



Keurig Green Mountain 2017 Sustainability Report

Coffee has the power to connect us.

Coffee gives us a deep connection to the world. To far-flung coffeelands. To hard-working farming families. And to people everywhere who love the familiar comfort of their morning ritual. At Keurig Green Mountain, we've always seen this as a unique opportunity to make the world a better place.

From the very beginning, we've had a commitment to do more than what's expected of us. We've worked to integrate social responsibility into all aspects of our business, so it's engrained in everything we do — from improving the lives of coffee farmers to caring for our earth and our local communities. And we partner with other organizations who share our vision. Because together we can accomplish more.

For the past four years, we've been working diligently to meet ambitious 2020 targets. With two years still to go, we're more excited than ever about what we've achieved — and what we can do in the future.



Coffee

We're committed to truly great coffee that promotes the greater good — so growers and workers can live better lives, farmlands can prosper each and every season, and coffee can thrive for generations to come.



Earth

As a coffee company, we're deeply connected to our earth and have set ambitious goals to protect it. We're working across every area of our organization to use fewer resources and leave the world better than we found it.



Community

We're better together. That's why we empower our employees to get out and volunteer, and partner with organizations that help us serve and grow in our communities.



"In the coming year, we'll keep pushing to meet the rest of our 2020 targets while looking forward to an even more ambitious future."

– **Bob J. Gamgort,**
Chief Executive Officer

Executive letter.

As a company, we've been in love with coffee for a long time. So it's been exciting to see people of all ages discovering or rediscovering coffee over the last few years. Cold coffee. Flavored coffee. Single-serve or ready-to-drink coffee. And in every case, there's an opportunity to make it a sustainable cup of coffee — another passion of our company.

Our recipe for business success is incredibly simple — focus on great coffee and listen to our consumers. Our success in recent years has been the result of maintaining our focus, which has led to significant efficiencies that have benefited the business as well as our footprint on the earth. As a result, we've made

great strides towards meeting our 2020 environmental targets at a much faster pace than we had anticipated.

Coming on the heels of having met our 2020 GHG reduction goal of 25% in 2016, we're pleased to announce that we met our 2020 water stewardship target in 2017 — three years ahead of schedule. We made a commitment to being good water stewards in coffee communities, in our operations, and in our local communities. By partnering with The Nature Conservancy and others, we improved the quality and availability of more than 1,625 million gallons of water.

We're on track to achieve zero waste to landfill from our operations in 2018 and are keeping our products out of

landfills by pursuing recycling options for our consumers and investing in recycling solutions across North America. And it's working! We will finish converting all Keurig K-Cup® pods in Canada to a recyclable format in 2018. All pods across North America will be transitioned by the end of 2020 and we will be looking at new ways to incorporate recycled content into our brewers and items that we purchase for our business.

As we look to the future, we find ourselves at the forefront of an industry that is changing rapidly. To compete in the shifting industry, our vision and mission will evolve. We recently announced a merger with Dr Pepper Snapple Group, which positions us as a challenger in the beverage industry and presents a tremendous opportunity to do more in local and global communities where we have offices, operations, suppliers, and consumers. We're confident we can fulfill our ultimate goal of making each and every one of these places better because we're there.

In the coming year, we'll keep pushing to meet the rest of our 2020 targets while looking forward to an even more ambitious future. We'll also continue to find innovative ways to redefine the coffee experience and make a positive impact with our business, products, people, and relationships — from source to cup and beyond.

Robert (Bob) J. Gamgort,
Chief Executive Officer

Monique Oxender,
Chief Sustainability Officer

About us.

Keurig Green Mountain is a leader in specialty coffee and innovative single-serve brewing systems.

Committed to delivering exceptional coffee for more than 35 years, today our Keurig® brewers and single-serve hot beverages are in more than 20 million homes and offices throughout North America. In under a minute, Keurig® brewers consistently and conveniently deliver a fresh-brewed, great-tasting cup with just the push of a button.

As a testament to that quality, nearly 50 leading global coffee, tea, and cocoa brands have partnered with Keurig to offer consumers vast personal choices from 600+ varieties. Keurig is a private business owned by an investment group led by JAB Holding Co.

5,300*

employees globally

600+

beverage varieties in the Keurig® system, as of 9/30/17

Our North American Facilities



7 Production facilities



2 R&D facilities

*The number of employees disclosed in this report is the average number of employees for fiscal 2017 and does not include temporary employees or employees on leave.

Awards and Recognition

- 2018 PAC Global Leadership Award: Best-In-Class Package Innovation for our recyclable K-Cup® pod
- 2017 EnviroLys Award Finalist for our recyclable K-Cup® pod
- Named a Canadian Top Employer, Top Employer for Young People, and Montreal Top Employer
- Ranked #15 in the Prophet Brand Relevance Index™ for 2017
- Coffee Maker Brand of the Year in the 2017 Harris Poll Equitrend® Study

Our Purpose

Create the ultimate beverage experience in every life we touch, from source to cup — transforming the way the world understands business.

Our Mission

A Keurig® brewer on every counter and a beverage for every occasion.

Our Vision

Become the world's leading personal beverage systems company.

Our Values

We partner for mutual success. Our boundaryless approach to collaboration creates benefits for all.

We innovate with passion. With courage and curiosity, we are shaping the future by redefining the consumer experience.

We play to win. Our team sets ambitious goals and meets each challenge with unified purpose and character.

We Brew A Better World™. We use the power of business to make the world a better place.

Governance and Management

At Keurig, we are committed to operating our business with integrity and high ethical standards. We have put in place strong governance and management systems that drive effective oversight of, and accountability for, the way we conduct our business.

In March 2016, Keurig was acquired by JAB Holding Company (JAB), becoming a private company and an independent part of the JAB family and its leading global coffee platform. In January 2018, Keurig and Dr Pepper Snapple Group, Inc. announced that they have entered into a definitive merger agreement to create Keurig Dr Pepper. The transaction is planned to close in the third calendar quarter. Once the transaction closes, Keurig Dr Pepper will be a publicly traded company, with JAB as its controlling shareholder.

JAB's Board meets regularly with Keurig executives to provide oversight and accountability around sustainability. The daily execution of Keurig's social and environmental initiatives led by Monique Oxender, our Chief Sustainability Officer.

We regularly evaluate our management of sustainability and other key business issues as part of our business performance review process. We make adjustments to management approaches as needed based on these evaluations.

Our Code of Conduct helps us to create a corporate culture that values ethics and integrity. The Code, which explains how to integrate our purpose, mission, and

values into daily decisions, provides guidance to all of our employees on everything from legal compliance and respect for human rights to avoiding anti-competitive behavior and conflicts of interest.

Employees are trained on the Code when they join the company and are required to complete an interactive online training and certify annually that they have read and understand the Code. The Code underscores that how we do our work matters and that our personal decisions can have far-reaching consequences for all stakeholders.

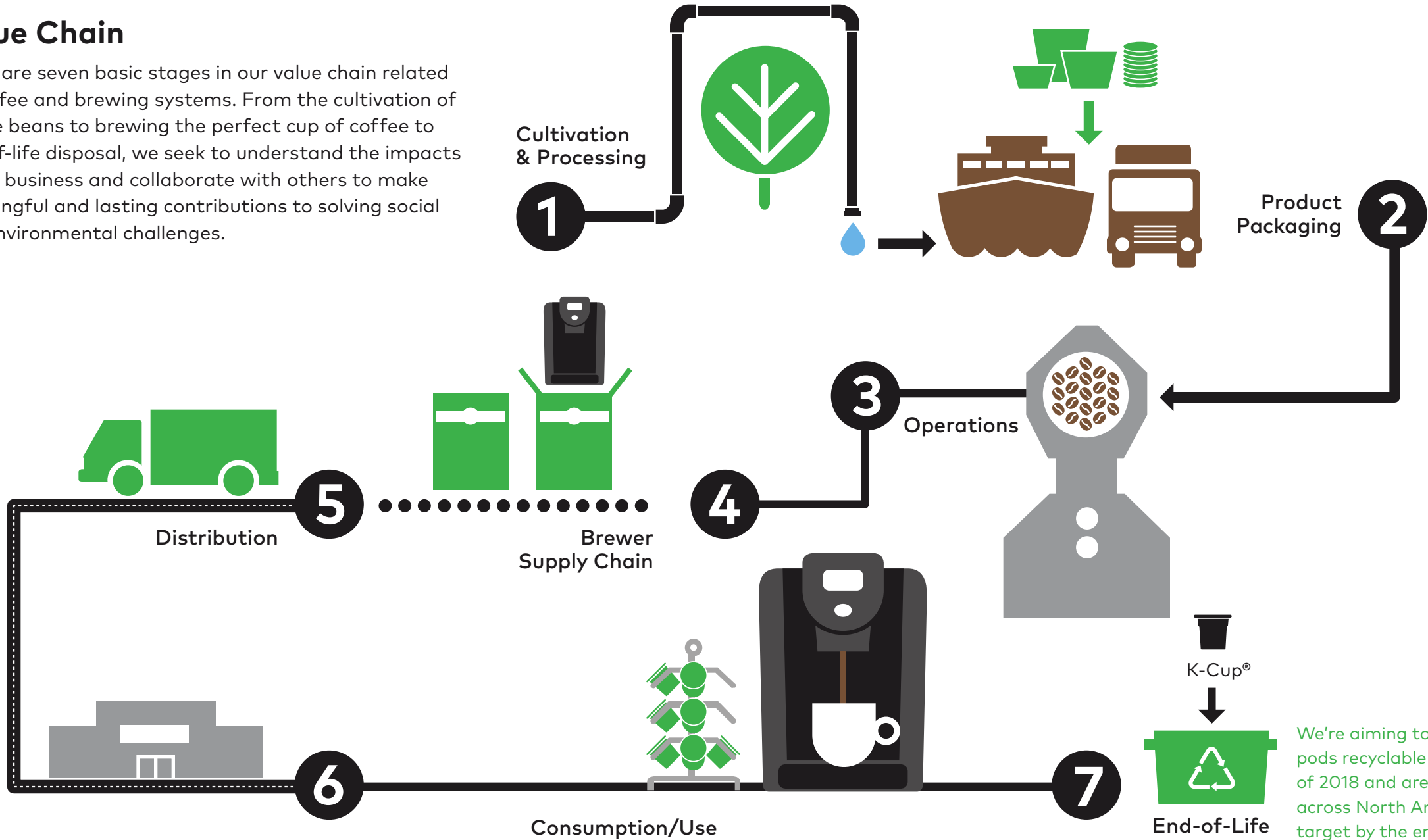
Our 2017 Sustainability Governance Model

