain emissions will enhance our reputation with our consumers and potentially drive business growth. We hope to be well-positioned with products that meet consumer needs and lead to increases in revenue. Circular economy solutions are a top priority for KDP, and we invest and innovate for circular products, packaging and external infrastructure to ensure circular use of materials. We are working across the full packaging value chain, from design to recovery and use of recycled content. We believe that action in each of these areas contributes to a circular

economy and has the potential to reduce emissions. We also invest in new ventures that hold promise of having reduced impact. For example, KDP invested in LifeFuels, Inc. in 2018 to accelerate commercialization and growth of a patented, portable drink maker. The innovative reusable beverage format reduces waste and emissions.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

19,000,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

KDP's 26.7% ownership interest in LifeFuels, which is an example of investing in an innovative product, was valued at $19M in 2018, as stated in our Form 10-K. The full opportunity associated with this investment may be realized as the technology develops.

Strategy to realize opportunity

We take a portfolio approach to circular solutions and invest in both product innovation and infrastructure for material recovery. End-of-life product recovery and recycling is as important as innovative product design in supporting the circular economy. In addition to investing in LifeFuels, KDP has taken action by making investments with partners that focus on recovery and recycling. Using our strength in forming partnerships, we collaborate closely with a number of industry groups, NGOs, investment firms and communities. For example, KDP was an initial investor in the $100 million Closed Loop Fund to enhance recycling infrastructure and sustainable manufacturing technologies. We have committed $10 million over 10 years (or $1 million per year) to advance the circular economy, and our investment to date has supported such progress as 350,000 recycling carts distributed to communities across the U.S. and over 850,000 tons of waste kept out of landfills. By 2030, Closed Loop Partners expects to reduce or avoid GHG emissions by at least 36 million metric tons of CO2 through the Fund's investments.

Cost to realize opportunity

1,000,000

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient modes of transport

Type of financial impact
Reduced operating costs (e.g., through efficiency gains and cost reductions)

Company-specific description
As part of our analysis of opportunities to achieve a science-based emissions reduction target, we have identified energy efficiency in our manufacturing and fleet as an opportunity to reduce our Scope 1 and 2 emissions over the next decade.
Emissions from our combined fleet were 155K MTCO2e, which was about 2.25% of our total value chain emissions in 2018. Converting to more fuel-efficient technologies and/or electric trucks may provide an opportunity to both reduce emissions as well as reduce maintenance and operating costs. We actively manage transportation of our products using our fleet (owned and leased) of approximately 5,800 and 1,600 vehicles in the U.S. and Mexico, respectively, as well as third party logistics providers.

Time horizon
Long-term

Likelihood
Very likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)

16,000,000

Explanation of financial impact figure

We have modeled fleet electrification as a long-term strategy to 2030. While total fuel cost savings could be approximately $30M, net operating cost savings* are estimated to be in the range of zero (breakeven) to $16M after conversion costs, building out necessary infrastructure, and purchasing renewable energy/renewable energy certificates (RECs).**, *** Although implementation would ramp up over time following pilots and validation of the opportunity, a roughly annualized cost to achieve the fleet conversion is ~$1.5M between 2020-2030.

*Operating cost savings were estimated from a total cost of ownership perspective

**This is calculated based on July 2018 U.S. Department of Energy (DOE) data on the cost of diesel ($3.24/gallon) and a diesel-gallon equivalent of electricity ($1.48/diesel-gallon equivalent).

***KDP Modeling corroborated with the North American Council for Freight Efficiency's (NACFE) Medium Duty Electric Truck TCO Calculator and reasonable assumptions for inputs.

Strategy to realize opportunity

As part of our analysis of opportunities to achieve an SBT, we have identified fleet electrification (coupled with renewable electricity procurement for the additional consumption required to charge vehicles) as an opportunity to reduce our Scope 1 and 2 emissions during the next decade or more. While we are still exploring the opportunities and developing a strategy, we have modeled the potential reductions and operating cost reductions from a gradual shift to electric trucks for our cold fleet, beginning slowly in the early 2020s and ramping up in the latter part of the decade . Cumulatively, by 2030, we estimate the avoidance of nearly 18M gallons of diesel use through fleet electrification, by shifting to a total of approximately 200K MWh of renewable power, saving approximately 180K MT CO2e. Although implementation would ramp up over time following pilots and validation of the opportunity, a roughly annualized cost to achieve the fleet conversion is ~$1.5M between 2020-2030.

Cost to realize opportunity

1,500,000

Comment

These calculations are part of a high-level estimate on total cumulative operating costs and reductions if KDP were to move forward with fleet electrification as part of the SBT setting process. Uncertainty increases the further into the future a forecast extends, so we have referenced external tools such as the July 2018 DOE data and NACFE's Medium Duty Electric Truck TCO calculator to help narrow the bars of uncertainty.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description

Products and services	Impacted	Recognizing opportunities for energy efficiency related to our products and services is an ongoing priority for KDP and has resulted in a number of initiatives. For example, in recent years, we replaced approximately 90,000 vending units with Energy Star-rated equipment. Each unit represents an energy savings of up to 30 percent, yielding more than 162 million pounds of CO2 removed from the atmosphere, as much as would be produced by 13,500 cars, since we began the replacement program.
Supply chain and/or value chain	Impacted	Because our supply chain is integral to our core operations, KDP engages in activities that both mitigate risk and realize opportunities in order to ensure resilience, diversity of supply and ethical sourcing. For example, KDP assesses our suppliers to ensure they meet our Responsible Sourcing Standards and Supplier Code of Conduct. It is our goal that by 2020, 100% of our green coffee purchases will meet one of the following accepted sustainability programs: Fair Trade USA, Fairtrade International, Rainforest Alliance or UTZ. KDP is committed to high standards of social and environmental responsibility and ethical conduct.
Adaptation and mitigation activities	Impacted	Our coffee supply chain work is heavily focused on building adaptation and resiliency for coffee farmers. Within coffee-farming communities, we make investments with project partners that focus on challenges and appropriate solutions related to improving farming practices, addressing climate and water risks, and strengthening farmer organizations. KDP currently collaborates with organizations to work with upstream coffee suppliers and growers to raise awareness and prepare them for future weather-related effects anticipated by climate change. Our investments via partner organizations, such as with the multi-year relationship with World Coffee Research on more resilient coffee varietals directly address this need for resiliency in the face of climate-related risks.
Investment in R&D	Impacted	Keurig Dr Pepper has invested more than $3 million in World Coffee Research (WCR), an industry-backed R&D organization focused on growing, protecting and enhancing coffee as a global crop. Its goal is to build farmers' capabilities to adapt to climate change and adapt coffee plants to deal with increasing environmental stresses. We also support projects that teach coffee farmers to be good water stewards, which can reduce the impact of climate change on their farms and in their communities. KDP has invested more than $5 million in Blue Harvest over the last five years to promote sustainable farming practices and increase access to clean water for coffee farmers and communities in Central America. Projects that may not appear to be directly focused on climate change, such as food security work, helps to diversify farmers' income so that they can be more resilient in the face of weather-related changes.
Operations	Impacted	Converting our K-Cup® pods to be recyclable requires changes to our production lines, but has allowed us to realize opportunities related to our operations. One way we measure the magnitude of the impact of this opportunity is in the form of emissions, and our current transition to date

