

In March of 2004, Green Mountain Coffee Roasters became a signatory to the United Nations Global Compact. In signing the Global Compact, we agreed to:

- Support the Global Compact and its Principles;
- Change our business operations so that the Global Compact and its Principles become part of strategy, culture, and day-to-day operations;
- Publicly advocate the Global Compact and its Principles via communications vehicles such as press releases, speeches, etc.; and
- Publish in our annual report or similar corporate report (e.g. sustainability report) a description of the ways in which we are supporting the Global Compact and its ten Principles.

With this Communication on Progress, we reaffirm our commitment to the Global Compact and its Principles. We intend to integrate our Communication on Progress commitment more fully and accessibly into our Corporate Social Responsibility report, beginning with our full fiscal 2008 report, scheduled for release in June 2009.

Go to www.gmcr.com/csr for our full online Corporate Social Responsibility Report.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

We fully support the Global Compact's Principles related to Human Rights.

Code of Ethics

In our operations, we maintain a Code of Ethics. Every employee is required to read and comply with our Code of Ethics, which speaks specifically to respect for individual rights and property and provides mechanisms for employees to report unethical behavior.

Go to www.greenmountaincoffee.com/code-of-ethics to view the full Green Mountain Coffee Roasters Code of Ethics.

Vendor Expectations

In fiscal 2007, we began developing a Set of Vendor Expectations. The scope of these guidelines included overall legal compliance, forced labor, child labor, wages and benefits, hours of work, freedom of association, discrimination and abuse, health and safety, and environmental responsibility. In fiscal 2008, we intend to continue to develop the Code, using it to audit our own Waterbury operations and help us engage with a handful of our key suppliers on these important social and environmental issues.

Go to www.gmcr.com/supplier-engagement to learn more about the development of our Set of Vendor Expectations.

Programs and Initiatives

Our social and environmental responsibility programs and initiatives are focused on reducing poverty, alleviating hunger, reducing solid waste, and promoting responsible energy use. Achieving our goals in these areas speaks directly to human rights, in some cases, and, in all cases, helps to create an environment in which quality of life and respect for human rights can be supported. In fiscal 2007, our efforts led to the following:

- Our sales of Fair Trade Certified™ coffee grew to over 27% of total coffee pounds shipped (go to www.gmcr.com/fair-trade-sales to learn more);
- We developed enterprise-wide goals and programs around energy use and solid waste (go to www.gmcr.com/environment to learn more);
- We designed and funded research in coffee-growing communities focused on understanding and reducing poverty and hunger in our supply chain (go to www.gmcr.com/reducing-poverty-and-hunger to learn more);
- We funded grants related to the following (go to www.gmcr.com/coffee-communities to learn more):
 - Access to financing, education, and health care, as well as income diversification and nutrition programs in coffee-growing communities;
 - Jobs programs that merge environmental stewardship with poverty relief;
 - The development of creative economies in rural areas;
 - The reduction of childhood hunger and the elevation of hunger as a national policy concern;
 - The connection of food service professionals, local sustainable agricultural businesses, parents, and children to promote healthy consumption in the schools;
 - Raising awareness and building capacities related to organic farming and Fair Trade;
 - Picking up litter and cleaning up our home state of Vermont, as well as supporting an annual effort to clean up our nation's rivers; and
 - The promotion of responsible energy use as economic opportunity.
- We developed an annual volunteerism calendar, with volunteerism opportunities focused on poverty reduction, hunger alleviation, waste reduction, and responsible energy use (go to www.gmcr.com/employee-volunteerism to learn more).

Fair Trade Certified™ Coffees

We support the Global Compact's Human Rights Principles in coffee-growing communities through our support for and investment in Fair Trade Certified™ coffees. The Fair Trade system is designed to help small farmers accelerate their economic and social development through fair access to markets and the development of better conditions for trade. Fair Trade Certified™ organizations are community-based organizations with democratic decision-making structures. The Fair Trade system is based on concern for local communities and the well-being and inherent dignity of the individuals within them; its purpose is to create a market-based system that promotes and protects the human rights of the most marginalized participants in our global economy.

Go to www.gmcr.com/fair-trade-commitment to learn more about our commitment to Fair Trade.

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Businesses should support the elimination of all forms of forced and compulsory labor

Principle 5: Businesses should support the effective abolition of child labor

Principle 6: Businesses should support the elimination of discrimination in respect of employment and occupation

We fully support the Global Compact's Principles related to Labor Standards.

Legal Compliance

We operate under applicable labor laws in states where we have operations. These laws prohibit

a company from terminating an individual as a result of choosing to enter into a union or collective bargaining. We have not developed a written policy independent of these laws, which are regulated by state and government agencies.

We maintain a specific policy prohibiting discrimination on the basis of race, color, ancestry, religion, gender, age, marital/civil union status, national origin, sexual orientation, place of birth, veteran status, disability or any other legally protected classification.

Go to www.gmcr.com/hiring-and-diversity to read our Equal Employment Policy Statement.

Vendor Expectations

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Go to www.gmcr.com/supplier-engagement to learn more about the development of our Set of Vendor Expectations.