Our governance and operating structure promotes coordination among business functions and enables communication and cooperation as we work to Brew A Better World™.



Value Chain

There are seven basic stages in our value chain related to coffee and brewing systems. From the cultivation of coffee beans to brewing the perfect cup of coffee to end-of-life disposal, we seek to understand the impacts of our business and collaborate with others to make meaningful and lasting contributions to solving social and environmental challenges.












We're aiming to have 100% of our pods recyclable in Canada by the end of 2018 and are continuing our work across North America to meet our target by the end of 2020.

Materiality Analysis

We conducted our first materiality assessment in fiscal 2012. Because the business and its related sustainability context have evolved, we conducted a refresh of this assessment in fiscal year 2015, and another, environmentally focused refresh, in fiscal 2017.

The results of our materiality assessment continues to inform our sustainability strategy, including execution against our 2020 targets and the content of this report. Keurig believes our process for defining report content meets the Global Reporting Initiative's (GRI) principles for defining report content, including stakeholder inclusiveness, sustainability context, materiality, and completeness.

SUPPLY CHAIN	OPERATIONS	PRODUCT USE/ POST-USE
 All Supply Chain <ul style="list-style-type: none"> • Labor conditions • Climate change adaptation • Community development • Transparency • Waste management • Greenhouse gas (GHG) emissions 	 Employees <ul style="list-style-type: none"> • Diversity • Health and safety • Community relations • Transparency • Talent attraction and retention • Effective corporate culture 	 All Product Use/Post-Use <ul style="list-style-type: none"> • Transparency • Consumer health and wellness
 Agriculture/Ingredients <ul style="list-style-type: none"> • Farmer/supplier capacity building • Local food security • Land rights • Biodiversity • Soil health • Water quality • Water availability • Certifications • Genetically modified organisms (GMOs) • Sustainable coffee sourcing 	 Product Design/Formulation <ul style="list-style-type: none"> • Sustainable packaging • Product safety • Capacity building on sustainability • PCR 	 Brewer Use/Beverage Consumption <ul style="list-style-type: none"> • Energy consumption • Water consumption • GHG emissions • Brewer end-of-life • Nutritional benefits • Behavior change • Plastic and consumer health
 Brewer/Packaging <ul style="list-style-type: none"> • Conflict minerals • Materials of concern 	 Product Manufacture <ul style="list-style-type: none"> • Energy use • GHG emissions • Climate change adaptation • Waste management • Water availability • Water quality 	 Data Capture <ul style="list-style-type: none"> • Consumer privacy

Our 2020 targets.

Zeroing in on our 2020 targets.

We can, and must, do our part to care for our world. That's why we set ambitious 2020 targets and are relentlessly pushing to achieve them. In our efforts to make a positive impact where we work and live, we also have the opportunity to contribute to larger global initiatives.

In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), which seek to tackle the world's economic, social, and environmental issues by 2030. Our targets are a part of our commitment to actively contribute to the achievement of these global goals — and to our own goal of leaving the world better than we found it. So we'll continue to push ourselves even harder, ask what we can do next, and make caring for our coffee, our earth, and our communities a part of everything we do. Because together, we can Brew A Better World™.



Reduce emissions. Reduce greenhouse gas (GHG) emissions by 25%.

Target met! We met this target in fiscal 2016 — four years early — but we continue to push ourselves to further reduce our impact.



Restore water. Restore 100% of the water used in our brewed beverages.

Target met! We met our target in fiscal 2017 by protecting farmlands, wetlands, and floodplains in our local communities.



Improved lives. Engage 1 million people in our supply chain to improve their lives.

485,000+ lives improved. We've helped farming families through various initiatives that resulted in better farming practices, new sources of income and food, and access to clean water.



Responsible sourcing. Responsibly source 100% of our coffee and brewers.

Gaining ground. We're moving beyond traceable to 100% responsibly sourced coffee. We've also joined the Responsible Business Alliance and are using their tools to help us meet our target for appliances.



Zero waste. Achieve zero waste to landfill.

Virtually there. We're 98% there and expect to meet our target in fiscal 2018 — two years ahead of schedule.



Recyclable K-Cup® pods. Make 100% of K-Cup® pods recyclable.

Closing in. We will have converted to 100% recyclable K-Cup® pods in Canada by the end of 2018, moving us closer to our target of 100% conversion in North America.



Employee engagement. Engage 100% of employees in our vision and values.

78% engaged. Three quarters of our employees engaged in a sustainability program or education initiative.

Beyond great coffee.



Our work connects us to coffee farmers around the globe — we shake their hands, visit their fields, and meet their families. And while we've always been committed to treating them fairly, we think we can do even better than that. It's why we've challenged ourselves to improve the lives of 1 million people in coffee communities. And why we're dedicated to 100% sustainable, ethical, and responsible sourcing. This is more than a pledge. It's our unwavering commitment — so farmers can better support their families, lead healthier lives, and continue farming the coffee we all love for generations to come.

Making a difference starts at the source.

As a coffee company, our impact extends across a global supply chain — from the beans that are harvested and roasted to the brewer that is sitting on your counter.

The ability of coffee farmers to adapt to things such as changing climate and economic conditions is vital to keeping their farms healthy and productive, and to ensuring that they can continue farming coffee into the future. That's why we're working to understand the challenges they face and partnering to find solutions.

In our brewer supply chain, while product, safety, and quality are important, it's equally important that factory workers have a safe and dignified environment

in which to work. That's why we strive to uphold our Responsible Sourcing Supplier Guidelines and why we conduct ongoing assessments to ensure they meet our high standards.

2020 Targets



Engage 1 million people in our supply chain to improve their lives. 485,000+ lives improved.



Responsibly source 100% of our coffee and brewers. Gaining ground.

From traceable to responsible in 2020.

We all care about how coffee farmers are treated — and equally important, how they're treating the earth. That's why we rolled out a responsible sourcing program that not only protects growers and communities, but also preserves farmlands and our planet.

85% **31%**

traceable coffee
in fiscal 2017

responsibly sourced
coffee in fiscal 2017

We continued our commitment to traceable coffee this year, working with our suppliers to achieve a milestone of 85% of our beans being traceable back to the exporter, mill, group, or farm. But traceable does not necessarily equal responsibly sourced. So we're partnering with certification and verification organizations to reach our 2020 target. Having a diverse portfolio of partners helps us ensure we always have a rich supply of responsibly sourced coffee. Today, we partner with Fair Trade organizations as well as Rainforest Alliance and UTZ for sustainable coffee. These and other partnerships will help us close the gap from 31% to 100% responsibly sourced by 2020.

"It's not just about sourcing against a responsibility standard. We go deeper into coffee communities to understand the issues and work together to solve complex problems."

— Colleen Popkin, Senior Manager, Coffee Sustainability

Going beyond compliance to improve lives.

We believe truly great coffee promotes the greater good, so we look beyond just knowing where our coffee comes from, and even beyond compliance, to understanding the most important issues facing the communities where our coffee is grown. We work with farmers and collaborate with industry coalitions to ensure positive impact in our supply chain on three levels:

► Traceability

Traceability is a means to understanding our risks and opportunities for supporting farming communities. Knowing the origin of our coffee enables the rest of our work because it helps us identify and reward great quality, continually improve our efforts in a meaningful way, and build relationships within the supply chain.

► Compliance

We use various tools to engage our suppliers in understanding and complying with responsible sourcing standards. These range from a commitment to our Responsible Sourcing Supplier Guidelines to purchasing coffee that is certified and verified as sustainably sourced.