		has resulted in a 2% decrease in CO2-eq/K-Cup® pod.
Other, please specify		

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Impacted	Consumer preferences are impacted. Our cold beverage sales are generally higher during the warmer months, while hot beverage sales are generally higher during the cooler months. Overall beverage sales can also be influenced by the timing of weather fluctuations. We see routinely seasonal shifts in consumer behavior based on climate and weather. We are just beginning to see the results of the introduction of our recyclable K-Cup® pods in our Canadian market. Our total pod sales (all markets) were 37% of net sales in 2018.
Operating costs	Impacted for some suppliers, facilities, or product lines	Our facilities have been impacted. As we seek to continuously improve our understanding of our environmental performance and reduce our impacts, everything from lighting projects to employee behavior change can impact operating costs. Our transition to recyclable K-Cup® pods requires changes to our existing production lines and some supply chain components.
Capital expenditures / capital allocation	Impacted	Our procurement practices have been impacted. As we focus on the continuous improvement of our manufacturing and distribution, new construction capital and equipment purchasing decisions are made with environmental efficiency in mind.
Acquisitions and divestments	Not impacted	Climate change factors have not been a factor in our acquisition and divestment strategies to date.
Access to capital	Not impacted	Through our Enterprise Risk Management (ERM) process, climate change continues to influence the way we plan for possible future risks associated with water security and watershed protection to ensure the continuity of our business.
Assets	Not yet impacted	A disruption in production at our beverage concentrates manufacturing facility, which manufactures almost all of our concentrates, could have a material adverse effect on our business. In addition, a disruption could occur at any of our other facilities or those of our suppliers, bottlers or distributors. The disruption could occur for many reasons, including fire, natural disasters, weather, water scarcity, manufacturing problems, disease, strikes, transportation or supply interruption, government regulation, cybersecurity attacks or terrorism.

		Alternative facilities with sufficient capacity or capabilities may not be available, may cost substantially more or may take a significant time to start production, each of which could negatively affect our business and financial performance. The timescale for these types of impact could range from immediate due to any discrete disruption, or further in the future as climate potentially destabilizes weather patterns.
Liabilities	Not impacted	KDP does not have any climate-related liabilities.
Other		

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

No, but we anticipate doing so in the next two years

C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b

(C-AC3.1b/C-CE3.1b/C-CH3.1b/C-CO3.1b/C-EU3.1b/C-FB3.1b/C-MM3.1b/C-OG3.1b/C-PF3.1b/C-ST3.1b/C-TO3.1b/C-TS3.1b) Indicate whether your organization has developed a low-carbon transition plan to support the long-term business strategy.

No, we do not have a low-carbon transition plan

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Climate-related issues have influenced KDP's business objectives and strategy in a number of ways. Our understanding of, and concern for, climate-related issues has prompted us to invest in certain programs such as World Coffee Research (WCR) and Blue Harvest, adopt certain policies like our Supplier Code of Conduct and engage in a wide range of initiatives such as our Rapid Continuous Improvement (RCI) initiative (launched in 2010) in the cold business, which uses Lean and Six Sigma tools to deliver customer value and improve productivity in our

operations, while also indirectly supporting our efforts to achieve our environmental sustainability goals. RCI is yielding both immediate and long-term successes, as the projects completed result in fundamental changes in our business processes, earning us both cost savings and environmental benefits. We have developed internal tracking mechanisms (e.g., Environmental KPI Scorecards), to evaluate our progress against these strategies, including our emissions reduction, energy use and fuel consumption data. The results are routinely communicated throughout our supply chain function.

One of the most substantial business decisions KDP has made as a result of climate-related issues is our $3 million investment in World Coffee Research (WCR), an industry-backed R&D organization focused on growing, protecting and enhancing coffee as a global crop. Spurred by climate change, the coffee leaf rust outbreak in coffee growing regions threatened coffee supply in affected areas, and WCR was created to address the challenge. During 2018, WCR launched a new breeding hub for Africa, added 150 farmer field trial sites across 10 countries, published the first open-access arabica coffee genome, and launched the first global effort to sequence the coffee leaf rust genome. KDP not only invests in WCR's work, but also contributes to its strategic direction by serving on the Board of Directors. We have also connected our suppliers to WCR's resources, and in 2018 funded 30 on-farm technology trials with KDP suppliers.

Climate-related issues have also influenced KDP’s business strategy in the form of our decision to pursue setting a science-based target in the near future. Once KDP joins the 575 companies that have set approved SBTs, we hope to establish our company as a responsible organization in our sector and use the target to drive innovation, reduce regulatory uncertainty, strengthen investor confidence and gain a competitive advantage in the market.

One example of how our business objectives and strategies are linked to our current emissions reduction target is our initiative to improve efficiencies in our coffee roasting process. The 2% efficiency improvement is on >80% of our coffee roasting facilities’ Scope 1 emissions. Over the lifetime of these annual targets, we have improved our roasting efficiency by more than 25% (tracked via the natural gas energy use in therms per pound of coffee roasted).

Several key environmental sustainability goals set by the company, including water efficiency, as well as packaging material reductions have been influenced by climate change. These efficiency improvements help us meet our energy/emissions reduction targets. For example, changing the material in our K-Cup ® pods from a multi-layer plastic to polypropylene reduces the packaging material impact by 27%. Moreover, we are helping our customers to reduce their energy usage and greenhouse gas emissions through our vending machine replacement program, and coffee brewer default settings that save energy.

As part of our long-term focus beyond operational efficiency, we aim to maintain and sharpen our focus on social responsibility, including environmental sustainability. This influences our strategy on reputation management, as we recognize environmental and social responsibility as one of the macro trends driving consumer behavior and brand loyalty. Demonstrating continued improvement and building our leadership position on issues and opportunities tied to climate change will enhance our reputation with our consumers, driving business growth.

We have also added a strong environmental component to our approach to risk management. Through our Enterprise Risk Management (ERM) process, other aspects of climate change continue to influence the way we plan for possible future risks associated with water security and watershed protection as well as supply chain disruption. KDP is currently tracking and reporting on water risks.

