KDP Climate Risk Management Report (January 1st, 2025 – January 1st, 2026)

Company Introduction

Keurig Dr Pepper Inc. (KDP) is a leading beverage company in North America that manufactures, markets, distributes and sells hot and cold beverages and single serve brewer systems. KDP has a broad portfolio of beverage brands including Dr Pepper, Canada Dry, Mott's, A&W, Penafiel, Snapple, 7UP, Green Mountain Coffee Roasters, GHOST, Clamato, Core Hydration and the Original Donut Shop, as well as the Keurig brewing system. We have a portfolio of more than 125 owned, licensed, and partner brands, as well as powerful distribution capabilities.

Everything we do at KDP starts with our purpose. In 2024, we elevated our long-standing platform for corporate responsibility, Drink Well. Do Good., as the ideal characterization of our company's purpose and a reflection of how and why our approximately 30,900 employees contribute beyond the bottom line. With a vision to offer a beverage for every need, anytime and anywhere, KDP lives that purpose by delivering great brands, great experiences, and great impact.

As a leading beverage company, KDP recognizes the risks that climate change presents to people and the planet. Addressing climate change and its impacts on nature is complex and requires scalable system changes. Core to our approach is the use of credible standards, robust disclosures, intentionally designed roadmaps to goals, public policy support and collective action. In line with TCFD's Final Report of Recommendations, the following report outlines KDP's approach to climate risk management, split into the following four sections: Governance, Risk Identification, Risk Management Strategy and Metrics and Targets.

We are continuously looking for improvement opportunities and recognize that there are areas in our disclosure that can be expanded upon to provide additional information on KDP's climate strategy, including, providing further details on how risks and opportunities impact KDP's decision making, examples of how identified risks were addressed in practice, and more explicitly mapping risks and opportunities to set time horizons. We will continue to address these gaps by strengthening and expanding our current workstreams and disclosures.

Governance

The following governance processes, controls and procedures are used by KDP to monitor, manage and oversee climate related risks, for the company and its subsidiaries. The skills and characteristics of KDP's Board, members of the Issues Management Steering Committee and Working Group, ESG Disclosure Committee and and Sustainability team are regularly reviewed to ensure all bodies and individuals best represent KDP's operating requirements, strategic needs and long-term business interest.

Governing Body	General Responsibilities	Climate Specific Oversight	Meeting Frequency
KDP Board of Directors	KDP's Board of Directors directly oversees KDP's Impact Strategy and Impact goals.	KDP's Board of Directors reviews KDP's Impact strategy quarterly. Reviews focus on climate related issues and other KDP impact categories. This process informs the Board's oversight of progress against KDP's impact strategy and influences the implementation of risk management policies as needed.	Bi-quarterly

Issues Management Steering Committee and Working Group	The Issues Management Working Group is responsible for the strategic and proactive management of priority and emerging issues, coordination with Trade Associations and business memberships and advising business on implementation/execution of issue resolution projects. The Issues Management Working group reports into the Issues Management Steering Committee which is composed of cross-functional Leadership Team members and provides strategic advice, direction and decision making where necessary	The Issues Management Working Group identifies and responds to climate-related regulatory changes.	Monthly
ESG Disclosure Committee	The ESG Disclosure Committee oversees the control environment for sustainability reporting, ensuring that ESG data is supported by robust processes and appropriate assurance	The ESG Disclosure Committee validates third party assurance standards for all climate related disclosures	Quarterly
Chief Corporate Affairs and Sustainability Officer (and corresponding team)	The Chief Corporate Affairs and Sustainability Officer reports to the General Counsel. They are responsible for the development of KDP's Impact Strategy as well as the day-to-day management of KDP's Impact program.	The Chief Corporate Affairs and Sustainability Officer and their corresponding team are responsible for the development and execution of climate-related targets	Ongoing

Risk Identification

KDP uses a variety of approaches, including enterprise-wide risk assessments, materiality analyses[1] and scenario planning, to identify and assess climate-related risks and opportunities.

KDP's Enterprise Risk Management (ERM) is a periodic process designed to identify potential risks that may significantly impact progress towards the company's objectives. KDP defines 'substantive impact' as risk that could cause material financial change to our business; a climate related 'substantive impact' is a risk to our business which could be based on any or a combination of the following:

- Frequency of Impact: A single (or multiple) occurrence over a 10-year time horizon
- Disruption to Production: Disruption at our manufacturing or distribution facilities and/or the facilities of our suppliers, bottlers, contract manufacturers or distributors
- Implementation of climate-related U.S. and/or international laws and regulations that could adversely affect our business
- Weather, natural disasters, and/or resource constraints

In addition to monitoring and identifying climate related risk through our ERM processes, KDP regularly conducts materiality assessments to identify and understand the social and environmental issues that are most important to our organization and stakeholders. In 2024 and 2025, KDP performed an Environmental, Social and Governance (ESG) double materiality analysis using guidance from the European Sustainability