► Beyond Compliance

Compliance addresses the challenges farmers face today, whereas investing in coffee communities helps us address larger challenges like climate change, food insecurity, and the need to keep young people in farming. These are all critical to ensuring that coffee can be farmed sustainably into the future.

485,000+ lives improved.

In the past year, we're proud to have achieved the following results across all programs:

4.6K

households have adopted good agricultural practices

4K

households have improved access to safe drinking water

1.2K

households have diversified their income sources

1.4K

households have adopted water- or climate-smart agricultural practices

Cultivating strong coffee communities.

Whether it's to increase farmers' yields, restore water sources, or teach improved farming techniques, we partner with organizations working to find solutions that strengthen coffee communities and improve lives.

Watershed degradation, urbanization, and contamination are threatening water sources across Central America. That's why we've partnered with CRS to invest in their Blue Harvest program, which protects, improves, and restores water resources that are critical for downstream populations.

We also have an ongoing partnership with Root Capital, which provides financing and advisory services to farmer cooperatives to help improve operations and strategy, and help them become more resilient to climate change. In 2017, we invested \$626,000 in the Root Capital Partnership for Sustainable Coffee. This program provides basic financial management training and agronomic assistance to 100 coffee organizations, reaching over 90,000 coffee farmers in Colombia, Honduras, Peru, Rwanda, Uganda, and Indonesia.

In addition to these key partnerships:

- We are on the Advisory Council of an initiative called the Sustainable Coffee Challenge, a collaborative effort of companies, governments, NGOs, research institutions and others to make coffee the world's first sustainable agricultural product. The Challenge contains over 100 partners, all working together to increase transparency, align around a common vision

for sustainability, and stimulate greater demand for sustainable coffee.

- We are on the Board of the Sustainable Food Lab where we engage with peer companies to speed progress toward sustainable mainstream food systems worldwide.
- We are a founding member of the Coalition for Coffee Communities, a group of six member companies that seek to strengthen coffee communities through the power of collaboration.

Collaborating over coffee.

Last May, our team traveled to Honduras to host an Intercambio for our Honduran and Nicaraguan coffee supply chains. Intercambio is the Spanish term for the exchange of ideas — and that's exactly what the group did.

We shared updates on topics ranging from the state of our business to our responsible sourcing and sustainability programs. We also presented lectures on good farm management practices, seed varietal research, and business-strengthening techniques. We enjoyed a group cupping session, where everyone gained an appreciation for the different coffee tastes and aromas. On the last day together, there was a workshop on practical solutions to common challenges in the coffeelands, such as income diversification and water management. Our supply chain partners learned from us and we learned from them, making the event a collaborative, win-win for all.

Women as strong as their coffee.

In the quiet Andean town of San Ignacio, Peru, the small coffee shop Saja is abuzz with activity. It's owned and operated by the APROCASSI co-op women's group. Thanks in part to support from Keurig and Root Capital, the women of APROCASSI are earning their own income and advancing their position in the community.

In 2013, Root Capital launched the Coffee Farmer Resilience Initiative (CFRI) in partnership with USAID, Keurig, and others. From 2013 to 2016, this successful initiative helped coffee enterprises and their farmer members in Central America and Peru address coffee leaf rust through efforts like short-term and long-term lending, financial training, agronomic assistance, income diversification training, mobile technology services, and knowledge sharing. "By building up the resilience of coffee enterprises and producers, we're unlocking an upward spiral of benefits," says Willy Foote, founder and CEO of Root Capital. Not only can we accelerate enterprise growth and prevent risk, we can improve lives for entire communities that depend on coffee farming."

In 2017, Keurig and USAID came together again to fund the Partnership for Sustainable Coffee to continue this work with new cooperatives and in new geographies.



Maria Javita Vasquez Carranza is a single mother and vice president of the Aprocassi co-op. She has used the higher proceeds from her coffee to pay for her children's education.

Immersing our employees in coffee culture.

Each year, we send approximately 60 employees to connect with the people and places where our coffee is grown. These aren't just coffee buyers or tasters — they're employees from every department and location where we operate. Our goal is to infuse all areas of our company with respect and love for our products, the people who produce them, and places they live. Our employees have the opportunity to meet the families who grow our coffee, understand all that they do, and witness the impact of our work and relationships at the source. In fiscal 2017, we went to Nicaragua, Brazil, Mexico, Costa Rica, and Colombia.

"We celebrated Festa Junina with coffee farmers and their families in Carmo de Minas. Because of the fellowship in that one event, my passion for coffee and its positive benefits on communities in places like rural Brazil is ignited."

— Jonathan Francis, Multisite SC Planning Beverage Associate, Keurig Green Mountain

Our Costa Rica trip took us from a coffee cupping session on a sun-drenched terrace on the Finca La Hilda plantation to Coope Tarrazú, a Fair Trade Certified™ cooperative where we participated in a coffee cherry-picking contest. We also visited several co-ops where we were able to work alongside farmers and ask them about their work. One of these was Coope Atenas. We showed the farmers our K-Cup® pods, which allowed them to see the full circle of their coffee and the importance of our relationship. Another stop was Icafé, the Costa Rican Coffee Institute where we saw first-hand the nationwide effort to support coffee farmers — both in the fields and in the laboratories — and to promote Costa Rican coffee as a brand.

Not just beans but brewers too.

We maintain a commitment to social and environmental responsibility throughout our supply chain — from farm to factory. We ask our most important coffee and manufacturing suppliers to certify each year that they follow our Responsible Sourcing Supplier Guidelines, which are posted on our website and can be found [here](#). These guidelines support the goals of the California Transparency in Supply Chains Act of 2010 (SB 657) and the United Kingdom Modern Slavery Act in striving to be an example of good human rights and labor practices throughout our business activities. You can read our statement of commitment to these acts [here](#).

To achieve our 100% responsible sourcing target and to manage quality and safety expectations with our suppliers, we have a Supplier Relationship Management (SRM) program. This highly collaborative program brings Keurig employees from appliances, operations, and quality together to comprehensively manage our relationships with suppliers. Through the SRM program, suppliers are regularly rated on a scorecard so they clearly understand their performance against our requirements. Each scorecard includes a section for sustainable supply chain criteria that allows for the inclusion of responsible sourcing and/or social impact metrics in the evaluation process. Once they've been evaluated, we work with suppliers on corrective action or continuous improvement plans if necessary.

In fiscal 2017, 81% of direct material suppliers in our SRM program certified to our guidelines. These include all Tier 1 suppliers as well as our most important Tier 2 brewer component suppliers. We aim to improve the response rate in the upcoming year.

This past year, we began performing Responsible Business Alliance (RBA) audits, which use common tools to help us proactively address risks and more efficiently ensure our appliance suppliers are meeting our standards. These include standards around labor, health and safety, the environment, and business ethics.

As part of our RBA membership, we are also a member of the Responsible Minerals Initiative (RMI), formerly the Conflict-Free Sourcing Initiative (CFSI). The RMI provides us with the tools to further strengthen our due diligence efforts related to conflict minerals. We also voluntarily prepare and publish an annual Conflict Minerals Report outlining these efforts, which you can read [here](#).

Strengthening the links in our supply chain.

In November of 2017, we gathered together with our brewer suppliers for our annual Quality and Manufacturing Summit in Asia. Keurig attendees came from many parts of the business, ranging from quality to procurement to responsible sourcing.

Throughout the week, we gave presentations on our expectations around quality, manufacturing, engineering, and responsible sourcing. We shared our product roadmap with our suppliers as well as some of the work we've been doing to become a more agile organization. We also discussed how we plan to leverage the tools available via our RBA membership to elevate the social/environmental practices in our supply chain.

Each of our suppliers presented their year in review, highlighted issues and challenges in the coming year, and followed up on items from last year's summit. Then, with transparency unique to this event, our host, VSI, opened up their factories to share best practices with everyone.

Working like our earth depends on it.



As a coffee company, we're deeply connected to the earth, and we've set ambitious goals to protect it. Once we reach our targets, we move them farther out. Beyond making K-Cup® pods recyclable, we're ensuring they actually get recycled into something new. Beyond reducing the environmental impact of our products, we're finding new ways to use fewer resources across every aspect of our business. We keep pushing harder and harder because we're passionate about leaving this world better than we found it.

We're excited to announce that in fiscal 2017 we added our water goal to the list of 2020 targets we've met early. We're also 98% there on our waste target and are set to achieve the final 2% in 2018, two years ahead of schedule. We're closing in on our recyclable K-Cup® pod target — aiming to have 100% of our pods recyclable in Canada by the end of 2018 and continuing our work across North America.

Smarter choices for a circular economy.

In our ongoing effort to design, source, and manufacture responsible products, we're working to be smarter about all we do — from the choice of materials in our products to the manner in which we divert waste from

2020 Targets



Make 100% of K-Cup® pods recyclable.
Closing in.



Achieve zero waste to landfill.
Virtually there.

landfills. This is driven by the growing consumer desire for environmentally responsible products, plus our own desire to embrace a circular economy — where we focus on reducing waste and energy consumption by designing for reuse of materials. Our 2020 targets, to make 100% of our K-Cup® pods recyclable and achieve zero waste to landfill, will help us achieve this.