These efforts provide a strategic benefit by making our business resilient to future possible risks associated with climate change by taking proactive steps to understand and manage those risks. For example, by ensuring our manufacturing is producing our products with the least amount of water and energy, we are better situated in the event of a future price on carbon or other increases in energy costs. The same is true of our efforts to optimize our distribution fleet fuel efficiency.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

KDP has committed to setting a science-based target to reduce our emissions, and has undertaken an assessment to understand the implications of doing so. As part of this process, we selected the 2°C Scenario (2DS) given the scientific, political and societal alignment around the need to meet that target. We also assessed the 1.5°C Scenario. By considering multiple scenarios for forecasted growth of our business and for "business as usual (BAU)" reductions (e.g., ongoing efficiency measures and grid carbon intensity reductions) and resulting further reduction needs to achieve the 2°C and 1.5°C by 2030 and 2050, we were able to identify specific risks and opportunities for us to address and pursue. KDP has not yet used climate-related scenario analysis to inform business strategy because we are still developing our approach since the recent merger, but we do have plans to implement this science-based target in the near-term.
Time horizons considered: 2017 – 2030, 2017 – 2050.
KDP evaluated both medium-and-long term time horizons as prescribed by CDP (5-15 years and 15+ years).
Breadth of the analysis: The SBT assessment applies to our organization as a whole, utilizing inputs from specific business owners throughout the organization to evaluate growth trajectories with regard to KDP's Scope 1, 2, and 3 footprint (including raw material inputs, suppliers, facilities, fleet, production, sales, customer use of our products, and end of life).
Results: Based on the SBT work that was done in 2017-2019, we found that even with a conservative growth projection and 100% RECs to offset Scope 2, there will be a significant gap to achieve the 2DS by 2030. We have identified options for closing the gap (and going further to "well below" 2DS), and estimated costs and savings associated with implementing these options. Results of the scenario analysis work provided insights on where our emissions are likely to grow and focus our efforts where they can have the biggest impact over the short, medium and long term while also providing financial and strategic business benefits. As we evaluate project portfolios, consider targets and set focus areas, the analysis is a fundamental building block in informing those decisions. Specifically, in our scenario analysis process, KDP was able to identify that a transition to an electric fleet can be a key contributor to closing our Scope 1 gap to a 2030 SBT while providing net savings. Our fleet operations team has begun to explore a gradual transition to an electric fleet. For Scope 3, we identified that the energy intensity of our brewer appliances is an important contribution to our footprint, which prompted us to investigate how to reduce the energy use of our brewers without compromising quality. Our brewer appliance development teams have learned about the benefit to our emissions profile of default auto-off settings, and in fiscal 2017 began implementing changes across new

appliance introductions which were further implemented across the portfolio in 2018. Additionally, to meet our 2020 target of 100% of our KCup ® pods being recyclable, we are changing the plastic material of the cup portion of the pod to be made from polypropylene vs. a multi-layered polystyrene material. Polypropylene as a material has a 27% lower emissions factor.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1

% emissions in Scope

0.38

Targeted % reduction from base year

2

Metric

Metric tons CO2e per unit of production

Base year

2018

Start year

2018

Normalized base year emissions covered by target (metric tons CO2e)

25,777

Target year

2019

Is this a science-based target?

No, but we anticipate setting one in the next 2 years

% of target achieved

0

Target status

Underway

Please explain

We have committed to setting a Science-Based Target. In the interim, our most material operational emissions come from roasting coffee, and we set annual efficiency improvement targets. The 2% efficiency improvement is on >80% of our coffee roasting facilities' Scope 1 emissions. Over the lifetime of these annual targets, we have improved our roasting efficiency by more than 25% (tracked via natural gas energy use in therms per pound of coffee roasted).

% change anticipated in absolute Scope 1+2 emissions

0.12

% change anticipated in absolute Scope 3 emissions

0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target

Renewable electricity consumption

KPI – Metric numerator

renewable electricity (MWh)

KPI – Metric denominator (intensity targets only)

total electricity (MWh)

Base year

Start year

Target year

2025

KPI in baseline year

KPI in target year

% achieved in reporting year

Target Status

New

Please explain

KDP has set a target to obtain 100% renewable electricity for its operations.

Part of emissions target

Is this target part of an overarching initiative?

RE100

Target

Waste

KPI – Metric numerator

waste (tons) diverted from landfill

KPI – Metric denominator (intensity targets only)

total waste (tons)

Base year

Start year

Target year

2025

KPI in baseline year

KPI in target year

% achieved in reporting year

86

Target Status

New

Please explain

KDP has a Zero Waste to Landfill target for its manufacturing operations

Part of emissions target

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

Target

Engagement with suppliers

KPI – Metric numerator

KPI – Metric denominator (intensity targets only)

Base year

Start year

Target year

KPI in baseline year

KPI in target year

% achieved in reporting year

63

Target Status

Underway

Please explain

KDP has a 2020 target to engage 1M people in its supply chain to improve their livelihoods. To date, we have engaged more than 630,000 farmers, workers, families and community members in our supply chain, and we are on a path to reach our goal of improving the lives of one million people by 2020.

Part of emissions target

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented*	0	
Implementation commenced*	1	2,400
Implemented*	1	37,173
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Low-carbon energy purchase

Description of initiative

Other, please specify

Solar and Wind RECs

Estimated annual CO2e savings (metric tonnes CO2e)

37,173

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

250,000

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

This year's renewable energy certificate (REC) purchase included Green-e wind and solar RECs. The solar RECs were intentionally selected to match the production of one of our facilities that is located in a more coal-intense grid.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	Through employee engagement and our Rapid Continuous Improvement projects, we promote and drive process and behavior-based energy efficiency gains.
Dedicated budget for other emissions reduction activities	We annually budget for the purchase of RECs.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Polypropylene recyclable K-Cup® pods

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

GaBi software used to inform and track

% revenue from low carbon product(s) in the reporting year

Comment

To meet our 2020 target of 100% of our K-Cup® pods being recyclable, we are changing the plastic material of the cup portion of the pod to be made from polypropylene vs. a multi-layered polystyrene material. Polypropylene as a material has a 27% lower emissions factor. We use GaBi data to quantify this.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

273,575

Comment

Scope 2 (location-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

166,483

Comment

Scope 2 (market-based)

Base year start

January 1, 2018

Base year end

December 31, 2018

Base year emissions (metric tons CO2e)

137,560.36

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Defra Voluntary 2017 Reporting Guidelines
Energy Information Administration 1605B
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Climate Registry: General Reporting Protocol
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
US EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

273,575.84

Start date

January 1, 2018

End date

December 31, 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

166,483

Scope 2, market-based (if applicable)

137,560

Start date

January 1, 2018

End date

December 31, 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Fugitive emissions from vending and HVAC

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

No emissions excluded

Relevance of market-based Scope 2 emissions from this source (if applicable)

No emissions from this source

Explain why this source is excluded

HFC emissions from this source are considered to be de minimis

C6.5

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

4,038,892

Emissions calculation methodology

For the hot business, this includes, coffee, packaging and brewer impact calculated from quantities purchased and LCA data for coffee production or for each type of packaging or brewer. For the cold business, this includes product ingredients (plus manufacturing waste), packaging (plus manufacturing waste), and third-party bottling, which has been estimated from studies of representative products. Other purchases have not been included here for lack of information.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

12

Explanation

About 12% of purchased goods and services emissions is represented by the hot business with most of this data coming from suppliers. The remaining emissions are calculated based on proxy data.

