



Climate Policy

Keurig Dr Pepper recognizes that global climate change poses a serious threat to communities, businesses, farmers and ecosystems across the world. Climate change is already resulting in significant changes to local weather patterns and water availability. The scientific community's assessment, according to analyses such as the Intergovernmental Panel on Climate Change's (IPCC) 5th Assessment Report and 2018 Special Report on Global Warming of 1.5 degrees C, indicates that dramatic and rapid reduction in greenhouse gas emissions to limit warming to well below 2 degrees C or 1.5 degrees C above pre-industrial levels is necessary to avoid the worst impacts of climate change. Increasing average global temperatures will result in severe, pervasive and irreversible impacts for people and ecosystems.

Climate change will impact businesses in nearly every sector of the economy, including those most relevant to our company. According to the IPCC and the U.S. National Climate Assessment, climate change is already affecting the agricultural sector, and disruptions to crop growing conditions are expected to increase with extreme weather events, increasing temperatures, and changing water availability. This may cause changes in geographical ranges of crops, as well as weeds, diseases and pests that affect those crops.

Businesses must embrace the reality that climate change poses risks to global food security and human populations, as well as to their core operations and value chains. Effects on agricultural raw materials, for example, could limit our ability to deliver products as well as associated shareholder value. Businesses have an obligation to their stakeholders to both mitigate their greenhouse gas emissions and develop and implement climate change adaptation strategies to build resilience across their value chains. Climate change adaptation requires long-term investment and collaboration with other companies, communities, NGOs and local and national governments.

Governments play an essential role in addressing climate change. We join other corporate leaders in acknowledging the important role we have in establishing and maintaining open dialogue with governments in support of healthy economies, substantial reductions in greenhouse gas emissions, and robust adaptation measures.

Keurig Dr Pepper's climate policy combines three primary approaches—namely, mitigation, adaptation and engagement. These approaches and associated commitments support the United Nations' related Sustainable Development Goals (SDGs) for Affordable and Clean Energy and Climate Action: SDGs 7 and 13. These SDGs call for "affordable, reliable, sustainable and modern energy for all," and "urgent action to combat climate change and its impacts," respectively.



Mitigation. Reducing energy consumption and greenhouse gas emissions throughout our value chain benefits our bottom line and contributes to the shared effort to reduce climate change risks. We commit to:

- Developing a full understanding of the greenhouse gas emissions across our entire value chain, from farm and factory to operations, logistics, use, and end-of-use treatment for our products and packaging
- Continuously reducing GHG emissions across our value chain, focusing most effort and investment where the opportunity for emissions reduction is greatest
- Setting targets for emissions reductions and renewable energy usage aligned with the latest climate science and expectations of businesses' contributions to emissions reductions

Adaptation. The greatest climate change risk we face relates to the impact on agricultural inputs. We commit to:

- Accounting for climate change in supply chain planning and work with sourcing partners and programs that incorporate climate adaptation into their standards
- Providing adaptation and resilience training for our farmers in key supply chains to improve yields, optimize water use, diversify crops and adjust to changing local weather conditions
- Integrating climate smart agricultural practices into our ongoing efforts to improve livelihoods among our supply chain farmers and farming communities
- Investing in innovation and research to develop different varieties of plants that are better suited for changing climate and weather conditions
- Procuring renewable energy for all of our operations, prioritizing encouragement of new renewable energy development and positive impact of purchases

Engagement. Working collaboratively with others is the only way to have significant and lasting impact on climate change. We commit to:

- Engaging with governments to support healthy economies, encourage significant reductions in GHG emissions, and improve resilience and support adaptation
- Collaborating directly with other companies in the food and beverage sector and via multi-stakeholder platforms and collaborations to align efforts maximize our collective positive impact and scale climate change mitigation and adaptation practices
- Collaborating with NGOs, leveraging their expertise and providing them with the resources they need to do their work
- Communicating openly with stakeholders about progress and challenges