Manufacturing more responsible products.

In order to make 100% of our K-Cup® pods recyclable, we had to rethink its design with a second life in mind. The original pod is made with various plastics and classified as a #7 plastic, which has limited recyclability. By redesigning the pod to use polypropylene (#5), we are working to move away from the traditional linear process and create a circular flow of materials where the value of the material drives reuse. This means the coffee grounds can be composted, the used container collected and recycled, and the reclaimed material used to produce plastic bins, pallets, outdoor furniture, and more.

But making our K-Cup® pods recyclable is just one element of a bigger commitment. We want our pods to be recyclable and recycled. By collaborating with the recycling industry and communities, we have demonstrated high potential for recovery with existing equipment. Our groundbreaking work with material recovery facilities (MRFs) uses radio-frequency

identification (RFID) technology to follow our recyclable pods through the entire recycling facility with 100% traceability. We're seeing results similar to beverage bottle and yogurt container recovery — items that have been successfully recycled for years.

We chose polypropylene because it is a valuable plastic in high demand for use in new products.

Award-winning recycling solutions



2018 PAC Global Leadership Award for Best-in-Class Packaging Innovation



2017 SPC Innovator Award for Breakthrough Process

"I think what Keurig is doing is really unique. In working with them, we're able to not only ensure that more material is recycled but perhaps provide a template for how we can engage in more recovery of small items."

— Allen Langdon, Managing Director, Recycle BC

27% reduction

in greenhouse gas (GHG) emissions by switching our K-Cup® pod's packaging to polypropylene as the material of choice

Analyzing our entire product lifecycle.

To truly reduce our environmental footprint, we must look across our entire product lifecycle for ways to use fewer resources — from reducing energy used in roasting to using less energy-intensive materials in our products.

We evaluate new designs and concepts with lifecycle assessment (LCA) tools. This helps us better understand their environmental performance throughout their lifecycles to ensure we aren't simply shifting the environmental burden to different areas of the value chain. These assessments are one of many tools we use to identify areas that have the most significant environmental impacts. And the greatest potential for improvement.

Partnering for more impact.

We can accomplish so much more when we work together. That's why we're collaborating with key partners who are as passionate about improving recycling as we are. With our partners, we hope to shift the conversation around recycling, reach more people, and ensure that valuable materials can be recovered and recycled more efficiently.

- **Using more recycled plastic** As a Recycling Demand Champion, we've committed to increasing the amount of post-consumer recycled content (PCR) in products that we purchase. We've started with pallets used to move product in our plants.



- **Designing more sustainable packaging** The Sustainable Packaging Coalition (SPC) provides insights, benchmarking, and solutions that enhance the sustainability of packaging across the industry. We're proud to have won their 2017 SPC Innovator Award for our recyclability testing protocol.



- **Standardizing recycling instructions** We recently became members of the How2Recycle standardized labeling system which clearly communicates recycling instructions to the public. We are empowering consumers through smart packaging labels as we roll out new products.



- **Improving curbside recycling** We're proud to be part of The Recycling Partnership's efforts to improve and energize curbside recycling through operational upgrades, technical assistance, and consumer education.



- **Investing in recycling infrastructure** We're investing \$5 million over five years in the Closed Loop Fund to support the expansion of recycling infrastructure and sustainable manufacturing technologies that advance the circular economy.



Bringing everyone to the table.

In 2017 we hosted our Third Annual Recyclability Roundtable, inviting experts from the U.S. and Canada recycling communities. Twenty organizations attended the roundtable, where we discussed ways we can work together to advance plastic recycling and change people's perceptions and behaviors about recycling.

We also assembled an Advisory Board to support us on our recyclability journey. Leaders from the private sector, government, and academia met with a team of Keurig executives for three, full-day meetings over the course of the year to provide guidance on partnerships, trends, and technologies. The robust dialogue has informed our approach to recycling solutions and product sustainability.

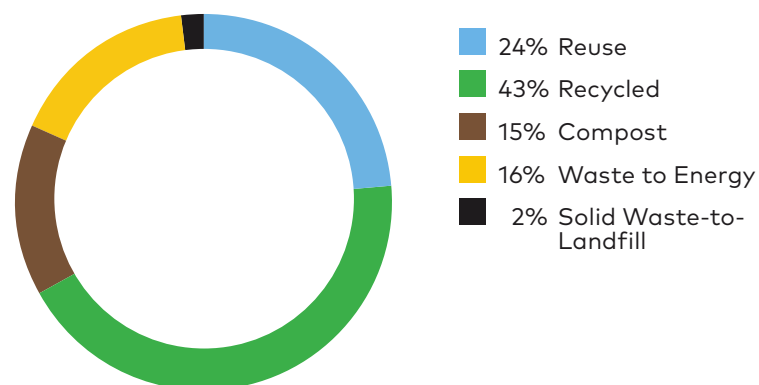
Reduce, recycle, rethink.

We continually rethink how we distribute and dispose of waste, focusing our efforts on reducing, reusing, and recycling 100% of our operational waste — most of which comes from coffee roasting and packaging. Achieving zero waste to landfill needs to involve everyone in our organization. That's why we value the site champions we have in many of our locations who are working hard to get employees actively engaged in waste diversion. It starts with education — providing an understanding of what we're doing as a company, what employees can do to help, and why it matters. It also includes getting everyone excited about finding creative ways to reduce, recycle, and reuse everywhere we can.

Our work to reduce waste is paying off. In fiscal 2017, we successfully diverted 98% of our solid waste from our owned and operated manufacturing and distribution facilities. We're proud of all these efforts, which have set us up to meet our target of 100% waste diversion in fiscal 2018, two years ahead of schedule.

5X
more material was diverted through reuse, recycling, and composting than through waste to energy

Waste Generation and Management (tons)



Waste Diversion Rates for Manufacturing Facilities

SITE	FISCAL 2017
Castroville, Calif.*	93%
Essex, Vt.	100%
Knoxville, Tenn.	97%
Sumner, Wash.	100%
Waterbury, Vt.	100%
Williston, Vt.	100%
Windsor, Va.	100%
Montreal, Canada	94%
Average diversion rate for manufacturing facilities	98%

*In mid-fiscal 2017, our Castroville, California, facility was closed.

A tale of two sites.

In fiscal 2017, our Essex, Vermont, facility reached zero waste to landfill at their site, diverting nearly 2,800 tons of waste. To make this happen, the staff formed a waste diversion team with members from each shift who work as diversion ambassadors on the floor. They look for ways

to improve the current process with initiatives for resale, reuse, recycling, compost, and waste to energy. Some of these include:

- Burlap bags and other materials are identified for reuse.
- Scrap coffee pods are dismantled, the coffee and filters are sent to compost, and the rest of the pod materials are sent to recycling.

Our Knoxville site came close to reaching zero waste to landfill this past year, thanks to a facility-wide effort, including two employees solely dedicated to recycling. The plant diverted 5,274 tons of waste last year, averaging 440 tons per month. Their waste diversion initiatives include:

- Filter paper goes to recyclers for pet beds, ceiling tiles, and more.
- Burlap bags go to recyclers for oyster farmer bags, tree roots for landscaping, and more.
- Wood pallets are sent out to be recycled, rebuilt, and reused.
- Scrap coffee and chaff gets composted in topsoil and mulch.
- Scrap K-Cup® pods, cardboard, office paper, shrink-wrap, and super sacks are sent to local recyclers for reuse.

Growing our Grounds to Grow On™ program.

While recycling the polypropylene K-Cup® pods at curbside is the preferred option for home use, an office place, campus, or event setting results in concentrated use, and allows for a different solution. In 2011, we started our Grounds to Grow On™ program, which provides an easy way to collect brewed K-Cup® pods from places outside the home. With the help of g2 revolution®, an innovative recycling company, the foil and plastic components are separated and turned into recycled products like aluminum cans and shipping pallets, and the coffee grounds are composted.

Good things are brewing with our appliances too.

Our efforts to reduce waste extend to all of our products. We strive to maximize the lifespan of our brewers in order to minimize waste and returns. If a brewer does need to be returned, we have a brewer returns program where select retailers in the U.S. collect the brewers and send them to us for evaluation. We then refurbish the brewers for internal use, such as in-store displays or for marketing demonstrations. When they can't be reused, we send them to our recycling partners,



who are certified by Sustainable Electronics Recycling International. All partners have a zero waste-to-landfill policy, where they break down all components of the brewers for reuse or recycling. In Canada, consumers may return their brewers to Staples for recycling.

In fiscal 2017, we reused approximately 16,725 brewers for marketing or in-store displays and recycled more than 368,000 brewers. This translates to a total of nearly 13 million pounds of materials diverted from landfills.

Coffee and climate.

Climate change poses a significant risk to the coffee industry and will not only impact our ability to deliver the quality coffee that our consumers know and love, but will have a significant impact on the communities where coffee is grown. For example, Arabica coffee grows in mountainous areas and requires specific temperatures and amounts of rainfall to thrive. As weather patterns change, the areas where it can be grown are being threatened, endangering future crops.