Capital goods

Evaluation status

Not relevant, explanation provided

Explanation

Scope 3 emissions from capital goods were not relevant to KDP during the reporting year.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

97,291

Emissions calculation methodology

Emission factors from DEFRA and IEA were applied to fuel consumption based on fuel type and to electricity consumed in 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

358,370

Emissions calculation methodology

For the hot business, calculated from reports of weights and distances moved by mode. Relevant emission factors applied to total tonne-km or vehicle-km as appropriate. Uplift applied for 2 missing months of data. For cold business, based on US EPA Smartway report of 3rd party freight.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

97

Explanation

For KDP’s cold business, emissions from our distribution fleet are calculated.

For KDP’s hot business, there's lack of access to useful estimates for certain shipping legs within our upstream and downstream value chain, but per the methodology noted, we include data from or estimates of the major import legs, and all others that we do have information for via supplier relationships, or information such as square footage for warehouse space.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

526

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Waste from manufacturing from KDP's hot business only.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

8,324

Emissions calculation methodology

Emissions from air travel are accounted for in this category. Data on distances traveled were obtained and categorized into long, medium and short haul. US EPA Emission factors were then applied for each type.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Business air travel is tracked with the help our contracted travel agency.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

52,644

Emissions calculation methodology

Total number of employees was multiplied by an average distance of 11.5 miles per one-way trip. It was assumed that 85% of the total trips made was by car (Source: 2018 National Household Travel Survey). Emission factors applied were adopted from US EPA Emission factors for Greenhouse gas inventories, Version 9 March 2018.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

The process of collecting commuting data, estimating emissions and including this source in our GHG Inventory is new as of CY2018. We plan to continue to track and report this emissions source into the future.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Explanation

KDP does not lease any upstream assets

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,063,070

Emissions calculation methodology

Estimates are derived from studies of representative products

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

We calculate emissions from this category for the cold business only. Actual sales data informs estimates for emissions.

Processing of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

275,842

Emissions calculation methodology

For the cold business, this is included in third-party bottling, under purchased goods and services (category 1)

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

We calculate emissions from this category for the cold business only, as there is no processing of sold products from the hot business. Actual sales data informs estimates for emissions.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

392,691

Emissions calculation methodology

For the hot business, brewer use was estimated from technical data about power ratings from energy testing and estimates of lifetime hours in use for each brewer type. Relevant country electricity emission factors were applied to the total kWh.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

For the hot business, this includes some proxy data used to account for the range of brewer types. For the cold business, actual sales data informs estimates for emissions.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

139,856

Emissions calculation methodology

For the cold business, this has been estimated from studies of representative products. For the hot business, it is assumed all brewers produced will be landfilled apart from those returned to the company, which are recycled. EOL impact derived from brewer LCA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

For the hot business, we model the end of life treatment of sold products including pods that are separated for composting of the coffee contents and recycling of other material via Grounds to Grow On™, a take-back program for commercial customers, and assumptions that all remaining pods are landfilled. Note that this will change as increasing numbers of our pods are recyclable.
For appliances, we have a returns program that recycles a portion of our brewers and

we subtract that number of brewers from our emissions estimates for end of life, but we do not credit our figure with the recycling benefit as that belongs to the recycler.

Downstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

700

Emissions calculation methodology

Fugitive emissions from downstream leased vending and cold drink equipment were determined to be de minimis. Assumed 1.5 percent leakage per year with, primarily, R-134a as the refrigerant.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Explanation

Vending emissions based on historical data.

Franchises

Evaluation status

Not relevant, explanation provided

Explanation

KDP does not have franchises.

Investments

Evaluation status

Not relevant, explanation provided

Explanation

Investments are not a material contributor to our total Scope 3 emissions.

Other (upstream)

Evaluation status

Explanation

Other (downstream)

Evaluation status

Explanation

C-AC6.6/C-FB6.6/C-PF6.6

(C-AC6.6/C-FB6.6/C-PF6.6) Can you break down your Scope 3 emissions by relevant business activity area?

Yes

C-AC6.6a/C-FB6.6a/C-PF6.6a

(C-AC6.6a/C-FB6.6a/C-PF6.6a) Disclose your Scope 3 emissions for each of your relevant business activity areas.

Activity

Agriculture/Forestry

Scope 3 category

Emissions (metric tons CO2e)

863,096

Please explain

This number represents emissions from raw ingredients for the hot and cold business. Total weight of raw coffee purchased was multiplied by a Gabi emission factor for coffee growing to give total agriculture emissions for coffee used in the hot business. For the cold business, estimates of the impacts of sugar, fruit, fruit juice, coffee and natural sweeteners were made based on LCAs of typical soft drink products multiplied by actual sales figures for relevant types of product.

Activity

Processing/Manufacturing

Scope 3 category

Emissions (metric tons CO2e)

373,133

Please explain

This number represents energy impacts from outsourced manufacturing for the cold business. The outsourced manufacturing impact was estimated based on LCAs of typical soft drink products multiplied by actual sales figures for different types of product.

Activity

Distribution

Scope 3 category

Emissions (metric tons CO2e)

1,063,070

Please explain

We calculate emissions from this category for the cold business only. The impact of downstream distribution was estimated based on LCAs of typical soft drink products multiplied by actual sales figures for different types of product.

Activity

Consumption

Scope 3 category

Emissions (metric tons CO2e)

139,856

Please explain

For the cold business, this has been estimated from LCAs of typical soft drink products multiplied by actual sales figures for different types of product. For the hot business, it is assumed all brewers produced will be landfilled apart from those returned to the company, which are recycled. EOL impact derived from brewer LCA and multiplied by actual sales figures.

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C-AC6.8/C-FB6.8/C-PF6.8

(C-AC6.8/C-FB6.8/C-PF6.8) Is biogenic carbon pertaining to your direct operations relevant to your current CDP climate change disclosure?