[1] *The definition of materiality with respect to ESG issues in this report is different than the definition of materiality in the context of our filings with the Consumer Health & Well-Being Employee Health, Safety & Well-Being Corporate Governance & Ethics Appendix U.S. Securities and Exchange Commission (SEC). The identification of material issues that guide our KDP Impact approach should not be construed as a characterization regarding the materiality or financial impact of such issues or related information to investors in KDP. A discussion of the risks that are material to investors in KDP can be found on our Form 10-K for the year ended December 31, 2025, filed with the SEC, our subsequent Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K. All can be found on our website.*

Reporting Standards (ESRS). An extensive group of internal stakeholders across KDP's business were consulted in the development of the double materiality assessment to ensure that all parts of the business were represented. The high impact climate related topics identified in our double materiality matrix include, but are not limited to, Greenhouse Gas (GhG) Emissions, Energy Use/Renewable Energy and Business Continuity and Resiliency.

To add more granularity to the risk assessments outlined above, KDP conducted a quantitative climate scenario risk analysis based on two climate scenarios, SSP1-26 (2.0C temperature increase) and SSP 5-8.5 (4.5C temperature increase). The analysis included low and high emissions scenarios, projecting potential impacts in 2030 and 2050 as well as an assessment of climate related physical risks, chronic and acute, to KDP's operations, supply chain, and associated agricultural growing regions.

Risk Management Strategy

Climate change is already affecting the agricultural sector, and disruptions to crop growing conditions are expected to increase with extreme weather events, increasing temperatures, and changing water availability. Disruptions to crop growing conditions can cause changes in geographical ranges of crops, as well as weeds, diseases, and pests that affect those crops. These impacts have in the past and may in the future limit availability or increase the price volatility of key agricultural commodities, such as coffee, corn, citrus, cocoa, and apples, which are important sources of ingredients for our products. Based on the inputs above, and informed by past climate-related events and impacts, KDP has identified two risks with the potential to have substantive financial or strategic impact on our business:

- Disruptions to KDP's supply chain due to severe weather events, and
- Disruptions to KDP's operations driven by severe weather events.

The following section provides additional details on the risks identified, the potential impact of those risks on KDP's business and the actions KDP has taken to mitigate our exposure and foster resilience.

Disruption to KDP's supply chain due to severe weather events: *Physical risk; short-, medium- and long-term impacts; coffee, apple and corn supply chain*.

Adverse weather conditions may affect the supply of agricultural commodities from which key ingredients for our products are derived.

Volatility in coffee prices can impact our ability to enter into fixed-price purchase commitments, and we frequently enter into "price-to-be-fixed" supply contracts in which the quality, quantity, delivery period, and other negotiated terms are agreed upon, but the date, and therefore price, at which the base coffee commodity price component will be fixed has not yet been established.

When input prices increase unexpectedly or significantly, we may be unwilling or unable to increase our product prices or unable to effectively hedge against price increases to offset these increased costs without suffering reduced volume, revenue, margins, and operating results. To the extent that price increases are not sufficient to offset higher costs adequately or in a timely manner, or if they result in significant decreases in sales volume, our financial condition or results of operations may be adversely affected. In addition, price decreases in commodities that we have effectively hedged could also increase our cost of goods sold for mark-to-market changes in the derivative instruments.

KDP strives to mitigate the potential impacts of severe weather on our supply chain by:

- Committing to support regenerative agriculture and conservation on 250,000 acres of land by 2030 via targeted projects within our apple, coffee and corn supply chain. A regenerative approach to agriculture can create many benefits, such as enhancing soil health, improving water quality, and potentially reducing greenhouse gas emissions, mitigating deforestation and ecosystem resilience
- Supporting World Coffee Research, a nonprofit agricultural research organization seeking to protect and enhance supplies of climate-adapted, quality coffee
- Ensuring a continuous supply of high-quality raw materials by including long-term purchase commitments for certain strategic raw materials.

Disruptions to KDP manufacturing operations due to severe weather events and/or resource constraints - *Physical risk; short, medium and long term impacts; KDP manufacturing operations*.

Climate change may increase the frequency or severity of natural disasters and other extreme weather conditions, such as flooding, hurricane and tornado damage, and extreme heat, which could pose physical risks to our facilities.

In addition to the physical risk to KDP facilities, climate change can also result in resource scarcity. As a company dependent on water for our beverage products, the inability to source high quality water poses a key risk. As water becomes scarcer, water quality may also deteriorate. Whether due to the effects of climate change, or heightened requirements on water purification and filtration we may experience increased production costs; manufacturing constraints; supply chain disruption; higher compliance costs; increased capital expenditures; the interruption or cessation of operations at, or relocation of, our facilities or the facilities of our business partners; challenges to efficiency gains due to higher water usage in compliance with more stringent water quality standards; failure to achieve our water efficiency and conservation goals; perception of our failure to act responsibly with respect to water use or to effectively respond to legal or regulatory requirements concerning water scarcity and quality; or damage to our reputation, any of which can adversely affect our business.