The impacts of climate change on coffee cannot be fully addressed through mitigation or reduction of greenhouse gas (GHG) emissions. That's why we developed a climate change [policy](#), which reflects our holistic approach of mitigation, adaptation, and engagement.

This approach can be seen in our 5-year, \$2.5 million investment in World Coffee Research which is enabling the development of new coffee varieties, on-farm trials, and new climate-smart technologies that are placed directly into the hands of coffee farmers.

2020 Targets



Reduce greenhouse gas (GHG) emissions by 25%. Target met!

We also committed to reducing lifecycle GHG emissions of brewed beverages by 25% compared to a 2012 baseline. We met that target in 2015 through efficiency in our coffee roasting and building operations. We're proud of what we've accomplished to meet our goal early. In doing so, we've gained knowledge and protocols for our energy use and emissions management that we'll continue to implement as we push ourselves to further reduce our energy demands.

GHG Emissions (Short Tons in Thousands), Fiscal 2017

Scope 1: Direct emissions	32
Scope 2: Purchased electricity*	0
Scope 3: Indirect emissions**	1,062
Total estimated emissions	1,094

*We purchase renewable electricity in the form of Green e-certified renewable energy certificates. Consistent with U.S. Environmental Protection Agency (EPA) guidance, we began recording zero Scope 2 emissions based on our purchase of renewable energy in fiscal 2010.

**Beginning in fiscal 2015, we began tracking a more comprehensive set of data for Scope 3. Our Scope 3 data now includes emissions related to coffee cultivation, warehousing, and transportation of raw materials and finished goods by third-party logistics partners to and from Keurig-owned or leased facilities; production of our brewers and packaging materials; the energy consumed when the brewers are used; and emissions related to end-of-life for our products and manufacturing waste.

Total Energy Use (Therms), Fiscal 2017

Scope 1: Direct energy	5,146,861
Scope 2: Purchased electricity	3,171,214
Scope 3: Indirect energy*	56,413,715
Total therms	64,731,790

*Our Scope 3 data utilized to calculate energy (therms) impact includes warehousing and transportation of raw materials and finished goods by third-party logistics partners to and from Keurig-owned or leased facilities, and the energy consumed when brewers are used.

Powering our work with 100% renewable energy.

Although we met our GHG emission target early, we are continuing our efforts to reduce our impact. Each year, we purchase 100% renewable energy for all our North American operations. We also support renewable energy with the purchase of Green e-certified renewable energy certificates (RECs). In 2017, we purchased 94,990 MWh of wind and solar energy, including some within the same grid region as our Windsor, Virginia, plant, which allows us to report zero Scope 2 emissions in our greenhouse gas footprint.

Looking at all areas of our operations.

We continually assess how our buildings operate — measuring their performance through state-of-the-art buildings and operations management tools, monitoring our energy usage through submeters, and continually driving for efficiency with periodic lighting retrofits and compressed air audits. For Scope 1 and Scope 2 emissions, we track and report energy use through utility bills. Beyond our own operations, we measure our GHG impact throughout our entire value chain.

For Scope 3 emissions, we use a combination of direct measurement, supplier data, and modeling. Some of our efforts include:

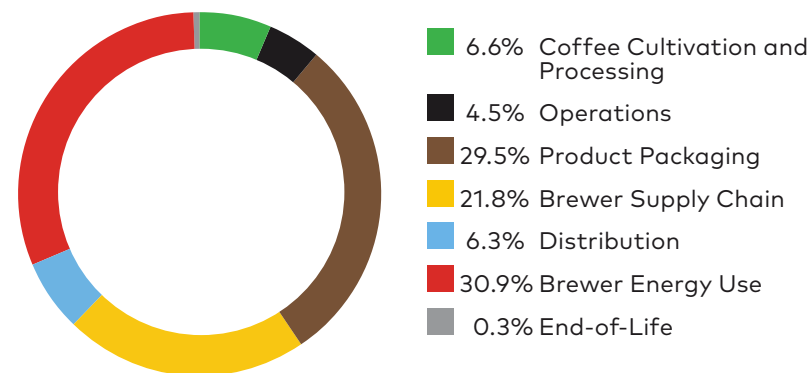
- **Measuring the energy use of our brewers.** The largest percentage of our GHG footprint comes from our brewers, so we test them in our labs with a protocol designed to mimic typical brewer usage in the home and workplace. To lessen their impact, we've started shipping some models with the auto-off enabled feature enabled, which reduces their energy consumption.
- **Gathering data directly from some of our suppliers.** We collect data on energy consumption associated with the facilities that warehouse our green coffee and finished goods.
- **Using industry emissions factors for other parts of our value chain.** This includes the cultivation and processing of coffee.

We will continue to focus on reducing emissions by monitoring, collecting, and auditing data on all three scopes.

"As we start talking about smart appliances, we're looking at how we can manage the electrical energy consumption at home because we know it's important to our consumers."

— Mark Choe, Chief Technology Officer

Corporate GHG Footprint*



*Percentages do not total 100% due to rounding.

Improving roasting performance.

Coffee roasting is essential to our business. Yet because it consumes a great deal of fuel, we need to be thoughtful in how we monitor and manage roasting performance. We use submetering to monitor our efficiency, where natural gas use is tracked through automated systems at most of our manufacturing facilities and is normalized by production volumes to account for shifts in volume and productivity. This helps us provide an objective comparison across different facilities and operations.

Feeling the heat of change.

In fiscal 2017, we set a goal to reduce our fuel consumption by an additional 2%. Despite a lot of effort, we only achieved a 1% reduction. This shortfall can largely be attributed to a conversion to new production management system software. While the conversion is good for our business, the implementation caused downtime, delays, and a few snags in our effort to maintain our roasting performance goal. We learned valuable lessons in the process and are excited to see continued improvements from comprehensive energy metering at our manufacturing plants and other opportunities for efficiency.

Water stewardship.

Meeting our water goal, drop by drop.

Water is a crucial component in growing and brewing coffee. That's why we developed a [water policy](#) in 2014 to strengthen our commitment to being a model water steward in our operations, in coffee communities, and in our local communities. It's also why we set an ambitious 2020 target to restore a cup of water for every cup used in our brewed beverages. We're excited to report that we met our water target in fiscal 2017 — three years ahead of schedule. We achieved our goal by improving the quality, availability, or both of more than 1,625 million gallons (6,154 million liters) of water.

2020 Targets



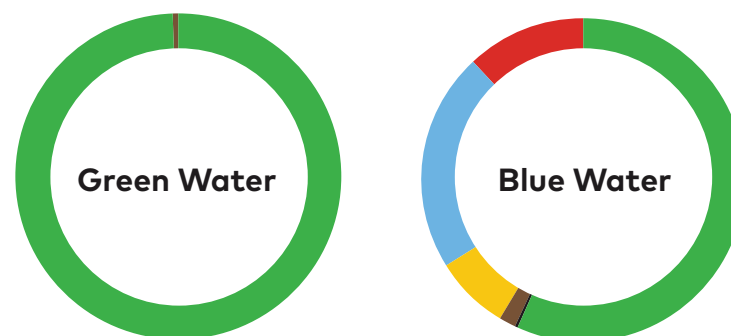
Restore 100% of the water used in our brewed beverages. **Target met!**

Analyzing the ripple effects of our water use.

In 2014, when we first set our water goal, we conducted a comprehensive analysis of our water footprint. At the same time, we analyzed the risks to water resources in our supply chain and where we operate. Using the

World Business Council for Sustainable Development's Global Water Tool™ and the World Resources Institute's Aqueduct Water Risk Atlas, we found that all facilities currently in our network are in areas of low water stress with abundant or sufficient annual water supplies, but relatively high flood occurrence. In our coffee supply chain, we found overall water risks and scarcity were low to medium in most regions, with primary risks coming from potential for flooding, access to water, and climate change.

Corporate Green and Blue Water Footprint*



	Green	Blue
Coffee Cultivation and Processing	99.5%	57.0%
Operations	0.0%	0.2%
Product Packaging	0.5%	1.6%
Distribution	0.0%	0.0%
Brewer Supply Chain	0.0%	7.6%
Brewer Energy Use	0.0%	22.0%
Brewing Water	0.0%	11.8%
End-of-Life	0.0%	0.0%

*Percentages do not total 100% due to rounding. Footprint is based on fiscal 2012 data.

Slowing the flow in our operations and homes.

Our commitment to create sustainable products means using fewer resources in all we do — including water. That's why we make smart water use a priority in our operations. While coffee processing is a relatively dry process, meaning we use very little water in our operations, we track the amount we do use through our water bills to ensure responsible management. In fiscal 2017, we withdrew just over 105.2 million liters of water for our operations. This was drawn from the municipal water supply associated with each facility.

Smart water use is also an inherent benefit of our brewers because they use only the amount consumed in a cup of coffee — compared to brewing a pot of coffee where at least 15% is typically thrown out.

Save Water and Coffee

Brewing only what you need with Keurig® brewers saves coffee, money, and water.