No

C-AC6.9/C-FB6.9/C-PF6.9

(C-AC6.9/C-FB6.9/C-PF6.9) Do you collect or calculate greenhouse gas emissions for each commodity reported as significant to your business in C-AC0.7/FB0.7/PF0.7?

Agricultural commodities

Other

Coffee

Do you collect or calculate GHG emissions for this commodity?

Yes

Please explain

We utilize life cycle assessment-based data and emission factors for our raw and purchased materials. We then use those life-cycle based emissions factors against total material purchased/sourced. We apply this approach to coffee cultivation and processing and third-party warehousing in our supply chain.

Agricultural commodities

Other

Apples

Do you collect or calculate GHG emissions for this commodity?

No, not currently but intend to collect or calculate this data within the next two years

Please explain

Our supply chain agricultural focus has been on coffee to date. We have developed a new Keurig Dr Pepper Supplier Code of Conduct that sets out universal requirements applicable to our suppliers. Our guidelines look to ensure respectful and safe working conditions and responsible environmental practices across our supply chain, among other requirements. Where necessary, we go further by specifying product-specific standards such as independent raw material certifications and manufacturing standards.

Agricultural commodities

Sugar

Do you collect or calculate GHG emissions for this commodity?

No, not currently but intend to collect or calculate this data within the next two years

Please explain

Our supply chain agricultural focus has been on coffee to date. We have developed a new Keurig Dr Pepper Supplier Code of Conduct that sets out universal requirements applicable to our suppliers. Our guidelines look to ensure respectful and safe working

conditions and responsible environmental practices across our supply chain, among other requirements. Where necessary, we go further by specifying product-specific standards such as independent raw material certifications and manufacturing standards.

C-AC6.9a/C-FB6.9a/C-PF6.9a

(C-AC6.9a/C-FB6.9a/C-PF6.9a) Report your greenhouse gas emissions figure(s) for your disclosing commodity(ies), explain your methodology, and include any exclusions.

Sugar

Reporting emissions by

Emissions (metric tons CO2e)

Change from last reporting year

About the same

Please explain

This response option is showing up incorrectly in ORS given our response of "No, not currently..." above in C-AC6.9/C-FB6.9/C-PF6.9 for Sugar.

Other

Reporting emissions by

Total

Emissions (metric tons CO2e)

56,313

Change from last reporting year

Higher

Please explain

Coffee. We utilize life cycle assessment-based data and emission factors for our raw and purchased materials. We then use those life-cycle based emissions factors against total material purchased/sourced. In 2018, we purchased over 205 million pounds of coffee. We convert this to kilograms and multiply this by the GaBi software emissions factor (kgCO2e/1kg green bean) of 0.277615214 to calculate emissions.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000372946

Metric numerator (Gross global combined Scope 1 and 2 emissions)

411,136.2

Metric denominator

unit total revenue

Metric denominator: Unit total

11,024,000,000

Scope 2 figure used

Market-based

% change from previous year

0

Direction of change

No change

Reason for change

Due to the recent merger, KDP has 2018 as its base year of emissions calculation. Therefore, we are calculating this intensity metric for the first time and will continue to track it in subsequent years.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	273,045	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	125	IPCC Fifth Assessment Report (AR5 – 100 year)

N2O	405	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	248,245
Canada	10,498
Mexico	14,832

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
United States of America - hot business	20,086
United States of America - cold business	228,159
Canada - hot business	10,498
Mexico - beverages	14,832

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Hot business - coffee roasting and packaging	30,584
Cold business - beverage production and bottling	242,991

C-AC7.4/C-FB7.4/C-PF7.4

(C-AC7.4/C-FB7.4/C-PF7.4) Do you include emissions pertaining to your business activity(ies) in your direct operations as part of your global gross Scope 1 figure?

Yes

C-AC7.4b/C-FB7.4b/C-PF7.4b

(C-AC7.4b/C-FB7.4b/C-PF7.4b) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Activity

Processing/Manufacturing

Emissions (metric tons CO2e)

116,494

Methodology

Default emissions factor

Please explain

This is KDP's stationary emissions

Activity

Distribution

Emissions (metric tons CO2e)

129,280

Methodology

Default emissions factor

Please explain

This includes all of KDP’s emissions from diesel trucks

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	130,504	104,553	335,885	99,105
Mexico	32,891	32,891	70,668	0
Canada	2,999	7.97	19,448	19,396

Republic of Korea	3.76	3.76	7.19	0
China, Hong Kong Special Administrative Region	11	11	15	0
China	23	23	36	0
Switzerland	17	29	145	0
Luxembourg	34	42	92	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division
By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
US – Hot business	27,655	108
US - Cold business	102,945	104,561
Canada - Hot business	2,992	0
Mexico - beverages	32,891	32,891

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Hot business	30,647	109
Cold business	135,836	137,452

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

This is our first year of reporting, so we cannot compare to last year

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	268.64	1,210,834.9	1,211,103.53
Consumption of		118,501.66	307,795.24	426,296.9

purchased or acquired electricity				
Total energy consumption		118,770.3	1,518,630.14	1,637,400.44

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

514,240.9

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

615,663.51

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

48,345.84

Comment

Fuels (excluding feedstocks)

Propane Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

23,403.1

Comment

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

9,181.52

Comment

Fuels (excluding feedstocks)

Compressed Natural Gas (CNG)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

0.02

Comment

Fuels (excluding feedstocks)

Other, please specify

Ethanol

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

268.64

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Compressed Natural Gas (CNG)

Emission factor

0

Unit

metric tons CO2e per m3

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 2 Mobile Combustion CO2 Emission Factors, March 9, 2018

Comment

The emission factor in these units requires more decimal points than the response box allows, and is: .00000157

Diesel

Emission factor

10.24

Unit

kg CO2e per gallon

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018

Comment

For stationary combustion

Jet Kerosene

Emission factor

9.75

Unit

kg CO2e per gallon

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 2 Mobile Combustion CO2 Emission Factors, March 9, 2018

Comment

Motor Gasoline

Emission factor

8.78

Unit

kg CO2 per gallon

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 2 Mobile Combustion CO2 Emission Factors, March 9, 2018

Comment

Natural Gas

Emission factor

0.00053

Unit

metric tons CO2 per million Btu

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018

Comment

Propane Gas

Emission factor

5.74

Unit

kg CO2e per gallon

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 1 Stationary Combustion Emission Factors, March 9, 2018

Comment

For stationary combustion

Other

Emission factor

10.21

Unit

kg CO2e per gallon

Emission factor source

EPA, "Emission Factors for Greenhouse Gas Inventories," Table 2 Mobile Combustion CO2 Emission Factors, March 9, 2018

Comment

This is for mobile combustion of diesel.

