



Reducing our Environmental Impact – The Keurig® Brewing System

Reducing the environmental impact of our coffee packaging materials and brewing systems, including the K-Cup® portion packs used in our Keurig® Single-Cup Brewing Systems, is a top priority for us and we are dedicated to finding a solution.

We've made progress on other areas of our packaging. We helped bring the first hot to-go beverage cup and lid made with renewable materials to the marketplace. And all the packaging film for our 10oz/12oz bags is now made with 19.4% PLA, a renewable biopolymer derived from natural cornstarches.

We are approaching the packaging challenge associated with portion packs with the same aggressive drive toward a solution.

Our Life-Cycle Analysis, which compared single-cup brewing using the Keurig system to drip brewing across a number of environmental dimensions, indicated that the disposal of a product's packaging generally represents a fraction of its total environmental impact and that the most significant environmental impact actually occurs in the production of the materials used to create the product.

We are acting on this information.

We continue to invest significant resources in working with packaging suppliers to identify and implement materials changes that will meet our standards for quality and deliver the most significant positive environmental impact, both in the creation and disposal of our packaging. We have had some promising results in this area and look forward to sharing new innovations.

We have evolved our product design processes and systems by, among other things, educating our engineering staff about sustainable design and establishing in-house Life-Cycle Analysis capability so that we can build greater environmental responsibility into our products and their packaging from the beginning.

Additionally:

- We are piloting two separate K-Cup portion pack waste-diversion initiatives in high usage locations that could help us divert a significant amount of spent portion packs out of landfills.
- We have introduced nested packaging for our K-Cups, which we estimate will reduce distribution-related greenhouse gas emissions by over 20%.
 - We're optimistic about the potential for success of our brew-over-ice beverages. Based on weight, we estimate per serving brew-over-ice K-Cups deliver a +90% reduction in transportation and warehousing costs when compared to a 16 oz. plastic ready-to-drink bottle.
- All K-Cup portion packs and all water path components of Keurig home brewers are free of Bisphenol-A (BPA).
- The recyclable parts of our home brewers all have recycling codes on them to help facilitate responsible disposal and all our home brewers comply with the RoHS Directive (www.rohs.gov.uk), a set of European regulations designed to reduce the effect of electronic equipment in the waste stream.
- We continue to offer the "My K-Cup" product, a reusable filter assembly that can be refilled by the consumer. "My K-Cup" is easily cleaned and compatible with all Keurig home brewers sold today.