About 15% of each brewed pot is wasted,* which adds up to 438 cups of coffee annually and about \$104 per household down the drain.

*Keurig Research Study on Waste Coffee, February 2016.

Changing the course of the Rock River's future.

The Lake Champlain Basin, home to our Vermont offices, is also home to wetlands with fish and wildlife habitats. These wetlands are vital to the area's ecosystem, but they're facing serious threats from development. That's why we've been partnering with The Nature Conservancy and other organizations to conserve the basin's wetlands and river corridors.

One of these projects is on the Choiniere Farm. This parcel of land is located along the Rock River, which drains into the Missisquoi Bay — an area with some of Lake Champlain's biggest water-quality challenges. The river corridor has a diverse riparian community with alder and hemlock swamps, floodplain forest wetland, and cattail marshes. Birds, animals, and fish travel along the river corridor and up into the connecting stream systems or patches of forest. To protect this area from eventual development and to ensure that a higher quality of water flows downstream, we helped The Nature Conservancy establish a conservation easement and wetland protections for 10 acres of wetland and 53 acres of river corridor.

Ensuring water security in coffeelands.

Water security is not only essential for growing coffee, but for quality of life. One of our 2020 targets is to improve the quality of life for one million people in our supply chain. Connecting people to clean water is an integral part of that.

To accomplish this, we're collaborating with key partners who are working to ensure good water management and access to clean water in coffee communities. Our investments in key supplier regions are enabling research, infrastructure, support tools, training in good agronomic practices, and more. Better water management not only improves the quality of the coffee, but the livelihoods of our coffee farmers and their neighbors downstream.

Fulfilling a pipe dream in El Roblar.

The El Roblar farming community in Nicaragua was in chaos. Their population was growing while the flow of water was decreasing. For five years, they hauled water from a river 600 meters away — when the water was actually flowing. With help from Keurig and CRS's Blue Harvest program, they were able to access new water sources upstream, install new pipes to connect the new water catchment to the old one, and install filters and a collection tank.

9M

people in Central America rely on water that flows downhill from coffeelands

"Water is increasingly scarce in Nicaragua. Blue Harvest is designed to link the water issue and coffee and bring together different stakeholders in communities and in watersheds to collaborate and improve both."

— Paul Hicks, CRS Blue Harvest Project Advisor

Better together.



Coffee connects us to friends, family, and community. And we're passionate about strengthening those bonds in the places we work and live. It's why we serve together with local organizations that connect people to their families. And it's why we grow together with environmental partners to develop the kinds of eco-friendly neighborhoods where we all want to live. These connections bring us together. And we know we are better together.

Coffee and community. The perfect blend.

Our employees are one of our most important resources. And our communities are our greatest partners. When we work together, we can deliver on our commitment to strengthen families and communities.

We have a long history of employee engagement in our sustainability and community programs. And we recognize the difference they can make. That's why we set a goal to get 100% of our employees engaged in our vision and values by 2020. In fiscal 2017, we had 78% of our employees engage in opportunities ranging from education and volunteerism programs to trips to coffee farms around the world.

2020 Targets



Engage 100% of employees in our vision and values. **78% engaged.**

Our commitment extends beyond our employees to embrace our communities as partners. We support non-profit organizations within the six communities where we operate. Our employees volunteer their time and talent, and we provide sponsorships and product donations. Building on the belief that we are better together, we focus on organizations that connect families and communities through service, shelter, and a healthy environment.

Getting our employees 100% engaged.

When our employees get involved with local organizations, helping our communities is no longer just something the company does. It becomes very personal. They learn more about the issues facing our communities. They forge relationships with organizations doing work that inspires them. And they see the difference they can make — individually, and as part of a larger whole.

Our Community Action for Employees (CAFE) program gives every full-time employee 52 hours of paid volunteer time each year and every part-time employee 25 hours. The program is designed so employees can choose the local causes they want to support.

50,000+

Employees volunteer hours contributed

"We commit ourselves to making a positive impact in the lives of our employees, in the communities we operate in, and the world around us. We consider both the short- and long-term effect of the actions we take."

— Scott Moffitt, Chief Beverage and Brand Officer, Keurig



In January, nine employees traveled to Nicaragua for a 7-day journey, gaining a deeper appreciation of the coffee process and the challenges facing those who grow our coffee.

Putting our dollars where our passions are.

To amplify our employee efforts, we provide an Employee Match program to further support the organizations our employees care about. This provides up to \$1,000 that employees can use to have their donations matched 1:1 or to provide a \$250 donation to organizations where they've volunteered at least 25 hours outside of their CAFE time.

We also provide sponsorships and donate product to local non-profit organizations — focusing on those that help us deliver on our commitment to serve, and grow our local communities.



To celebrate Earth Day in Montreal, over 40 employees from several departments participated in a tree planting event organized by the 375,000 Trees project.

Serving those who serve our country.

Our REVV® Coffee is as strong as it gets — but nothing compares to the strength of our military personnel. We're proud to have partnered with Purple Heart Homes in fiscal 2017 to help renovate kitchens for veterans who were disabled while serving our country. In addition to giving the organization a \$50,000 donation, we designed and outfitted a coffee corner for the renovated kitchens — complete with a Keurig® coffee maker and REVV® K-Cup® pods.

Growing trees to protect our waterways.

On a warm day in August last year, 17 members of our beverage sourcing team volunteered to help plant 3,089 native seedlings at the Intervale Center — a 360-acre campus of farmland, trails, and space along Vermont's Winooski River in Burlington. They worked to remove weeds, prepare the beds, and plant white pine and silver maple seedlings. Once the trees are mature enough, they'll be given or sold to local farms and non-governmental organizations to enhance farm

Doubling down for hurricane relief.

After the devastation of Hurricanes Harvey, Irma, and Marie in 2017, we provided a special 2:1 match for donations made to the American Red Cross and Keep America Beautiful for immediate relief and post-storm restoration and recovery. Our employees opened their hearts and wallets, and through our Employee Match program, raised \$14,000.

viability and land sustainability by managing runoff from agriculture into the lakes and rivers of Vermont and surrounding states.

In addition to the team's hard work, we also provided a \$5,000 sponsorship for the Intervale Center's Allen Brook and Muddy Brook initiatives. With our support, they were able to plant trees and perform stewardship maintenance on 14+ acres of riparian forest in Williston, Vermont.



Employees protecting our waterways through tree planting efforts.

Seeing how we measure up.

Employees are at the heart of our efforts to make a positive impact in the places where we work and live. In fiscal 2017, 78% of our employees engaged in a sustainability program or education initiative, and 60 employees traveled to a coffee-producing country on a company-sponsored "source trip." We also had 48% of our full-time employees participate in one of our volunteer programs. While that number is down 7% from last year, it still resulted in a total of 50,161 volunteer hours.

To help reach our target of 100% engagement, we're implementing new ways to engage and encourage full employee participation, including a new, automated platform that will make it even easier to get involved with our community programming.

Behind all of the numbers are our amazing employees. We are proud to support all that they're doing to strengthen our communities. And to Brew A Better World™.

Fiscal 2017 donations

\$118K+
total employee donations matched

2,000+
brewers donated

\$407K+
retail value of donated products

More resources.

Stakeholder Engagement

Stakeholder	How We Engage	Samples, Initiatives and Outcomes in Fiscal 2017
Employees Approximately 5,300	<ul style="list-style-type: none"> ▶ Quarterly Town Hall meetings ▶ "Source trips" to coffee-growing communities ▶ Employee Match Program ▶ Employee volunteerism 	<ul style="list-style-type: none"> ▶ Learning and development Programming ▶ Peer-to-peer behavioral safety observation programs in manufacturing facilities
Community We have significant facilities in 5 U.S. states and 4 Canadian provinces	<ul style="list-style-type: none"> ▶ Employee volunteerism ▶ Sponsorships ▶ Product donations 	<ul style="list-style-type: none"> ▶ 78% of employees engaged in a sustainability program or education initiative ▶ 60 employees participated in source trips in five countries
Suppliers 5,000+ coffee appliance suppliers	<ul style="list-style-type: none"> ▶ Annual Quality and Manufacturing Summit ▶ Supplier assessments and continuous improvement plans 	<ul style="list-style-type: none"> ▶ Outreach and collaboration in certifying to Keurig Green Mountain Responsible Sourcing Supplier Guidelines ▶ Targeted our grantmaking in two areas to holistically address challenges: serve and grow
Consumers/Customers <ul style="list-style-type: none"> ▶ At-home and away-from-home coffee and other beverage consumers ▶ Retailers, grocers, etc., that sell our products to consumers 	<ul style="list-style-type: none"> ▶ Direct engagement with consumers for education and awareness-raising on sustainability issues, including recyclability 	<ul style="list-style-type: none"> ▶ Grounds to Grow On™ program ▶ Regular consumer surveys ▶ Held Intercambio in Honduras, where we gathered suppliers to discuss our business and quality standards and assure suppliers that Keurig is invested in their operations
Non-Government Organizations	<ul style="list-style-type: none"> ▶ Regular collaboration with NGOs that improve conditions in agricultural supply chain communities, support local 	<ul style="list-style-type: none"> ▶ Introduced recyclable K-Cup® pods in 2016; instructions for recycling our recyclable K-Cup® pods are included on the product packaging ▶ Partnered with CRS to continue the efforts to teach sustainable water resource management practices ▶ Hosted top 100 suppliers event based on dollar amount of spend, how critical suppliers are to our business, and their compatibility with our future strategy ▶ Consumers who live near our corporate facilities can drop off their used K-Cup® pods at our retail store at the Burlington Mall in Burlington, Massachusetts, and our Visitor Center and Café in Waterbury, Vermont ▶ Invested in Keep America Beautiful's Restoration and Resiliency Fund to provide support after the devastating impact of Hurricanes Harvey, Irene, and Marie

UNGC and CEO Water Mandate Index

Keurig Green Mountain has been a signatory to the United Nations Global Compact (UNGC) since 2004. With this Communication on Progress, we reaffirm our commitment to the Global Compact and its principles. This update also serves as our commitment on progress for the CEO Water Mandate.