In addition, we used a factor of 5.68 kg CO2e per gallon for mobile combustion of Liquid Propane Gas (LPG)., from the same EPA emissions factors source.

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling
79,028.27

Emission factor (in units of metric tons CO2e per MWh)
0

Comment

Basis for applying a low-carbon emission factor
Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Solar PV

Region of consumption of low-carbon electricity, heat, steam or cooling
North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling
15,540.3

Emission factor (in units of metric tons CO2e per MWh)
0

Comment

Basis for applying a low-carbon emission factor
Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type
Solar PV
Wind
Hydropower
Biomass (including biogas)
Other low-carbon technology, please specify
geothermal

Region of consumption of low-carbon electricity, heat, steam or cooling
North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling
23,933.09

Emission factor (in units of metric tons CO2e per MWh)
0

Comment

KDP contracted with our supplier, Gexa Energy, to receive the 'Renewable Energy Product' for all electricity use at our Plano location. Per the contract Gexa Energy will retire on KDP's behalf, Renewable Energy Credits in an amount equal to all of this facility's electricity use for each calendar year. These RECs result from electricity generated from renewable energy sources which may include solar, wind, geothermal, biomass, biogas, or low-impact hydro. According to Gexa, these RECs do meet the requirements of a voluntary renewable energy certification program in the United States, but they are not officially part of such program, which is why there are no official REC certificates available.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

KDP CY 2018 Assurance Statement - Final.pdf

Page/ section reference

Pages 1-2.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

KDP CY 2018 Assurance Statement - Final.pdf

Page/ section reference

pages 1-2

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement

KDP CY 2018 Assurance Statement - Final.pdf

Page/ section reference
pages 1-2

Relevant standard
ISO14064-3

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement

KDP CY 2018 Assurance Statement - Final.pdf

Page/section reference
pages 1-2

Relevant standard
ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Included climate change in supplier selection / management mechanism

% of suppliers by number

7

% total procurement spend (direct and indirect)

82

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

We cover our most important suppliers for the coffee systems segment of our business with the Supplier Performance Management (SPM) program. The figures for % of suppliers by number and % of total procurement spend are for the hot business only. SPM allows us to select new suppliers, risk assess suppliers and rate their performance across a number of areas. One aspect of the risk assessment is climate risk, where we use Maplecroft natural disaster/climate risk data to understand where we have suppliers who have high risk in this area.

Impact of engagement, including measures of success

We measure success via a scorecarding process for suppliers in this program, and via the outcomes of sustainability engagement and investments. For example: During 2018, World Coffee Research (WCR) launched a new breeding hub for Africa, added 150 farmer field trial sites across 10 countries, published the first open-access arabica coffee genome, and launched the first global effort to sequence the coffee leaf rust genome. KDP not only invests in WCR's work, but also contributes to its strategic direction by serving on the Board of Directors. We have also worked to connect our suppliers to WCR's resources, and in 2018 funded 30 on-farm technology trials with KDP suppliers. The impact of these programs is to improve the resilience of coffee farmers and farms to adapt to climate change.

Comment

This response pertains to our hot business only.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

% of suppliers by number

100

% total procurement spend (direct and indirect)

16

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

All regular coffee purchases for the hot business segment are from suppliers managed within our SPM program. The figures for % of suppliers by number and % of total procurement spend are for the hot business only. KDP engages with coffee farmers

throughout the regions from which it sources coffee. Climate change poses a significant risk to the coffee industry and will not only impact our ability to deliver the quality coffee that our consumers know and love, but will have a significant impact on the communities where coffee is grown. As weather patterns change, the areas where it can be grown are being threatened, endangering future crops. KDP invests in agronomy programs that directly support farmer capacity-building to adapt to climate change. The impact of these programs is to improve the resilience of coffee farmers and farms to risks associated with climate change.

Impact of engagement, including measures of success

We measure success through common metrics such as the number of farmers who have adopted climate smart agricultural practices promoted by the project. Some examples are: (1) Blue Harvest: KDP has invested more than $5 million in Blue Harvest over the last five years to promote sustainable farming practices and increase access to clean water for coffee farmers and communities in Central America. This program has trained more than 2,800 farmers to apply water- and climate-smart practices on their coffee farms, protected more than 40,000 hectares of critical watersheds, and improved drinking water for more than 100,000 people. (2) Heifer Mexico: KDP's investment seeks to improve the lives of 750 farmer households in Chiapas by improving coffee productivity and quality, diversifying on-farm production, and implementing climate-smart practices. (3) Colombia Farmer Capacity Building (2 programs): Programs provide training to farmers on climate-smart agricultural practices and subsidize infrastructure to manage coffee wastewater, working with over 700 farmer households.

Comment

This response pertains to our hot business only.

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Run a campaign to encourage innovation to reduce climate impacts on products and services

% of suppliers by number

100

% total procurement spend (direct and indirect)

16

% Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

All regular coffee purchases for the coffee systems business segment are from suppliers managed within our SPM program. The figures for % of suppliers by number and % of total procurement spend are for the hot business only. KDP engages with coffee

farmers throughout the regions from which it sources coffee. KDP was a founding member, and has invested more than $3 million, in World Coffee Research (WCR), an industry-backed agricultural Research & Development organization focused on growing, protecting and enhancing coffee as a global crop. Its goal is to build farmers' capabilities to adapt to climate change and adapt coffee plants to deal with increasing environmental stresses.

Impact of engagement, including measures of success

During 2018, WCR launched a new breeding hub for Africa, added 150 farmer field trial sites across 10 countries, published the first open-access arabica coffee genome, and launched the first global effort to sequence the coffee leaf rust genome. KDP not only invests in WCR's work, but also contributes to its strategic direction by serving on the Board of Directors. We have also worked to connect our suppliers to WCR's resources, and in 2018 funded 30 on-farm technology trials with KDP suppliers.

Comment

This response pertains to our hot business only.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

Walmart is an important customer and has led a charge to reduce supply chain emissions via its Project Gigaton. We joined the campaign as Keurig Green Mountain (our historical hot business) in FY17 and have retained "Giga-Guru" status as listed on their site: https://www.walmartsustainabilityhub.com/supplier-recognition. We regularly share sustainability information including our GHG footprint and efforts to reduce it with other customers during business meetings.

