Keurig Dr Pepper - Water Security 2022



W0. Introduction

W_{0.1}

(W0.1) Give a general description of 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) CSDs, NCBs, including water (enhanced and flavored), ready-to-drink tea and coffee, juice, juice drinks, mixers and specialty coffee, and is a leading producer of innovative single serve brewing systems. With a wide range of hot and cold beverages that meet virtually any consumer need, KDP key brands include Keurig, Dr Pepper, Canada Dry, Snapple, Bai, Mott's, Core, Green Mountain and The Original Donut Shop. 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. KDP offers more than 125 owned, licensed and partner brands, including the top ten best-selling coffee brands and Dr Pepper as a leading flavored CSD in the U.S. according to IRi, available nearly everywhere people shop and consume beverages.

KDP was created through the combination of the business operations of Keurig, a leading producer of innovative single serve brewing systems and specialty coffee in the U.S. and Canada, and DPS, a company built over time through a series of strategic acquisitions that brought together iconic beverage brands in North America such as Dr Pepper, Snapple, 7UP, Canada Dry, Mott's, A&W and the Peñafiel business in Mexico. The DPS Merger was consummated on July 9, 2018, at which time DPS changed its name to Keurig Dr Pepper Inc. and began trading on the NYSE under the symbol "KDP". Today, we trade on Nasdaq under the symbol KDP, and we are a member of the Nasdaq 100 Index.

In 2019, we introduced our new corporate responsibility platform, Drink Well. Do Good. Through this platform we established multiyear goals and initiatives for our supply chain, the environment, health and wellbeing and our communities. To meet these ambitious commitments, we designed a comprehensive and flexible program, allowing us to direct resources toward opportunities that are meaningful to our planet, our business and our people.

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.

W-FB0.1a

(W-FB0.1a) Which activities in the food, beverage, and tobacco sector does your organization engage in?

Processing/Manufacturing

Distribution

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Canada

Mexico

United States of America

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W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion
We do not include several small office locations, and some small
sales and distribution locations. Our manufacturing facility in
Newbridge, Ireland, is excluded as it was under construction and
not fully operational during 2021. We expect this facility to be
operational during 2022.

We are focused on where we use the most water in our organization and can therefore drive the most efficiency and meaningfully contribute to water stewardship. Included in our scope are all of our operational manufacturing sites, all major warehouses and distribution centers, and headquarter offices. Within our scope that is included, our cold manufacturing sites make up nearly all (99%) of our water withdrawals. The exclusion of the minor non-manufacturing sites does not represent a significant portion of total water used/consumed nor discharged, nor pollutant load discharged (less than 1%).

W0.7

 $(W0.7)\ Does\ your\ organization\ have\ an\ ISIN\ code\ or\ another\ unique\ identifier\ (e.g.,\ Ticker,\ CUSIP,\ etc.)?$

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	KDP

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating		Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Vital	The primary freshwater use in KDP's direct operations is as a key ingredient in our finished products. Maintaining the highest standards of safety and quality are of vita importance in our direct use of freshwater. Additionally, our supply chain is dependent on good quality freshwater for cultivating crops that are ingredients in our products, making it of vital importance for indirect use. We expect our operational and value chain dependency on this water source to remain the same in the future, because our evolving portfolio will always rely on sufficient amounts of good quality freshwater available for use in order to produce beverages whether they be bottled in our plants or made with water in the home (like our coffee products today).
Sufficient amounts of recycled, brackish and/or produced water available for use	important		Recycled, brackish and other types of water are not ingredients in KDP's products or processes. Certain manufacturing processes use recycled water for cooling, which makes up less than 1% of our water use. We don't expect our operational dependency on this water source to change because we do not anticipate using recycled or brackish water in our products. Recycled, brackish and other types of water are not used to our knowledge in upstream supply chain processes nor is use of this water source expected in the future.

W-FB1.1a

(W-FB1.1a) Which water-intensive agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue? Select up to five.

_	% of revenue dependent on these agricultural commodities	Produced and/or sourced	Please explain
Other, please specify (Apples)	Less than 10%	Sourced	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).
Other, please specify (Coffee)	21-40	Sourced	KDP's hot business consists of our single-serve brewing system appliances, K-Cup® pods and other coffee products. Coffee represents the vast majority of the hot beverage portfolio, which has a very small proportion of cocoa, tea, powdered drinks, and dairy.
Maize	21-40	Sourced	A substantial portion of our CSD portfolio is sweetened with high fructose corn syrup (HFCS), derived from maize.
Sugar	Less than 10%	Sourced	We source cane sugar for several of our beverage brand products.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of	Please explain
	sites/facilities/operations	
Water withdrawals – total volumes	100%	KDP facilities pull water from a combination of well and municipal sources, depending on the site. This data is tracked monthly using a resource management reporting tool.
Water withdrawals – volumes by source	100%	KDP facilities pull water from a combination of well and municipal sources, depending on the site. This data is tracked monthly using a resource management reporting tool.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<not applicable=""></not>	<not applicable=""></not>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<not applicable=""></not>	<not applicable=""></not>
Water withdrawals quality	100%	KDP facilities pull water from a combination of well and municipal sources, depending on the site. This data is tracked monthly using a resource management reporting tool.
Water discharges – total volumes	100%	KDP facilities track wastewater discharges monthly by site using a resource management reporting tool.
Water discharges – volumes by destination	100%	KDP facilities track wastewater discharges monthly by site using a resource management reporting tool.
Water discharges – volumes by treatment method	100%	KDP facilities track wastewater discharges monthly by site using a resource management reporting tool. Additionally, treatment methods and destination are maintained in an inventory of practices currently employed at each site.
Water discharge quality – by standard effluent parameters	100%	Each site measures and monitors its own discharge and treatment method, as legally required, for example via permits. Sites report as frequently as daily and no less frequently than bi-annually, while most sites report on a monthly basis.
Water discharge quality – temperature	Not relevant	We design our systems to comply with prohibited discharge standards as defined in the Clean Water Act for national pre- treatment standards (at 40 CFR Part 403.5(b), in the Code of Federal Regulations), or local limits, whichever is more stringent.
Water consumption – total volume	100%	KDP calculates water consumption by subtracting discharge from withdrawal which are tracked monthly using a resource management reporting tool.
Water recycled/reused	Not monitored	Less than 1 percent of KDP's total water use is recycled and in a closed loop system that is not tracked. At one facility in Mexico we reuse treated water from production to irrigate landscaping on-site and to flush toilets in the facility. Our use of recycled water will not change in the near future.
The provision of fully-functioning, safely managed WASH services to all workers	100%	KDP ensures WASH services for all our workers as a standard practice. Potable water is available and monitored in-line with all our other operational needs for high quality water.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)		Please explain
Total withdrawals	13355	About the same	Total withdrawals are about the same as last year at 1.7% higher compared to 2020. In 2021, our water use ratio was 1.82 liters of water to make 1 liter of product, which is the same as the 2020 value (1.82 L/L). This metric accounts for the cold side of our business which makes up 99% of our water use. Withdrawals are directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. While our withdrawals increased, our efficiency remained flat. KDP has committed to improving our water use efficiency 20% by 2025 so there is potential for improvement in water withdrawal. Thresholds used include Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 higher, greater than 51 much higher.
Total discharges	5893		Total discharges are about the same as last year at 2.3% higher compared to 2020. In 2021, our water use ratio was 1.82 liters of water to make 1 liter of product. This metric accounts for the cold business which makes up 99% of our water use. Discharges are directly related to our production so will rise, fall or remain flat in line with production volume mitigated by future efficiency improvements. Discharges were higher in 2021 due to higher production. KDP has committed to improving our water use efficiency 20% by 2025 so we expect our discharges to decrease accordingly relative to production. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 higher, greater than 51 much higher.
Total consumption	7462	About the same	Total consumption is about the same as last year, up 1.6%. We calculate consumption using the following formula (Consumption = Withdrawal – Discharges) 7,462 =13,355 - 5,893. Because withdrawals and discharges are fairly flat, consumption is also flat. Our consumption volumes are directly tied to our sales volumes, so in the future, they will rise, fall or remain flat in line with demand. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals	%	Comparison	Identification	Please explain
	are from	withdrawn	with	tool	
	areas with	from	previous		
	water stress	areas with	reporting		
		water	year		
		stress			
R	w Yes	26-50	About the	WRI	Total water withdrawal from water stressed areas is the sum of KDP's municipal water and groundwater sourced from geographic areas defined by
1			same	Aqueduct	WRI's Water Risk Atlas tool where Baseline Water Stress is "high" or "extremely high" stress (the ratio of total withdrawals to total renewable supply in
					a given area, 40-100%). In 2021, 29% of the water withdrawn by KDP was from an area defined as water stressed which is slightly higher than in 2020 (30%). KDP utilizes WRI's Aqueduct tool to assist us in assessing our risk relative to our water use. Through our enterprise risk management (ERM)
					process, company level risks are identified and prioritized.

W-FB1.2e

(W-FB1.2e) For each commodity reported in question W-FB1.1a, do you know the proportion that is produced/sourced from areas with water stress?

Agricultural commodities	The proportion of this commodity produced in areas with water stress is known	of this commodity sourced from areas with	Please explain
Other commodities from W- FB1.1a, please specify (Apples)	Not applicable	Yes	We utilize the Aqueduct Water Risk Atlas 3.0 tool to conduct risk assessment of priority raw materials from our supply chain. Raw materials sourced from areas with water stress are identified based on KDP's sourcing regions at the country level and the Baseline Water Stress indicator from the WRI's Aqueduct Water Risk Atlas tool. A spatial analysis was conducted to map country level crop growing areas and Baseline Water Stress indicator. High water stress areas for apples are defined as regions where 40% or more of the growing areas falls under "high" and/or "extremely high" baseline water stress as defined in Aqueduct (the ratio of total withdrawals to total renewable supply in a given area, 40-100%). Apples sourced from water stressed areas are identified using the 2021 sourcing data.
Other commodities from W- FB1.1a, please specify (coffee)	Not applicable	Yes	We utilize the Aqueduct Water Risk Atlas 3.0 tool to conduct risk assessment of priority raw materials from our supply chain. Raw materials sourced from areas with water stress are identified based on KDP's sourcing regions at the country level and the Baseline Water Stress indicator from the WRI's Aqueduct Water Risk Atlas tool. A spatial analysis was conducted to map country level crop growing areas and Baseline Water Stress indicator. High water stress areas for coffee are defined as regions where 40% or more of the growing areas falls under "high" and/or "extremely high" baseline water stress as defined in Aqueduct (the ratio of total withdrawals to total renewable supply in a given area, 40-100%). Coffee sourced from water stressed areas are identified using the 2021 sourcing data.
Maize	Not applicable	Yes	We utilize the Aqueduct Water Risk Atlas 3.0 tool to conduct risk assessment of priority raw materials from our supply chain. Raw materials sourced from areas with water stress are identified based on KDP's sourcing regions at the country level and the Baseline Water Stress indicator from the WRI's Aqueduct Water Risk Atlas tool. A spatial analysis was conducted to map country level crop growing areas and Baseline Water Stress indicator. High water stress areas for maize are defined as regions where 40% or more of the growing areas falls under "high" and/or "extremely high" baseline water stress as defined in Aqueduct (the ratio of total withdrawals to total renewable supply in a given area, 40-100%). Maize sourced from water stressed areas are identified using the 2021 sourcing data.
Sugar	Not applicable	Yes	We utilize the Aqueduct Water Risk Atlas 3.0 tool to conduct risk assessment of priority raw materials from our supply chain. Raw materials sourced from areas with water stress are identified based on KDP's sourcing regions at the country level and the Baseline Water Stress indicator from the WRI's Aqueduct Water Risk Atlas tool. A spatial analysis was conducted to map country level crop growing areas and Baseline Water Stress indicator. High water stress areas for cane sugar are defined as regions where 40% or more of the growing areas falls under "high" and/or "extremely high" baseline water stress as defined in Aqueduct (the ratio of total withdrawals to total renewable supply in a given area, 40-100%). Cane sugar sourced from water stressed areas are identified using the 2021 sourcing data.