KDP strives to mitigate the potential impacts of severe weather/water constraints on our operations by:

- Promoting agile inventory planning and geographically diverse production and distribution sites that provide buffers against temporary plant shutdowns/production disruption.
- Creating operational resilience by pursuing energy efficiency in our operations and products and working to decarbonize portions of our fleet and manufacturing operations through renewable and low carbon energy sources.
- Assessing each KDP site in the context of the surrounding watershed, the local water issues, and other local entities interest and perspectives on those issues. This approach allows us to refine our understanding of challenges for our high water-risk sites and to identify opportunities to implement water related mitigation measures.

GHG Targets and Metrics

In 2025, KDP updated our 2030 GHG emissions-reduction targets to align to SBTi's most current guidance, the Paris Agreement climate change goal of limiting global warming to 1.5 degrees C above pre-industrial levels. Our targets, which were validated by SBTi aim to:

- Reduce absolute Scope 1 and 2 GHG emissions 50.4% by 2030 from a 2018 base year

- Reduce absolute Scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream transportation and distribution, and use of sold products 25% by 2030 from a 2022 base year
- Reduce absolute Scope 3 Forest, Land and Agriculture (FLAG) GHG emissions by 30.3% by 2030 from a 2022 base year
- Commit to no deforestation across our primary deforestation-linked commodities with a target date of December 31, 2025.

2025 GHG Emissions by Scope Category[2]

Metrics	2025
Scope 1 and 2 Emissions	340,170
% Scope 1 and 2 Emissions % YoY Change	4%
Scope 3 SBTi Energy & Industry Emissions*	4,996,728
% Scope 3 Energy & Industry Emissions % YoY Change	4%
Scope 3 SBTi Forest, Land & Agriculture Emissions*	467,023
% Scope 3 Forest, Land & Agriculture Emissions % YoY Change	(7) %

Water Use and Replenishment Targets and Metrics

Beginning in 2025, KDP adjusted its water efficiency target to reflect changing operational demands and prioritize initiatives with manufacturing sites in water stressed areas. By 2030, KDP aims to:

- Achieve an average water use ratio of 1.8 across all beverage facilities
- Achieve an average water use ratio of 1.6 for beverage facilities in high-water risk locations

2025 Water Use and Replenishment Metrics by Category

Metrics	2025
Total Withdrawal (Million Liters)[3]	13,562

[2] *See Commitments Methodology for SBTi target boundaries.

[3] *The Water Use Ratio is calculated based on water withdrawals and production volumes across all beverage facilities. Prior to this 2025 Impact Report, the Water Use Ratio excluded our Williamson apple facility. Historic values were revised to reflect this change.
**Based on WRI's Aqueduct Water Risk Atlas v3.0 (2019) locations with High or Extremely High baseline water stress, aligned with SASB Standards metric. Prior years used v2.1 of Aqueduct and additional indicators. Total water capacity "replenished" or otherwise restored, protected, conserved in nature through our water stewardship partner projects.
***Based on WRI's Aqueduct Water Risk Atlas v3.0 (2019) locations with High or Extremely High baseline water stress, aligned with SASB Standards metric. Prior years used v2.1 of Aqueduct and additional indicators. Progress is the volume of water capacity replenished versus the volume of water consumed by in-scope locations within the same year. In 2025, the percentage of water replenished in KDP's highest water-risk areas decreased from the prior year due to expansion of scope from 10 to 11 sites and increase in production at five of 11 sites, which resulted in a higher volume to be replenished overall compared to prior years.
§Updated calculations from the prior year.

% Withdrawal, Municipal	0.74
% Withdrawal, Groundwater	0.26
Total Consumption (Million Liters)	7047
% Consumed in High Baseline Water Stress Areas	0.63
Total Discharge (Million Liters)	6515
% Discharge to Municipal	0.67
% Discharge to Waterbody	0.33
Water Use Ratio (L/L) Across All Beverage Facilities* (Liters of Water Required to Make One Liter of Product)	2.03
Water Use Ratio (L/L) Across Beverage Facilities in High Water-Risk Areas	1.87
Water Replenished in Highest Water-Risk Areas (Million Liters per Year)**	3283
Water Replenished in Highest Water-Risk Areas (% Replenished)***	0.62

KDP remains dedicated to continuous improvement – adapting our approach as the landscape evolves and our work progresses. Approach aims to balance changing compliance requirements, market realities and stakeholder expectations. While the regulatory and operating landscape might change, we continue to focus on action and impact where we can uniquely make a difference, whether through our own business operations or through our strong partnerships. As a disruptor in the beverage category, our world class team brings a challenger mindset to our Impact work, as they do across other parts of the business. We are always learning and improving – working to make a positive difference on the lives we touch.