



SUSTAINABILITY IN ACTION

2010 Corporate Social Responsibility Report

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When I say that I want Dr Pepper Snapple Group to be the best beverage business in the Americas, I'm not just talking about our financial results or portfolio of great flavors. It is my vision, and the vision of every DPS employee, to also be the best in the communities where we work, making each of them a better place as we continue to build a better company.

At DPS, we are guided by a culture centered on ACTION. It reflects our values and behaviors as a manufacturer, marketer, employer and neighbor. With the scale and size of our business, our reach is simply too great for us not to operate with a sharp focus on corporate social responsibility. And as we strive for continuous improvement as a corporate citizen, we're putting Sustainability in ACTION.

ACCOUNTABLE

At DPS, we say what we'll do, and we do what we say. Our annual report this year shows how we've executed on the priorities we established more than two years ago, delivering on our commitment to grow the company with flavor and on our promise to be a good corporate citizen.

As we strive to build better communities, we've set clear goals in every area of corporate responsibility, from environmental sustainability to workplace safety. These goals draw a clear line in the sand for us as a company, and we're confident that we can cross it with the full commitment and efforts of our employees.

CUSTOMER-CENTRIC

Our customers and consumers are the driving force behind everything we do. We place their needs above all, and their message is clear: How we produce and distribute our products is as important to them as how our great brands taste.

TRANSPARENT AND HONEST

We've made a lot of progress in the last two years, refining our operations, engaging our employees and building on our social and environmental standards. We also know that there are many opportunities for improvement. We have not shied away from the tougher challenges, and in fact have set clear goals to address them.

We're also being more transparent with consumers, particularly in our efforts to increase awareness of our products' role in fit and active lifestyles. As leading participants in the American Beverage Association's Clear on Calories initiative and supporters of first lady Michelle Obama's Let's Move! campaign, we're speaking directly to consumers more than ever.

INSPECT WHAT WE EXPECT

It's all part of defining our expectations and inspecting our results and progress in the years ahead. This report, primarily covering our 2009 operating year, will form the baseline for years to come.

By establishing our CSR steering committee and completing the legwork to gather information from hundreds of sites around North America, we'll have a clear sense of our performance and clear accountabilities for safeguarding our reputation. With this data, we'll be better able to hold ourselves accountable for operating responsibly and ethically.

OWN DECISIONS

For a recently spun-off company, pursuing an ambitious sustainability agenda requires commitment. In fact, we believe that sustainable performance is not an obstruction to good results; it's a driver of them.

The world is changing fast, and we have to change faster. As we strive to grow our business in a difficult economic climate, we won't take shortcuts in responsibility to achieve our goals. The mark of a great business is not how you perform during the good times, but how you deliver results when times are tough.

NO BLAME FIXING

The solution begins with us. From our "better-for-you" options and our employee relief program to our efforts to reduce the environmental footprint of our operations, DPS and our employees know that we must take ACTION to make our communities – and the world – better as a result of our presence.

People often ask me about setting goals that some people say are too ambitious. To them I say that if you don't shoot for the moon, you can't come down with a handful of stars. Our determined pursuit of the goals laid out in this document is the only way to make sure that DPS, and I personally, have done our part to build communities that are sustainable for all.


In the years ahead, I look forward to building on the foundations we've established here, and I welcome feedback from our stakeholders in the industry and in our communities. Please share your thoughts and your stories with me, and together we'll put DPS's corporate social responsibility into ACTION.

Sincerely,



Larry D. Young
President & Chief Executive Officer



The background features a pattern of blue teardrop and leaf-like shapes. The top half is white with these shapes in a medium blue color. The bottom half is a solid medium blue color with the same shapes in a lighter blue color. The text is centered in the white area.

OVERVIEW OF DR PEPPER SNAPPLE GROUP

Dr Pepper Snapple Group, Inc. (NYSE: DPS) is the leading producer of flavored beverages in North America and the Caribbean. Our success is fueled by more than 50 brands that are synonymous with refreshment, fun and flavor. We have six of the top 10 non-cola soft drinks, and nine of our 12 “power brands” are No. 1 in their flavor categories.

With a brand heritage spanning more than 200 years, the DPS portfolio includes some of the most recognized beverages in the Americas. Approximately 75% of the company’s overall volume is from brands that are either No. 1 or No. 2 in their flavor categories. In addition to our flagship Dr Pepper and Snapple brands, our portfolio includes Sunkist soda, 7UP, A&W, Canada Dry, Crush, Mott’s, Squirt, Hawaiian Punch, Peñafiel, Clamato, Schweppes, Venom Energy, Rose’s and Mr & Mrs T mixers.

DPS was established in 2008 following the spinoff of Cadbury Schweppes Americas Beverages (CSAB) from Cadbury Schweppes plc. CSAB was formed in 2003 by bringing together Cadbury Schweppes’ four North American beverage businesses – Dr Pepper/Seven Up Inc., Snapple Beverage Group, Mott’s LLP, and a Mexican beverage business unit (Bebidas Mexico) – unifying more than 50 leading brands under a common vision, business strategy and management structure and solidifying the company’s position as the third-largest refreshment beverage business in North America.

Prior to 2006, our operation consisted of 6,000 employees working in less than 20 sites in the U.S., Mexico and Canada, including 12 manufacturing facilities, with limited direct store delivery (DSD) operations located primarily in the Northeast and on the West Coast. Today, this figure has grown to more than 19,000 employees and more than 200 sites in the U.S., Mexico, Canada and the Caribbean, including 23 manufacturing facilities and more than 5,100 direct store delivery routes in 34 states, serving two-thirds of the U.S. population.

OUR WORKFORCE

Of our more than 19,000 employees, approximately 16,000 are full-time workers in U.S. We have many union collective bargaining agreements covering nearly 4,000 full-time U.S. employees. Several agreements cover multiple locations and often address working conditions as well as wage rates and benefits. In Mexico and the Caribbean, we employ approximately 3,000 full-time employees and are also party to collective bargaining agreements.

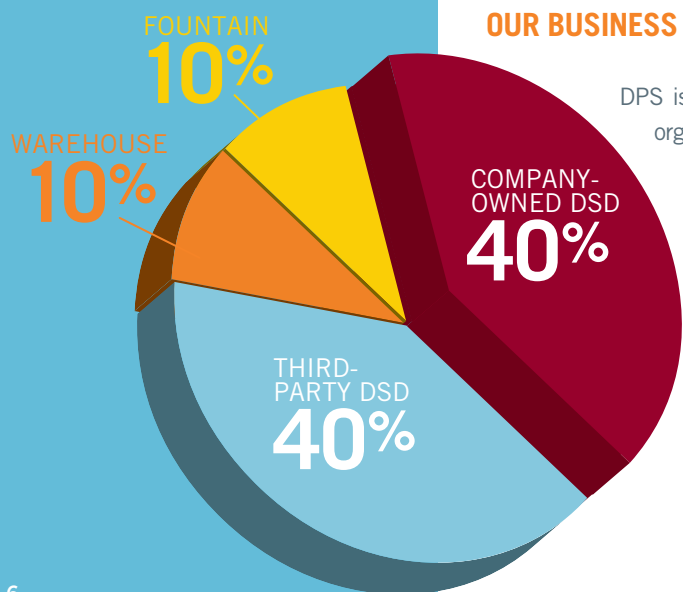
OUR BUSINESS MODEL AND ROUTE TO MARKET

DPS is composed of more than 40 different businesses brought together over the past 30 years to make up a unified, independent organization. We have a rich brand heritage, an integrated business model and a broad and flexible route to market for our products.

We manufacture soft-drink concentrate as well as approximately 700 million cases of finished beverages a year. This includes the sourcing and acquisition of all ingredients and packaging materials, the operation of 23 manufacturing facilities and more than 200 warehouses and distribution facilities in North America, and the transportation of our finished products to our customers’ retail and foodservice outlets, distribution centers and vending machine locations.

We also sell beverage concentrate to a significant number of third-party bottlers and distributors, ranging from smaller family-owned bottlers to multibillion-dollar, multinational bottling businesses such as Coca-Cola Enterprises and Pepsi Beverages Co. These businesses purchase our concentrate and bottle finished products in their own manufacturing facilities with sweetener and packaging they purchase for distribution via their own fleets to customers in their designated licensed territories.

OUR ROUTE TO MARKET



OUR CORE BEHAVIORS AND VALUES

DPS aspires to be the best beverage business in the Americas, with a focus on growing sales and crushing costs while operating our business responsibly and ethically at every step. Our culture is centered on ACTION:



MANAGING CORPORATE SOCIAL RESPONSIBILITY (CSR) AT DPS

DPS takes a cross-functional approach to CSR, with a CSR steering committee setting goals and driving strategy with support from the company's executive leadership team and board of directors. The steering committee is chaired by Tina Barry, senior vice president-corporate affairs and member of the DPS executive leadership team. The CSR steering committee meets monthly and includes management- and senior-management-level participants with responsibilities for marketing, research and development, legal and regulatory affairs, sales, procurement, environmental health and safety, packaging and engineering, human resources, diversity, finance and strategy. Subcommittees and working groups have also been established to bring direct cross-functional, strategic focus on environmental sustainability, health and wellness and corporate philanthropy.

DOING THE RIGHT THING

At DPS, we pride ourselves on being a responsible company known for creating long-lasting relationships with our customers and consumers – and doing the right thing. We make decisions that we'd be proud to share with our families and hold transparency and honesty as one of our core behaviors.