W-FB1.2g

(W-FB1.2g) What proportion of the sourced agricultural commodities reported in W-FB1.1a originate from areas with water stress?

Agricultural commodities	% of total agricultural commodity sourced from areas with water stress	Please explain
Other sourced commodities from W- FB1.2e, please specify (apples)	0%	KDP defines apple supplier water withdrawals sourced from a water stressed area as the sum of municipal, groundwater and surface water sourced from geographic areas defined by WRI's Water Risk Atlas tool where Baseline Water Stress is high or extremely high stress (the proportion of total withdrawals to total renewable supply in a given area, 40-100%). Based on our updated risk assessment, 0% of apples are sourced from areas of high water-stress. This proportion has not changed over the last year, and we do not anticipate medium term (1-3 years) changes to the water stress profile for our apple sourcing geographies. KDP uses this metric within the organization to inform its responsible sourcing strategy for apples among other relevant water and sustainability factors.
Other sourced commodities from W- FB1.2e, please specify (coffee)	0%	Based on our updated risk assessment, 0% of coffee is sourced from areas of high water-stress. We anticipate that this proportion could increase over the long (3-10 years) term as suitable land for coffee growing is limited by impacts of climate change, potentially driving production to areas more prone to water stress. KDP uses this metric within the organization to inform its responsible sourcing strategy for coffee among other relevant water and sustainability factors.
Maize	1-10	Based on our updated risk assessment, 9% of maize is sourced from areas of high water-stress. We anticipate that this proportion could increase over the long (3-10 years) term due to the potential for climate change to increase maize's water demand and limit the water available for irrigation. KDP uses this metric within the organization to inform its responsible sourcing strategy for maize among other relevant water and sustainability factors.
Sugar	26-50	Based on our updated risk assessment, 47% of cane sugar is sourced from areas of high water-stress. We anticipate that this proportion could increase over the long (3-10 years) term as the temperature increases under changing climatic conditions can cause water stress and more frequent irrigation cycle for sugarcane cultivation. KDP uses this metric within the organization to inform its responsible sourcing strategy for sugarcane among other relevant water and sustainability factors.

(W1.2h) Provide total water withdrawal data by source.

Fresh surface water, including	Relevance Not relevant	Volume (megaliters/year) <not applicable=""></not>		Please explain This source is not relevant because we do not use/withdraw water from this source. We do not anticipate any changes in our sites' withdrawal of fresh surface water in the foreseeable future. KDP is reliant on high quality water as a primary ingredient in our beverages, and therefore sources
rainwater, water from wetlands, rivers, and lakes	10.074.11		гършаало	and treats water from municipal and groundwater sources.
Brackish surface water/Seawater	Not relevant	<not applicable=""></not>	<not Applicable></not 	This source is not relevant because we do not use/withdraw water from this source. We do not anticipate any changes in our sites' withdrawal of brackish surface water in the foreseeable future.
Groundwater – renewable	Relevant	2901	Lower	Groundwater - renewable as a water source is considered relevant to our portfolio because there are six active KDP locations that rely on renewable groundwater for operations. KDP's water withdrawals from renewable groundwater sources are lower in 2021 (down 10% from 2020). Withdrawals from this source are lower because of our production needs and switching from groundwater to municipal water supply at one site. Additionally, our Mexico manufacturing relies on renewable-ground water and decreased use of this source by 6%. Our US sites rely heavily on municipal water. As we work towards our commitment to improve our water use efficiency by 20% by 2025 we expect our use of this source to potentially decrease. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.
Groundwater – non-renewable	Not relevant	<not applicable=""></not>	<not Applicable></not 	This source is not relevant because we do not use/withdraw water from this source. We do not anticipate any changes in our sites' withdrawal of fresh surface water in the foreseeable future. KDP is reliant on high quality water as a primary ingredient in our beverages, and therefore sources and treats water from municipal and groundwater sources.
Produced/Entrained water	Not relevant	<not applicable=""></not>	<not Applicable></not 	This source is not relevant because we do not use/withdraw water from this source. We do not anticipate any changes in our sites' withdrawal of fresh surface water in the foreseeable future. KDP is reliant on high quality water as a primary ingredient in our beverages, and therefore sources and treats water from municipal and groundwater sources.
Third party sources	Relevant	10485	Higher	Third party sources are considered relevant water sources because a majority of our water is purchased from local municipalities. KDP does not plan to change this because of our reliance on high quality water for use in our beverages. KDP's water withdrawals from third-party sources increased slightly (6%) compared to 2020 due to increases in production. As we work towards our commitment to improve our water use ratio by 20% by 2025, we expect our reliance on water sourced from third parties to potentially decrease. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)		Please explain
Fresh surface water	Relevant	1282	Lower	Fresh surface water/seawater is considered a relevant destination for our discharges where proper permitting exists. Five of our locations discharge pretreated wastewater, meeting local standards, to this destination. Two sites are authorized to discharge RO reject. KDP's 2021 discharges to this destination are 34% lower than 2020 at 22% of total discharges. Discharges are directly related to our production so will rise, fall or remain flat in line with production volume. As we work towards our commitment to improve our water use ratio by 20% by 2025, we expect our discharges to fresh surface water could decrease accordingly. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.
Brackish surface water/seawater	Not relevant	<not applicable=""></not>	<not Applicable></not 	Brackish surface water/seawater is not a relevant destination as all water discharges are either to Publicly Owned Treatment Works (POTW) or fresh surface water. KDP has not in the past, and does not anticipate in the future, discharging to brackish water sources.
Groundwater	Not relevant	<not applicable=""></not>	<not Applicable></not 	Groundwater is not a relevant destination as all water discharges are either to POTW or fresh surface water. KDP has not in the past and does not anticipate discharging any water to groundwater in the future.
Third-party destinations	Relevant	4611	Higher	Third-party destinations are considered relevant as all water discharges are made to POTW or freshwater. Our discharge to this destination is 18% higher than 2020 because withdrawals increased and consumption stayed fairly flat and KDP's water use ratio remained flat. Third-party destination discharges were 78% of total discharges in 2021. As we work towards our commitment to improve our water use ratio by 20% by 2025, we expect our discharges to third-party destinations could decrease accordingly. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Not relevant	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	We do not use tertiary treatment.
Secondary treatment	Relevant	2421	About the same	21-30	We use secondary treatment as necessitated by jurisdictional requirements/standards, composition of site wastewater, and capacity of the facilities receiving the wastewater.
Primary treatment only	Relevant	350	About the same	1-10	We use primary treatment as necessitated by jurisdictional requirements/standards, composition of site wastewater, and capacity of the facilities receiving the wastewater.
Discharge to the natural environment without treatment	Not relevant	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	Discharge to the natural environment without treatment is not relevant as we do not discharge in this manner.
Discharge to a third party without treatment	Relevant	3122	About the same	71-80	At the majority of our sites, we complete wastewater pretreatment and then discharge to a third party for treatment. The rationale is that this is an appropriate level of treatment to meet permit requirements.
Other	Not relevant	<not applicable=""></not>	<not applicable=""></not>	<not applicable=""></not>	Other discharge types are not relevant.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water	Total water	Anticipated forward trend
		withdrawal	withdrawal	
		volume	efficiency	
		(megaliters)		
Ro	w 1268300	13355	949681.7671	We anticipate that KDP's water withdrawal efficiency will improve over time as we continue to deploy water efficiency measures. During 2021, we maintained the
1	0000		28416	efficiency of our water use and required 1.82 liters of water per liter of final product, a 7% improvement in water use ratio from our baseline of 1.95 L/L. Our goal is
				to improve our water use efficiency by 20% by 2025.

W-FB1.3

(W-FB1.3) Do you collect/calculate water intensity for each commodity reported in question W-FB1.1a?

Agricultural commodities	Water intensity information for this produced commodity is collected/calculated	Water intensity information for this sourced commodity is collected/calculated	
Other commodities from W- FB1.1a, please specify (apples)	Not applicable	Yes	Yes, the water intensity values for commodities were obtained from literature published by the Water Footprint Network. The water intensity of an agricultural commodity is expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. KDP's apples were sourced within the United States (US). A weighted average water intensity of Apples was calculated based on KDP's 2021 sourcing regions within the US and the corresponding proportion of sourcing.
Other commodities from W- FB1.1a, please specify (Coffee)	Not applicable	Yes	Yes, the water intensity values for commodities were obtained from literature published by the Water Footprint Network. The water intensity of an agricultural commodity is expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. The water intensity of a commodity varies based on country of origin. Coffee is sourced from multiple countries, so a weighted average intensity was estimated based on KDP's 2021 sourcing regions and the corresponding proportion of green coffee procured.
Maize	Not applicable	Yes	Yes, the water intensity values for commodities were obtained from literature published by the Water Footprint Network. The water intensity of an agricultural commodity is expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. Corn is sourced from United States and Mexico. so a weighted average intensity was estimated based on KDP's 2021 sourcing regions and the corresponding proportion of procurement.
Sugar	Not applicable	Yes	Yes, the water intensity values for commodities were obtained from literature published by the Water Footprint Network. The water intensity of an agricultural commodity is expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. Sugar produced from sugarcane is sourced from multiple countries, so a weighted average intensity was estimated based or KDP's 2021 sourcing regions and the corresponding proportion of sourcing.

W-FB1.3b

(W-FB1.3b) Provide water intensity information for each of the agricultural commodities identified in W-FB1.3 that you source.