UNGC Principle

Report Section

Human Rights

1	Businesses should support and respect the protection of internationally proclaimed human rights.	Coffee: Not just beans but brewers, too (page 13) Earth: Water Stewardship (page 21-22)
2	Businesses should ensure that they are not complicit in human rights abuses.	

Labor Standards

3	Businesses should uphold the freedom of association and effective recognition of the right to collective bargaining.	Coffee: Not just beans but brewers, too (page 13) GRI Index: view here
4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	
5	Businesses should uphold the effective abolition of child labor.	
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	

Environment

7	Businesses should support a precautionary approach to environmental challenges.	Targets (page 4) Earth (page 14-22) Appendix (page 27-30) GRI Index: view here
8	Businesses should undertake initiative to promote greater environmental responsibility.	
9	Businesses should encourage the development and diffusion of environmentally-friendly technologies.	

Anti-Corruption

10	Businesses should work against corruption in all its forms, including extortion and bribery.	Coffee: Not just beans but brewers, too (page 13)
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CEO Water Mandate Communication on Progress Report Section

Direct Operations	Earth: Water Stewardship (page 21-22)
Supply Chain and Watershed Management	Earth: Water Stewardship (page 21-22)
Collective Action	Coffee: Cultivating Strong Coffee Communities (page 11) Earth: Water Stewardship (page 21-22)
Public Policy	Keurig Website: www.keuriggreenmountain.com/Sustainability/ReportsAndDisclosures/WaterPolicy.aspx
Community Engagement	Community (page 23-26)
Transparency	Earth: Water Stewardship (page 21-22)

Diversity of Governance Bodies and Employees

Male/Female Diversity by Management Level (U.S. & Canada)

GENDER	MANAGEMENT	NON-MANAGEMENT	GRAND TOTAL	MANAGEMENT	NON-MANAGEMENT	GRAND TOTAL
Female	244	1622	1866	5%	32%	
Male	414	2766	3180	8%	55%	
Unreported	0	5	5	0%	0%	
Grand total	656	4393	5051	13%	87%	100%

Ethnic Diversity by Management Level (U.S. Only - not reported on in Canada)

	MANAGEMENT	NON-MANAGEMENT	GRAND TOTAL	MANAGEMENT	NON-MANAGEMENT	GRAND TOTAL
Minority	29	570	599	1%	16%	
Non-Minority	438	2630	3068	12%	71%	
Grand total	467	3200	3667	13%	87%	100%

- Average Number of Employees for FY17 (Not Including Temps or On Leave): **5,280**
- FY17 Year-End Number of Employees: **4,978**
- Voluntary Retention Rate: **88.7%**
- 25.95% of our people have been with us for 3 years or less.

Health and Safety

EMPLOYEE SAFETY*

FISCAL 2017

Injury severity (Days Away Restricted or Transferred, DART) rate	1.18
Incidence frequency (Total Recordable Incidence, TRI) rate	1.49
Industry DART rate (coffee and tea)**	N/A
Industry TRI rate**	N/A
Occupational fatalities	0

*Includes all company data for manufacturing and non-manufacturing sites.

**Industry data for 2017 not yet available at time of publication.

About This Report

This report covers fiscal 2017, from September 25, 2016, to September 30, 2017.

Our most recent report was published in June 2017, covering our 2016 fiscal year.

This report has been prepared in accordance with the Global Reporting Initiative's (GRI) Standards Core option. It also serves as our annual Communication on Progress to the United Nations Global Compact (UNGC), providing an overview of our implementation

of the 10 principles of the UNGC and our support of broad U.N. development goals, including Sustainable Development Goals (SDGs). Please see the UNGC index portion of our appendix in addition to the reports and disclosures page of our website for more information.

The data cited refers to fiscal 2017 or the last day of fiscal 2017 unless otherwise indicated. Data are for our wholly owned business units. In addition, we provide selected data and other information about our supply chain activities globally. For all references to an average or a percentage of employees participating in certain

activities, we use an average number of full-time employees during the fiscal year as the denominator in the calculation. We calculate this number by adding the number of full-time employees at the beginning of the fiscal year to the number at the end of the fiscal year and dividing by two.

We welcome your feedback on this report at sustainability@keurig.com.

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Content

Write On Network

writeonnetwork.com

Design

Celery Design Collaborative

celerydesign.com

KEURIG
GREEN MOUNTAIN

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Keurig Green Mountain Fiscal 2017 Sustainability Report

Global Reporting Initiative (GRI) Content Index

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
GRI 101: Foundation			
GRI 102: General Disclosures			
Organizational Profile			
102-1	Name of the organization	Fully	About (pp. 4-7)
102-2	Activities, brands, products, and services	Fully	About (pp. 4-7)
102-3	Location of the organization's headquarters	Fully	http://www.keuriggreenmountain.com/OurCompany/OurLocations/Vermont.aspx
102-4	Location of operations	Fully	http://www.keuriggreenmountain.com/OurCompany/OurLocations.aspx
102-5	Nature of ownership and legal form	Fully	About (pp. 4-7)
102-6	Markets served	Fully	About (pp. 4-7)
102-7	Scale of the organization	Partially	About (pp. 4-7) As a privately held company, we do not report information on net sales, net revenue, debt and equity.
102-8	Information on employees and other workers	Partially	More (pp. 27-30) All of our employees are in North America.
102-9	Supply chain	Fully	About (pp. 4-7) In May 2017, we announced the closing of our Castroville, CA plant.
102-10	Significant changes to the organization and its supply chain	Fully	Introduction (pp. 2-3) In May 2017, we announced the closing of our Castroville, CA plant.

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
102-11	Precautionary Principle or approach	Fully	Keurig Green Mountain supports the precautionary principle to guide its actions; we routinely evaluate a wide range of risks and take precautionary steps where warranted.
102-12	External initiatives	Fully	Coffee (pp. 9-13) Earth (pp. 14-22) Community (pp. 23-26) More (pp. 27-30)
102-13	Membership of association	Partially	<p>Earth (pp. 14-22) More (pp. 27-30)</p> <p>We belong to a number of industry, multi-stakeholder groups and associations not included directly in the above noted sections. The following are additional memberships of strategic importance to our sustainability strategy:</p> <ul style="list-style-type: none"> • Circular Economy 100 (CE100) • Circular Economy Lab • Specialty Coffee Association of America • Vermont Business for Social Responsibility
Strategy			
102-14	Statement from senior decision-maker	Fully	Introduction (pp. 2-3)
102-15	Key impacts, risks, and opportunities	Fully	<p>Introduction (pp. 2-3) About (pp. 4-7)</p> <p>Keurig CDP Response: https://www.cdp.net/en/responses/40297</p> <p>Keurig Green Mountain Website: Climate Change Policy</p>
Ethics and Integrity			

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
102-16	Values, principles, standards, and norms of behavior	Fully	Introduction (pp. 2-3) About (pp. 4-7) Keurig Green Mountain Website: Code of Conduct Environmental Policy Climate Change Policy Water Policy Responsible Sourcing Guidelines
102-17	Mechanisms for advice and concerns about ethics	Fully	Keurig Green Mountain Website: Code of Conduct
Governance			
102-18	Governance structure	Fully	About (pp. 4-7)
102-19	Delegating authority	Fully	About (pp. 4-7)
102-20	Executive-level responsibility for economic, environmental, and social topics	Fully	About (pp. 4-7)
102-21	Consulting stakeholders on economic, environmental, and social topics	Fully	About (pp. 4-7) Earth (pp. 14-22) More (pp. 27-30)
102-25	Conflicts of interest	Fully	Keurig Green Mountain Website: Code of Conduct
Stakeholder Engagement			
102-40	List of stakeholder groups	Fully	More (pp. 27-30)
102-41	Collective bargaining agreements	Fully	The number of employees covered by collective bargaining agreements is not significant
102-42	Identifying and selecting stakeholders	Fully	Coffee (pp. 5-9) Earth (pp. 10-18) Community (pp. 23-26) More (pp. 27-30)