Fair Trade Certified™ Coffees

We support the Global Compact's Labor Standards Principles in coffee-growing communities through our support for and investment in Fair Trade Certified™ coffees. The Fair Trade certification process sets requirements for labor standards, including:

- Compliance with ILO Convention 111, which prohibits discrimination on the basis of race, color, sex, religion, political opinion, national extraction, or social origin;
- No forced and compulsory labor;
- Child labor on a farm producing Fair Trade Certified™ coffee is restricted to children aged 15 years or older, provided that their work is safe and appropriate and does not jeopardize their schooling or moral or physical development; and
- Compliance with ILO Conventions 87 and 88, which provide for the right to organize, to self-govern such organizations, and to protection from anti-union discrimination.

Go to www.gmcr.com/fair-trade-commitment to learn more about our commitment to Fair Trade.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

We fully support all of the Global Compact's Principles related to the environment.

Commitment to the Precautionary Principle

The Precautionary Principle states that “[w]here there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.” Examples of our commitment to the Precautionary Principle include:

- Our commitment to the reduction of solid waste and reduction of energy consumption, both on an intensity basis.
 - In fiscal 2007, we reduced our solid waste metric by 11%. Our current waste reduction goal is a 2% reduction by the end of fiscal 2008, measured as tons of waste/\$1,000,000 of revenue (go to www.gmcr.com/waste-reduction to learn more).
 - Our energy use metric increased by 8% but would have decreased by 2% but for (A) the internalization of nitrogen production and (B) a change in our employee commuting assumptions. Our current energy use reduction goal is a 10% reduction by the end of fiscal 2009 (as compared to fiscal 2007 levels), measured as therms/\$1,000 of revenue (go to www.gmcr.com/sources-of-energy to learn more).
- Growth in the sales of our sustainably sourced coffees. Our sales of Fair Trade Certified™ organic coffees has grown to represent over 27% of total pounds shipped in fiscal 2007 – these coffees provide fair wages to the growers and have a lighter impact on the environment (go to www.gmcr.com/fair-trade-sales to learn more);
- Our greenhouse gas offset program, which offsets 100% of our greenhouse gas emissions through the purchase of renewable energy certificates (“RECs”). Our REC purchases support the development of green energy infrastructure, such as wind farms and methane recapture facilities. We recently expanded the boundary of our footprint to include emissions related to outbound freight shipments within our control (go to www.gmcr.com/our-carbon-footprint to learn more);
- The installation of a 10,000 gallon biodiesel fueling tank at our Waterbury, Vermont, Distribution Center. Today, all of our Waterbury-based delivery fleet runs on biodiesel;
- Our ongoing research into alternative packaging materials for our K-Cups® (go to www.gmcr.com/kcup-materials to learn more);
- Our introduction of both hot and cold “to-go” cups made with renewable corn-based materials (go to www.gmcr.com/ecotainer to learn more);
- Our introduction of new packaging film made with over 19% with renewable corn-based materials (go to www.gmcr.com/packaging-film to learn more); and
- The replacement of light fixtures in our Distribution Center and production plant with high-efficiency lamps.

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Fair Trade Certified™ Coffees

Additionally, we support the Global Compact's Environmental Principles in coffee-growing communities through our support for and investment in Fair Trade Certified™ coffees. The Fair Trade certification process sets requirements for assessing, mitigating, and minimizing the environmental impact of the producing organization's members, including:

- The prohibition of the gathering of protected plant species;
- The sustainability of all wild harvesting operations;
- No usage of prohibited agrochemicals;
- Proper and safe use, handling, and storage of permitted agrochemicals;
- Safe disposal processes for hazardous waste;
- Proper use of organic waste; and
- Procedures in place designed to reduce or prevent soil erosion, enhance soil fertility and soil structure, and ensure proper and efficient irrigation.

Go to www.gmcr.com/fair-trade-commitment to learn more about our commitment to Fair Trade.

Anti-Corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

We fully support the Global Compact's Principles related to Anti-Corruption.

Code of Ethics

Our Code of Ethics speaks to a variety of circumstances in which corruption could occur. For all employees, our Code requires:

- Accurate reporting;
- Compliance with all laws, rules, and regulatory requirements;
- Good faith during all interaction with local, state, and federal organizations;
- Communication that is direct, honest, and in accordance with all rights and responsibilities relevant to our company and its operations when communicating with any government officials and in connection with any lobbying activities;
- Avoidance of potential and actual conflicts of interest;
- Responsible stewardship of corporate assets and opportunities; and
- Fair dealing, specifically with respect to anti-trust laws and fair competitive practices.

Go to www.greenmountaincoffee.com/code-of-ethics to view the full Green Mountain Coffee Roasters Code of Ethics.

Further resources:

- For information on policies related to harassment or discrimination, please contact our Employee Relations group at 800-545-2326.
- Fair Trade Certification standards, available at www.transfairusa.org.
- More information on the Precautionary Principle and the Rio Principles can be found at <http://www.unep.org/Documents.Multilingual/Default.asp?documentid=78&articleid=1163>.