Agricultural commodities

Other sourced commodities from W-FB1.3, please specify (Apples)

Water intensity value (m3)

305

Numerator: Water aspect

Freshwater consumption

Denominator

Other, please specify (metric tons)

Comparison with previous reporting year

About the same

Please explain

KDP conducted its first enterprise water footprint analysis in 2018, covering the full value chain to inform our risk assessment and responsible sourcing program. The footprint analysis leveraged the Water Footprint Network (WFN) research as a proxy for agricultural commodity suppliers' water use intensity. The WFN data used includes both "blue" and "green" water intensity expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. The water intensity of apples varies based on country of origin. Currently KDP's apples are primarily sourced from the USA. As we work with suppliers that meet standards outlined in our Code of Conduct and corresponding product-specific standards, intensity figures have not varied substantially year to year, because WFN values and sourcing regions have remained similar, although may vary in the future. We consider these metrics internally for evaluation of our water footprint and development of responsible sourcing programming.

Agricultural commodities

Other sourced commodities from W-FB1.3, please specify (Coffee)

Water intensity value (m3)

11893

Numerator: Water aspect

Freshwater consumption

Denominator

Other, please specify (metric tons)

Comparison with previous reporting year

Lower

Please explain

KDP conducted its first enterprise water footprint analysis in 2018. The analysis leveraged the Water Footprint Network (WFN) research as a proxy for agricultural commodity suppliers' water use intensity. The water intensity of coffee varies based on country of origin. KDP sources coffee from regions around the world. A weighted average intensity was estimated based on mass procured from each country. The water intensity was updated based on 2021 coffee procurement data and country of origin. This figure could vary from year to year depending on changes to coffee procurement. In 2021 the intensity was slightly lower than 2020 due to the changes in volumes from countries of origin with different water intensities. Also, as we work with suppliers that meet standards outlined in our Code of Conduct and corresponding product-specific standards, intensity figures could change in response. We consider these metrics internally for evaluation of our water footprint and development of responsible sourcing programming.

Agricultural commodities

Maize

Water intensity value (m3)

712

Numerator: Water aspect

Freshwater consumption

Denominator

Other, please specify (metric tons)

Comparison with previous reporting year

Higher

Please explain

KDP conducted its first enterprise water footprint analysis in 2018, covering the full value chain to inform our risk assessment and responsible sourcing program. The footprint analysis leveraged the Water Footprint Network (WFN) research as a proxy for agricultural commodity suppliers' water use intensity. The WFN data used includes both "blue" and "green" water intensity expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. The water intensity of maize varies based on country of origin. In 2021, maize was sourced from the USA primary and some from Mexico. In 2021 the intensity metric was higher than 2020 due to the changes in volumes from countries of origin with different water intensities. As we work with suppliers that meet standards outlined in our Code of Conduct and corresponding product-specific standards, intensity figures could vary year to year in the future. We consider these metrics internally for evaluation of our water footprint and development of responsible sourcing programming.

Agricultural commodities

Sugar

Water intensity value (m3)

1124

Numerator: Water aspect

Freshwater consumption

Denominator

Other, please specify (metric tons)

Comparison with previous reporting year

About the same

Please explain

KDP ran its first enterprise water footprint analysis in 2018, covering the full value chain to inform our risk assessment and responsible sourcing program. The footprint analysis leveraged the Water Footprint Network (WFN) research as a proxy for agricultural commodity suppliers' water use intensity. The WFN data used includes both "blue" and "green" water intensity expressed in terms of the volume (m3) of freshwater (i.e., rainwater plus surface and/or groundwater) consumed per unit mass (metric tons) of production. The water intensity of sugarcane varies based on country of origin. KDP sources sugar (from sugarcane) from regions around the world. In 2021, we obtained information from our suppliers on the specific sugar sourcing regions for the year. A weighted average intensity was estimated based on 2021 sugar procurement data and country of origin. In 2021 the intensity was slightly lower than 2020 due to the changes in volumes from countries of origin with different water intensities. This figure could either increase or decrease in future years depending on changes to sugar procurement. As we work with suppliers that meet standards outlined in our Code of Conduct and corresponding product-specific standards, intensity figures could change in response. We consider these metrics internally for evaluation of our water footprint and development of responsible sourcing programming.

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for this coverage

For this section, we have focused the scope on green coffee. The rationale is that coffee is a significant agricultural raw material for our Coffee Systems segment (which contributed 37% of 2021 net sales and 46% of 2021 income from operations for KDP) and is also one where climate change is having obvious impacts on the success of coffee cultivation and thus on the livelihoods of coffee farmers. This past year, we achieved our goal to responsibly source 100% of our coffee through purchases of certified/verified sustainably sourced coffee. The rationale for coverage (i.e., percentage of suppliers and percentage total procurement spend) is that it is based on the number of suppliers that participate in our responsible sourcing commitment and the % of spend represented by the 100% of our total volume that we purchased as Responsibly Sourced in 2021. To sell coffee to KDP, suppliers must achieve and maintain the certification, including the criteria focused on water (e.g. water use, water treatment, water protection), and are therefore incentivized to report this information to the relevant certification body.

Impact of the engagement and measures of success

We currently work with Fair Trade USA, Fairtrade International, Rainforest Alliance and Utz. Each of these programs includes specific water-smart agricultural practices as part of achieving the certification. To sell coffee to KDP, suppliers must achieve and maintain the certification, including the criteria focused on water (e.g. water use, water treatment, water protection). The information requested of suppliers is certification compliance of each farm/group, which is what KDP relies on in order to purchase 'responsibly sourced' coffee from that farm/group. Success for KDP is measured by the % of responsibly sourced coffee that is delivered each fiscal year (99.62% in 2021 due to COVID-19 impacts and shipping delays, resulting in a very small amount of conventional coffee deliveries). KDP is also supporting coffee farms (via investments) to increase their climate- and water-smart practices and this work in turn supports farmers to achieve and maintain their certification status in addition to realizing environmental outcomes for their communities.

Comment

This response pertains to our green coffee business only.

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

Encourage/incentivize suppliers to work collaboratively with other users in their river basins

Provide training and support on sustainable agriculture practices to improve water stewardship

Other, please specify (Provide financial support for upgrading of drinking water infrastructure)

% of suppliers by number

1-25

% of total procurement spend

Less than 1%

Rationale for the coverage of your engagement

Water is a crucial component in growing and brewing coffee. That's why we are committed to being a water steward in our operations, in coffee communities, and in our local communities. Within the supply chain, we support projects that teach coffee farmers to be good water stewards, which can improve water quality and quantity, and reduce the impact of climate change on their farms and in their communities. KDP has invested more than \$5.7 million in Blue Harvest over the last seven years to promote sustainable farming practices and increase access to clean water for coffee farmers and communities in Central America.

Impact of the engagement and measures of success

We measure success of this program through a set of impact indicators including: # of farmers adopting water-smart practices, # of liters of water saved, # of mills upgraded, # of hectares restored or protected, and # of people benefiting from improved drinking water sources (among others).

The Blue Harvest program has trained more than 4500 farmers to apply water-smart practices on their coffee farms, protected more than 73,000 hectares of critical watersheds, and improved drinking water for more than 145,000 people.

Comment

This response pertains to our green coffee business only.

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship Other, please specify (Provide financial support for upgrading of drinking water infrastructure)

% of suppliers by number

1-25

% of total procurement spend

Less than 1%

Rationale for the coverage of your engagement

Two important focus areas in our Colombia coffee supply chain sustainability work, driven by our risk analysis, are: (1) addressing environmental risks in coffee wastewater treatment and (2) supporting smallholder farmers to adapt to climate change. Through our program with Ron Gabbay Coffee (RGC, a green coffee supplier), we support an important Fair Trade Colombian cooperative supplier to implement climate-smart agricultural practices especially reforestation, soil management practices, waste-water management, and community education.

Impact of the engagement and measures of success

We measure success by a set of impact indicators including number of farmers adopting water and climate-smart agricultural practices, number of mills upgraded, and number of hectares reforested. This program aims to reach 387 smallholder coffee farmers with training on improved water and climate-smart coffee farm management, improve water consumption and waste management in over 150 wet mills, and reforest 13 hectares of protected areas (while ensuring good soil management on another 1000 hectares).

Comment

This response pertains to our green coffee business only

Type of engagement

Innovation & collaboration

Details of engagement

Provide training and support on sustainable agriculture practices to improve water stewardship Other, please specify (Provide financial support for upgrading of drinking water infrastructure)

% of suppliers by number

1-25

% of total procurement spend

Less than 1%

Rationale for the coverage of your engagement

Two important focus areas in our Colombia coffee supply chain sustainability work, driven by our risk analysis, are: (1) addressing environmental risks in coffee wastewater treatment and (2) supporting smallholder farmers to adapt to climate change. Through our program with the National Federation of Colombian Coffee Growers (FNC), we have invested \$600,000 to support community-driven water access and management initiatives to promote environmental sustainability, climate-smart coffee crop management, profitable farms and female leadership.

Impact of the engagement and measures of success

We measure success by a set of impact indicators including number of farmers adopting water and climate-smart agricultural practices, number of mills upgraded, and number of people with improved access to drinking water. This program aims to: (1) reach 1,695 smallholder coffee farmers with training on new local water regulations and water-friendly farm management, (2) upgrade 390 coffee wet mills owned by women to reduce water and improve treatment, and (3) upgrade local drinking water systems improving access and quality for over 5,000 people.

Comment

This response pertains to our green coffee business only.

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

KDP's rationale for engagement with the value chain is a direct result of our interdependence on these partners for success. Our strategy for prioritizing engagements with customers or other partners in the value chain is guided by our core beliefs in the human right to water, safe working conditions, and fair compensation. The method of engagement is tailored for partners and may include direct outreach, response to requests or inquiries, and project development in consideration of the mutual goals and benefits we may share. Equally important, we care about how our value chain impacts the environment. In 2019 we completed a water footprint assessment of our value chain and found our own operations contribute less than 0.5% of our total water footprint making it vital to engage partners who impact our water footprint. Stakeholders we engage across our value chain include farmers, suppliers, partners, customers, regulatory agencies, nongovernmental organizations (NGOs), industry peers, consumers, employees, investors and others.

We engage with value chain partners of our prioritized inputs (e.g., apples, coffee, maize, sugar) to ensure sustainable practices, optimal working conditions and safe products. To support these values in our coffee systems supply chain, we work with Fair Trade USA and Fairtrade International, The Rainforest Alliance, UTZ and the Responsible Business Alliance. These organizations ensure compliance to their standards through regular third-party audits at farm level and along the supply chain. Audit results are aggregated and anonymized for tracking purposes.

We will partner with our highest water-risk operating communities to replenish 100% of water used for our beverages in those communities by 2025.

Success of these engagements is measured both by progress toward our water stewardship and supply chain sustainability goals, and the strength of our relationships.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

United States of America Susquehanna River

Type of impact driver & Primary impact driver

Chronic physical Seasonal supply variability/inter annual variability

Primary impact

Reduction or disruption in production capacity

Description of impact

In 2021 we settled compliance challenges related to dry weather and our ability to meet our permit requirements for use of our groundwater wells. The financial impact of the non-compliance fee was not material at less than \$50,000.