DPS is committed to conducting our business in an ethical way, and our business principles outline the way that we do business as a way of safeguarding our reputation and the trust placed in us by our stakeholders. We have systems in place for ensuring compliance with these principles. We require all salaried employees to complete training in our core business principles, administered via our online learning management systems and through our new employee orientation.

We also have a "Speaking Up" helpline, available 24 hours a day, seven days a week and manned by third-party specialists, to enable employees to anonymously report concerns about criminal conduct, illegal activity, theft, fraud, environmental safety, financial reporting, conflicts of interest and regulatory compliance. Increased awareness and training, combined with technology improvements companywide, have enabled us to better detect, swiftly respond to and minimize unethical behavior.

OUR GOVERNANCE PROCESS

Dr Pepper Snapple Group, Inc., and its subsidiaries set high standards for all employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of the board of directors to serve as a prudent fiduciary for shareholders and to oversee the management of the company's business. To fulfill its responsibilities and to discharge its duty, the board of directors follows the procedures and standards that are set forth in its Corporate Governance Guidelines. These guidelines are subject to modification from time to time as the board of directors deems appropriate in the best interests of DPS or as required by applicable laws and regulations.

RELATED LINKS

[CORPORATE GOVERNANCE GUIDELINES](#)

[CODE OF ETHICS](#)

OUR FIVE YEAR GOALS

BY 2015, DPS WILL...



- Improve energy efficiency and reduce CO₂ from emissions in manufacturing by 10% per gallon of finished product.
- Increase product shipments per gallon of fuel used by 20%.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment that is approximately 30% more energy-efficient.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 80% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns and increased use of recycled PET.

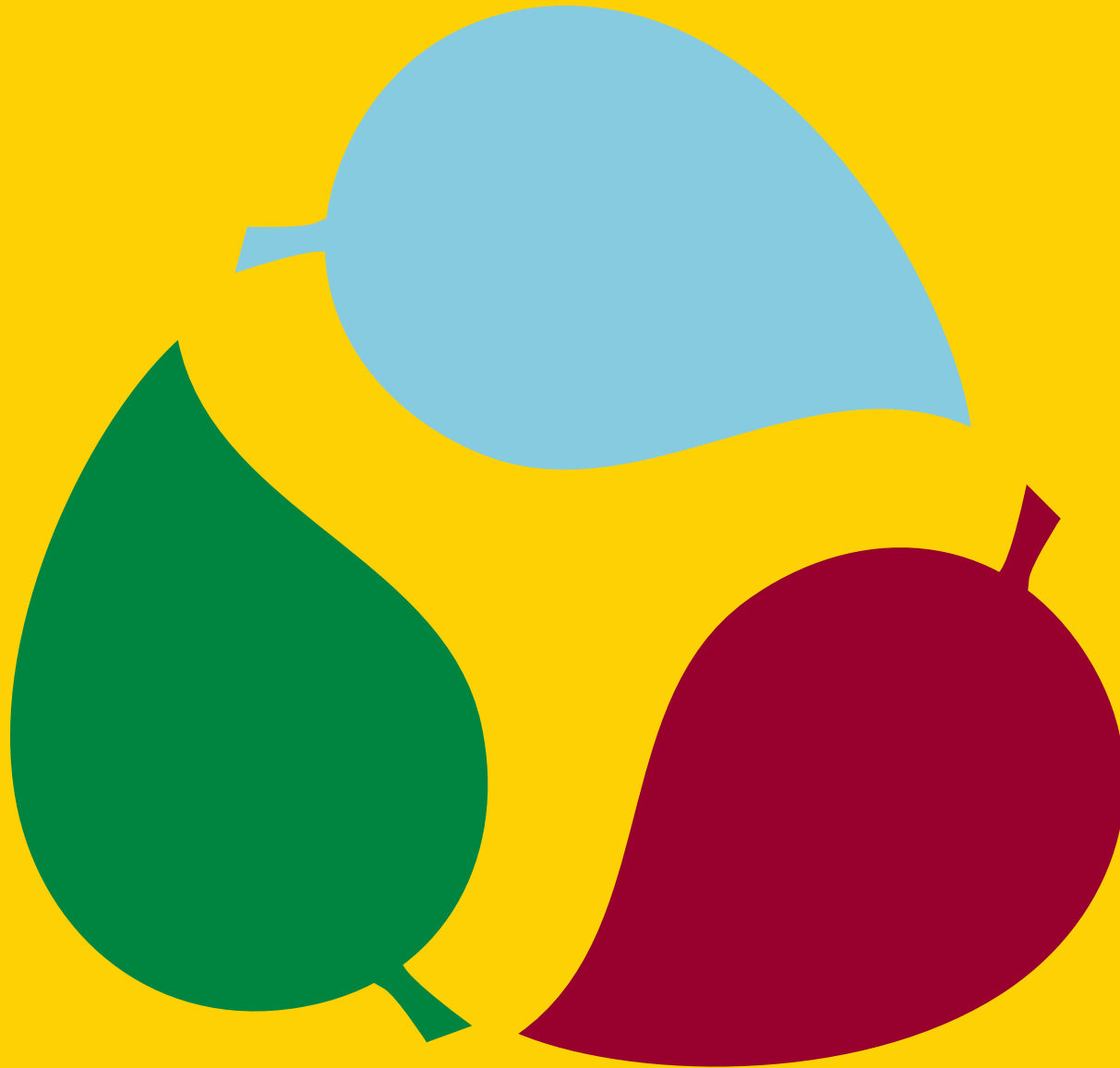
- Continue to provide a full range of products, with at least 50% of innovation projects in the pipeline focused on reducing calories, offering smaller sizes and improving nutrition.
- Support local and/or national programs that encourage active lifestyles and fitness.

- Contribute a total of 100,000 volunteer hours and attain an annual giving level of \$10 million in charitable cash donations, with the majority of support focused on fit and active lifestyles, environmental sustainability, emergency relief and community celebrations.

- Maintain team leader engagement scores comparable to or better than those of other high-performing companies.
- Reduce lost time injury rate by 25%.

- Conduct annual third-party risk assessments of all suppliers and audit any high-risk suppliers to ensure full compliance with our Ethical Sourcing Code of Conduct.

ENVIRONMENTAL SUSTAINABILITY





GOALS: BY 2015, DPS WILL...

- Improve energy efficiency and reduce CO₂ from emissions in manufacturing by 10% per gallon of finished product.
- Increase product shipments per gallon of fuel used by 20%.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment that is approximately 30% more energy-efficient.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 80% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns and increased use of recycled PET.

ENERGY CONSERVATION IN MANUFACTURING, SALES AND DISTRIBUTION OPERATIONS

In this, our initial sustainability report, we focus on the goals, priorities and strategies established for our own manufacturing and distribution operations and the direct environmental impact of those operations. The impacts and contributions of third party bottlers who manufacture and distribute our products, as well as those of our suppliers, are not encompassed in this inaugural report, but we expect to provide further visibility into these aspects of our business in future years.

Over the past four years, the company has invested resources into aligning and integrating our operations to serve our customers and consumers more efficiently and consequently reducing our energy consumption per unit of production.

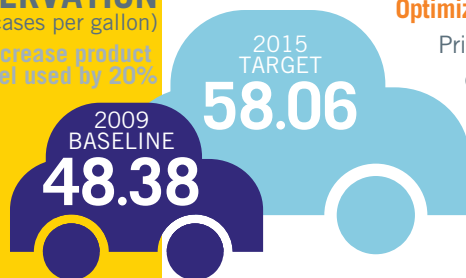
We put a plan in place to move to a hub-and-spoke regional manufacturing distribution system that enabled us to produce and/or warehouse products closer to our customers. This summer, with the opening of our state-of-the-art production facility in Victorville, Calif., which we expect will qualify for Leadership in Energy and Environmental Design (LEED) certification, DPS will have comprehensive manufacturing and distribution capabilities in five key regions of the U.S. In addition to the West Coast markets served by the Victorville plant, our hubs are located in the Southeast (Jacksonville, Fla.), Northeast (Aspers, Pa., and Williamson, N.Y.), Midwest (Northlake, Ill.), and Southwest (Irving, Texas).

The Victorville plant has the ability to produce non-carbonated products such as Mott's, Clamato and Hawaiian Punch, as well as mixers, closer to our customers and consumers in the western U.S. This is a business benefit, and it also has an important environmental impact. No longer must DPS ship these finished products cross-country from our Aspers and Williamson facilities in the Northeast. Not only does this enable us to build these important growth brands in an underpenetrated area of the country, but it will also eliminate 9 million miles per year driven by our common carriers to the West Coast.

Overall, since 2008, logistics improvements enabled by the hub-and-spoke reconfiguration have reduced long-haul shipping between our warehouse facilities and customers by an average of 90 miles per load.

FUEL CONSERVATION
(cases per gallon)

By 2015, DPS will increase product shipments per gallon of fuel used by 20%



Optimizing Our Direct Store Delivery Fleet

Prior to 2006, our company-owned direct store delivery operations, through which we ship finished products direct to retail outlets, accounted for approximately 20% of overall sales. Since the acquisition of several major independent soft drink bottlers in 2006 and 2007, DPS's company-owned DSD operations have grown to cover more than 40% of overall sales. More importantly, the size of the DPS fleet has grown to more than 2,600 commercial vehicles.