Impact of engagement, including measures of success

The engagement has strengthened internal awareness of Walmart's campaigns and the importance of our emissions work. We have been happy to be listed as a "Giga-Guru" on their site: https://www.walmartsustainabilityhub.com/supplier-recognition. Together, these represent two of the metrics of success we aimed for: both internal and external recognition. Further, aligned with the overall project's mission, we are happy to complete this disclosure and note the small decrease in our emissions vs. last year. This strategic initiative has had a positive impact on our reputation with our customers.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

KDP strategically engages with multiple partners in our value chain in several countries around the world including upstream suppliers, primarily coffee farmers. Our engagement strategy focuses on improving farming techniques, addressing local water issues, planning for changes in climate and strengthening farmer organizations. A large majority of spend is directly or in service of climate readiness. KDP currently collaborates with international organizations to work with upstream coffee suppliers and growers to raise awareness and prepare them for future weather-related effects anticipated by climate change. To date, we have supported more than 630,000 individuals within our coffee supply chain to significantly improve their livelihoods through projects that we fund. For example, we have an enduring 20-year partnership with Root Capital, a nonprofit agricultural lender. Root Capital provides smallholder enterprises with access to resources and expertise to develop independence, sustainability and competitiveness. Since 2017, we invested more than $1.3 million in Root Capital through the Partnership for Sustainable Coffee, co-funded by the United States Agency for International Development (USAID). Through this program, Root Capital has provided on-site training to 76 small producer organizations to date serving more than 67,000 coffee farmers. This program provides basic financial management training and agronomic assistance to 100 coffee organizations, reaching over 90,000 coffee farmers in Colombia, Honduras, Peru, Rwanda, Uganda, and Indonesia.

Another example of KDP's climate-related engagement strategy with partners in our value chain is that Keurig Dr Pepper has invested more than $3 million in World Coffee Research (WCR), an industry-backed R&D organization focused on growing, protecting and enhancing coffee as a global crop. During 2018, WCR launched a new breeding hub for Africa, added 150 farmer field trial sites across 10 countries, published the first open-access arabica coffee genome, and launched the first global effort to sequence the coffee leaf rust genome. KDP not only invests in WCR's work, but also contributes to its strategic direction by serving on the Board of Directors. We have also worked to connect our suppliers to WCR's resources, and in 2018 funded 30 on-farm technology trials with KDP suppliers.

In addition, KDP has invested more than $5 million in Blue Harvest over the last five years to promote sustainable farming practices and increase access to clean water for coffee farmers and communities in Central America. This program has trained more than 2,800 farmers to

apply water- and climate-smart practices on their coffee farms, protected more than 40,000 hectares of critical watersheds, and improved drinking water for more than 100,000 people.

Going downstream from our operations in our value chain, we work with additional partners. KDP has taken action by making investments with partners that focus on challenges and appropriate solutions related to improving recycling access and infrastructure. Improving packaging solutions for product quality, consumer use, recoverability and reuse requires collaboration of all players along the value chain. Using our strength in forming partnerships, we collaborate closely with a number of industry groups, NGOs, investment firms and communities. For example, Keurig Dr Pepper was an initial investor in the $100 million Closed Loop Fund, which provides zero or low-interest loans to public and private entities to expand and enhance recycling infrastructure and sustainable manufacturing technologies. We have committed $10 million over 10 years to advance the circular economy, and our investment to date has supported such progress as 350,000 recycling carts distributed to communities across the U.S. and over 850,000 tons of waste kept out of landfills. By 2030, Closed Loop Partners expects to reduce or avoid GHG emissions by at least 36 million metric tons of CO2 through our investments.

C-AC12.2/C-FB12.2/C-PF12.2

(C-AC12.2/C-FB12.2/C-PF12.2) Do you encourage your suppliers to undertake any agricultural or forest management practices with climate change mitigation and/or adaptation benefits?

Yes

C-AC12.2a/C-FB12.2a/C-PF12.2a

(C-AC12.2a/C-FB12.2a/C-PF12.2a) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Management practice reference number

MP1

Management practice

Other, please specify

Prioritized list provided in "Description of management practice"

Description of management practice

Agroforestry – Managing shade trees and improving number and variety of tree stocks on coffee farms.

Diversifying farmer income – Encouraging household food production for consumption and sale. Encouraging diverse income sources.

Fertilizer Management – Conducting soil analysis to determine fertilization plan. Using organic compost. Implementing practices to reduce runoff.

Pest management – Preventing, monitoring and responding early to pest and disease outbreaks. Implementing IPM strategies.

Seed variety selection – Understanding seed varietal characteristics and selecting varietals that will perform according to the micro-climate of the farm and the market of the farmer.

Waste Management – minimizing waste from coffee process, and treating wastewater before it is released back into ecosystem.

Your role in the implementation

Financial
Procurement

Explanation of how you encourage implementation

Financial: We fund climate-change programs.
Procurement: We buy certified or verified coffees.

Climate change related benefit

Emissions reductions (mitigation)
Increasing resilience to climate change (adaptation)
Increase carbon sink (mitigation)
Reduced demand for fossil fuel (adaptation)
Reduced demand for fertilizers (adaptation)
Reduced demand for pesticides (adaptation)

Comment

KDP purchases coffee that is managed under certification schemes such as Fair Trade, Rainforest Alliance, UTZ Certified which encourage practices with climate change mitigation or adaptation benefits. In addition, KDP funds projects with specific suppliers to support the implementation of these practices. For Procurement, we capture the % of coffee responsibly sourced. For Financial, we capture the number of farmers who have adopted climate or water-smart agricultural practices as a result of our project. This is a measure of increasing resilience.

C-AC12.2b/C-FB12.2b/C-PF12.2b

(C-AC12.2b/C-FB12.2b/C-PF12.2b) Do you collect information from your suppliers about the outcomes of any implemented agricultural/forest management practices you have encouraged?

Yes

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

Funding research organizations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

American Beverage Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

As disclosed on the ABA's website (https://www.ameribev.org/education-resources/), the ABA states: "America's beverage companies are leaders in environmental sustainability. We know that doing our part to protect the environment is good for our business and the planet.

Below are just some of the goals our industry is working towards as leaders driving sustainable solutions to some of the largest issues that are affecting our planet:

WATER - Decreasing water use per unit of product—and will increase water conservation by double-digit percentages over the next decade.

ENERGY - Increasing efficiency while decreasing its carbon footprint.

FLEETS - Improving fuel efficiency and increase miles per gallon by nearly 20% over five years.

PACKAGING - Reducing the raw materials used in PET plastic and aluminum through light weighting, redesign, and use of post-consumer recycled materials.

RECYCLING - Working to eliminate waste to landfills from our manufacturing and production facilities in the US."

How have you influenced, or are you attempting to influence their position?

KDP employees serve on the ABA's environmental committee, and board. KDP works collaboratively with other ABA members to advance the industry's sustainable practices.