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
102-43	Approach to stakeholder engagement	Fully	Coffee (pp. 5-9) Earth (pp. 10-18) Community (pp. 23-26) More (pp. 27-30)
102-44	Key topics and concerns that have been raised	Fully	Coffee (pp. 5-9) Earth (pp. 10-18) Community (pp. 23-26) More (pp. 27-30)
Reporting Practices			
102-45	Entities included in the consolidated financial statements	Partially	After March 2016, as a private company, we no longer release public financial statements.
102-46	Defining report content and topic boundaries	Fully	About (pp. 4-7)
102-47	List of material topics	Fully	About (pp. 4-7)
102-48	Restatements of information	Fully	Explanations of restatements, where relevant, are included as notes to the data charts and tables.
102-49	Changes in reporting	Fully	About (pp. 4-7)
102-50	Reporting period	Fully	More (pp. 27-30)
102-51	Date of the most recent report	Fully	More (pp. 27-30)
102-52	Reporting cycle	Fully	More (pp. 27-30)
102-53	Contact point for questions regarding the report	Fully	More (pp. 27-30)
102-54	Claims of reporting in accordance with the GRI Standards	Fully	More (pp. 27-30)
102-55	GRI content index	Fully	This index
102-56	External assurance	Fully	No external assurances were provided on this report
GRI 200: ECONOMIC			
GRI 203: Indirect Economic Impacts			

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission															
103	Disclose on Management Approach	Fully	Coffee (pp. 9-13) Community (pp. 23-26)															
203-1	Infrastructure investments and services supported	Fully	Coffee (pp. 9-13) Community (pp. 23-26)															
203-2	Significant indirect economic impacts	Fully	Coffee (pp. 9-13) Community (pp. 23-26)															
GRI 300: ENVIRONMENTAL																		
GRI 301: Materials																		
103	Disclose on Management Approach	Partially	Earth (pp. 14-22)															
301-2	Recycled input materials used	Partially - reason for omission	Specific percentages of recycled input materials used to manufacture our products are not currently available at this time, except for our pod boxes which contain 35% post-consumer recycled content.															
GRI 302: Energy																		
103	Disclose on Management Approach	Fully	Earth (pp. 14-22)															
302-1	Energy consumption within the organization	Fully	<table border="0"> <thead> <tr> <th>Total Therms</th> <th>(kWh)</th> <th>% of total use</th> </tr> </thead> <tbody> <tr> <td>• Propane/oil</td> <td>2,738</td> <td>0.03%</td> </tr> <tr> <td>• Natural gas</td> <td>4,322,550</td> <td>51.97%</td> </tr> <tr> <td>• Electricity</td> <td>3,171,217</td> <td>38.12%</td> </tr> <tr> <td>• Distribution fuel</td> <td>821,579</td> <td>9.88%</td> </tr> </tbody> </table>	Total Therms	(kWh)	% of total use	• Propane/oil	2,738	0.03%	• Natural gas	4,322,550	51.97%	• Electricity	3,171,217	38.12%	• Distribution fuel	821,579	9.88%
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302-2	Energy consumption outside of the organization	Fully	About (pp. 4-7) Earth (pp. 14-22)															
GRI 303: Water																		
103	Disclose on Management Approach	Fully	Earth (pp. 14-22)															
303-1	Water withdrawal by source	Fully	Earth (pp. 14-22)															
GRI 304: Biodiversity																		
103	Disclose on Management Approach	Fully	Direct response below															

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
304-2	Significant impacts of activities, products, and services on biodiversity	Fully	The primary biodiversity impacts of our business are indirect, occurring far down in our supply chain in the process of coffee growing. We are working to understand and minimize these impacts. For example, we purchase coffee through various certification and verification organizations, which require farms to meet rigorous environmental, social, and economic criteria including conserving wildlife and safeguarding soils and waterways. Through our coffee farmer engagement and supply chain outreach programs we are also working to reduce environmental impacts of coffee cultivation. For example, we have outreach programs that help coffee farmers engage in sustainable watershed and habitat management. We are also working to better assess our suppliers and understand their farming practices. This will also help us understand and minimize biodiversity impacts of coffee growing.
GRI 305: Emissions			
103	Disclose on Management Approach	Fully	Earth (pp. 14-22)
305-1	Direct (Scope 1) GHG emissions	Fully	Earth (pp. 14-22)
305-2	Energy indirect (Scope 2) GHG emissions	Fully	Earth (pp. 14-22)
305-3	Other indirect (Scope 3) GHG emissions	Fully	Earth (pp. 14-22)
GRI 306: Effluents and Waste			
103	Disclose on Management Approach	Fully	Earth (pp. 14-22)
306-2	Waste by type and disposal method	Fully	Earth (pp. 14-22)
GRI 308: Supplier Environmental Assessment			
103	Disclose on Management Approach	Fully	Coffee (pp. 9-13)
308-1	New suppliers that were screened using environmental criteria	Fully	Coffee (pp. 9-13) Keurig Green Mountain Website: Responsible Sourcing Guidelines

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
308-2	Negative environmental impacts in the supply chain and actions taken	Fully	About (pp. 4-7) Coffee (pp. 9-13) Earth (pp. 14-22)
GRI 400: SOCIAL			
GRI 401: Employment			
103	Disclose on Management Approach	Fully	Direct response below
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fully	Regular, part-time employees who are scheduled to normally work 20 or more hours per week are eligible for medical, dental and vision benefits after one year of employment (different rates apply for PT employees), in addition to the well-being and employee assistance program.
GRI 403: Occupational Health and Safety			
103	Disclose on Management Approach	Fully	More (pp. 27-30)
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Fully	More (pp. 27-30)
GRI 404: Training and Education			
103	Disclose on Management Approach	Fully	Direct response below
404-3	Percentage of employees receiving regular performance and career development reviews	Fully	100% of employees receive regular performance reviews.
GRI 405: Diversity and Equal Opportunity			
103	Disclose on Management Approach	Partially	More (pp. 27-30)
405-1	Diversity of governance bodies and employees	Partially - reason for omission	More (pp. 27-30) Employee age is confidential. Minority group data is not available for our Canadian employees.
GRI 408: Child Labor			

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
103	Disclose on Management Approach	Partially	Direct response below
408-1	Operations and suppliers at significant risk for incidents of child labor	Partially - reason for omission	Our Responsible Sourcing Supplier Guidelines outline our expectations for our suppliers with regard to child and forced labor in our supply chain. We enforce these Guidelines through supplier audits in our appliance supply chain and through purchases of certified/verified coffee. We use a risk assessment process to prioritize audits and other supply chain engagements. You can find out more about these programs in our Sustainability report and on our company website. Please also see our Anti-Slavery and Human Trafficking Statement .
GRI 409: Forced or Compulsory Labor			
103	Disclose on Management Approach	Partially	Direct response below
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Partially - reason for omission	Our Responsible Sourcing Supplier Guidelines outline our expectations for our suppliers with regard to child and forced labor in our supply chain. We enforce these Guidelines through supplier audits in our appliance supply chain and through purchases of certified/verified coffee. We use a risk assessment process to prioritize audits and other supply chain engagements. You can find out more about these programs in our Sustainability report and on our company website. Please also see our Anti-Slavery and Human Trafficking Statement .
GRI 411: Right of Indigenous Peoples			
103	Disclose on Management Approach	Fully	Direct response below
411-1	Incidents of violations involving rights of indigenous peoples	Fully	We received zero reports of incidents of violations involving rights of indigenous people in fiscal 2017.
GRI 412: Human Rights Assessment			
103	Disclose on Management Approach	Fully	Coffee (pp. 9-13) Keurig Green Mountain Website: Responsible Sourcing Supplier Guidelines

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
412-1	Operations that have been subject to human rights reviews or impact assessments	Fully	Coffee (pp. 9-13) Keurig Green Mountain Website: Responsible Sourcing Supplier Guidelines
GRI 413: Local Communities			
103	Disclose on Management Approach	Fully	Coffee (pp. 9-13) Earth (pp. 14-22) Community (pp. 23-26)
413-1	Operations with local community engagement, impact assessments, and development programs	Fully	Coffee (pp. 9-13) Earth (pp. 14-22) Community (pp. 23-26)
GRI 414: Supplier Social Assessment			
103	Disclose on Management Approach	Fully	Coffee (pp. 9-13) Keurig Green Mountain Website: Responsible Sourcing Supplier Guidelines
414-1	New suppliers that were screened using social criteria	Fully	Coffee (pp. 9-13) Keurig Green Mountain Website: Responsible Sourcing Supplier Guidelines
GRI 416: Customer Health and Safety			
103	Disclose on Management Approach	Partially	Direct response below
416-1	Assessment of the health and safety impacts of product and service categories	Partially - reason for omission	We maintain a commitment to product safety and quality throughout our sourcing and manufacturing processes. We do not track the specific percentage of products assessed for health and safety impacts and improvements.
GRI 418: Customer Privacy			
103	Disclose on Management Approach	Partially	Direct response below

GRI Standard	Disclosure	Reporting Status	Location / Direct Response / Omission
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Partially - reason for omission	Keurig is committed to protecting customer data privacy. View our online privacy policy here . Specific data about customer privacy breaches is confidential.