Since acquiring the bulk of our direct store delivery business, DPS has implemented several measures to improve efficiency in fleet operations. DPS today operates more than 5,100 unique direct store delivery routes serving customers in 34 U.S. states, in markets ranging from high-density urban areas like New York City and Chicago to isolated communities in the Mississippi Delta and northern Idaho. Since 2008, aided by route optimization and logistics software, we have enabled our mobile sales force to serve customers and consumers in a more timely manner by planning routes that minimize wasteful idling in heavy traffic, at stoplights and even in left-turn lanes.

We have replaced more than 800 commercial vehicles since 2008, and the company has doubled the amount of capital spent on new delivery vehicles since 2006. Fuel efficiency is the leading specification for new vehicles added to the fleet. All new commercial motor vehicles have systems that electronically control speed and five-minute idle shut-down technology. While new vehicles continue to be equipped with traditional diesel/internal combustion engines, we are continuing to monitor trends in hybrid/electric technologies and explore opportunities to integrate these alternative energy vehicles into our fleet.

DPS used approximately 9.8 million gallons of diesel in moving its products to stores and distribution centers in the U.S. via company-owned and leased vehicles in 2009. For the first time, in 2010, we will begin monitoring fuel consumption and mileage on a normalized basis to track our performance toward achieving a goal to increase product shipments per gallon of fuel used by 20% by 2015.

Cold Drink Equipment: Balancing Business Growth with Energy Efficiency

DPS's cold-drink equipment count, including vending machines and coolers placed in retail and public venues, expanded more than tenfold as the result of several major bottler acquisitions in 2006 and 2007.

Recognizing an opportunity to grow per capita consumption of our brands in key markets and to seize higher-profit single-serve cold-drink sales, the company embarked on an aggressive "Winning In Single Serve" program in 2008 to deploy 35,000 new cold-drink assets into the market each year by 2013.

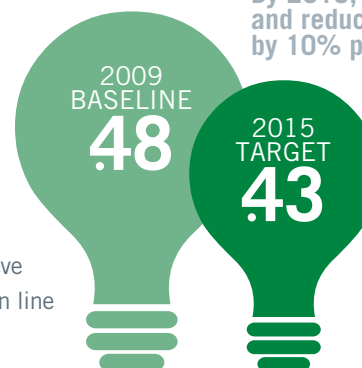
With the incremental presence of DPS equipment growing substantially through this initiative, the company is installing EPA Energy Star-rated vending machines and coolers. These newer machines incorporate more energy-efficient compressors, fan motors and lighting systems that maintain cold temperatures and brightness with less energy.

In addition, by 2013 we will replace more than 60,000 older units with new coolers and vending machines that will cut energy consumption by more than 30%. Trading out the older equipment will save an estimated \$7.6 million in electricity costs for our customers and conserve more than 70.5 million kilowatt hours (kWh) over the next five years. This translates to nearly 108 million lbs. of CO₂ removed from the atmosphere – or the emissions of nearly 9,000 cars.

Electricity Usage in our Operations

DPS began tracking manufacturing energy consumption in 2008 in an effort to establish a baseline for improving energy efficiency. In 2009, we used approximately 654 million kWh of electricity in our manufacturing operations. On a normalized basis (in kilowatt hours per gallon of finished product), our energy consumption in 2009 was 0.48 kWh per gallon of finished product, a 3.8% reduction compared with 2008.

We have set a goal to improve energy efficiency in manufacturing 10% by 2015 against a 2009 baseline. We will achieve this goal through continuous improvement projects addressing efficiency in lighting, cooling, heating and production line operation, and potentially alternative energy sources.



ENERGY CONSUMPTION (kWh)

By 2015, DPS will improve energy efficiency and reduce CO₂ from emissions in manufacturing by 10% per gallon of finished product



ON-SITE RECYCLING OPERATIONS HELP MINIMIZE SOLID WASTE GENERATED IN OUR MANUFACTURING OPERATIONS.

Meanwhile, we are looking at ways to make meaningful improvements in other areas of our business, including distribution centers and offices. Since the end of 2005, we have upgraded 20 of our facilities with energy-efficient fluorescent and/or LED lighting, which has improved safety at our production facilities and warehouses and saved nearly 14 million kWh of electricity annually.

We are also seeking LEED certification for our corporate headquarters in Plano, Texas, and have implemented numerous energy-efficiency measures that have reduced our annual electricity usage by 1 million kWh. Steps taken in Plano include the installation of a new environmental management system to control heating, cooling and lighting schedules; installing a reflective membrane on the building's roof to reduce radiant heating; and replacing halogen light fixtures around the site with high-efficiency LED and fluorescent lighting.

A MULTITIERED APPROACH TO REDUCING WASTE

As the producer of more than 50 brands and literally hundreds of flavors of liquid refreshment beverages, we recognize that there is a significant opportunity to reduce, reuse and recycle the containers, packaging and shipping materials generated in the manufacturing and distribution of our great products.

Since the middle of this decade, we've made significant strides toward lowering the amount of material that finds its way into landfills, and we are committed to continuous improvement in this area. Through the long-term 2015 goals we are establishing in the areas of packaging and waste reduction, we are committed to recycling 80% of solid waste in our manufacturing activities and conserving more than 60 million pounds of PET plastic resin through a combination of container redesigns and the increased use of post-consumer recycled material.

Ramping Up Recycling in Manufacturing Operations

Beginning in 2010, DPS is tracking the amount of solid waste generated through the course of manufacturing beverages. Cans, PET bottles, shrink wrap, corrugate, cardboard, strapping material, stretch film and other plastics, paper and aluminum byproducts from the production and shipping process will be measured regularly.

All of our plants have recycling measures in place to varying degrees. Our plant operations and environmental health and safety (EHS) managers work closely with contracted industrial recyclers to design and implement processes and systems for collecting, separating, crushing and baling recyclable material. This not only helps us maximize landfill diversion, but it also creates a steady revenue stream for our manufacturing facilities that helps offset operational costs while avoiding municipal surcharges for landfill contributions.

Our Columbus, Ohio, plant, for example, has implemented education and awareness efforts with its teams, as well as systems and processes that have reduced solid waste to landfill by more than 50% over the past two years, from 360 tons in 2007 to 170 tons in 2009. Our Ottumwa, Iowa, plant recycled 1.5 million pounds of cardboard, glass, wood, plastic, aluminum and other materials in 2009.

While some recycling initiatives within our manufacturing facilities require coordination with multiple recyclers, increasingly we are working with one-stop shops to collect all recyclables. A leading industrial recycler serves our manufacturing plants in Victorville, Vernon, Calif., Jacksonville, Fla., and Northlake, Ill., installing balers, crushers, choppers and compactors that remove liquids and enable easy, regular retrieval. The firm provides regular reports on our progress.

In 2010, we'll have a complete picture of our recycling performance within the manufacturing space and attain greater visibility into the positive impacts of these efforts.

Innovative Packaging Solutions

For several years, DPS has been pursuing numerous opportunities to reduce the amount of raw material used in our packaging, with a focus on PET plastic. Not only does this make good business sense in terms of shipping, handling and cost, but it also has significant environmental benefits through resource conservation and waste reduction. In 2006, we introduced a one-gallon Hawaiian Punch container that was approximately 19% lighter. In 2009, we eliminated the plastic band on Snapple bottle caps, removing approximately 188 million linear feet of plastic from the waste stream. This along with other packaging changes since 2007 has helped conserve approximately 8.5 million lbs. of plastic.

Moving forward, we have numerous additional lightweighting initiatives underway. In 2010, we will be the first beverage company to convert the finishes and closures (the threaded bottle necks) of water and carbonated soft drink (CSD) bottles filled at all company-owned locations to the “1881 Standard” established by the International Society of Beverage Technologists. This is reducing the weight of the bottle neck by approximately 25% – meaning an overall package weight reduction of between 9% and 11% on the most common PET sizes we bring to market. Combined with recent innovation in our 2-liter PET bottles, this move will give us the lightest 2-liter bottle in the industry.

Other package lightweighting initiatives to be completed before 2012 include:

- Reducing 64-oz. aseptic/cold-fill juice bottle weights by 5% (compared to a 2007 baseline). This includes packaging for popular DPS juices and juice drinks such as Mott’s, Clamato and Hawaiian Punch.
- Redesigning 20-oz., 1-liter and 2-liter soft-drink bottles, which will save between 0.3g and 2.9g of weight per package, resulting in 4 million lbs. of resin conserved by 2011.
- Converting the finish of all 20-oz. Snapple containers from 43 mm to 38 mm and using emerging technologies to significantly lightweight the package design, which will save 1.2 million lbs. of plastic by 2011.
- Reducing ReaLemon/ReaLime container weights by 11% for 15-oz. packages and 32% for 48-oz. packaging.

When our current initiatives are fully implemented across our packaged beverages business in 2011, we will be saving more than 12 million lbs. of PET annually – roughly 27 times the weight of the Statue of Liberty.

Another important component of our commitment to conserving resources is the use of post-consumer recycled (PCR) material. We already incorporate a high percentage (52%) of PCR content in the corrugate used to ship our cases, as well as the containers in which we ship our bag-in-box syrup for fountain application. In addition, more than 60% of the aluminum we purchase for our canned products is post-consumer.

We’re continuing to explore opportunities to incorporate PCR material in our PET packaging. In 2009, we introduced a 2-liter bottle in our Midwest region with 40% PCR content as part of a 7UP “green” bottle marketing effort promoting recycling awareness. This conserved approximately 3.4 million lbs. of virgin resin. We are also looking to incorporate up to 15% PCR in certain 1-gallon juice containers by 2012. However, the viability of these PET PCR initiatives will depend on the quality and availability of material in what can be a highly volatile and price-sensitive marketplace.

**BY 2011,
WE WILL SAVE
MORE THAN
12 MILLION LBS.
OF PET ANNUALLY.**

Collaborating with Industry

Of course, the challenge of reducing waste cannot be addressed by any one company. It requires the combined efforts of businesses, consumers and governments working together toward the shared goal of minimizing our contributions to the waste stream. This is why we have joined with our industry peers in the American Beverage Association on the Full Circle Recycling Initiative, a comprehensive program to reinvigorate recycling across the country by fostering industry innovation and boosting consumer participation. Through Full Circle, the industry is committed to innovating 100% recyclable containers, activating community programs that make recycling more convenient for consumers and leveraging our combined marketing muscle to motivate consumers to recycle.

Recycling programs are the most cost-efficient and effective way to manage all recyclables, not just beverage containers. While our industry works to minimize packaging and support access to recycling programs, consumers can do their part by putting their empty bottles and cans in a recycling bin. We are identifying ways to partner with local governments to increase recycling awareness in the communities in which we operate. For example, in Puerto Rico, as we launched Snapple in PET plastic bottles, the company partnered with the Solid Waste Authority in an effort to encourage recycling of plastic on the island, providing 150 recycling bins in strategic locations.

WATER CONSERVATION

As the primary ingredient in our products, water is the lifeblood of our business, as well as that of the communities in which we manufacture beverages. DPS is committed to continually improving our stewardship of the water resources to which we are entrusted.

Most of our water is derived from municipal sources, and wastewater in our DPS manufacturing facilities is pretreated to meet local specifications prior to discharge to municipal wastewater treatment plants. In our U.S. manufacturing locations without access to public wastewater treatment plants – such as our Williamson, N.Y., and Aspers, Pa., facilities – we fully treat wastewater onsite via multistage systems prior to discharge. We are looking at ways to expand our onsite wastewater treatment capabilities to other manufacturing locations. This year, we will conduct a test at our Ottumwa, Iowa, plant, where we expect to reduce our biological oxygen demand by 80% while utilizing 75% less energy than a typical aerobic digestion system. The Ottumwa system will be brought to full scale in 2011 based on initial test results.

In 2008, we began tracking our water consumption and wastewater discharge at our manufacturing plants systemwide, with a focus on setting a meaningful long-term goal for water reduction. In 2009, our overall water usage was 3.1 billion gallons, and our wastewater discharge was 1.4 billion gallons. We have set a goal to reduce our ratio of water consumed and discharged to finished product by 10% by 2015 versus our 2009 baseline.

We will achieve this goal through ongoing maintenance and facilities improvements, system upgrades on our production lines and implementing best practices in our manufacturing processes and technology. We've made significant progress in improving line efficiency already. For example, on 56 production lines, we are now pre-rinsing our bottles and cans with de-ionized air rather than water, which conserves an estimated 10,000 gallons of water per line per day. Over the course of a year, this means a combined annual savings of 145 million gallons of water – enough to fill approximately 220 Olympic-sized swimming pools.

2009
BASELINE
1.03

2015
TARGET
.92

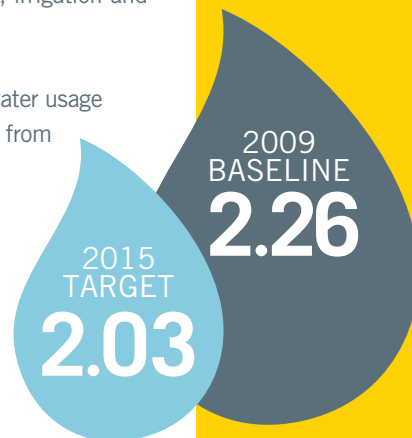
WASTEWATER DISCHARGE

(gallons per gallon finished product)

By 2015, DPS will reduce wastewater discharge by 10% per unit of production.

Other water conservation measures include upgrading our product blending systems to reduce liquid losses during production line changes, startups and shutdowns; investing in multipass reverse-osmosis water filtration systems; using recovered reject (gray) water for cooling towers, irrigation and steam generation for use on hot-fill and aseptic lines; and replacing water-based production-line lubricants with silicone lube.

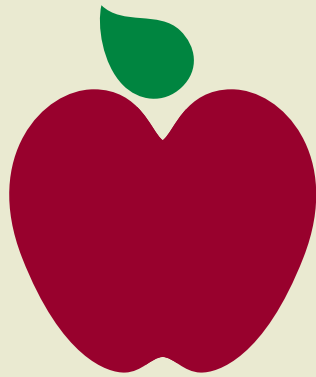
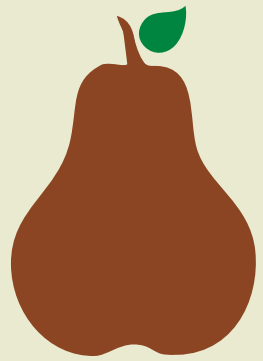
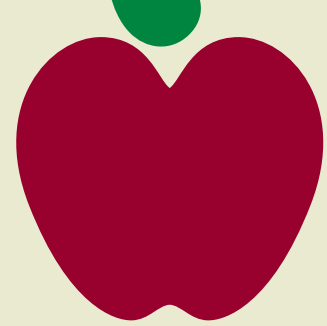
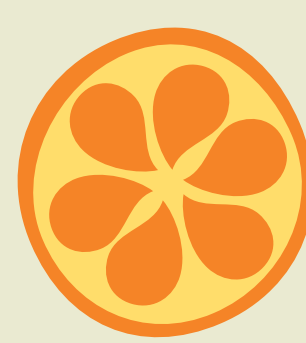
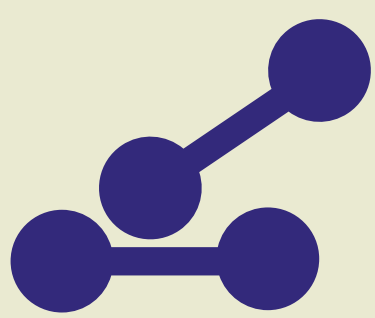
As our volume continues to grow year over year, our water use will increase accordingly. However, we see an opportunity to reduce our water usage on a normalized basis (per gallon of finished product). Since we began tracking, our water use ratio has improved by approximately 3%, from 2.34 gallons per gallon of finished product in 2008 to 2.26 gallons/gallon of product in 2009.



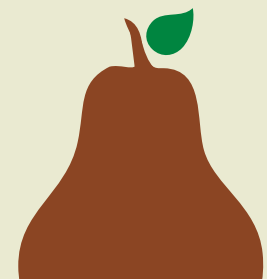
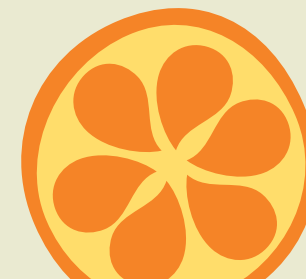
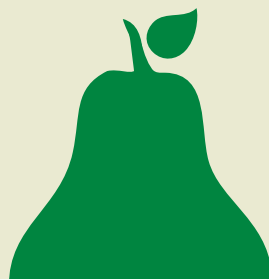
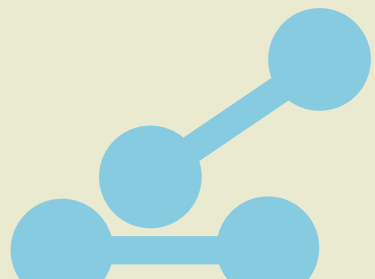
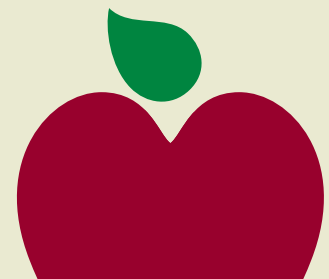
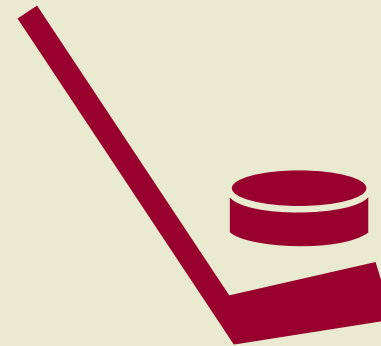
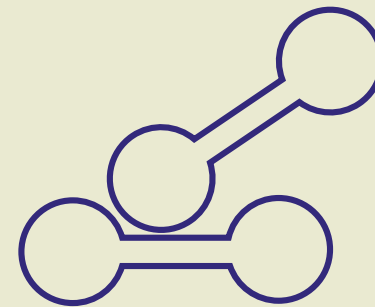
WATER CONSUMPTION

(gallons per gallon of finished product)

By 2015, DPS will reduce our ratio of water consumed to finished product by 10%



HEALTH & WELLNESS



GOALS: BY 2015, DPS WILL...

- Continue to provide a full range of products, with at least 50% of innovation projects in the pipeline focused on reducing calories, offering smaller sizes and improving nutrition.
- Support local and/or national programs that encourage active lifestyles and fitness.

DPS is proud to boast one of the broadest, most diverse brand portfolios in the beverage industry, with more than 50 brands and literally hundreds of flavors, including soft drinks, juices, juice drinks, teas, applesauce, mixers and other premium beverages.

We are committed to innovation to ensure that our great brands continue to meet consumer expectations for fun, refreshment, flavor, functionality and nutrition. We are also committed to supporting activities and initiatives that promote active, healthy lives and helping consumers understand the role our products can play in balanced lifestyles. In addition, we are working both independently and with the larger beverage industry to establish and adhere to policies on responsible sales and marketing. These commitments provide the framework for a holistic approach to consumer health and wellness at DPS centered on diet (calories in), exercise (calories out) and consumer awareness.

CALORIES IN: INNOVATING “BETTER-FOR-YOU” AND LOWER-CALORIE OPTIONS

DPS is the industry leader in flavors, with six of the top 10 non-cola carbonated soft-drink brands in the market. Virtually every major CSD brand in the DPS stable has a diet variety, with most of these same brands topping the list of the most popular non-cola diet soft drinks. This includes Diet Dr Pepper, which is among the top 10 soft drinks in sales (including diet, regular and colas), Diet 7UP, Diet Canada Dry Ginger Ale, Diet Sunkist and Diet A&W. In 2009, more than a quarter of DPS sales came from diet soft drinks, juices and waters, showing that DPS continues to be well-positioned to meet the growing demand for “better-for-you” beverage choices.

Building on a rich tradition of providing the great-tasting, lower-calorie choices consumers desire, our research and development team brings leading-edge capabilities in analytical chemistry, flavor and sweetener technology, product development and sensory analysis to innovation and “renovation.”

With a state-of-the-art lab in our Plano headquarters and a full-scale pilot plant at our nearby Irving regional production center, the R&D team is closely integrated with marketing, sales and supply chain so that we can move faster from concept to commercialization with products that satisfy consumer needs. This will help ensure that DPS meets its five-year goal for ensuring that health-and-wellness-focused innovation makes up at least 50% of all projects in our product development pipeline.

In 2008, we introduced Canada Dry Green Tea Ginger Ale and followed with a diet version in 2009. Also last year, we reformulated Cherry 7UP Antioxidant in both regular and diet versions. And as part of a reformulation of Snapple in 2009, we reduced the calories per serving in our Snapple premium teas and juice drinks by as much as 20%. Reformulations in Mexico have reduced the caloric content of several leading soft drink brands distributed in that country, including Peñafiel, Squirt and Crush.

As we strive for functional product innovation in carbonated soft drinks, we are also providing consumers with expanded portion size offerings. Last year, we increased the availability of 8-oz., 100-110-calorie six-pack CSDs to 84% in key grocery accounts.

In 2008, we entered into equity agreements with two beverage companies, All Sport Inc. and HYDRIVE LLC. We worked with All Sport to launch All Sport Naturally Zero sweetened with stevia, a natural non-caloric sweetener. We have also helped grow distribution of HYDRIVE, a new non-carbonated energy drink supplement with vitamins, antioxidants and approximately 30 calories per bottle.



Over the past eight years, Mott's has been a leading innovator of "better-for-you" options for markets in both the U.S. and Canada, beginning with Mott's Plus for Kids, fortified with vitamin A, vitamin C and calcium; Mott's Plus Lite, also vitamin-fortified, but with half the calories and sugar of 100% apple juice; Mott's Healthy Harvest applesauce, with 50% less calories and sugar than regular sauce; and Mott's for Tots, which offers the nutritional benefits of a full-strength apple juice, but is blended with purified water to contain 40% fewer calories.

Mott's is continuing its tradition of healthier product innovation in 2010 with the launch of Mott's Medleys, which helps Mom provide more convenient nutrition for her family with two fruit and vegetable servings in each 8-oz. glass.

Through the development of the Victorville, Calif., production facility, DPS is investing heavily to increase distribution and availability of its healthier Mott's offerings in the western U.S., with two of its five lines dedicated to producing single-serve and multi-serve juice offerings.

DPS and the rest of the beverage industry have a history of providing consumers with access to refreshing, lower-calorie alternatives. But the challenge of excess weight and obesity is complex and requires a multifaceted solution that goes beyond just cutting calories in refreshment beverages, a class of products that represents less than 6% of daily calories consumed, according to a study presented in 2009 by the National Cancer Institute. That is why DPS is actively engaged in programs to address the other side of the energy-balance equation.

CALORIES-OUT: SUPPORTING PROGRAMS TO GET CONSUMERS MOVING

DPS and its bottlers have been longstanding supporters of programs that promote active lifestyles through a combination of philanthropy, employee volunteering, cause-related brand marketing and sponsorships. Numerous active lifestyle programs, from soccer tournaments and playground builds to sports venues catering to younger athletes, benefited from DPS funding and sponsorship in 2009. The company is committed as part of its long-term goals to continue supporting such programs and initiatives on a local and national level.

In 2009 we piloted a program to build playgrounds with KaBOOM!, a national non-profit dedicated to bringing play back into the lives of children across North America. DPS funded and provided the volunteer support to build playgrounds near our field operations in Sacramento, Calif.; St. Louis, Mo.; and Mississauga, Ontario, Canada. In 2010, DPS will donate more than \$1 million to help KaBOOM! create playspaces in 10 locations across the U.S and partner on a cause-related initiative with our Mott's brand promoting Play Days.

In 2009, Dr Pepper and the Dallas Stars hockey club opened the seventh Dr Pepper StarCenter in the Dallas/Fort Worth Metroplex in McKinney, Texas. Since 1994, the Dr Pepper StarCenters have provided venues for recreational and competitive youth and adult hockey leagues as well as organized figure skating and recreational skating, with hundreds of thousands of residents accessing the centers annually.

2010 also marked the fifth year of the company's title sponsorship of the Dr Pepper Dallas Cup, one of the world's most prestigious club soccer tournaments for 12- to 18-year-olds, drawing hundreds of teams and thousands of players from across the U.S. and around the world. And in Mexico, Grupo Peñafiel sponsored youth baseball through the Clamato Cold-Runner tournament.

In addition, DPS received the 2009 Chairman's Award for its work with the Boys and Girls Clubs of America, which provides after-school activities for 4.5 million children.



**BY 2012, WE
WILL DISPLAY TOTAL
CALORIE COUNTS ON
VENDING MACHINES,
FOUNTAIN EQUIPMENT
AND THE FRONT OF
ALL SINGLE-SERVE
CONTAINERS.**

PROMOTING NUTRITIONAL AWARENESS AND RESPONSIBLE CONSUMPTION

DPS has a longstanding commitment, dating back to the ownership of our brands by Cadbury Schweppes, not to market our brands in venues or media where the primary audience is children under 12. That continues to be a guiding principle in our advertising and promotional activities. Since 2006, we've expanded upon this pledge by discontinuing the sale of full-calorie soft drinks to schools.

School Beverage Guidelines

Along with our industry peers in the American Beverage Association, we joined with the Alliance for a Healthier Generation (a partnership of the American Heart Association and the William J. Clinton Foundation) to establish and implement guidelines for beverage sales in schools. Through the national school beverage guidelines, only low-calorie, nutritious offerings such as waters and juices are available during the school day. These guidelines have been phased in since 2006, accounting for long-term contractual obligations with schools and school districts. With the completion of the 2009-2010 school year, DPS and its industry peers have reduced beverage calories shipped to schools by 88%, and shipments of full-calorie beverages have dropped by 95%.

Nutritional Labeling and Awareness

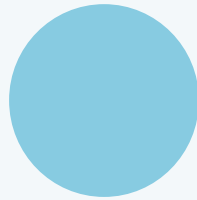
While eliminating access to full-calorie soft drinks during the school day helps give parents greater control of their children's nutrition away from home, DPS and the industry are working to improve the depth of information about our products to help consumers make informed choices.

We have phased in 8 oz. serving and total container nutritional information on non-diet soft drinks, teas, juices and juice drinks, primarily for single-serve package sizes between 16 oz. and 24 oz. As we have rolled out new packaging for our products, we have also included added-caffeine content information adjacent to the nutrition facts panel.

Our own efforts to improve clarity on nutritional content go hand in hand with broader initiatives. Earlier this year, we joined with our industry peers in support of first lady Michelle Obama's Let's Move! initiative to combat obesity. Through our involvement in the ABA's Clear on Calories program, by 2012, we will display total-package calorie counts on the front of containers up to and including 20 oz., and multi-serve packaging will display front-of-pack calories using a 12-oz. serving. 100% juices will continue to use an 8-oz. serving size. Calorie counts will also be displayed prominently on company-controlled vending machines and fountain equipment.

In Mexico, our Grupo Peñafiel division is an active participant in the Alliance for a Healthy Lifestyle and Choose Being Good for Yourself campaigns organized by the Consumer Products Council of Mexico and the Mexican Foundation for Health to promote balanced lifestyles and nutritional awareness.

In the **"Our Brands"** section of our corporate website, we have nutritional information available for key DPS brands and we continue to improve consumer awareness by expanding the depth and clarity of information about our brands online.



CORPORATE PHILANTHROPY



GOAL: BY 2015, DPS WILL...

- Contribute a total of 100,000 volunteer hours and attain an annual giving level of \$10 million in charitable cash donations, with the majority of support focused on fit and active lifestyles, environmental sustainability, emergency relief and community celebrations.

With more than 200 sites throughout North America, DPS has the reach to make a positive impact on a broad range of communities. Our diverse employee base and the variety of locations that comprise DPS bring with them an equally diverse heritage of involvement and caring. From the suburban setting of our corporate headquarters to the small towns of some of our manufacturing and distribution operations, DPS employees are taking ACTION to foster physically active, engaged and sustainable communities wherever we operate.

Historically, our employees have chosen their own flavors of philanthropy, responding to local needs and partnership opportunities with customers in their communities. Since the spinoff of our company in 2008, hundreds of volunteer days, fundraisers and other philanthropic activities have mobilized employees to make a difference.

ACTION NATION

In 2010, DPS is taking its efforts to be a good corporate citizen to a new level. The myriad philanthropic efforts of our company and employees will be brought together under a single banner: ACTION Nation.

In crafting our ACTION Nation platform, we looked at the many ways that we give back to our communities and defined the causes that make the most strategic sense for our business. Our philanthropic mission will be to take ACTION to foster physically active, engaged and sustainable communities where we operate, and we will focus our efforts on four areas:

1. Fit and active lifestyles
2. Environmental initiatives
3. Emergency relief
4. Community celebrations



ACTION Nation will help us concentrate our philanthropic outreach in areas where we believe we can make the greatest impact, both in our communities and for our company. Obesity and the environment are clearly at the top of consumers' minds, which is why we're working aggressively to have a strong voice in the ongoing conversations about consumer health and wellness. We're taking a leadership role in programs that work.

DPS will present its managers with a set of giving guidelines, helping them to concentrate their efforts, while enacting a centralized online grant management system to ensure that our sites can accurately track and measure the good work they're doing. This system will give our business a more complete picture of financial and in-kind contributions, as well as volunteerism, companywide.

We'll also be giving our employees added incentives and tools to do even more, with the launch of ACTION Nation Week and the ACTIONeers program.

ACTION Nation Week is an annual program that gives our sites an opportunity to rally around a companywide, corporate-led volunteer activity. The volunteer activity will be identified and organized by the corporate affairs team and driven locally by our sites. In September 2010, we will activate ACTION Nation Week in a fun, effective and efficient way by tying it into our Play Days and United Way campaigns, described elsewhere in this report.



Our ACTIONeer program takes volunteerism to the next level, putting the power to choose in the hands of our sites. The program encourages employees to participate in site-organized group volunteer activities during and outside business hours. Any site that can organize at least 50 hours of volunteer activities will be eligible for one grant per year to support the employees' chosen cause.

VOLUNTEERISM

DPS has encouraged volunteerism by giving full-time employees opportunities to participate in company-sponsored volunteer projects during their normal work day. When an employee in Plano, Texas, picks up a paintbrush to rejuvenate a local non-profit adult clinic, or when employees in Mississauga, Ontario, Canada, take their talents on the road to create a new path on the historic Bruce Trail, DPS wants to make it as easy as possible for them to do their part.

For many employees, their efforts took the form of local volunteerism or fundraising – identifying a need in their areas and filling it. Workers in Carteret, N.J., for example, partnered with the nearby Raritan Valley YMCA to paint, reconfigure, landscape and build additions to a local campsite to make it usable by preschool-aged children in the area. Carteret employees also engaged in school-supply drives, a bake sale benefiting Susan G. Komen for the Cure, food drives and much more.

This site is but one example; DPS employees show their commitment to their communities every day. In Holland, Mich., employees took time to share their knowledge with students in the Southwest Michigan Scholarship program, giving them hands-on training and a head start in preparing for the job market. In Irving, Texas, employees took to the water for the Take a Soldier Fishing program, giving injured soldiers a rare break from the rigors of rehabilitation. In Tecate, Mexico, employees participated in the local Adopt a Child or Senior Citizen program, making a direct impact on lives in their community. Elsewhere in Mexico, our volunteer activities ranged from refurbishing and donating computers to under-resourced schools to sponsoring community health education events to a hydroponic gardening project in Tlajomulco.

In 2009, many volunteer activities took the form of KaBOOM! playground builds. Last year was the pilot year for DPS's ongoing partnership with KaBOOM!, in which DPS rallied employees, community volunteers and partners to transform vacant lots into playgrounds designed for and by local children. In 2009, playgrounds were built in Mississauga, Ontario, Canada; St. Louis, Mo.; and Sacramento, Calif. But that's only the beginning.

To continue promoting fun, fit and active lifestyles in our communities, DPS expanded its partnership with KaBOOM! in 2010 to build 10 more playgrounds and to make Mott's the lead sponsor of Play Days, a campaign to inspire communities across the country to lead local events that promote the importance of play. The first playground build of 2010 took place in Jacksonville, Fla., where more than 260 volunteers from our Jacksonville team, KaBOOM!, the local YMCA and the Winn-Dixie team came together to build a playground in less than eight hours.

CAUSE-RELATED MARKETING

Of course, product donations often go hand in hand with our volunteer events, and our brands give back to consumers through cause-related marketing, both nationally and locally. In 2009, a number of DPS brands sponsored and supported causes that tied directly to our strategies for the brands, responding to the needs of our customers and consumers. All told, DPS spent more than \$2.5 million on cause-related marketing and sponsorships last year.



it starts with a
playground.

Mott's led the way on cause-related marketing, with two signature programs to bring our focus on health and wellness to life with consumers. First Mott's went "Pink to the Core" with Susan G. Komen for the Cure by releasing limited-edition breast cancer awareness packaging, becoming the national series sponsor for the 2009 races and donating \$300,000 to the cause. Then Mott's partnered with "Desperate Housewives" star Marcia Cross and hunger-relief organization Feeding America to "wake up" Americans to the prevalence of hunger in the U.S. By visiting Motts.com, consumers sent wake-up calls from Marcia Cross to themselves, or to a friend, for free. For every call placed, Mott's donated \$1 to Feeding America, helping to deliver 1 million meals to those in need.

In 1974, 7UP became the first national corporate sponsor of the Muscular Dystrophy Association. In 2009, that tradition of giving was celebrated again on the annual MDA telethon when Jim Trebilcock, DPS executive vice president of marketing, presented celebrity spokesman Jerry Lewis with the \$1.5 million 7UP had raised in partnership with bottlers, distributors and retail partners. In our more than three-decade partnership with MDA, we've raised more than \$40 million for "Jerry's Kids."

On the local front, our bottlers and distributors choose their cause-related marketing for maximum local impact. In Portland, Ore., A&W and Sunkist offered free floats to donors of money or canned goods to a local food bank. Venom Energy sponsored a team in the Corporate Cup golf tournament, benefiting Boys and Girls Clubs of Greater Dallas.

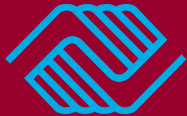
DONATIONS

Employee and corporate donations also form a large part of DPS's philanthropic commitment to communities. In 2009, DPS and its subsidiaries throughout the U.S. and Canada donated approximately \$2 million in cash and \$3.4 million in product donations to more than 175 different nonprofit organizations, not including gifts made by employees or product and cash contributions by our direct store delivery business units.

United Way is DPS's flagship fundraising drive each year. In 2009, sites across the business participated in DPS's second-annual United Way campaign, and this time the stakes were higher. Determined to make 2009's efforts another success, President and CEO Larry Young put his hair on the line in hopes of surpassing our 2008 results of more than \$600,000. The challenge was simple: If DPS met its stretch goal of \$750,000 through employee donations and corporate match, then Larry would get a buzz cut. The result? DPS donated more than \$850,000 to United Way agencies in the U.S. and Canada, a 40% increase, and Larry went under the clippers.

2009 also marked the first time that DPS's Employee Relief Fund was included in our United Way campaign. As a United Way-registered organization, the Employee Relief Fund is DPS's way of beginning philanthropy at home and offering support to DPS employees experiencing hardship or disaster. Of the dollars raised for United Way in 2009, \$40,000 went to the Employee Relief Fund.

Another longtime DPS partner, the Boys and Girls Clubs of America (BGCA), recognized the company in 2009 for its years of contribution. DPS received the 2009 Chairman's Award for its work in the community and its long history with BGCA, dating back to early Dr Pepper President J.B. O'Hara's \$8.5 million donation of Dr Pepper shares. The endowment has generated more than \$22 million for North Texas clubs to date. DPS also hosted a group of BGCA youths from across the country for the "Youth of the Year" competition. The prestigious award recognizes outstanding contributions to a member's family, school, community and Boys and Girls Club, as well as personal challenges and obstacles overcome. Finally, DPS reached out to its customers to participate in the annual Chairman's Dinner, helping the BGCA to raise a record \$2,195,100 to continue funding nationally recognized programs that address today's most pressing youth issues.



BOYS & GIRLS CLUBS
OF AMERICA



OUR WORKPLACE

GOALS: BY 2015, DPS WILL...

- Maintain team leader engagement scores comparable to or better than those of other high-performing companies.
- Reduce lost time injury rate by 25%.

Great brands and great people are truly our greatest assets. DPS is committed to maintaining a diverse workforce and a positive and productive working environment that brings out the best in our employees. To be the best beverage business in the Americas, we need the best employees, and that means cultivating an employee base that is well-trained, engaged and, most importantly, safe and healthy.

Not only do we aim to hire the best and brightest talent in the beverage industry, but we strive to provide an action-oriented environment that emphasizes personal and collective growth and achievement. With a broad range of programs and policies designed to help our employees grow and thrive, both at work and in life, DPS encourages and enables its employees to indulge a passion for excellence and innovation.

Our results tell us that our efforts are working. According to a recent Towers Watson survey, 92% of our team leaders report high levels of engagement with the company and its vision, putting us ahead of many other high-performing companies. This means that the vast majority of survey respondents are not only aware of our vision, strategies and values, but also believe in them on a personal level. These employees are willing to go the extra mile to pursue our objectives and live our values. Our goal is to maintain team-leader engagement scores at this level or above through continuous improvement in everything from our strategic philanthropy programs to our challenging and rewarding workplace environment.

EMPLOYEE OVERVIEW

DPS employs approximately 19,000 people across the U.S., Canada, Mexico and the Caribbean. Nearly 16,000 of our employees are based in the U.S., and approximately a quarter of those belong to a union.

DPS is an equal opportunity employer. We make all employment decisions without regard to race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, sex, age, veteran status or sexual orientation.

Female employees account for more than 14% of the total DPS workforce in the U.S. and Canada and for approximately 16% of DPS's senior management (i.e., company vice presidents and above). Minority employees account for more than 40% of the total DPS workforce in the U.S. and Canada and for more than 7% of senior management.

DIVERSITY

We are a company of diverse brands and diverse people. It's this diversity that helps us win in the marketplace. DPS is committed to providing an inclusive workplace where all employees are empowered to contribute to our success. We believe that the right people with the right tools and skills, working together, can deliver superior performance for our business.

DPS maintains a robust set of policies designed to foster diversity within the company, including strict nondiscrimination and harassment policies.

To further strengthen the diversity of our company, we cultivate relationships with, support and often participate in job fairs hosted by numerous organizations on a local and national level, including the National Society of Hispanic MBAs, NAACP, the National Urban League, the Hispanic Heritage Foundation, the United Negro College Fund, the National Black MBA Association, the Pacific Asian Consortium, the National Council of La Raza, the Network of Executive Women, and the Women's Foodservice Forum.

We are a proud supporter of Students In Free Enterprise, an international organization that mobilizes university students around the world to make a difference in their communities while developing skills to become socially responsible business leaders.

In Mexico, we partner with the Ministry of Work, private universities and local employment organizations to provide meaningful career opportunities for people with physical challenges and to adapt our facilities and work environments to their unique needs. The diverse culture of our business in Mexico has been acknowledged with the Inclusive Business award presented by Mexico's Secretary of Labor.

Internally, we hold numerous diversity-awareness events throughout the year to celebrate the multicultural influences that define and distinguish our business and our brands. In hiring, we focus on diverse candidates, and in training, we include elements of diversity in our coaching materials. Cumulatively, our efforts are being noticed by the marketplace – in 2009, DPS was recognized as a top-50 employer of choice for diverse MBAs by *Diversity MBA* magazine.

LEARNING AND DEVELOPMENT

The challenges of training and engaging a workforce as large and diverse as ours are clear. DPS has a responsibility to its employees to help them excel in their roles and pave the way for advancement to greater and more rewarding challenges.

To unify our employees behind a single vision and purpose, we created our Call to ACTION, a set of business drivers and behaviors that define who we are and how we do business. This philosophy forms the backbone of a multiyear series of initiatives of the same name that creates a new way of working, delivering consistently outstanding business results.

The Call to ACTION includes a day-long training course designed to educate employees on every aspect of our business, from the innovation pipeline to our route to market. Speakers from around the business participate in each session, giving employees a firsthand account of their portions of the business and helping them understand how their roles contribute to the success of the company.

To date, more than 6,000 employees at more than 75 locations have taken the class throughout the U.S., Canada and Mexico, and it is scheduled to roll out to more than 10,000 frontline employees beginning in July. A virtual Call to ACTION session has been made available to all of our locations through our corporate online university, DPS Campus.

Building on the success of Call to ACTION, DPS Campus launched in October 2009 with a focus on building strong fundamentals of people management and core capabilities across the business. DPS Campus is an e-learning system open to all managers and supervisors who manage teams that provides the skills and knowledge our people need to compete differently to win. We are instilling the philosophy of leader as coach, and we're enabling our coaches to train and motivate their teams to deliver great results.



**IN 2009, DPS
WAS RECOGNIZED
AS A TOP 50
EMPLOYER OF CHOICE
FOR DIVERSE MBAS BY
DIVERSITY MBA
MAGAZINE.**



OUR RATE OF LOST-TIME INJURIES HAS BEEN REDUCED BY MORE THAN HALF SINCE 2007.

To date, more than 90% of the more than 2,700 employees who have access to DPS Campus have completed the core coaching training. We are continuously adding training content on everything from P&L management to safety to selling skills.

Building upon the knowledge gained in Call to ACTION sessions, our DPS managers lead workshops conducted onsite during their teams' regular meetings in which employees focus on the key priorities that are specific to their teams. Combining e-learning with group work, these game-planning sessions enable teams to identify measurable actions that need to be completed to achieve stated goals.

The Call to ACTION Awards, a related program that provides monetary rewards to employees who exceed expectations in their display of the ACTION behaviors, have seen tremendous participation, with hundreds of employees recognized to date.

In our Southwest sales and manufacturing locations, we're helping our employees master the nuts and bolts of doing business more efficiently. Since April 2009, nearly 300 managers and supervisors have been trained to develop a High Performance Workplace, leading to a shift to employee empowerment that has exposed managers and supervisors to a whole new way of thinking. The elements of the program include "Adult to Adult Communication," "High Expectations," "Open Two-Way Communication," "Training," "Competitive Wages and Benefits," "Mutual Trust and Respect," "Employee Involvement," and "Positive Assumptions" about employees. By enhancing the contribution of all employees in driving business results, the Southwest region has seen retention rates rise as high as 90% in locations and jobs that have traditionally seen the highest rates of attrition.

SAFETY

Diverse, well-trained and engaged employees need a safe and healthy work environment to produce great results, which is why DPS pursues an aggressive agenda of employee safety. Prior to 2006, we had no consolidated employee health and safety program, which meant that we didn't know what our injury rates were companywide. Since then, we have come together as a company to unify our efforts behind a cross-functional, comprehensive approach to safety. The company now has policies in place throughout all aspects of our operations to ensure the safety of our employees at our facilities and the ability to track results.

This includes written policies for maintenance of equipment and machinery; hazardous chemicals handling, labeling and storage; Material Safety Data Sheets (MSDS) readily available on our corporate intranet and elsewhere; combustibles/flammables handling, labeling, storage and disposal; personal protective equipment; and first-aid supplies accessibility and training. We also maintain records and documentation at each site covering environmental practices, equipment inspections and certifications, employee equipment operation certifications, MSDS information for chemicals stored onsite, and records of injuries and accidents.

This solid foundation of information is communicated to employees through a variety of training programs. In recent years, the consolidation of our environmental, health and safety team, safety training and accident awareness, and prevention courses throughout our locations have produced positive results.

Our Packaged Beverages organization, for example, has standardized the powered industrial trucks (e.g., forklifts, pallet jacks, etc.) used nationwide so that a single set of training materials can be used by all employees. Hazardous Communication has been rolled out across the business to ensure chemical safety in our operations. This supplements the standardized emergency action plans that have been communicated throughout the organization.

We continue to refine our practices and operations to further improve the safety of the work environment. Since 2007, these efforts have reduced our lost-time injury frequency to 2.0 incidents per 200,000 hours of work. Still, our objective is continuous improvement. As we strive to improve our manufacturing and distribution operations, our goal is to reduce lost-time injuries an additional 25% over our 2008 baseline by 2015.

WELLNESS

As with workplace safety, employee wellness is not just our responsibility, it is also in our best interests as a company. As part of our comprehensive and competitive benefits packages designed to fit any lifestyle, DPS offers a number of services above and beyond basic healthcare insurance to encourage our employees to be proactive about their health.

We provide annual physicals and dental cleanings at no charge through in-network providers, helping employees to prevent or anticipate problems before they happen. Smoking-cessation programs and an anonymous helpline for employees in crisis further reinforce our commitment to keeping employees healthy rather than merely treating them when they're ill.

DPS also extends this philosophy to the families of our employees, offering comprehensive pre- and neonatal care. More than 80% of our eligible employees participate in the fully covered "well baby" checkups annually.*

In 2010, we are encouraging employees to "Take ACTION for Your Health." Last year, only 28% of eligible employees took advantage of preventive care benefits, despite the fact that the costs of these services are fully paid for by the company. Our goal is for every employee to make use of these services. For ease of access, DPS is piloting a mobile, onsite biometric screening program, bringing the benefits of a preliminary physical straight to our employees where they work. With basic information such as body mass index, blood pressure and cholesterol, employees will be better equipped to take control of their health. This "Know Your Numbers" program will begin in our Fort Worth, Texas, facility and is expected to reach more than 2,000 employees by the end of the year.

To further increase our employees' access to health care, onsite clinics are being installed in two of our larger manufacturing sites in Victorville, Calif., and Irving, Texas. With an onsite nurse practitioner, these sites will have an advantage in preventing lost-time injuries and in reducing absenteeism due to illness. These two facilities follow the tremendous success we saw in Aspers, Pa., where our onsite clinic has nearly eliminated workers compensation expenses at the facility.

** DPS benefits described above apply to workers who are not part of a collective bargaining agreement. Union benefits vary by work location.*



ETHICAL SOURCING

GOAL: BY 2015, DPS WILL...

- Conduct annual third-party risk assessments of all suppliers and audit any high-risk suppliers to ensure full compliance with our Ethical Sourcing Code of Conduct.

At DPS, we owe the quality, strength and integrity of our company and brands largely to the people who support our business. This includes our 19,000 employees across North America and the Caribbean as well as the people working for companies around the world who supply us with the materials, ingredients, resources and equipment that bring our brands to life.

We do business with thousands of companies worldwide – from housekeeping, landscaping and courier services to international agribusinesses, ingredient and flavor suppliers, and packaging manufacturers. We have about 140 packaging and ingredient suppliers. Most of our packaging suppliers are based in North America, while ingredients are sourced from both the U.S. and abroad. We expect our brands to be produced to high standards of quality and safety throughout our supply chain by people who are well-treated and compensated fairly for their work in accordance with all applicable governmental laws.

DPS HUMAN RIGHTS AND ETHICAL TRADING POLICY

Our ethical sourcing policy requires that the ingredients in our products are produced at facilities that comply with all applicable laws related to manufacturing practices, food safety, environmental safety, labor and human rights.

We expect every company we do business with to agree to, and meet or exceed, the standards set forth in our Supplier Code of Conduct. This code is based largely on the Ethical Trading Initiative base code, which has established internationally recognized standards covering employee working conditions.

Among other requirements, suppliers are expected to guarantee that employment is freely chosen with no forced, bonded or involuntary labor of any kind; working conditions are safe, hygienic, and compliant with industry standards; wages and benefits meet minimum national legal standards or industry benchmarks; working hours comply with national laws and industry benchmarks; and no discrimination of any kind is practiced in any employment-related decision.

MONITORING ETHICAL PERFORMANCE IN OUR SUPPLY CHAIN

In addition to engaging regularly and directly with our suppliers, we require all high-risk international suppliers to participate in the Supplier Ethical Data Exchange (SEDEX), a database for companies to store and share ethical data including self-assessment, audit reports and corrective action reports and status updates. Using the SEDEX database for supply chain procurement, we conduct annual third-party risk assessments of all suppliers and continue to conduct audits of high-risk suppliers to ensure continued full compliance with our Ethical Sourcing Code of Conduct.

We also use a respected independent auditor to review operations of certain suppliers operating in high-risk regions to ensure alignment with these standards as well as good manufacturing practices. On our behalf, this auditor is conducting annual evaluations of this small number of suppliers. These annual, comprehensive audits assess compliance with country-specific and universal legal requirements as well as the DPS Supplier Code of Conduct, which is included in our terms of business and on our website. All suppliers are required to confirm that they have read and agree to the code when signing a contract to do business with DPS.

Audits completed in 2009 uncovered only minor issues related to working hours, payroll practices, chemical storage, lighting and safety that were corrected quickly to the auditor's satisfaction. We have four international suppliers that we consider to be "high risk" because of their locations and spend, and their audits will be completed this year.

With high standards established throughout our value chain, and an ongoing commitment to regular communication with our suppliers, DPS's stakeholders can remain confident that we work hard to ensure that everything that goes into our great brands is produced ethically and responsibly.

DPS'S ANIMAL TESTING POLICY

DPS does not conduct animal tests and does not directly fund any animal tests in relation to its beverages. Where tests are needed to demonstrate ingredient safety, we and many other companies using those ingredients rely on third-party testing. We plan to share our concern regarding the ethical and humane treatment of animals with our suppliers and others in the industry. We also will encourage the use of alternative testing methods whenever and wherever possible.

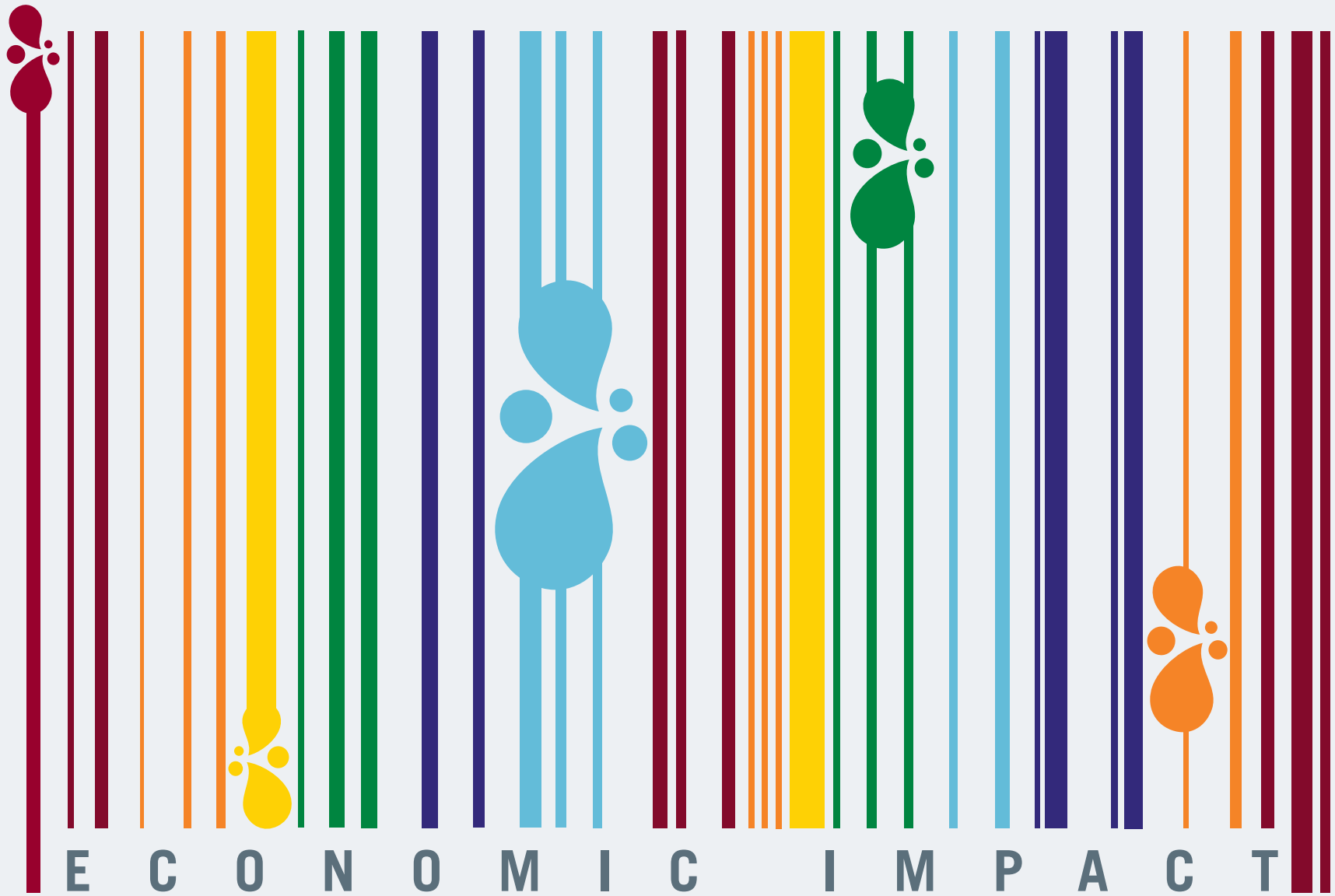
SUPPLIER DIVERSITY

DPS seeks the best quality, value and service, at the best cost, from all of our suppliers. It is our desire to select the supplier who delivers the best overall value – value that consists of competitive pricing, technological foresight, information management, and continuous and proactive support of products and services. We are also committed to creating opportunities for traditionally disadvantaged enterprises, including those owned by minorities, women, military veterans and the physically challenged, and strive to enhance our supplier base to better reflect the markets we serve.

In 2009, we spent more than \$120 million with businesses that are either wholly or majority owned by woman or minorities, and another \$3.9 million with disadvantaged business enterprises. Collectively, these relationships accounted for nearly 5% of our total supplier expenditures in 2009 and 11% of our spending, minus ingredients and packaging.

To build upon this performance, this year all DPS employees with purchasing responsibilities will have access to a Dun & Bradstreet Supplier Relationship Management website with comprehensive listings of women- and minority-owned and disadvantaged businesses. We will also continue to seek opportunities to cultivate and/or expand relationships with business and trade associations representing minority- and women-owned enterprises on a local and regional level to lay the foundation for continued improvement in supplier diversity.

**IN 2009, DPS
SPENT MORE THAN
\$120 MILLION WITH
COMPANIES OWNED
EITHER WHOLLY OR
MOSTLY BY WOMEN
AND/OR MINORITIES.**



OUR ECONOMIC IMPACTS (2009)

NET SALES

\$5.5 billion

GOODS PURCHASED

\$2.2 billion

TAXES PAID – \$233 million

U.S. FEDERAL – \$164 million

STATE/LOCAL – \$36 million

INTERNATIONAL – \$33 million

WAGES, BENEFITS AND PAYROLL TAXES

\$914 million (Note: some additional people costs are represented in Goods Purchased)

COMMUNITY INVESTMENTS

FINANCIAL CONTRIBUTIONS (U.S. & CANADA) – \$4.5 million
(philanthropic: \$2.0 million; cause-related marketing/sponsorships: \$2.5 million)

PRODUCT DONATIONS – \$3.4 million (DPS cost)

RETURNS TO SHAREHOLDERS

With dividend and share repurchase programs underway in 2010, future CSR reports will list cash returned to shareholders as part of our economic impact assessment.

For the first quarter of 2010, the company returned \$240 million to shareholders in the form of stock repurchases (\$202 million) and dividends (\$38 million).

A GLOBAL REPORTING INITIATIVE (GRI) INDEX OF THIS REPORT IS AVAILABLE AT
WWW.DRPEPPERSNAPPLEGROUP.COM/SUSTAINABILITY/GRI

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation, and cost and availability of raw materials. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “may,” “will,” “expect,” “anticipate,” “believe,” “estimate,” “plan,” “intend” or the negative of these terms or similar expressions. These forward-looking statements have been based on our current views with respect to future events and financial performance. Our actual financial performance could differ materially from those projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and our financial performance may be better or worse than anticipated. Given these uncertainties, you should not put undue reliance on any forward-looking statements. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2009, and our other filings with the Securities and Exchange Commission. Forward-looking statements represent our estimates and assumptions only as of the date that they were made. We do not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, after the date of this release, except to the extent required by applicable securities laws.