



DR PEPPER  SNAPPLE
GROUP

WE DO
 GOOD
 THINGS WITH
FLAVOR

sustainability **2013** update



A MESSAGE FROM LARRY D. YOUNG

DOING GOOD THINGS WITH FLAVOR

Dr Pepper Snapple Group (DPS) operates upon a simple principle: Say what you're going to do, and do what you say. We understand that the choices we make every day affect the health of our communities and environment. For this reason, corporate social responsibility (CSR) at DPS is about taking ACTION to ensure our choices leave a positive impact on our hometowns, workforce, shareholders, customers and natural resources.

This year, DPS celebrates our five-year anniversary as a publicly traded company, and as you read our 2013 CSR Update, you will see how we've held ourselves accountable for being good corporate stewards. Since our inaugural report in 2010, we've made considerable progress toward many of our five-year goals, including achieving our goal two years ahead of time of having 50 percent of our innovation pipeline focused on health and wellness. We heard the increasing demands of our consumers for reduced or low-calorie products and responded, with 55 percent of our pipeline now concentrated on providing low or no-calorie products, better nutrition or packaging that supports portion control.

We've also held ourselves accountable by communicating our environmental, social and governance (ESG) progress to a broad range of stakeholders, including institutional investors and non-governmental organizations. As part of this effort, we participated in some key ESG indices, including the Dow Jones Sustainability Index, the Carbon Disclosure Project, Newsweek Green Rankings and the Bloomberg Sustainability Disclosure. In 2012, we maintained or slightly improved our position in two of these four surveys and substantially increased our rankings in the other two. Among other recent accomplishments:

- We were named to The Civic 50, a list of the 50 S&P 500 companies that best use their time, talent and resources to improve the quality of life where they do business.
- We joined the elite ranks of the United Way Global Corporate Leadership Program.
- Our headquarters building earned one of the first multi-use building Leadership Energy and Environmental Design (LEED®) Gold certifications.
- To further validate our external reporting, we obtained third-party assurance from TruCost on our greenhouse gas and water consumption data, as well as on our approach to stakeholder engagement.

Our employees remain the driving force behind everything we do. DPS has established a business environment in which our employees have the opportunity to grow as leaders, thrive in their careers and embrace the unique perspectives and ideas others bring to the table. As the demographics of our market continue to evolve, we are preparing our employees through various programs, assignments and training that will help develop their skill sets and expertise to compete effectively in an ever-changing marketplace.



A MESSAGE FROM LARRY D. YOUNG

DOING GOOD THINGS WITH FLAVOR

Over the years, we've increased our engagement with various stakeholder groups, from employees to non-governmental organizations. This engagement has been influential in improving our processes and the accuracy of our data collection and reporting. As we continue our CSR journey and our work with our stakeholders, we are finding more efficient ways to operate. In addition, their guidance and participation in our CSR efforts have helped support our ability to do good things through volunteerism and donations to organizations and causes that are aligned with the concerns and challenges our society and environment face.

Being the best beverage business in the Americas goes hand in hand with how we coexist within the world around us. Through the years, DPS employees have been committed to driving our CSR goals through local sustainability efforts, charitable donations, volunteerism and corporate initiatives such as rapid continuous improvement. Going forward, I fully expect us to continue making bold and courageous decisions that will reflect our dedication to doing good things with flavor as we strive to be an ever-stronger corporate citizen.

Regards,

LARRY D. YOUNG

President & Chief Executive Officer



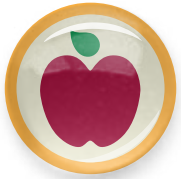
OUR 5-YEAR GOALS

DOING GOOD THINGS WITH FLAVOR



Environmental Sustainability Goals...

- 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.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 90% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns.



Health and Wellness Goals...

- 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.



Philanthropy Goal...

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



Workplace Goals...

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



Ethical Sourcing Goal ...

- Conduct a regular risk assessment of our supply base and audit any high-risk suppliers identified to ensure full compliance with our Ethical Sourcing Code of Conduct.



STAKEHOLDER ENGAGEMENT

DOING GOOD THINGS WITH FLAVOR

At DPS, we seek out insight and expertise that will help us go above and beyond the expectations of a beverage provider. For this reason, we engage with various internal and external stakeholder groups to gain their perspectives as we work to improve our workplace and contribute to the communities we touch, while making wise use of our natural resources.

We believe there are significant value-creating opportunities to work with stakeholders to identify the products, technologies and solutions best suited to address national, regional and local sustainability challenges. Our work with stakeholders ranging from non-governmental organizations (NGOs) to our own employees enables us to better understand our environmental and social impacts, proactively strengthen our relationships with local and federal officials, and anticipate issues and take constructive action to resolve them.

We know that becoming more transparent and having an open and direct dialogue with our stakeholders gives us an opportunity to communicate the good things we've already achieved as well as enhance our CSR goals and strategy to become a better corporate steward.

Our Approach

We take a collective, cross-functional approach to engaging with stakeholders, which is facilitated by our head of sustainability. We consider all stakeholder engagement requests and apply a structured approach to determine to what extent we engage with stakeholders at a corporate level, while allowing our local manufacturing and distribution sites the flexibility to engage with stakeholders in their communities. At the same time, our government affairs team works independently to manage relationships with elected officials and political organizations.

In public-facing documents such as our annual sustainability report, corporate website, U.S. Securities and Exchange Commission filings and socially responsible investor survey responses, we provide stakeholders with a wide range of information about our company. Likewise, our internal communications and training materials educate DPS employees on our sustainability efforts and on our company's practices broadly, enabling them to incorporate sustainability into their jobs and to speak knowledgeably with stakeholders about our CSR agenda. We actively solicit feedback via these channels.