Primary response

Adopt water efficiency, water reuse, recycling and conservation practices

Total financial impact

50000

Description of response

We continued greater monitoring, water use efficiency, well-field management measures, and proactively engaged with the water authority. The cost estimate of the financial impact is based on the non-compliance fee and was less than \$50,000.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations? Yes, fines, enforcement orders or other penalties but none that are considered as significant

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

Total value of fines

% of total facilities/operations associated

Number of fines compared to previous reporting year

Comment

We not sharing this information though CDP currently.

W3. Procedures

W-FB3.1

(W-FB3.1) How does your organization identify and classify potential water pollutants associated with its food, beverage, and tobacco sector activities that could have a detrimental impact on water ecosystems or human health?

KDP identifies and classifies potential water pollutants that could have a detrimental impact on ecosystems or human health through our environmental management programs that incorporate consideration of established laws at the federal, state, and local levels. Because most of our water footprint is due to upstream consumption, KDP is developing product-specific sustainable sourcing programs that via standards or certifications address water quality and may include the identification and tracking of potential water pollutants by our agricultural suppliers under auditable standards with required mechanisms to ensure compliance.

Under our Environmental Policy, KDP prioritizes compliance with applicable federal, state, and local laws at its manufacturing locations – including wastewater and stormwater compliance. We identify and manage potential water pollutants that could have detrimental impact on water ecosystems in planning and operating of our facilities. During design and permitting of new facilities and facility improvements, we work with regulators to identify aspects of our manufacturing operations that have potential for adverse environmental impact and compliance implications. Our EHS staff and engineers design and implement infrastructure, management processes, and monitoring systems aimed at meeting compliance obligations. Once our facilities are operational, we implement programs to monitor wastewater quantity and composition (e.g., BOD, TSS, COD, etc.) in light of applicable limits set by jurisdictions to protect water resources from deterioration of water quality, typically through a permit process.

In addition, KDP's Chemicals Management Policy ("Policy"), available on our website, applies to water, ingredients and food contact packaging materials related to our food and beverage products. KDP utilized a cross-functional approach to form a team made up of representatives from Corporate Affairs, Food Safety, and Regulatory & Scientific Affairs to develop our Policy. This Policy is reviewed on an annual basis to help identify opportunities for continuous improvement.

We strive to ensure our products and packaging comply with all applicable regulatory standards and laws and use a risk based approach to help ensure key suppliers meet or exceed these standards through this Policy and our Supplier Code of Conduct. KDP monitors and assesses supplier compliance to our Policy periodically. Those suppliers are also required to provide declarations that all materials used in manufacturing of the packaging/ingredient meet all applicable regulatory and policy requirements.

Under this Policy, KDP reviews its products against a comprehensive catalog of authoritative and regulatory bodies that identify chemicals of concern, including FDA Bottled Water Regulations, EPA Prop 65, and World Health Organization (IARC) regulatory lists, among others, for screening chemicals. We categorize the presence of chemicals under this Policy in three different areas: water, ingredients, and food contact packaging. The risk of exposure (e.g., migration from packaging to product) and potential hazard classification (e.g., level of chemical present) are evaluated to determine overall use recommendations. KDP assesses chemicals in the following categories: trace contaminants, agrochemicals, phthalates, and Bisphenol A (BPA). We complete comprehensive water quality testing to ensure any contaminants in the water we use are within safe levels set by regulators.

Lastly, we work to continuously improve our management of water-related requirements through internal compliance assessments. We use audit tools and 3rd party compliance assessments to assess compliance of our operations through routine compliance assessments that include wastewater and stormwater compliance programs. In this manner, we have established a consistent approach to how we allocate resources, assign responsibilities and evaluate our practices, procedures and processes to maintain compliance and reduce our environmental footprint.

W-FB3.1a

(W-FB3.1a) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your food, beverage, and tobacco sector activities.

Potential water pollutant

Fertilizers

Activity/value chain stage

Agriculture - supply chain

Description of water pollutant and potential impacts

KDP products require agricultural inputs. Growing these commodities can require applying nutrients to promote plant growth. Adding nutrients can cause eutrophication due to over application.

Management procedures

Crop management practices

Sustainable irrigation and drainage management

Fertilizer management

Pesticide management

Waste water management

Please explain

The KDP Supplier Code of Conduct is the foundation of our commitment to responsibly source our products, and we ask our most important and/or high-risk suppliers to review and sign the Code each year. For our most important supply chains, we also specify product-specific sustainable sourcing programs that provide auditable standards and required mechanisms that seek to ensure compliance such as: Fair Trade USA, Fairtrade International, Rainforest Alliance or UTZ. Each standard ensures that we, through our supply chain partners, are using water wisely through sustainable irrigation practices, protecting soil health through crop management, and minimizing adverse impacts of pesticides and other agrochemical products on water ecosystems and human health. Audits are completed by a third party according to their standards and aggregated anonymized results are shared to understand the general program success. For example, Fairtrade standards include requirements for environmentally sound agricultural practices including focus on minimized and safe use of agrochemicals, proper and safe management of waste, and maintenance of soil fertility and water resources. UTZ Sustainable Farming program's Code of Conduct for Farming Practices includes soil fertility management, diversification of production to support ecological diversity, integrated pest management, responsible use of agro-chemicals and fertilizers, and irrigation. Certified partners receive training in treatment of waste water from processing. Similarly, The Rainforest Alliance certified farmers must meet the Sustainable Agriculture Standard to conserve ecosystems, protect biodiversity and waterways, conserve forests, reduce agrochemical use, and safeguard the well-being of workers and local communities. Success of our program is regularly evaluated and is measured by progress toward our goal to responsibly source 100% of our coffee by 2020. In 2021 we responsibly sourced 99.62% of our coffee due to COVID-19 impacts and shipping delays which resulted in a very

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

Databases

Tools and methods used

WRI Aqueduct

WWF Water Risk Filter

FAO/AQUASTAT

Other, please specify (External Consultants)

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

At KDP, a variety of approaches and processes lend themselves to identifying, assessing and responding to water-related risks and opportunities, applied at relevant frequencies for the related topics. At KDP, Enterprise Risk Management (ERM) is a periodic 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 its potential for operational disruption, and water security, are key risk areas. Water security is assessed annually at the local level and takes into account water availability and community water needs. We use the WWF Water Risk Filter and the World Resources Institute's Aqueduct Water Risk Atlas, and KDP manufacturing site surveys to evaluate water risk in our operating footprint.

Value chain stage

Supply chain

Coverage

Partial

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market

Enterprise risk management

Databases

Tools and methods used

WRI Aqueduct

Other, please specify (External Consultants)

Contextual issues considered

Water availability at a basin/catchment level

Water quality at a basin/catchment level

Stakeholder conflicts concerning water resources at a basin/catchment level

Implications of water on your key commodities/raw materials

Water regulatory frameworks

Status of ecosystems and habitats

Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers

Employees

Investors

Local communities

NGOs

Regulators

Suppliers

Water utilities at a local level

Other water users at the basin/catchment level

Comment

At KDP, a variety of approaches and processes lend themselves to identifying, assessing and responding to water-related risks and opportunities, applied at relevant frequencies for the related topics. At KDP, Enterprise Risk Management (ERM) is a periodic 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 its potential for operational disruption, and water security, are key risk areas. Water security is assessed annually at the local level and takes into account water availability and community water needs. We use the WWF Water Risk Filter and the World Resources Institute's Aqueduct Water Risk Atlas, and KDP manufacturing site surveys to evaluate water risk in our operating footprint. We conducted water risk assessment of priority raw materials from our supply chain in 2020. The supply chain risk assessment was conducted using information on sourcing regions for priority raw materials and risk tools including the World Resources Institute's Aqueduct Water Risk Atlas and WWF Water Risk Filter. For the priority raw materials, the baseline water stress metric is updated annually based on the changes in the sourcing regions.

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

KDP's robust approach covers our own operations (full coverage) and key inputs from our supply chain (partial coverage). We are currently reviewing the outcomes to incorporate them into our annual strategy and planning process. Our approach utilizes WRI's Aqueduct Water Risk Atlas (v3.0, 2019), WWF's Water Risk Filter, key crop databases MapSpam and EarthStat, a KDP manufacturing site survey, and the external expertise of consultants and partners to assist us in assessing our risk relative to our water use and needs. We use WRI's Aqueduct to look at both our operational sites' water risks (full coverage), and supply chain risks for key commodities (partial coverage). We additionally used WWF's Water Risk Filter to assess water risk related to our manufacturing plants (full coverage). Findings from the assessments confirmed our highest water stress operating locations continue to be in California, Texas and Mexico, while additional sites in Florida, California, and Texas have been flagged for water risk. As noted above, these outcomes will be used in our water stewardship and risk response planning. We will continue to conduct water risk assessment updates and use resulting data to inform and adapt our water strategy and stewardship over time.

Water availability at a basin/catchment level is critical to the production of our products both in KDP's operations and throughout our value chain. Water is a primary ingredient in a substantial number of our beverages and is required by our agricultural suppliers to produce raw materials that are used in our beverages. For the same reason, water quality at a basin/catchment level is also considered a highly relevant issue as it has the potential to impact our operations. Since we share water resources and the related risks at the basin/catchment level with others, stakeholder conflicts concerning water resources at a basin/catchment level are incorporated into our strategy. The implications of water on our key commodities/raw materials are a serious consideration, especially given that price increases for our raw materials could exert pressure on our prices, which could reduce demand for our products and negatively affect our business and financial performance. Water-related regulatory frameworks are considered highly relevant as regulatory compliance is essential for the responsible management of our water-related activities, whether we are focusing on a new facility or a well-established operation. The status of ecosystems and habitats are always included in our organization's water-related risk assessments as they help provide the natural infrastructure to protect the water quality on which KDP's business relies. Lastly, maintaining access to fully-functioning, safely managed WASH services for all employees is also considered. KDP supports the Human Right to water, which The United Nations' Universal Declaration of Human Rights defines as all people's right to safe, sufficient, acceptable, physically accessible and affordable water for personal and domestic use.

Consumers are included in our risk assessment process as consumer perceptions could impact the success and viability of our product. Employees are included in our risk assessment process as they are closest to our business operations, which situates them in a position to identify specific water-related risks. Investors are included in our risk assessment process due to the financial implications associated with the deterioration to water quality and quantity. KDP may incur increased production costs or face manufacturing constraints in the future, which could negatively affect our business and financial performance. Local communities are included in our risk assessment because water impacts tend to be localized and strong communities are integral to KDP's success. NGOs are relevant to our business because they provide expertise on environmental issues that informs risk assessment and community engagement and facilitate greater positive impact through partnership. Regulators are included in our assessment of water-related risk because they can have a direct impact on operations through relevant legislation. River basin management authorities would be included in risk assessments on a site-specific basis due to their direct oversight of water allocation, infrastructure, and the health of the water we rely on for our business. Suppliers are included in our risk assessment because unusual weather, water availability and quality, or long-term climate changes may negatively impact the price or availability of raw materials, energy, and demand for our products. Water utilities at a local level are considered relevant stakeholders in our water risk assessment, as they manage the municipal water sources on which we depend. Lastly, engaging with other water users at the basin/catchment level in various industry associations helps identify best practices and new opportunities from peers.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business? Yes, both in direct operations and the rest of our value chain

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

KDP defines a water related '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 water related substantive change could occur 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.