Trade association

Grocery Manufacturers Association

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

One of GMA's strategic priorities is to "Enhance Packaging Sustainability". In its own words, "The industry plays a crucial role in creating a more sustainable future by reducing packaging material, increasing recyclability and manufacturing with recycled content. We aim to leverage our expertise and innovations to galvanize stakeholders and drive needed solutions."

How have you influenced, or are you attempting to influence their position?

Our Executive Chairman and CEO is on the board of the GMA, and champions our efforts for more sustainable packaging, which will in turn be beneficial for our greenhouse gas footprint reduction efforts as packaging currently comprises a large component of our Scope 3 emissions.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

No

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

KDP takes a cross functional approach to sustainability, and deliberately integrates sustainability work and accountability throughout the organization. Our sustainability function is part of our overall Corporate Affairs team, responsible for enterprise-wide oversight and response to key issues. The Chief Sustainability Officer convenes the Sustainability Governance Committee, comprised of key functional Executive Leadership Team (ELT) members, which monitors progress monthly and approves key, cross-functional CR initiatives. This provides oversight and drives accountability down to each function across the organization, eliminating obstacles for collaboration and reducing redundancy while ensuring that no aspect of sustainability is overlooked. Additionally, our sustainability and government affairs teams connect on a regular basis to ensure awareness and alignment across all issues.

These regular meetings thus surface any inconsistencies with policy and commitments, and are the forum for developing actions to re-align activities to be consistent with the policy and commitments.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

KDP-CR-Report-2018.pdf

Page/Section reference

pages: 13, 14-16, 17, 19

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

We discuss emissions targets in terms of the fact that we have committed to setting a science based target.

C13. Other land management impacts

C-AC13.2/C-FB13.2/C-PF13.2

(C-AC13.2/C-FB13.2/C-PF13.2) Do you know if any of the management practices mentioned in C-AC12.2a/C-FB12.2a/C-PF12.2a that were implemented by your suppliers have other impacts besides climate change mitigation/adaptation?

Yes

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

We are focused on reducing our energy use and greenhouse gas (GHG) emissions to lessen our environmental impact. Our GHG emissions are primarily indirect (Scope 3), with packaging production being a significant driver. Our direct emissions (Scope 1) come from our operations and logistics within our control. We strive to lessen our overall impact by choosing responsible materials for our products, operating our manufacturing plants efficiently and reducing fossil fuel use in our operations and fleet. Before the merger, Keurig Green Mountain met its 2020 GHG reduction goal of 25% in 2016. As KDP, we will continue on this progressive path. We have set a goal to obtain 100% of electricity used in operations from renewable sources by 2025, but we're not stopping there. We have joined the Science Based Targets Initiative (SBTi) to develop a more comprehensive emissions reduction target that will cover emissions from our entire value chain in the near future.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Please note that our response here and throughout this year's Carbon Disclosure Project response describes Keurig Dr Pepper, created by the merger of Dr Pepper Snapple and Keurig Green Mountain on July 10, 2018.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	11,024,000,000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	49271V1008

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 1

Allocation level

Company wide

Emissions in metric tonnes of CO2e

38,574

Uncertainty (±%)

5

Major sources of emissions

Scope 1: fuel use for distribution fleet and coffee roasting

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. Our Scope 1 emissions are calculated based on fuel usage tracking for our fleet and plants.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 2

Allocation level

Company wide

Emissions in metric tonnes of CO2e

19,396

Uncertainty (±%)

5

Major sources of emissions

Purchased electricity

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. Scope 2 reflects our purchased electricity consumption.

Requesting member

Walmart, Inc.

Scope of emissions

Scope 3

Allocation level

Company wide

Emissions in metric tonnes of CO2e

906,377

Uncertainty (±%)

5

Major sources of emissions

Packaging, product materials and retail (refrigeration).

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. This year we were able to include more categories in our Scope 3 than previously possible. We rely on both supplier data for some categories such as logistics for the hot business, and also on modeling based on representative product studies, especially for our cold business.

Requesting member

Target Corporation

Scope of emissions

Scope 1

Allocation level

Company wide

Emissions in metric tonnes of CO2e

5,534

Uncertainty (±%)

5

Major sources of emissions

fuel use for distribution fleet and coffee roasting

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. Our Scope 1 emissions are calculated based on fuel usage tracking for our fleet and plants.

Requesting member

Target Corporation

Scope of emissions

Scope 2

Allocation level

Company wide

Emissions in metric tonnes of CO2e

2,783

Uncertainty (±%)

5

Major sources of emissions

Purchased electricity

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. Scope 2 reflects our purchased electricity consumption.

Requesting member

Target Corporation

Scope of emissions

Scope 3

Allocation level

Company wide

Emissions in metric tonnes of CO2e

130,034

Uncertainty (±%)

5

Major sources of emissions

Packaging, product materials and retail (refrigeration).

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. This year we were able to include more categories in our Scope 3 than previously possible. We rely on both supplier data for some categories such as logistics for the hot business, and also on modeling based on representative product studies, especially for our cold business.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 1

Allocation level

Company wide

Emissions in metric tonnes of CO2e

916

Uncertainty (±%)

5

Major sources of emissions

fuel use for distribution fleet and coffee roasting

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. This year we were able to include more categories in our Scope 3 than previously possible. We rely on both supplier data for some categories such as logistics for the hot business, and also on modeling based on representative product studies, especially for our cold business.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 2

Allocation level

Company wide

Emissions in metric tonnes of CO2e

460

Uncertainty (±%)

5

Major sources of emissions

Purchased electricity

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. This year we were able to include more categories in our Scope 3 than previously possible. We rely on both supplier data for some categories such as logistics for the hot business, and also on modeling based on representative product studies, especially for our cold business.

Requesting member

Wal Mart de Mexico

Scope of emissions

Scope 3

Allocation level

Company wide

Emissions in metric tonnes of CO2e

21,519

Uncertainty (±%)

5

Major sources of emissions

Packaging, product materials and retail (refrigeration).

Verified

No

Allocation method

Allocation based on the market value of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

In completing our GHG footprint we look at all categories of emissions for relevance, and use primary data whenever possible to then calculate emissions for those activities. This year we were able to include more categories in our Scope 3 than previously possible. We rely on both supplier data for some categories such as logistics for the hot business, and also on modeling based on representative product studies, especially for our cold business.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Customer base is too large and diverse to accurately track emissions to the customer	Guidelines as to the most acceptable approximations of emissions associated with different customers.

level	

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

No

SC1.4b

(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC3.1

(SC3.1) Do you want to enroll in the 2019-2020 CDP Action Exchange initiative?

No

SC3.2

(SC3.2) Is your company a participating supplier in CDP's 2018-2019 Action Exchange initiative?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms