

# Keurig Dr Pepper Supplier Code of Conduct

## PURPOSE

Keurig Dr Pepper (“KDP” or “Company”) is committed to high standards of social and environmental responsibility and ethical conduct. KDP has created this Code as an extension of our own Corporate Code of Conduct to form the cornerstone of our commitment to responsibly source our products. This Code defines the universal standards that we require our suppliers to adhere to when conducting business with KDP. The requirements laid out in the Code are based on internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the UN Global Compact Principles and the International Labour Organisation (ILO) Declaration on Fundamental Rights and Principles at Work.

## SCOPE

The term “Supplier” or “Suppliers” means any person or entity that is the source for goods or services for Company, back to the primary production level. The Code is applicable to all workers and employees of any of those suppliers (including permanent, temporary, contract agency and migrant workers). This includes all workers providing work at a supplier location, such as under an employment agency or service provider. It also applies to any subcontractors and third party labor agencies. We expect our direct Suppliers to support our commitment to full compliance with this Code via the development and implementation of a similar policy and risk-based due diligence process over their own supply chains.

This document must be read in conjunction with our **Product-Specific Standards**, which provide the accompanying auditable standards for specific supply chains. Where there is an applicable Product Specific Standard, that Standard prevails over this Code for applicable supply chain tiers. In the absence of a Product Specific Standard for a Supplier’s specific supply chain type and tier, this Code prevails.

KDP reserves the right to regularly ask Suppliers to confirm adherence to this Code.

## BUSINESS ETHICS

**Compliance with Law:** Suppliers’ business activities shall comply with applicable laws and regulations in the countries and jurisdictions in which they operate. They shall also comply with all other applicable international laws and regulations, including those relating to international trade, sanctions, export controls, antitrust/competition and data protection. Where local law and this Code address the same topic, the supplier shall meet the requirement which affords greater protection.

**Bribery/Corruption:** All forms of bribery, kickbacks, corruption, extortion, embezzlement and unethical practices are prohibited, and Suppliers must have a zero tolerance policy and prohibit any such behavior. Suppliers shall not take any action that would violate, or cause KDP to violate, any applicable anti-bribery law or regulation, including the U.S. Foreign Corrupt Practices Act.

**Gifts/hospitality:** Any business entertainment or hospitality with KDP staff, auditors or other third parties must be reasonable and customary under the circumstances of the relationship and not intended to influence in any way KDP’s business decisions.

*Note: Version 1 – 2019. Replaces KGM’s 2014 Responsible Sourcing Supplier Guidelines and DPSG’s 2018 Supplier Code of Conduct and 2018 Sustainable Agriculture Policy.*

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**Conflicts of interest:** Suppliers will declare any conflict of interest in any business dealings with KDP and will actively seek to avoid such conflicts.

**Subcontracting:** KDP does not allow subcontracting or assigning any agreement with, or service to KDP, without KDP's prior written consent.

**Intellectual Property:** KDP's confidential information and intellectual property must be safeguarded, and must not be shared with any third party unless expressly permitted by KDP. Suppliers will not divulge to KDP any information that is not in the public domain. Any authorized transfer of confidential information is to be done in a way that protects intellectual property rights.

**Traceability, materials and facility disclosure:** Suppliers shall be able to disclose the country of origin for the primary materials for all deliveries made. KDP reserves the right to ask suppliers for a full supply chain map in order to facilitate risk assessment and gauge compliance in the upstream supply chain, including disclosure of all known facilities used to produce products or services for KDP. At KDP's request, suppliers are expected to provide to KDP reports on the occurrence of substances in any materials supplied to KDP that may be restricted by, or require disclosure to, governmental bodies, customers and/or recyclers.

**Animal rights:** Suppliers shall strive to avoid animal testing altogether. Where it cannot be avoided, suppliers shall have a responsible animal testing policy and procedures in place.

### **LABOR AND HUMAN RIGHTS**

**Freely Chosen Employment:** All forms of involuntary labor – including forced, coerced, bonded (including debt bondage), involuntary or exploitative prison, slavery, trafficked or indentured or other forms – are prohibited.

- All work must be voluntary and workers shall be free to resign “at-will”
- There shall be no unreasonable restrictions on workers' freedom of movement at the workplace or at company or agent-provided housing.
- Employment agreements shall meet local law, inform workers of their legal rights and employment conditions in a language understood by the worker, and be concluded before work has commenced. If employment contracts are not legally required, workers shall at the very least be informed of the terms and conditions of employment, in a language understood by them, prior to starting work.
- Employers and agents may not hold or otherwise deny access by employees to their identity or immigration documents unless such holdings are required by law.
- Workers shall not pay recruitment fees or other related expenses for their employment. If it is discovered that workers have paid fees, the supplier shall ensure that the workers are repaid in full.

**Child Labor and Young Workers:** Child labor shall not be used. The term “child” refers to any person under the age of 15, or under the minimum age for employment in the country, whichever is greatest.

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- All employment of young workers, including apprentices or vocational students, must comply with laws and regulations on the minimum working age and the compulsory age for schooling and must be of educational benefit.
- Young worker protections are in place, where applicable (including for the children of farmers), so that young workers under the age of 18 do not experience conditions in relation to their work that are mentally, physically, socially or morally dangerous or harmful, or that interfere with their schooling.
- A child may help at their family's business only if they perform light work and meet the requirements above.

**Freedom of Association and Collective Bargaining:** Suppliers shall respect workers' legal rights to freedom of association and collective bargaining.

**Regular Employment Status:** Work performed must be on the basis of a recognized employment relationship. Obligations to employees under labor or social security laws and regulations arising from a regular employment relationship shall not be avoided, such as through sub-contracting, exploitive use of fixed-term employment contracts, or through apprenticeship schemes with no real intent to impart skills or provide regular employment.

**Wages and Benefits:** Suppliers shall ensure workers receive wages and benefits that meet, at a minimum, national legal standards.

- We encourage our suppliers to go beyond legal minimum standards and to ensure wages are sufficient to meet basic needs and provide discretionary income.
- All overtime work must be paid at the legally mandated overtime rate, or in the absence of this, a premium wage.
- Disciplinary pay deductions are prohibited.
- For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

**Working Hours:** Regular and overtime working hours must comply with the law and not be excessive.

- Regular working hours shall not exceed the legal limit or 48 hours per week, whichever is lower.
- Rest days shall comply with legal requirements or, in the absence of such a requirement, workers shall be provided one day off in seven. This may be amended in unusual or emergency circumstances.
- All overtime shall be voluntary.

**Humane Treatment:** All workers are to be treated with respect and dignity.

There is to be no harsh and inhumane treatment including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment.

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**Discrimination:** Suppliers shall commit to a workforce free of discrimination.

- All employment decisions (including hiring, termination, compensation, promotion and discipline) must be based exclusively on ability and willingness to do the job.
- There shall be no discrimination on the basis of race, color, sex, national or social origin, religion, age, disability, sexual orientation, gender identity, marital status, political affiliation, pregnancy status, or past or present union affiliation.
- Except where required by applicable laws or regulations or prudent for workplace safety, supplier shall not require pregnancy or medical tests and shall not improperly discriminate based on test results.

**Respect for Community Rights to Land:** Suppliers shall respect the rights and titles to property and land of individuals, indigenous peoples and local communities. Negotiations regarding property and land shall adhere to principles of free, prior and informed consent, as well as contract transparency and disclosure.

## **HEALTH AND SAFETY**

**Working conditions:** Suppliers shall provide a safe and hygienic work environment, as appropriate for the industry, geography and workforce.

- Adequate steps shall be taken to prevent accidents and injuries to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonable practicable, the causes of hazards inherent in the work environment.
- Workers shall receive applicable health and safety training.
- Where needed, workers are to be provided free of charge with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards.
- Suppliers shall respect workers' right to refuse unsafe work and to report unhealthy working conditions.

**Emergency Preparedness:** Potential emergency situations and events (such as fires, earthquakes, and chemical exposures) are to be identified and assessed, and their impact minimized by implementing emergency plans and response procedures. In buildings, emergency exits must be unlocked and unblocked at all times.

**Basic services:** Workers shall have access to potable drinking water and clean toilet facilities at all times at the workplace and at any company- or third party-provided housing, as well as sanitary food preparation, storage and consumption areas.

**Accommodation:** Accommodation, where provided, is clean, safe, meets the basic needs of workers, and conforms to the country's laws. Accommodation should meet or exceed the basic levels afforded in the local community. Workers shall have freedom to enter and leave at will.

## **ENVIRONMENTAL SUSTAINABILITY**

*Note: Version 1 – 2019. Replaces KGM's 2014 Responsible Sourcing Supplier Guidelines and DPSG's 2018 Supplier Code of Conduct and 2018 Sustainable Agriculture Policy.*

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**Resource consumption, pollution prevention and waste minimization:** Business is conducted in a manner which proactively embraces sustainability. Suppliers shall optimize their consumption of natural resources, including energy and water.

**Environmental impact management:** Business is conducted in a manner which reduces environmental impact. As such, suppliers will measure and minimize the environmental impact of their facilities and operations, including air and greenhouse gas emissions, water (whether in a production process, for irrigation, or for other uses), contamination and waste.

**Hazardous materials and product safety:** Suppliers shall identify and reduce the use of hazardous materials, chemicals and substances. Suppliers will also ensure their safe handling, storage and disposal. All applicable employees shall be aware of and trained in related safety procedures.

### **POLICIES, PROCESSES AND PROCEDURES**

Suppliers will develop and enforce policies and procedures to ensure compliance with all aspects of this Code. This includes ensuring transparent and accurate record-keeping and maintaining such records to demonstrate compliance with applicable laws and this Policy.

**Grievance mechanisms:** Suppliers shall have systems in place to enable fair, confidential and anonymous grievance reporting and follow-up without fear of reprisal. This includes worker whistleblower protections.

**Audits and Corrective Action Process:** KDP reserves the right to verify compliance with the Code through internal or third party assessments and to require implementation of corrective actions toward meeting the Policy.

**Quality and safety:** Apply rigorous safety and quality standards throughout the supply chain. Comply with all product quality and safety standards, including current Good Manufacturing Practices, laws, and regulations. Immediately report and address any product or safety issues.

### **CONTINUOUS IMPROVEMENT AND REPORTING OF CONCERNS OR VIOLATIONS**

KDP expects suppliers to continuously improve their performance in line with this Code. We encourage suppliers to report any ethical concerns or violations by any KDP employee or agent acting on behalf of the supplier or KDP.

You may report a concern or violation in the following ways:

- **Call:** 800-349-4248 (U.S. & Canada) or 001-888-243-8076 (Mexico).
- **Mail:** Attn: General Counsel | Keurig Dr Pepper | 5301 Legacy Drive | Plano, TX 75024.

**Web:** <https://www.integrity-helpline.com/kdp.jsp>

**Keurig Dr Pepper (“KDP”)  
Product-Specific Standards – effective July 2019**

As a company that procures a variety of diverse products and services, KDP has created a Supplier Code of Conduct that outlines the universal requirements across all suppliers and supply chain types. The Code can be found here *(insert link)*.

For our most important supply chains, we also specify product-specific sustainable sourcing programs that provide the auditable standard and required mechanism to ensure compliance. This document outlines those product-specific programs.

The programs, and their accompanying standards, are regularly reviewed by KDP and may change over time. As such, the Supplier Code of Conduct and the Product-Specific Standard documents should always be read in conjunction with one another.

***Below are the supply chains for which we currently require specific programs/standards.***

Supply Chain Type	Programs/Auditable Standards
<p><b>Appliance supply chains</b> Suppliers will be risk assessed and, if necessary, asked to undergo an audit. The scope includes brewers, brewer components, brewer accessories and appliance packaging. Regardless of whether an audit is requested, suppliers are expected to follow the referenced program.</p>	<p>Responsible Business Alliance (formerly the EICC) Code of Conduct and Code Interpretation Guidance.</p>
<p><b><i>Suppliers of products/parts that contain 3TG</i></b></p>	<p>KDP Conflict Minerals Policy</p>
<p><b>Green Coffee</b> By 2020, 100% of our green coffee purchases will meet an accepted sustainability program.</p>	<p>Any of the following programs/standards are accepted: Fair Trade USA Fairtrade International Rainforest Alliance UTZ</p>
<p><b><i>Suppliers of Brazilian Green Coffee</i></b></p>	<p>KDP Brazilian Coffee Sourcing Policy</p>

If you have any questions about these standards, please contact your key point of contact within KDP.