Good decisions about water resources happen at a local level and take into account water availability and community water needs. We use the World Resources Institute's Aqueduct Water Risk Atlas and WWF's Water Risk Filter to evaluate water risk in our operating footprint and supply chain.

An example of substantive change could be a one-time flooding event that requires the closure of our plant that manufactures almost all our beverage concentrates. This impact could surpass a substantive magnitude and/or create strategic change to our business. The Beverage Concentrates segment made up 12% of our 2021 net sales and our concentrate plant supplies critical ingredients to some of our Packaged Beverages' facilities.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	number of facilities exposed	% company- wide facilities this represents	Comment
Row 1	10	26-50	Manufacturing facilities are considered because of the nature of our business and relatively non-material water impact of distribution centers, and offices by comparison. 10 out of 31 manufacturing locations, representing 32% of our manufacturing locations, have been identified as being exposed to substantive water risk. These facilities are within regions of varying types of water risk that can create substantive change. Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. As of Dec. 31, 2021, we operated manufacturing locations across the U.S., Canada, and Mexico. Our manufacturing facility in Newbridge, Ireland, was under construction and not fully operational. We expect this facility to be fully operational during 2022. We utilize the WRI Water Risk Atlas Aqueduct tool and the WWF Water Risk Atlas to provide an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

United States of America Other, please specify (San Jacinto)

Number of facilities exposed to water risk

'

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable:

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable

% company's total global revenue that could be affected

1-10

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities.

Country/Area & River basin

United States of America Trinity River (Texas)

Number of facilities exposed to water risk

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities

Country/Area & River basin

United States of America

St. Johns River

Number of facilities exposed to water risk

% company-wide facilities this represents

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities.

Country/Area & River basin

United States of America

Other, please specify (Everglades)

Number of facilities exposed to water risk

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key

Country/Area & River basin

Number of facilities exposed to water risk

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities

Country/Area & River basin

United States of America

Colorado River (Pacific Ocean)

Number of facilities exposed to water risk

% company-wide facilities this represents

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities.

Country/Area & River basin

United States of America

Other, please specify (Mojave)

Number of facilities exposed to water risk

% company-wide facilities this represents

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key

Country/Area & River basin

Mexico Papaloapan

Number of facilities exposed to water risk

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities

Country/Area & River basin

Mexico Santiago

Number of facilities exposed to water risk

% company-wide facilities this represents

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

Comment

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key commodities.

Country/Area & River basin

Mexico Panuco

Number of facilities exposed to water risk

% company-wide facilities this represents

1-25

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Water is the main ingredient in substantially all of our products. As such, even where water is widely available, water purification and waste treatment infrastructure limitations could increase costs or constrain our operations. We have expanded our risk understanding further with the WRI Aqueduct tool and the WWF Water Risk Filter which provides an analysis covering physical, reputational and regulatory variables on a current and forward-looking basis, in addition to risk information for key

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America	Other, please specify (Multiple in US and Mexico)

Type of risk & Primary risk driver

physical	Declining water quality
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Primary potential impact

Increased operating costs

Company-specific description

Sufficient water quality along with onsite water treatment technology ensures our beverages meet or exceed all drinking water and product quality standards. Declining quality of water withdrawals for our manufacturing facilities could result in input water requiring additional water treatment and investment in supplementary water treatment technology, and therefore higher operating costs. We produce unflavored mineral water products under the brand Peñafiel. Trace elements of heavy metals, such as arsenic, naturally occur in our environment and can be found in aquifers where mineral water is sourced. Arsenic levels in aquifer sources can vary over time. In 2019, our testing indicated elevated levels of arsenic in some product, and we immediately took action. Enhanced filtration systems were installed where needed for Peñafiel production.

Timeframe

More than 6 years

Magnitude of potential impact

Low

Likelihood

Very unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

100000

Potential financial impact figure - maximum (currency)

1000000

Explanation of financial impact

The financial impact estimate is based on the average costs for increasing the capability of our treatment process by adding the appropriate treatment option given the quality characteristics of the water.

Primary response to risk

Increase investment in new technology

Description of response

We mitigate water risks through ongoing maintenance and facilities improvements, system upgrades on our production lines and the implementation of best practices in our manufacturing processes and technology. Most of our incoming water is derived from municipal sources. If water quality declined significantly, we would evaluate options for increasing pre-treatment.

Wastewater in our KDP cold manufacturing facilities is likewise pre-treated to meet local specifications prior to discharge to municipal wastewater treatment plants or surface water where permitted. Should water quality of receiving bodies decline, it could introduce the need for additional wastewater treatment. Introducing that additional treatment would likely also have effects on wastewater management costs, but these would be highly site-specific.

Cost of response

500000

Explanation of cost of response

Financial impact could range depending on the appropriate water and / or wastewater treatment process required, with an up-front cost estimate for a facility in the range of \$100,000 up to \$1,000,000. The cost of management figure is therefore likely between the two figures, estimated at \$500,000.

Country/Area & River basin

United States of America	Other, please specify (Multiple including Colorado and Mojave)
--------------------------	--

Type of risk & Primary risk driver

Primary potential impact

Reduction or disruption in production capacity

Company-specific description

Sufficient water quantity is required to produce our beverages. Some of our California facilities are in river basins with increased water scarcity. These river basins are

specified by the WRI Aqueduct Water Risk Atlas tool to have a range of current baseline water stress, but face continued and increasing stressors such as declining supply, groundwater contamination, and low precipitation. As water becomes scarce, we may face negative perception that could affect business continuity and financial performance.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

4000000

Potential financial impact figure - maximum (currency)

6000000

Explanation of financial impact

The potential financial impact is estimated based on a hypothetical situation where water becomes so scarce that we could not maintain operations and a plant in a high water-risk region such as California where we have multiple facilities in areas with elevated water risk, would be subject to water use curtailment. For purposes of this example, we assume a plant would experience a 25% curtailment over the course of a year due to drought conditions severely limiting water supply. While other implications of decreased production to distribution or labor could come into play, we are describing the impact of fixed costs only.

Primary response to risk

Support river basin restoration

Description of response

By partnering with our highest water-risk operating communities with a goal to replenish 100% of water used for our beverages in those communities by 2025, we aim to improve the environment and our local communities. Our strategy to partner with our highest water-risk operating communities was informed by evaluating water risk in our operating footprint using the WRI Aqueduct tool and identified six operating communities with high water risk in Texas, California and Mexico. These investments will continue as KDP moves towards its 2025 goals. Note, as described elsewhere, in 2020 we updated our water risk assessment using WRI's Aqueduct 3.0 and WWF's Water Risk Filter and findings confirmed our highest water stress operating locations continue to be in California, Texas and Mexico, and additionally, based on the spatial resolution updates in the 3.0 version of the WRI tool and use of the WWF tool, geographies have been flagged for water risk that overlap with our site locations in Florida, and additional sites in California and Texas. As a result of our updated water risk analysis, we have amended our water goal since 2022 to include 10 operating sites, with a goal to replenish 100% of water used for our beverages in those communities by 2030.

Cost of response

550000

Explanation of cost of response

This figure is based on our water stewardship work since 2011 with multiple partners (including but not limited to The Nature Conservancy, Bonneville Environmental Foundation, National Audubon Society). Since 2011, we have committed approximately \$6M (approximately \$550 thousand per year) to various projects across Texas, California, Florida, and Mexico, where we have production facilities. As a result of this collaboration and other active projects, we have restored 6,200 ML of water, balancing 85% (6,200 / 7,327) of the volume used for beverages in our highest water-risk communities and across the communities where our hot beverages are consumed.

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

United States of America Other, please specify (Multiple)

Stage of value chain

Supply chain

Type of risk & Primary risk driver

Chronic physical Water stress

Primary potential impact

Increased production costs due to changing input prices from supplier

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, and agricultural commodities including green coffee, paper products, juices, teas, fruit, sweeteners, as well as water, and other ingredients. We also use post-consumer recycled materials for certain beverage bottles, and the manufacturing of our single-serve brewing systems. These ingredients and packaging costs can fluctuate substantially and comprise almost 60% of our cost of sales. As outlined in KDP's climate policy, according to the IPCC and the U.S. National Climate Assessment, climate change is already affecting the agricultural sector, and disruptions to crop growing conditions are expected to increase with extreme weather events, increasing temperatures, and changing water availability. This may cause changes in geographical ranges of crops, as well as weeds, diseases and pests that affect those crops. While changing prices, or climate-related short-term or chronic disruptions to supply, for any of KDP's inputs could materially and adversely affect our business, we provide examples here related to corn. Corn, in the form of high fructose corn syrup (HFCS), is a key ingredient in many of our beverages with limited substitutability. We procure

corn sweetener from domestic suppliers. If water becomes scarce (drought), or too abundant (flooding, storms), or the quality deteriorates, increased corn sweetener prices could exert pressure on our costs and we may not be able to effectively hedge or pass along any such increases to our customers or consumers. Furthermore, any price increases passed along to our customers or consumers could reduce demand for our products. Such increases could negatively affect our business. When appropriate, we mitigate the exposure to volatility in the prices of certain commodities used in our production process through the use of forward contracts and supplier pricing agreements. The intent of the contracts and agreements is to provide a certain level of short-term predictability. Although we have contracts with a relatively small number of suppliers, we have generally not experienced any difficulties in obtaining the required amount of raw materials. Note, the risk presented here is of a long-term nature due to chronic changes in weather patterns, and does not reflect short-term inflation pressure or other agricultural commodity market dynamics.

Timeframe

More than 6 years

Magnitude of potential impact

Medium

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

55000000

Potential financial impact figure - maximum (currency)

75000000

Explanation of financial impact

This financial estimate assumes the risk of the change in agricultural commodity prices is entirely unhedged. KDP utilizes commodities derivative instruments and supplier pricing agreements to hedge the risk of movements in commodity prices for limited time periods and certain commodities. For the purpose of this response, we note that as of December 2021, the impact of a 10% change (increase or decrease) in agricultural commodities market prices (not reflecting short-term inflation pressure) is estimated to be approximately \$75M, again, assuming no hedging or other adjustments are implemented.