Our Criteria

In consultation with Business for Social Responsibility, we assess the following attributes to evaluate our stakeholders for engagement:

- **Connection to Industry:** Stakeholders with a significant connection to the beverage industry are more likely to benefit from our engagement and benefit us in return. The extent to which stakeholders are actively involved with companies is a reflection of their willingness to engage, but it's also an indicator of the ability to develop and sustain relationships with the private sector.
- **Knowledge:** The level of knowledge about particular subject areas; stakeholders vary not only in the depth of their knowledge but also in the type of knowledge (practical or theoretical) that they possess.

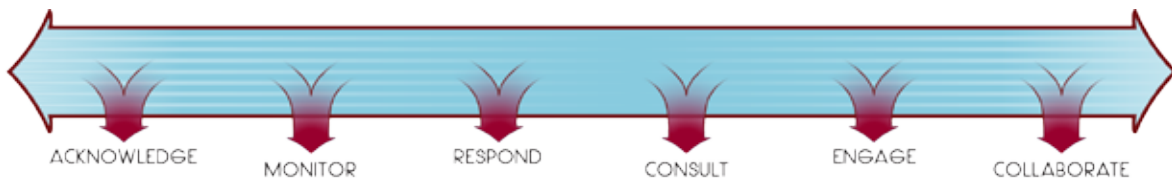


STAKEHOLDER ENGAGEMENT

DOING GOOD THINGS WITH FLAVOR

- **Credibility:** The degree of independence from DPS (financial and the like) and how the organization or individual is perceived by other stakeholders.
- **Influence:** The influence of a stakeholder depends on the breadth of organizations and people that it touches and the depth and intensity of this contact.
- **Willingness to Engage:** Not all stakeholders are willing to engage with companies and/or other organizations, and this criterion becomes more relevant with respect to those that have a more skeptical view of the business sector.

Based on the outcome of the assessment, each stakeholder is addressed in one of the following ways:



Non-Governmental Organizations

We routinely engage NGOs to leverage their areas of expertise or interest to help shape our CSR processes and tracking methods. Through these relationships, we've been able to better identify sustainability priorities that will support both our business model and the expectations of our stakeholders. We've established a solid relationship with a wide range of NGOs covering everything from our human rights policy to environmental stewardship. For example, their guidance has helped enhance our Ethical Sourcing Code of Conduct.

Shareholders

A sustainable business is one that delivers value for investors. We've established mutually supportive relationships with our investors built upon genuine respect for their perspectives and position. Our shareholder interactions allow DPS to identify and address environmental, social and governance (ESG) issues of interest or concern to our investors and the general public.

With their guidance and support, we've enhanced our recycling programs, strengthened our Human Rights Policy, created more robust guidelines for responsible marketing to children and developed a Political Contribution Policy. Also, by constantly monitoring the needs of our stakeholder groups, we have been able to respond to changing expectations by modifying our board term limits early on from three years to one year.



We're committed to responsibly marketing and advertising our products and have developed robust guidelines for responsible marketing to children.



STAKEHOLDER ENGAGEMENT

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Elected Officials

DPS's government affairs team works directly with elected officials regarding issues that are of interest to our consumers and customers and/or could potentially impact our business. This engagement has contributed to broader industry efforts that have helped increase consumer education about our products and industry. It's also helped prevent legislation that could have a negative impact on our business.

Philanthropic Partners

Philanthropic programs are an investment in both the sustainability of our business and in the communities in which we operate. Over the years, DPS has done good things with flavor nationally and in our hometowns through various non-profit organizations, including United Way, KaBOOM!, the Student Conservation Association (SCA), The Nature Conservancy and most recently, Keep America Beautiful. In doing so, we've been able to align our business to philanthropic interests that are a priority for consumers, customers and our people. It also has helped us better protect valuable natural resources, encourage active living and reduce our environmental impact.



Aligning ourselves with nonprofits such as KaBOOM! has allowed us to restore areas that are important to improving our communities.

Employees

We know our CSR action plan cannot be achieved without the full support and engagement of our employees. We have advanced our CSR goals more effectively by engaging every level and area of our business, from frontline employees to executive leaders, in various sustainability practices and activities.

In 2012, we established a Sustainability Steering Committee (SSC) to provide guidance to our executive leadership team related to ESG activities. The SSC supports existing ESG-related initiatives within DPS as well as monitors emerging trends for future opportunities. We've since expanded the larger committee with sub-committees that include field employees and senior management. These teams are tasked with implementing robust plans and policies for achieving our CSR goals and monitoring our progress.

Additionally, we have bolstered employee understanding and activation behind CSR by providing turnkey materials designed to mobilize employees as CSR ambassadors with customers and other external stakeholders. Our volunteer participation also has increased due to employee-led volunteer opportunities and philanthropic campaigns such as United Way.

The Nominating and Corporate Governance Committee of the Board of Directors has oversight responsibility for DPS's sustainability efforts, including health and wellness, philanthropy, environment, workplace and ethical sourcing. The committee is responsible for periodically reviewing DPS's legislative priorities, activities related to the political action committee (PAC), political activities independent of the PAC, our CSR goals and progress, and potential stockholder proposals and issues.



By 2015 DPS will ...

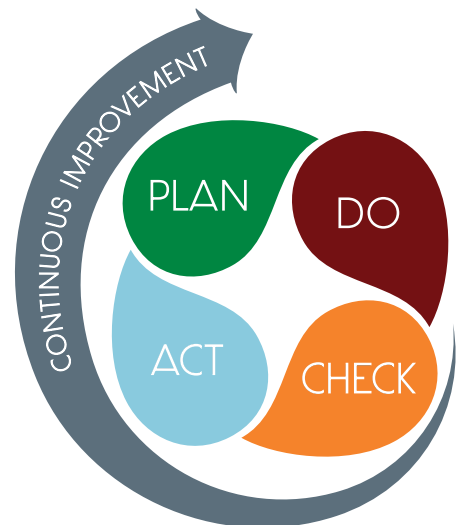
- Improve energy efficiency and reduce CO₂ from emissions in manufacturing by 10% per gallon of finished product.
- Increase product shipments per gallon of fuel used by 20%.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 90% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns.

At DPS, our commitment to delivering great brands brings with it a responsibility to sustain the natural resources we use to create them. Over the last several years, we have aligned and integrated our operations to better serve our customers and consumers while increasing energy efficiency, reducing our waste stream and lowering the amount of water and other resources used per gallon of finished product. Our employees also are doing their part to help attain our environmental goals by partnering with local organizations to identify new opportunities to work sustainably.

We've made significant changes in the way we handle our finished goods inventory and the distribution of our products that have resulted in our energy and water consumption remaining relatively flat. At the same time however, these changes have driven improvements in the greenhouse gas emissions related to the distribution of our product.

To ensure the strength and efficacy of our environmental guidelines, policies and controls, we have established an environmental management system (EMS) within our manufacturing operations as part of our overarching environmental, health and safety (EHS) function. Following a plan-do-check-act (PDCA) cycle made popular by Dr. W. Edwards Deming, our EMS provides a roadmap for how we address the immediate and long-term impacts of our operations and processes on the environment.

Using the Bloomberg BNA audit tool to measure our performance against federal, state and local regulations, as well as gap analyses conducted by our EHS team at each of our sites every two years, we've established a consistent approach to how we allocate resources, assign responsibilities and evaluate our practices, procedures and processes to address environmental concerns.



Environmental Management System PDCA Cycle



ENVIRONMENTAL SUSTAINABILITY

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Energy Conservation

In 2011, we reported 270 million kWh of electricity as the new baseline for our 2015 energy conservation goal, reflecting improvements in our data-collection processes. Our target for 2015 remains 0.15 kWh per gallon of finished product. Last year, we used approximately 0.17 kWh of electricity in our manufacturing operations to produce approximately 1.6 billion gallons of product.



While progress corporate-wide remained relatively flat in 2012, we achieved several wins at the site level. Our headquarters in Plano, Texas, for example, became one of the first facilities to earn a multi-use facility LEED® Gold certification in the Existing Building: Operations and Maintenance™ category. By implementing sustainable practices such as installing a heat exchanger, identifying lighting efficiencies across

the property and creating a Green Team to promote energy reduction activities, we reduced our energy usage at the site by more than 1 million kWh. All told, we reduced our building operating budget by 25 percent and gained \$500,000 in cost savings year on year.

Additionally, we are using less energy across our distribution network, as process improvements in manufacturing and delivery have enabled us to keep fewer products in storage at any given time. This has resulted in a reduction of more than two million square feet of building space to support our warehouse direct system over the last five years – space that DPS no longer has to heat, light or maintain.

Our efforts to replace outdated vending machines and coolers continue to drive additional energy efficiencies outside of our operations, lowering costs and improving services to our customers. In 2012, we replaced more than 15,000 older units with Energy Star-rated coolers and vending equipment, which brings us to 81 percent of our goal to replace 60,000 units by 2015.

BY THE NUMBERS

\$500,000

DPS's cost savings after implementing energy reduction initiatives that earned the Plano site a LEED Gold certification.

81%

How close DPS is to achieving our 2015 goal of replacing 60K cold drink units with Energy Star-rated coolers and vending equipment.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

Fuel Conservation

We have seen significant improvement in the reduction of the emissions related to our third-party logistics operations. We saw nearly a 14 percent reduction from 2011 in greenhouse gas emissions from fuel consumption, due in part to optimizing the way we distribute our products. For example, by maximizing our freight loads and improving our hub-and-spoke distribution network we have successfully removed nearly 9 million miles from our transportation footprint over the last several years. In 2012, we used intermodal transportation for 90 percent of our product shipments that traveled more than 500 miles from our manufacturing plants to our distribution centers, an improvement of 10 percent over the prior year.

Furthermore, approximately 88 percent of our freight tonnage delivered by third parties was handled by Environmental Protection Agency (EPA) SmartWay certified carriers. DPS continues to strengthen our partnership with SmartWay by proactively reporting to the EPA and continuing to add green vehicles to our small fleet, which includes pickup trucks, vans and cars. In 2012, we purchased an additional 197 vehicles, bringing the total number of green vehicles in this fleet to 1,535.

Water Conservation

As a beverage company, DPS will always have an important role in water stewardship. We've committed to reducing manufacturing water usage and wastewater discharge by 10 percent per gallon of finished product by 2015. There remains an opportunity for improvement, but our water consumption remained flat in 2012.

Last year, we used approximately 3.2 billion gallons of water to produce 1.6 billion gallons of product, which equates to approximately two gallons of water used per gallon of finished product. Our wastewater discharge was approximately 1.6 billion gallons, which equates to 0.92 gallons of wastewater per gallon of finished product.

In early 2013, DPS took a greater step toward water conservation with the installation of a new wastewater treatment system at our Houston, Texas, facility. With this innovative new system by Baswood – a company that offers innovative and sustainable technology-based solutions to wastewater and biosolids treatment – we will significantly reduce the plant's organic loading, which will allow DPS to minimize its burden on the City of Houston wastewater treatment operations and increase the city's capacity to treat wastewater from other industrial customers.

BY THE NUMBERS



The amount of tonnage delivered by third-party EPA carriers in 2012.

1,535

The total number of green vehicles in our small fleet.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR



DPS's new wastewater treatment facility with Baswood founders Edward Norton and Woody Harrelson.

Our efforts to conserve water extend across our North American business, including our Latin American operations. Our Grupo Peñafiel business conducts reforestation projects at local biosphere reservations to help preserve the soil and reduce runoff. As part of this effort, we've implemented a hydroponic initiative to kick-start the environmental development of the Rancho Cabras community, a remote area with the greatest erosion in Tehuacan, Mexico. ("Hydroponic" refers to an agricultural process of growing plants without soil and is estimated to use 90 percent less water than traditional soil farming.) Grupo Peñafiel provided the tools and training to help support more than 50 families living in the Rancho Cabras community to establish sustainable agriculture as well as create a natural water conservation system to improve soil fertility.

Reducing Waste

We recognize there is a significant opportunity to reduce, reuse and recycle the plastic, aluminum and other materials we use to put our products in the hands of our consumers. In 2011, we surpassed our original recycling goal set in 2010 by recycling 81 percent of our manufacturing solid waste, so last year we set the bar higher, establishing a new 2015 goal of 90 percent. In 2012, DPS recycled 82 percent of our manufacturing solid waste, diverting more than 32,000 tons of waste from landfills. In addition, we've conserved 15 million pounds of plastic in 2012 through PET lightweighting, putting us on pace with reaching our 2015 lightweighting goal. To date, PET lightweighting and redesign have saved DPS more than \$38 million.

BY THE NUMBERS



2013

The year DPS installed a new wastewater treatment system at our Houston site to reduce both cost and our impact on the environment and public resources.

50

The number of families in Rancho Cabras that Grupo Peñafiel assisted in implementing sustainable agricultural practices.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

Many of our recycling achievements have been chiefly driven at a local level. Working with third-party recycling organizations, DPS has increased the efficiency of our landfill diversions, while also increasing revenue for the company. In 2012, our facility in Columbus, Ohio, showed its commitment to becoming a greener business by being one of the sponsors of the city's RecyColumbus event to celebrate America Recycles Day. The team also joined the Columbus Green Spot program to better engage and educate local businesses and communities on ways to reduce, reuse and recycle; conserve and protect water; conserve energy and encourage green travel locally.

We're focusing our recycling efforts externally as well. In 2013, DPS partnered with Keep America Beautiful (KAB) for a one-year, \$300,000 collaboration to promote consumer recycling. DPS and KAB are partnering to fund the placement of recycling bins that will provide citizens visiting public parks greater access to recycling systems. This investment in consumer recycling will help increase recycling in city, regional and state public parks across the country.

BY THE NUMBERS



million pounds

The amount in plastic DPS saved through PET lightweighting.

\$300,000

How much DPS is contributing to Keep America Beautiful to help promote consumer recycling.



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.

We're pleased that in 2012 we exceeded our goal to have 50 percent of our innovation pipeline dedicated to health and wellness, with a full 55 percent of the pipeline focused on reducing calories, offering smaller sizes and improving nutrition. At DPS, we firmly believe consumers have the right to make beverage choices that fit their lifestyles. This is why our portfolio offers everything from full-flavored beverages to reduced or low-calorie options, as well as packaging that supports portion control. We even have options beyond the beverage aisle, including licensed products such as Mott's Medley fruit snacks and YoCrunch yogurt with Mott's applesauce. All told, we're committed to delivering a variety of options to help meet the ever-changing demands of our consumers and ensure they can enjoy the products that are right for them.

As obesity continues to be a serious health concern, DPS is taking ACTION to be part of the solution by providing products, programs and resources designed to help consumers balance both the calories consumed with the energy expended on physical activity. In addition to expanding our portfolio with new reduced or low-calorie options, we're providing calorie information on our packaging and vending machine selection buttons to assist consumers in making the best decisions for their families. We've also established partnerships to support fit and active lifestyles in communities nationwide and worked with industry, government and non-governmental organizations, communities and schools to help educate consumers about the importance of balancing calories in and calories out.

Calories In

Consumers are turning increasingly to products with improved nutrition as part of a comprehensive approach to managing their wellness. To meet the growing demand for reduced or low-calorie products, last year, we made a companywide effort to expand our TEN™ portfolio after the success of Dr Pepper TEN in 2011. With breakthrough innovation, we developed five additional TEN flavors that deliver the great taste of a full-flavored carbonated soft drink (CSD) but with only 10 calories per 12-oz. serving.

In Mexico, more than half of Grupo Peñafiel's beverage portfolio was concentrated on health and wellness in 2012. In early 2013, Grupo Peñafiel launched a lower-calorie portfolio with Peñafiel Light, a CSD with mineral water, several great flavors and no calories. In addition, Diet Rite Cola, a zero-calorie soft drink that contains no sugar, became the only CSD endorsed by the Mexican Federation of Diabetes.



DPS is expanding our reduced or low-calorie portfolio to provide additional beverage options for consumers.



We recognize that consumption habits start at an early age, so we work to provide parents with options their kids can enjoy. In Canada, our Canada Dry Mott's business introduced Mott's Fruitsations+Veggies cups to provide kids on the go with a serving of fruits and vegetables (2/3 fruit and 1/3 vegetables) in a single serving to re-energize their day. In 2013, DPS extended our Hawaiian Punch line to include Hawaiian Punch Aloha Morning. It provides families a delicious juice drink option in the morning with 40 percent less sugar than other leading juice drinks.

Calories Out

In 2012, DPS celebrated the two-year anniversary of our Let's Play program, a DPS-led community partnership to get kids and families active by providing the tools, places and inspiration for play. We're more than halfway through our first Let's Play initiative – a \$15 million, three-year partnership with KaBOOM! to build or fix up 2,000 playgrounds. To date, we've built or restored 1,154 playgrounds in communities across the U.S., Mexico and Canada.

DPS also has gone beyond playgrounds to motivate kids to get active through sports and physical activity. To that end, we've partnered with Good Sports, an organization that has provided more than \$6 million in sports equipment to nearly 750 youth programs to increase youth participation in sports and recreational activities. In 2012, we awarded more than \$68,000 in grants toward sports gear and equipment that benefitted approximately 10,000 children in various sports clubs and organizations. For instance, we helped purchase soccer balls and uniforms for the Union City Soccer League in Union City, Calif., a program started by a local high school coach to give kids a chance to play competitive soccer outside of a school setting.



Through our Good Sports partnership, Canada Dry Mott's developed a Random Acts of Play program and donated \$28,000 worth of sports equipment to 4,500 children visiting community centers. A few of the organizations that were supported by Random Acts of Play include Toronto Kiwanis Boys and Girls Club, Pakmen Volleyball Club of Mississauga, Langara Family YMCA of Vancouver, The YMCA of Sault Ste. Marie, Calgary Cyclones Football Association, The Boys and Girls Club of Cole Harbour, Blair Court Community House of Ottawa and Dawson Community Centre of Montreal.



Nutritional Awareness

DPS has a responsibility to our consumers to be transparent about our product ingredients and provide nutritional facts at their fingertips. It's one of our top priorities to help consumers, especially parents, make informed decisions while they shop.

As an extension of an industry-wide initiative to add front-of-pack calorie labeling to our products, in 2013, DPS and our beverage industry partners worked together with the American Beverage Association (ABA) to launch the Calories Count™ vending program. This initiative encourages lower-calorie beverage choices and reinforces the message that calories count in all choices consumers make. On the front of vending machines in participating locations, consumers will see Calories Count™ snipes that include one of the following messages: "Check Then Choose" or "Try a Low-Calorie Beverage." The selection buttons also will include calorie labels that show calorie counts per beverage container.



In addition, DPS continues to drive awareness of our DPSProductFacts.com site, which offers nutritional information and various portion options for all of our brands. Grupo Peñafiel also is encouraging beverage choices by participating in Mexico's "Alliance for Healthy Lifestyles" and "Choose to be Good to Yourself" health and wellness campaigns organized by ConMéxico, which is equivalent to the ABA in the U.S., and The Mexican Foundation for Health, an organization that studies the economic impact of obesity in Latino children.



CORPORATE PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

By 2015 DPS will ...

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

Through grant-giving, program partnerships and disaster relief, DPS is committed to driving meaningful change by doing good things with flavor. In 2012, DPS was named to The Civic 50, a list of the 50 S&P 500 companies that best use their time, talent and resources to improve the quality of life where they do business.

DPS's ACTION Nation platform plays an instrumental part in how we foster physically active, engaged and sustainable communities where our employees, customers and consumers live and work. Volunteerism is an important part of this effort, and we're pleased that our employees have taken ACTION to change lives by dedicating their time to make a difference in their communities. In 2012, DPS employees contributed more than 24,000 volunteer hours to philanthropic activities, totaling nearly 80,000 hours since 2010, which places us more than four-fifths of the way to our 2015 goal of 100,000 employee volunteer hours within five years.

DPS gave approximately \$9.3 million in cash and \$2.6 million in product donations to a wide variety of causes in 2012. In addition, we have provided more than \$3 million in cause-related marketing to organizations such as the Muscular Dystrophy Association and Scholarship America in support of our Dr Pepper Tuition Giveaway program.

We focus the majority of our philanthropic activities and volunteerism in four key areas:



FIT AND ACTIVE LIFESTYLES



ENVIRONMENTAL INITIATIVES



EMERGENCY RELIEF



HOMETOWN GIVING



CORPORATE PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

Fit and Active Lifestyles

Throughout 2012, DPS continued to provide children and families with safe places to play and the resources needed to make physical activity a priority. As part of Let's Play, a DPS-led community partnership designed to get kids and families active nationwide, DPS employees alone volunteered 4,600 hours in 2012, with many more thousands of volunteer hours contributed by local nonprofits. DPS-led playground builds and grants awarded to communities nationwide gave more than 1.5 million kids a chance to experience their dream playground. As an example, in Fort Lee, Va., an army of people including DPS employees and many of the military's finest joined together to construct a 3,400-square-foot playground for the more than 70,000 soldiers and their families that pass through the Fort Lee base each year.

Where Are They Now? - The McKees Rocks, Pa., Playground



In August 2011, 200 DPS employees didn't really realize the tremendous impact a new playground for the McKees Rock borough, just outside of Pittsburgh, Pa., would have on helping to return the spirit of a once-broken community.

In 1970, McKees Rocks was once a booming railroad and mill town with thriving businesses and families. Over the years, the mills slowly closed and their railroad business became obsolete. Although the community had a long road ahead of them to completely turn around their distressed town, DPS's Let's Play program gave the community the spark they needed to begin to uplift the community and bring families back to McKees Rocks. In 2012, a year after its construction, the brightly colored playground, now called Third Street Park, helped return a sense of pride and brought a new glimmer of hope to people in the town. The park's presence motivated a local landlord to purchase and renovate the vacant duplexes that sat directly across from the park to attract new families. Another community member created a local parents group to help maintain the park, organize monthly events to be held at the park and encourage local teens to clean the park as community service.

Environmental Initiatives

DPS is committed to taking an active role in philanthropic sustainability efforts at the national and local level. One of the ways we do so is through our partnership with the Student Conservation Association (SCA), the largest youth conservation organization in the U.S. dedicated to natural resource conservation and environmental education. To date, DPS has contributed a total of \$600,000 to SCA, and in 2012 we helped provide more than 2,000 SCA interns with an opportunity to work on critical conservation projects at 478 sites across the U.S. including Puerto Rico and the U.S. Virgin Islands.

Additionally, DPS was one of the presenting sponsors for SCA's 2012 Earth Day program held in communities nationwide. And through our SCA partnership, 100 DPS employees contributed 400 hours in 2012 to learning more about the environment and doing their part to reduce our environmental impact during our SCA Get Outdoor Day activities. For instance, experienced SCA interns assisted our EHS team in a Get Outdoor Day event in honor of the 9/11 Day of Giving Back at Garfield Park Conservatory in Chicago, Ill., where they planted trees and restored the park.



CORPORATE PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

We've also established a four-year, \$1 million relationship with The Nature Conservancy, an organization that has maintained more than 30 ecologically important preserves and, with partners, has conserved more than 800,000 acres of land and water in Texas. Through this partnership, we're doing our part to protect watersheds and prairieland in an area home to some of our largest operations. For example, our funding has provided the Clymer Meadow Preserve in North Texas an opportunity to improve upon their conservation techniques and share them worldwide. At the Pierce tract, which is 70 acres of prairieland, The Nature Conservancy is using our donations to repair the primary ecological process that prairie ecosystems provide such as water, energy and nutrient capture. In the future, funding from DPS will support work at four additional preserves: Love Creek Preserve and Cibolo Bluffs near San Antonio, and Nash Prairie and Texas City Prairie Preserves near Houston, Texas.



**KEEP AMERICA
BEAUTIFUL**



In addition, in 2013, DPS donated \$300,000 to Keep America Beautiful to fund the placement of recycling bins to provide citizens visiting public parks greater access to recycling systems in city, regional and state public parks across the country.

Emergency Relief

Our four-year commitment to the American Red Cross and its Annual Disaster Giving Program (ADGP) also has enabled us to provide assistance to hometowns in need in the midst of natural disasters. As part of this program, DPS, along with other ADGP companies, last year contributed more than 106,000 overnight stays, 9.8 million meals and six million relief items during natural disasters such as Hurricane Isaac, Tropical Storm Debby and summer wildfires on the West coast.

Through our Employee Relief Fund (ERF), we were able to grant more than \$130,000 to employees experiencing hardship and disaster. In particular, DPS awarded ERF grants to 168 employees impacted by Superstorm Sandy.



CORPORATE PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

Hometown Giving

In 2012, we changed our fourth focus area from Community Celebrations to Hometown Giving, providing us the flexibility to better address common and vital societal issues in our communities. Doing so has enabled DPS to enhance our United Way partnership and our volunteer and giving efforts by leveraging United Way's broad network to make a larger difference.



The commitment and generosity of our employees enabled us to raise almost \$2.2 million for United Way in 2012, a 25 percent increase over the prior year. This amount included our dollar-for-dollar corporate match and surpassed our original \$2 million campaign fundraising goal. By enhancing our technology, we improved the efficiency and effectiveness of our campaign. These investments in our giving and volunteer activities have helped reinforce our role as a good corporate steward and earned us a spot within the United Way Worldwide Global Leadership Program, a distinguished group of 100 major national and global companies committed to improving lives, helping families and building opportunities to strengthen communities.

Bringing greater focus to our hometown volunteer efforts, we extended our ACTION Nation Week activities to encompass an entire month beginning in 2011, and the effort continues to gain momentum. In 2012, employees completed 50 volunteer projects, contributing more than 3,300 volunteer hours and earning \$50,000 in matching grants for different local United Way chapters, a 43 percent increase in the number of projects completed from the prior year. Under the ACTION Nation Month umbrella, employees completed ACTIONeer projects and qualified for \$1,000 grants to local nonprofits of their choice. Worthy organizations receiving these grants included Wish for Our Heroes in San Antonio, Texas, and MedShare in San Leandro, Calif., an organization dedicated to improving health care through recovery and redistribution of medical supplies.

Furthering our dedication to doing good things, in 2013, DPS is celebrating our five-year anniversary as a publicly traded company with an employee volunteer initiative called the Give Five for Five Challenge, benefitting the hometowns that have supported us throughout the years. Our employees will volunteer together, donating five service hours per employee to a local nonprofit. Our goal is to contribute 40,000 hours and reach our 2015 volunteerism goal one year early.



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%.

It's been said that the only investment with a guaranteed return is the one we make in our people, which is why we focus considerable resources on ensuring that DPS provides a positive working environment for our 19,000+ employees. From our earliest days as a public company in 2008, we've fostered a workforce built for change to position ourselves to achieve long-term success. Our vision to Be the Best Beverage Business in the Americas and our ACTION behaviors have empowered our people to take initiative in improving the way we operate and in reaching their full potential at work.

As we continue to navigate the continued growth of our business and the changing marketplace, it's important that we provide our employees with the right tools and opportunities that will enable them to be more competitive, innovative and ultimately, to thrive. To that end, in 2012 we enhanced our programs and training to further develop the skills of our leaders and frontline employees, created opportunities for greater inclusion across the business, and shared best practices to drive excellence in execution, cut costs and reduce waste.

Diversity

Just as each of our brands brings its own flavor to our product portfolio, each DPS employee brings his or her own unique set of experiences, perspectives and backgrounds to our business. DPS is embracing those differences to drive rapid change, inspire innovation and better connect with our customers and consumers.

In 2011, we established a Diversity Leadership Council comprising members of our executive leadership team and senior management to set our diversity strategy and ensure the execution of our diversity agenda. The council and our leaders are committed to ensuring that DPS is a place where every employee is respected and appreciated for the diversity they bring to the business. In 2012, we laid the foundation for a more inclusive and diverse workplace by:

- Creating a sub-committee to plan and execute activities such as cultural awareness workshops and on-site diversity career fairs.
- Conducting Women in Leadership and Women in Sales workshops aimed at developing professional goals and objectives.
- Hiring more than 160 military veterans through local and national partnerships with veteran organizations.



We've established relationships with numerous local and national organizations to attract and recruit talent that reflects our shifting customer and consumer base. These include the MBA Consortium, the National Society for Hispanic MBAs, the National Black MBA Association – DFW Chapter, Catalyst, Inc., the National Urban League, Hire our Heroes, Milicruit, Vocational Rehabilitation Agencies, Veterans Affairs, State Veteran Commissions, the Department of Labor Women's Bureau and Goodwill Industries. Notably, DPS was named "W" Company of the Year in 2012 by the 2020 Women on Boards organization for having 20 percent or greater representation of women on our Board of Directors. In addition, we were awarded the Patriot Award Certificate of Appreciation from the Secretary of Defense for our support of the guard and reserve forces. This certification is recognition of DPS's success in hiring highly skilled and qualified members of our military.

DPS's Hispanic sales organization recently rolled out a Latino street force team, which is charged with strengthening our customer relationships with Hispanic retailers and other minority-owned businesses in our key markets. Recruited from their own communities, the team is made up of employees from diverse cultural backgrounds, education levels and languages. The street force team has partnered with retailers and community leaders to participate in local events, and their involvement is providing the marketing team with deeper insight into target markets. As a result, our teams are able to develop programs that speak more directly to what's important to consumers.

DPS is broadening our definition of diversity beyond race and gender to nurture diversity of thought and perspective. We're encouraging leaders and employees to expand their understanding of cultures through our cultural awareness workshops and by working cross-functionally to solve business challenges. For instance, we've had success in bringing together diverse thinking during rapid continuous improvement (RCI) Kaizen events. Diversity of thought will again play a role in the next stage our RCI journey of GOAL Deployment and Lean leadership track management, both of which rely on bringing cross-functional and cross-geographic teams together to solve business challenges. Likewise, in February 2013, DPS launched a companywide mentoring program to develop future leaders by matching mentors and mentees from different functions, locations and levels to encourage knowledge sharing, coaching and networking.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

Safety

DPS is on a mission to heighten safety awareness and ensure that safe working practices remain top of mind with our employees as we go about our jobs. In 2012, we launched the Drive to Zero safety campaign to underscore our efforts to reduce accidents and injuries. One of the ways we're doing this is by standardizing the way we report accidents so that we can analyze trends through a corrective action process and then implement improvements to prevent them from occurring again.

To that end, last year the DPS Safety Board tasked the business with developing a common process for reporting injuries and vehicle accidents. At the end of 2012, our EHS team launched a Safety Reporting for Employees (SAFE) system to enable more effective and efficient reporting which will then enable better root cause analysis. The system has been a key component in helping us achieve - and verify - our sustainability goal of reducing our lost-time injury frequency rate (LTIFR). We are making significant gains against our Drive to Zero objective, having reduced our LTIFR by 19 percent since 2009.

The DPS Safety Board also tasked our direct store delivery organization with reducing injuries by 50 percent at targeted sites through an in-depth education initiative called the EHS Focus Facility program. By way of example, the Tulsa, Okla., site reduced its monthly accident frequency rate from 22.7 at the end of 2011 to 3.8 within six months through its participation in the program.

Wellness

The health and welfare of our employees has a direct impact on the success of our business. For this reason, it's our responsibility not only to provide our people with a comprehensive benefits package, but also to equip them with the right information and resources to help them remain at peak performance in their daily lives.

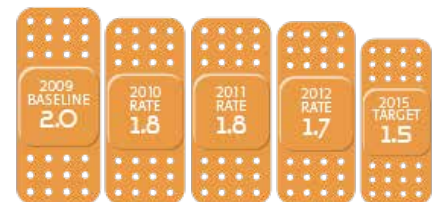
After the announcement of the Patient Protection and Affordable Care Act, we began preparing our employees early on for the changes ahead. In 2012, we encouraged DPS employees to start thinking differently about their health care by providing them with greater control over their wellness decisions and costs. We introduced two new health plans for 2013 including the Consumer-Driven Medical Plan and the Standard Plan. To help employees on their journey toward becoming good consumers of health care, DPS provided information on the new health plans via mobile sites and apps as well as educational tools. These include "People Like Me," where employees can find out what medical plans others with similar health needs were choosing, and the myHealthcare Cost Estimator, which allows employees to research available providers that specialize in specific needs and compare pricing for various treatments.



The Drive to Zero safety campaign has supported our efforts to reduce accidents and injuries.

LOST-TIME INJURY RATE

(incidents per 200,000 hours worked)



DPS has reduced our lost-time injury frequency rate by 19 percent since 2009.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

Then, we made sure DPS employees were financially prepared for the new health care changes by offering a health savings account, which allows DPS employees the opportunity to save tax-free dollars while building up funds to pay for current and future health care expenses.



Our “Take ACTION for Your Health” program also helps employees get the most out of their benefits and keep their medical expenses low. Last year, we held 10 “Know Your Numbers” events where more than 1,350 employees were in attendance to receive their health numbers such as blood pressure, body mass index and cholesterol, as well as speak with trained health professionals. Furthermore, 5,500 employees took advantage of our Personal Rewards program that launched in 2012, in which employees earned up to \$500 in gift cards as an incentive to take ACTION for their health.

Because we realize that life outside of work can have an impact in the workplace, we’ve launched DPS Life Solutions to better support our employees when life gets difficult. DPS Life Solutions is a resource through which employees can receive confidential professional assistance with everyday challenges including child care, sick parents, divorce and financial issues. The service is available 24 hours a day, and DPS employees can receive three free consultations per year within the United Behavioral Health network.

Learning and Development

DPS’s ability to evolve and grow depends upon our employees finding opportunities to lead breakthrough change within our business. Our Call to ACTION philosophy is a way of life at DPS, and it’s helped unify our employees behind a single vision of being the best at what we do.

Our Call to ACTION workshops are designed to give employees a strategic understanding of the company and to educate them on every facet of our business. Speakers from across DPS take part in these sessions by providing realistic insight into our complex business. All of our full-time, salaried employees have completed these workshops, and new hires participate in the program as part of their on-boarding process.

At DPS, we believe a true leader is someone who brings together ideas and coaches their team in achieving excellence. DPS’s investment in our leaders is taking shape as we launch the next phase of our Call to ACTION journey, Mobilizing for ACTION. Mobilizing for ACTION is a series of training sessions led by business leaders in partnership with our HR professionals that focuses on the fundamentals of raising the bar of performance – from mobilizing our people to providing effective feedback to setting SMART goals and then measuring performance against those expectations. In doing so, we’ll elevate our coaching capabilities across the business to deliver superior business results.

We believe a true leader
is someone that brings
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DPS Campus, our online university, is another tool that provides our people with access to training courses that build coaching skills and strong management fundamentals that enable their teams to succeed. In 2012, we expanded the DPS Campus audience by giving all online employees access to this training tool. This transition is part of our ongoing effort to enhance our bench strength and build a solid pipeline of future DPS leaders. We've also added a CSR training module to DPS Campus to deepen employees' understanding of our sustainability agenda and educate them on how to apply a sustainability mindset to their areas of responsibility.



ETHICAL SOURCING

DOING GOOD THINGS WITH FLAVOR

By 2015 DPS will ...

- Conduct a regular risk assessment of our supply base and audit any high-risk suppliers identified to ensure full compliance with our Ethical Sourcing Code of Conduct.



At DPS,
100% of our
high-risk
suppliers have
committed to
our ethical
sourcing
standards.



Now more than ever, beverage consumers are holding products to a higher standard. Not only do they base their purchasing decisions on whether beverages are safe and of the highest quality, but increasingly, they're also focused on whether the ingredients and packaging materials are ethically sourced.

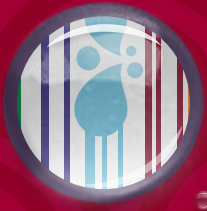
DPS is committed to inspecting what we expect of our suppliers. We ensure our brands are produced at high standards of quality and safety throughout our supply chain and are committed to using suppliers that operate in a way that provides safe working conditions, dignity and respect for their employees. We seek commitment to our Ethical Sourcing Code of Conduct and require our suppliers to adhere to this code or participate in the Supplier Ethical Data Exchange.

In assessing our supply base, we segment our suppliers into low-, medium- and high-risk categories. We use a third-party risk assessment tool to more accurately segment our suppliers and identify those that are "high-risk." Together, these activities help define the DPS roadmap for ethical sourcing. As a result of this process, the number of our suppliers in the high-risk segment has been reduced by 50 percent over the previous year, with many suppliers transitioning to our medium- or low-risk segments based on our learnings.

Currently, 100 percent of our high-risk suppliers have committed to our ethical sourcing standards. This provides a solid foundation for our future efforts as we turn our focus to our ongoing plans to audit all of our high-risk suppliers to achieve our goal by 2015.

Supplier Diversity

While we have not established a specific goal related to our supplier diversity spend, DPS strives to work with suppliers that represent the communities in which we operate. In 2012, we spent nearly \$5 million with businesses that are either wholly or majority owned by women and minorities, and an additional \$2 million with disadvantaged businesses. In total, our diversity supplier spend accounted for 3.3 percent of our direct and indirect supplier expenditures in 2012.



ECONOMIC IMPACT

DOING GOOD THINGS WITH FLAVOR

Net Sales

\$6 billion

Goods Purchased

\$2.5 billion

Taxes Paid

Total - \$724 million

U.S. Federal - \$626 million

State/local - \$88 million

International - \$10 million

Wages, Benefits and Payroll Taxes

\$987 million (Note: Some additional people costs are represented in Goods Purchased.)

Community Investments

Financial Contributions - \$12.3 million

(Philanthropic: \$9.3 million; cause-related marketing: \$3 million)

Product Donations

\$2.6 million (DPS cost)

Volunteerism

24,343 hours (Valued at approximately \$280,000)

Returns to Shareholders

In 2011, DPS returned \$684 million to shareholders in the form of share repurchases (\$400 million) and dividends (\$284 million).



ADDITIONAL INFO

DOING GOOD THINGS WITH FLAVOR

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, 2012, 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.