Primary response to risk

Upstream Use risk transfer instruments

Description of response

To mitigate the risk of water scarcity (drought) and abundancy (flooding, storms) from climate change and the implications on the cost of raw agricultural materials, KDP is expanding its responsible sourcing program and in 2021 set a new goal to support regenerative agriculture and conservation on 250,000 acres of land by 2030. KDP will partner with key suppliers and farmers to achieve the goal, which represents 50 percent of the land used to grow the Company's top climate-sensitive crops, including coffee, corn and apples. This new goal will accelerate the Company's efforts to protect water resources within its supply chain, as regenerative agriculture practices contribute to improved water quality and quantity, while also supporting biodiversity and strengthening farmer economic resilience. During 2020, we expanded our sustainable supply chain efforts beyond coffee, by improving traceability and assessing the material environmental issues and climate impacts of these raw materials to align our adaptation and mitigation investments accordingly. For corn and other agricultural commodities besides coffee (where we have extensive programming to promote climate resiliency), costs of management for this risk are associated with the full-time employees who manage contracts for agricultural commodities, including use of risk transfer instruments, as part of regular business. When appropriate, we mitigate the exposure to volatility in the prices of certain commodities used in our production process through the use of forward contracts and supplier pricing agreements. The intent of the contracts and agreements is to provide a certain level of short-term predictability. We may incur additional costs of management for climate risk and water stress in 2022 as we advance programs in response to our regenerative agriculture goal.

Cost of response

0

Explanation of cost of response

For corn and other agricultural commodities besides coffee (where we have extensive programming to promote climate resiliency), costs of management for this risk are associated with the full-time employees who manage contracts for agricultural commodities, as part of regular business. Even as water stress may change, the cost of this management is not incremental and therefore we indicate the cost of response as \$0. We may incur additional costs of management for climate risk and water stress in 2022 as we advance new programs in response to our Regenerative Agriculture goal.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Resilience

Primary water-related opportunity

Increased supply chain resilience

Company-specific description & strategy to realize opportunity

In 2021, we set an ambition to advance inclusion by addressing barriers to entry in our supply chain because we believe all workers need to make a decent wage, farmers

need to be profitable and prosperity should be within reach for those in the marketplace. When growers have access to economic opportunities, they are better positioned to contribute positively to sustainability challenges, such as preservation of biodiversity, climate change, water stewardship and personal and community well-being.

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

For example, in 2021, KDP completed a three-year initiative to support smallholder coffee farmers to implement water and climate-smart practices on their farms. In partnership with RGC Coffee and Solidaridad in Colombia, the initiative focused on reforestation, water management, soil management and community building. A key enabler of the effort's success was its

emphasis on community engagement and ownership. Farmers were integrally involved in the project from the beginning.

By the end of 2021, this initiative resulted in:

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

Estimated timeframe for realization

1 to 3 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

10000

Potential financial impact figure - maximum (currency)

100000

Explanation of financial impact

The financial figure is determined by the shared value created upstream in our supply chain. It does not represent a direct financial return to the company but improves the sustainability and viability of coffee farming. The estimated financial figure range is based on engaging 1 million people in our supply chain with a view to significantly improve their lives by 2020, a goal KDP achieved in 2020 and seeks to expand in broader supply chains in 2021 and beyond. The figure is based on the intrinsic value (e.g., from a protected watershed providing cleaner drinking water) or the financial value (e.g., from improved coffee crop yields increasing incomes) for those impacted by our work. The assumptions used for the Min and Max figures are \$10 per person and \$100 per person respectively.

Type of opportunity

Markets

Primary water-related opportunity

Improved community relations

Company-specific description & strategy to realize opportunity

Our goal is to partner with our highest water-risk operating communities to replenish 100% of water used for our beverages in those communities by 2025. This strategy was informed by evaluating water risk in our operating footprint using the WRI Aqueduct Risk Atlas tool in 2018/2019. This analysis identified six operating communities with high underlying water risk in Texas, California and Mexico. Over the course of 2020 and 2021, we have committed funds to various projects across Texas, California, Florida, and Mexico, where we have production facilities. As a result of this collaboration and other active projects, we have restored 6,200 ML of water, balancing 85% (6,200 / 7,327) of the volume used for beverages in our highest water-risk communities and across the communities and elsewhere to match water used during consumption of hot beverages.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

35000000

Potential financial impact figure – maximum (currency)

70000000

Explanation of financial impact

The financial figure is determined by the shared value created upstream in our supply chain. It does not represent a financial return to the company, but rather the benefit to the underlying water resources that we and others depend on in these areas. The financial figure range is based on replenishing 100% of the water used at our facilities within the 6 basins identified at risk. The total water withdrawn from those basins in 2021 was 3,909 ML. The min value is based on the average cost of industrial water in the United States according to a Department of Energy publication at \$3.38/kgal or \$893/ML. Due to newer information in the DOE report which shows higher (approximately double the previous values published) cost of water increases, we have updated the potential financial impacts cited here. The max value is assuming an increased cost of water of \$6.76/kgal or \$1,786/ML, and then multiplying by a factor of 10 as the work is intended to remain in place for at least 10 years.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

We have a 20% by 2025 water efficiency improvement target. While coffee processing is relatively dry, all of our cold beverage manufacturing processes require water for beverage production, as well as to ensure cleanliness and quality. We strive for operational efficiency in these areas:

- Equipment cleaning: we use water to clean manufacturing equipment, both for sanitation and to maintain flavor integrity when changing from one drink flavor to another. We optimize our manufacturing schedules to reduce flavor changeovers, which saves water while meeting food safety requirements.
- Ingredient water preparation: Where we use reverse osmosis to pretreat water that goes into our beverages, we are optimizing these operations to reduce waste water from this process.
- Product quality: We continually work to reduce product rejected for quality reasons, which will avoid wasting water.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

20000000

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial impact

By improving our water use efficiency by 20% by 2025, we estimated a potential cost savings figure based on our current average cost of 1 kgal of water. The figure was developed assuming our production stays flat and the efficiency projects continue to produce savings over 5 years.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Houston

Country/Area & River basin

United States of America Other, please specify (San Jacinto)

Latitude

29.685

Longitude

-95.394

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

578

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

578

Total water discharges at this facility (megaliters/year)

184

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

184

Total water consumption at this facility (megaliters/year)

394

Comparison of total consumption with previous reporting year

About the same

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.

Facility reference number

Facility 2

Facility name (optional)

Irving

Country/Area & River basin

United States of America Trinity River (Texas)

Latitude

32.84149

Longitude

-96.8928

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

1335

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

1335

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

Comparison of total consumption with previous reporting year

Higher

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 3

Facility name (optional)

Jacksonville

Country/Area & River basin

United States of America

St. Johns River

Latitude

30.26012

Longitude

-81.60708

Located in area with water stress

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

Comparison of total withdrawals with previous reporting year

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

424

Total water consumption at this facility (megaliters/year)

260

Comparison of total consumption with previous reporting year

Lower

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 4

Facility name (optional)

Miami

Country/Area & River basin

United States of America

Other, please specify (Everglades)

Latitude

25.8275

Longitude

-80.31553

Located in area with water stress

Νo

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

300

Comparison of total withdrawals with previous reporting year

Lower

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

...

Withdrawals from groundwater - renewable

37

Withdrawals from groundwater - non-renewable

U

Withdrawals from produced/entrained water

....

Withdrawals from third party sources

263

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

4

Total water consumption at this facility (megaliters/year)

296

Comparison of total consumption with previous reporting year

Lower

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 5

Facility name (optional)

Sacramento

Country/Area & River basin

United States of America

Other, please specify (Lower American)

Latitude

38.61496

Longitude

-121.43375

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

435

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

435

Total water discharges at this facility (megaliters/year)

214

Comparison of total discharges with previous reporting year

Lower

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

214

Total water consumption at this facility (megaliters/year)

Comparison of total consumption with previous reporting year

Higher

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 6

Facility name (optional)

Vernon

Country/Area & River basin

United States of America Colorado River (Pacific Ocean)

Latitude

34.024

Longitude

-118.204

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

Comparison of total withdrawals with previous reporting year

Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources 507

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Discharges to fresh surface water

Discharges to brackish surface water/seawater

0

Discharges to groundwater

Discharges to third party destinations 137

Total water consumption at this facility (megaliters/year) 370

Comparison of total consumption with previous reporting year

Higher

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher.

Facility reference number

Facility 7

Facility name (optional)

Victorville

Country/Area & River basin

United States of America

Other, please specify (Mojave)

Latitude

34.584

Longitude

-117.376

Located in area with water stress

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

1050

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

n

Withdrawals from brackish surface water/seawater

Λ

Withdrawals from groundwater - renewable

Λ

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

1050

Total water discharges at this facility (megaliters/year)

320

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

U

Discharges to third party destinations

329

Total water consumption at this facility (megaliters/year)

Comparison of total consumption with previous reporting year

Higher

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 8

Facility name (optional)

Tehuacan

Country/Area & River basin

Mexico	Papaloapan

Latitude

18.483

Longitude

-97.403

Located in area with water stress

Yes

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

829

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

Comparison of total consumption with previous reporting year

About the same

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 9

Facility name (optional)

Tlajomulco

Country/Area & River basin

Mexico Santiago

Latitude

20.452

Longitude -103.433

Located in area with water stress

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

Comparison of total withdrawals with previous reporting year

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Higher

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Discharges to groundwater

Discharges to third party destinations

Total water consumption at this facility (megaliters/year)

Comparison of total consumption with previous reporting year

Lower

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6-50 Higher, greater than 51 much higher

Facility reference number

Facility 10

Facility name (optional)

Tecamac

Country/Area & River basin

Mexico	Panuco

Latitude

19.704

Longitude

-98.948

Located in area with water stress

Primary power generation source for your electricity generation at this facility

<Not Applicable>

Oil & gas sector business division

<Not Applicable>

Total water withdrawals at this facility (megaliters/year)

Comparison of total withdrawals with previous reporting year

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

Withdrawals from brackish surface water/seawater

Withdrawals from groundwater - renewable

Withdrawals from groundwater - non-renewable

Withdrawals from produced/entrained water

Withdrawals from third party sources

Total water discharges at this facility (megaliters/year)

Comparison of total discharges with previous reporting year

Discharges to fresh surface water

Discharges to brackish surface water/seawater

Ω

Discharges to groundwater

0

Discharges to third party destinations

70

Total water consumption at this facility (megaliters/year)

372

Comparison of total consumption with previous reporting year

About the same

Please explain

Water use is directly related to our production so will rise, fall or remain flat in line with production volume as mitigated by future efficiency improvements. Thresholds used include: Less than (51) much lower, (6)-(50) lower, (5)-5 about the same, 6- 50 Higher, greater than 51 much higher

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals - total volumes

% verified

76-100

Verification standard used

To validate our external reporting, we obtained third-party assurance from ERM CVS. They verified our water withdrawal total volume data claims covering the period 1 January 2021 – 31 December 2021. ERM CVS verified select water data in accordance with their methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) at limited assurance level. The assurance statement is attached to questions in section W9.

Please explain

<Not Applicable>

Water withdrawals - volume by source

% verified

76-100

Verification standard used

To validate our external reporting, we obtained third-party assurance from ERM CVS. They verified our water withdrawal total volume data claims covering the period 1 January 2021 – 31 December 2021. ERM CVS verified select water data in accordance with their methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) at limited assurance level. The assurance statement is attached to questions in section W9.

Please explain

<Not Applicable>

Water withdrawals – quality by standard water quality parameters

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Third party verified data is limited to total water withdrawals, total water consumption, total water discharge, water use ratio, municipal withdrawal percentage, groundwater withdrawal percentage, discharge to municipal percentage and discharge to water body percentage. Our disclosures and associated data verification related to water is guided by KDP's internal reporting criteria and definitions, the Sustainability Accounting Standards Board, and the Global Reporting Initiative.

Water discharges - total volumes

% verified

76-100

Verification standard used

To validate our external reporting, we obtained third-party assurance from ERM CVS. They verified our water withdrawal total volume data claims covering the period 1 January 2021 – 31 December 2021. ERM CVS verified select water data in accordance with their methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) at limited assurance level. The assurance statement is attached to questions in section W9.

Please explain

<Not Applicable>

Water discharges – volume by destination

% verified

76-100

Verification standard used

To validate our external reporting, we obtained third-party assurance from ERM CVS. They verified our water withdrawal total volume data claims covering the period 1 January 2021 – 31 December 2021. ERM CVS verified select water data in accordance with their methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) at limited assurance level. The assurance statement is attached to questions in section W9.

Please explain

<Not Applicable>

Water discharges - volume by final treatment level

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Third party verified data is limited to total water withdrawals, total water consumption, total water discharge, water use ratio, municipal withdrawal percentage, groundwater withdrawal percentage, discharge to municipal percentage and discharge to water body percentage. Our disclosures and associated data verification related to water is guided by KDP's internal reporting criteria and definitions, the Sustainability Accounting Standards Board, and the Global Reporting Initiative.

Water discharges - quality by standard water quality parameters

% verified

Not verified

Verification standard used

<Not Applicable>

Please explain

Third party verified data is limited to total water withdrawals, total water consumption, total water discharge, water use ratio, municipal withdrawal percentage, groundwater withdrawal percentage, discharge to municipal percentage and discharge to water body percentage. Our disclosures and associated data verification related to water is guided by KDP's internal reporting criteria and definitions, the Sustainability Accounting Standards Board, and the Global Reporting Initiative.

Water consumption - total volume

% verified

76-100

Verification standard used

To validate our external reporting, we obtained third-party assurance from ERM CVS. They verified our water withdrawal total volume data claims covering the period 1 January 2021 – 31 December 2021. ERM CVS verified select water data in accordance with their methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised) at limited assurance level. The assurance statement is attached to questions in section W9.

Please explain

<Not Applicable>

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

!	Scope Content	Please explain
Row	Scope Content Company- wide business depende water Descripti business on water Descripti business on water Descripti water-rel performs standard direct op Descripti water-rel standard procuren Referent internati standard widely-re water int Compan targets a Commitr align wit policy int such as Commitr beyond r compilar Commitr water-rel innovatic Commitr water-rel innovatic Commitr stakehol awarene educatio Commitr water-rel innovatic Commitr stakehol awarene educatio Commitr stakehol awarene educatio Commitr water-rel innovatic Commitr stakehol awarene educatio Commitr water-rel innovatic Commitr stakehol awarene educatio Commitr stakehol awarene educatio Commitr water-rel innovatic Commitr stakehol awarene educatio Commitr stakehol	As a beverage company, KDP recognizes that we have a responsibility to be good stewards of water use in our operations, communities, and supply chain. Improving freshwater resources and ecosystems benefits our communities and our business. For these reasons, our water policy is company-wide. The policy includes. The business dependency on water as a primary ingredient in our products and critical to our agrocultural stupply chain, as well as the business impact on water through use in production processes and generation of manufacturing and domestic wastewater, commitment to meeting and exceeding drinking water standards, including local regulations and water quality regulators. Beyond regulatory complained, it establishes commitments to protection of water resources, expansion of equilable access to water and santation, innovation, building awareness and collaboration; alignment with public policy and water initiatives, acknowledging the Human Right to Water, and supporting SDG 6; commitment to setting water efficiency, conservation and restoration targets as well as assessingly water use across our operations therefore a constraint invasion in the production. We promote collective, conservation of water stewards practices with suppliers, encouraging them to optimize consumption and massure and minimize water impacts via our Code of Conduct, and via product-specific standards and business practices. Our policy includes statements of commitment to vater innovation and procurement—specifically to investing in and encouraging use of new technologies, (e.g., irrigation methods, plant) when the opticion to consumers, employees, suppliers and other stakeholders on actions they can take to address the vater crisis locally and ploatiny. The water policy informs internal and external actions, which is founded on several of the principles and frameworks outlined and referenced in our policy.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position	Please explain
of	
individual	
Board Chair	The KDP Board of Directors directly oversees KDP's ESG strategy and goals, as outlined in our Corporate Governance Principles. In this role, the Board approves long-term commitments and monitors progress in topics including climate, water, circular economy, health and well-being, sustainable practices within our supply chain, human rights and diversity and inclusion. KDP's Board Chair has ultimate oversight for the performance of the business including its sustainability strategy and goals. This position's responsibility for water-related issues covers potential risk impacts to the organization as part of overall enterprise risk management and oversight; approval of water targets; and performance against these public goals.
	For example, in 2021, the Board reviewed and advised on progress to our water stewardship goals and in early 2022, the Board of Directors approved expanding the scope of our 100% water replenishment goal to include 10 high-risk water sites and extending the time horizon of our goal to 2030. Now included are all of our manufacturing sites in California, Florida, Texas and Mexico, with threats that span from drought to floods.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water- related issues are integrated	Please explain
Row 1		Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Setting performance objectives	Our values, ethics and integrity are deeply embedded into how we conduct ourselves and operate our business. Our governance and management systems maintain effective oversight of, and accountability for, the way we operate. Quarterly, the Board of Directors reviews matters of the Company's corporate sustainability efforts, including: climate-related issues, water, waste, and packaging, health and wellness, and responsible sourcing. By reviewing policy, strategy, and risk, the Board stays apprised of water management issues, to guide water-related actions appropriately.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water- related issues		level competence	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1		The Board is committed to the ongoing review of Board composition and regularly discusses the skills and characteristics required of KDP directors in the context of the current makeup of the Board, the operating requirements of the Company and the long-term interests of stockholders. The Remuneration Committee (RemCo) also reviews the collective experience of the Board and makes recommendations to the Board regarding the appropriate mix of skillsets, qualifications and attributes of the Board as a whole. The Board seeks candidates with diverse personal backgrounds and experiences and who are committed to active participation, sharing fresh perspectives and providing constructive feedback to management. Our Board prioritizes candidates with proven executive leadership capabilities; consumer product industry expertise; strategic planning experience; financial and accounting skills; and corporate governance, regulatory and risk management experience. With respect to diversity, the Board may consider such factors as diversity in viewpoint, professional experience, education, international experience, skills and other individual qualifications and attributes that contribute to board diversity, including characteristics such as age, gender, race and national origin. The Board oversees KDP's corporate responsibility strategy and sets the tone for the Company's commitment to act responsibly and be a force for positive impact. In early 2022, the Board updated the Corporate Governance Principles to formally reflect the longstanding commitment to addressing ESG matters directly with the full Board. The Board added as a core responsibility the oversight of the Company's environmental sustainability and social responsibility strategies and commitments, including for climate, water, circular economy, health and wellbeing, supply chain sustainability, human rights, and diversity and inclusion. The full Board approves long-term goals and commitments under our focus areas of Environment, Supply Chain, Health & Wellbeing and	<not Applicable></not 	<not applicable=""></not>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Sustainability Officer (CSO)

Responsibility

Assessing water-related risks and opportunities Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The SVP and Chief Sustainability Officer (CSO) reports to the Chief Corporate Affairs Officer (CCAO) 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 of our CR program. The CSO and CCAO regularly collaborate with a cross-functional team of employees across the organization, including such areas as procurement, supply chain, research and development, quality, facilities, human resources and legal, to drive execution and measurement of the CR strategy. The CSO is responsible for establishing relevant and material water stewardship goals and aspirations, setting boundaries and targets, and reporting performance to executive leaders as well as the Board of Directors. Specifically, water use intensity within KDPs operations, as well as water volume replenishment performance are reported to the Board of Directors.

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s)	Performance	Please explain
	entitled to	indicator	
	incentive		
Monetary	No one is	<not< td=""><td></td></not<>	
reward	entitled to	Applicable>	
	these		
	incentives		
Non-	Board chair	Reduction of	The entire KDP leadership team is ultimately responsible for the performance of the company against its public commitments, including its CR and water corporate targets.
	1	water	Our CEO leads this group. Our CSO and Chief Corporate Affairs Officer lead/drive the strategy development and goal-setting process for water within the company.
reward		withdrawals	Achievement of progress against our CR goals is recognized internally for all employees involved through acknowledgement in company-wide meetings, internal news items,
	team	Reduction in	or team events. Water targets and practices are integrated to relevant functions and included in their annual performance goals. For example, the quality managers in our
		consumption	cold plants oversee annual water efficiency use targets. The chosen performance indicators align with our Drink Well Do Good sustainability targets and reflect the areas of
		volumes	performance that are material to our business and our stakeholders.
	Officer	Improvements	
	' '	in efficiency -	
		direct	
		operations	
	Officer (CFO)		
	Chief		
	Operating		
	Officer (COO)		
	Chief		
	Sustainability		
	Officer		
	(CSO)		
	Other C-suite		
	Officer (Chief		
	Corporate		
	Affairs		
	Officer)		
	Other,		
	please		
	specify (All		
	Employees)		

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

Yes, funding research organizations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

Our Political Engagement Approach notes that we are committed to sourcing, producing and distributing our beverages responsibly, while making a positive impact on our consumers, customers, communities, employees and various other stakeholders. We support this commitment through our efforts to engage in the political process and the development of public policy.

Our political activities and contributions comply with all applicable U.S. laws and regulations and related disclosure requirements. We participate in trade associations for a variety of reasons, including their ability to provide a unified voice in legislative and regulatory matters and monitor industry policies and trends. The majority of our public policy advocacy work is done through our membership in the American Beverage Association (ABA).

Our participation in trade associations does not mean that we agree with every position a trade association takes on an issue. When we take positions that differ from our trade associations, we engage with the associations to express our views.

Two regular internal forums, the executive-level Sustainability Governance Committee, and frequent coordination between sustainability and government affairs teams ensure awareness and alignment across all issues. These meetings surface any inconsistencies with policy and commitments and are the internal forums for developing actions to re-align activities for consistency.

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water- related issues integrated?	Long- term time horizon (years)	Please explain
Long- term business objectives	related issues are	21-30	Water issues incorporated into our long-term business objectives include physical risks due to availability and quality issues as well as reputational risks from direct operations in basins at risk. We recently announced our aspiration to achieve Net Positive Water Impact by 2050, which builds on KDP's existing water stewardship commitments. In our direct operations, KDP is committed to improving our water use efficiency by 20% by 2025. We have evaluated water risk in our operating footprint and identified six operating communities with high water risk in Texas, California and Mexico that are part of our water stewardship goal. In these six communities, by 2025, we commit to partnering to restore the same volume of water we use to make our beverages through projects that enhance watersheds, protect habitats and conserve water. In 2022, we are expanding the scope of our 100% water replenishment goal to include 10 high-risk water sites and extending the time horizon of our goal to 2030. Because it's the primary ingredient in most of our beverages, we have a particular responsibility to be good stewards of water use in our operations and in the communities in which we operate.
Strategy for achieving long-term objectives	related issues are	5-10	Various possible issues resulting from climate change continue to influence KDP's strategy, including water security, raw material and commodity disruption, future regulatory conditions as well as consumer behavior and brand loyalty. Our strategy to improve operating efficiency is key to doing our part in a water constrained world and improves our bottom line. Our strategy to build and enhance our leading brands also ties directly to incorporating environmental and social responsibility into our business which we see as macro trends driving consumer behavior and brand loyalty. Our strategy to holistically include our value chain in business decisions is key to building our leadership position on issues and opportunities tied to water to enhance our reputation with our consumers. The shortest time horizon was chosen because we are a relatively new entity in the process of developing a long-term environmental strategy that will take into account the impacts climate change may have on water scarcity and a deterioration of water quality in areas where we maintain operations.
Financial planning	Yes, water- related issues are integrated	5-10	Currently KDP uses forward-looking scenario analyses in our Enterprise Risk Management process. Our ERM informs our financial planning, and as water is the key ingredient in substantially all of our products, water is considered in the ERM process from both quantity and quality standpoints. KDP has assessed the "well below 2 degree" climate change scenario in its process for setting a science-based emissions reduction target (SBT) with implications on water-related issues including scarcity and abundance. The shortest time horizon was chosen because we are a relatively new entity with a clear focus for the next several years to ensure performance as we embark on our combined environmental strategy.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

Financial performance including prior year comparisons / changes, are reported to investors in annual reports and SEC filings. Please see financial filings at https://investors.keurigdrpepper.com/sec-filings. Water opex and capex are driven by multiple factors including the age of infrastructure and systems, and product mix.

W7.3

 $(W7.3)\ Does\ your\ organization\ use\ scenario\ analysis\ to\ inform\ its\ business\ strategy?$

		Use of scenario analysis	Comment
F 1	Row		In our updated water risk assessment, we have used WRI's Aqueduct, and WWF's Water Risk Filter tools. Both tools combine different climate scenarios (IPCC Representative Concentration Pathways - RCP and IIASA Shared Socio-economic Pathways - SSP) to explore future water risks (water stress in terms of quantity with WRI, and other physical risks with WWF). KDP has set an SBTi-approved SBT which took effect in 2020 to reduce our emissions. As part of this process, we were able to identify specific risks and opportunities for us to address and pursue. As we embark on implementing our approved Science Based Target (SBT), we will further analyze the scenarios and possible water-related outcomes.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario		Description of possible water-related outcomes	Influence on business strategy
	analysis		outcomes	
	used			
Row 1	Climate-related	· '	manufacturing, and distribution attributed to changing weather patterns and extreme weather events, including drought, which could impact our operations in California, Texas, Florida, and Mexico, on a 2030 time horizon. Over the long-term (2050) these risks	Climate-related risks and opportunities have influenced KDP's business objectives and strategy as it relates to our supply chain in a number of ways. Coffee is a significant agricultural raw material for our coffee systems business (which contributed 37% of 2021 net sales and 46% of 2021 income from operations for KDP) and climate change (including hydrological and meteorological change) is having obvious impacts on the success of coffee cultivation and thus on the livelihoods of coffee farmers. For example, KDP purchases supply chain risk data that includes climate impact and resilience data for the countries of origin of our key raw materials. This data helps us to understand where we have supply chains that operate in high risk environments. For coffee, the data show that the risk of quality and supply disruptions is high within most countries of origin over the next 20-50 years. An example of a strategic decision in this area is our commitment to 100% responsibly sourced coffee, a goal we met in 2020 and maintained over 2021. To us, responsibly sourced coffee is coffee grown and sold in adherence to credible, sustainable sourcing programs that aligns with our KDP Supplier Code of Conduct. In 2021, we committed to a new goal of supporting conservation and regenerative agriculture on 250,000 acres of land by 2030, which represents approximately 50% of the land used to grow KDP's top climate-sensitive crops.

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

We continue to monitor trends in water valuation, consult with external stakeholders and review activity by our peers and competitors.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Ro 1	w No, and we do not plan to address this within the next two years	<not applicable=""></not>	Important but not an immediate business priority	Water is a precious natural resource that is essential to our business. As water is the primary ingredient in most of our beverages, we have a particular responsibility to be good stewards of water use in our operations, our communities and throughout our supply chain. Our water stewardship goals are focused on safeguarding water resources and building healthy communities resilient to climate change. We conduct periodic water risk assessments of our operations and supply chain. To refine our understanding of challenges for our high water-risk sites, we assess each site in the context of the surrounding watershed, the local water issues and other local entities' interest and perspective on those issues. We have public goals and programs to both increase operational efficiency and to replenish water through conservation and restoration projects with conservation organizations in communities where we operate that have high water risk.

W8. Targets

W8.1

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(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	targets	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	targets and goals Site/facility specific targets and/or goals	monitored at the corporate	Our 2025 targets for our company are the culmination of looking holistically across our the KDP value chain for opportunities to make a positive impact with every drink. This includes reducing our environmental footprint across energy, water and waste. Our approach to setting water-related targets and/or goals began with a materiality assessment across this range of sustainability impact areas. Water is vital to our business and as a beverage company, we have a responsibility to be good stewards of water use in our operations and communities where we manufacture our products. We assess water use across our business to understand our water footprint and identify opportunities related to quality, conservation, replenishment and wastewater treatment in our manufacturing plants. As such, we combine internal efficiency targets, an external focus on water stewardship, and holistic approach to engage our value chain to drive our water strategy. We monitor our water efficiency target through monthly site-level internal tracking, which is reported to our senior leadership, and we monitor progress on our water stewardship work via periodic reviews with key project partners.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water use efficiency

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

We are committed to improving our water use ratio (WUR) by 20% by 2025, moving from a 2017 baseline of 1.95 liters required to make one liter of product (L/L) to 1.56 L/L. Our progress is underway with a WUR of 1.82 in 2021, down 7% versus 2017.

Starting in 2021 and moving forward, we are excluding our Williamson, N.Y. plant from our measurement of beverage water efficiency, and have restated our 2017 baseline and goal progress with that exclusion. We plan to establish a site-specific goal for this facility that reflects its unique portfolio of products within our supply chain.

Quantitative metric

Other, please specify (% reduction per unit of finished product)

Baseline year

2017

Start year

2018

Target year

2025

% of target achieved

33

Please explain

We are committed to improving our water use ratio (WUR) by 20% by 2025, moving from a 2017 baseline of 1.95 liters required to make one liter of product (L/L) to 1.56 L/L. Our progress is underway with a WUR of 1.82 in 2021, down 7% versus 2017. Percentage of target achieved is therefore calculated as: (1.95-1.82)/(1.95-1.56).

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Watershed remediation and habitat restoration, ecosystem preservation

Level

Basin level

Motivation

Increase freshwater availability for users/natural environment within the basin

Description of goal

Partner with our highest water-risk operating communities to replenish 100% of water used for our beverages in those communities by 2025. In our six high water risk communities, we commit to restoring the same volume of water we use to make our beverages through projects that enhance watersheds, protect habitats and conserve water. By balancing what we consume and what we replenish, we will help provide access to more or higher quality water to benefit the environment and the people who live and work in these areas. For example, in Houston, Texas, our investments contributed to a native prairie restoration project to protect freshwater coastal habitats. Restoring native grasses decreased runoff and enabled the land to absorb and disperse water from storm surges and floods, providing a cost-effective way to protect coastal communities from the impacts of storms and hurricanes.

Baseline vear

2012

Start vear

2013

End year

2025

Progress

Through our engagements we track the restoration projects through a third party using a published methodology to determine the amount of water replenished. It is recognized that the estimated benefits have some uncertainty, as they are based on best available data and information using models and estimation techniques. To reduce this uncertainty, scientifically defensible methodologies and conservative assumptions are employed in the quantification process. We are progressing toward our goal of replenishing 100% of the water used in our 6 highest water risk communities, and will build on prior work with The Nature Conservancy. Over the course of 2020 and 2021, we have committed funding to various projects across Texas, California, Florida, and Mexico, where we have production facilities. As a result of this collaboration and other active projects, we have restored 6,200 ML of water, balancing 85% (6,200 / 7,327) of the volume used for beverages in our highest water-risk communities and elsewhere to match the volume of water consumed in our hot beverages.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

ERM CVS-Assurance Statement for KDP 2021.pdf

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

		Verification standard	Please explain
W8 Targets	Water	ISAE 3000	Our water use ratio measures our water use efficiency in production and is the key metric for our efficiency target in W8.1a. To validate our external reporting, we obtained third-
	Use Ratio		party assurance from ERM CVS. They verified our water use ratio metric covering the period 1 January 2021 – 31 December 2021, using their methodology based on the International Standard on Assurance Engagements ISAE 3000 (Revised) at limited assurance level. The assurance statement is attached to question W9.1.

W10. Sign off

W-FI

(W-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.

Our broad portfolio of products and nearly 27,000 employees give us many opportunities to drive change and be a catalyst for good. We take a strategic approach to channeling our energy and resources toward those opportunities that are meaningful to our planet, our business and our people. Through transparency, partnership, innovation and investment, we will continue to tackle important issues and contribute to a better world.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	12683000000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

Yes, CDP supply chain members buy goods or services from facilities listed in W5.1

SW1.1a

(SW1.1a) Indicate which of the facilities referenced in W5.1 could impact a requesting CDP supply chain member.

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	Yes, for some facilities	

SW1.2a

(SW1.2a) Please provide all available geolocation data for your facilities.

Identifier	Latitude	Longitude	Comment
Facility 1	29.685	-95.394	These are the same facilities as those noted in our main response.
Facility 2	32.84149	-96.8928	These are the same facilities as those noted in our main response.
Facility 3	30.26012	-81.60708	These are the same facilities as those noted in our main response.
Facility 4	25.8275	-80.31553	These are the same facilities as those noted in our main response.
Facility 5	38.61496	-121.43375	These are the same facilities as those noted in our main response.
Facility 6	34.024	-118.204	These are the same facilities as those noted in our main response.
Facility 7	34.584	-117.376	These are the same facilities as those noted in our main response.
Facility 8	18.483	-97.403	These are the same facilities as those noted in our main response.
Facility 9	20.452	-103.433	These are the same facilities as those noted in our main response.
Facility 10	19.704	-98.948	These are the same facilities as those noted in our main response.

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services.

Product name

beverages

Water intensity value

1.82

Numerator: Water aspect

Water withdrawn

Denominator

production (m3)

Comment

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms