



# SUSTAINABILITY IN ACTION

2011 Corporate Social Responsibility Update



# TABLE OF CONTENTS

ECONOMIC IMPACT.....	2
MESSAGE FROM PRESIDENT AND CEO LARRY D. YOUNG .....	3
OUR FIVE YEAR GOALS .....	4
ENVIRONMENTAL SUSTAINABILITY.....	5
HEALTH & WELLNESS .....	8
CORPORATE PHILANTHROPY .....	10
OUR WORKPLACE .....	12
ETHICAL SOURCING .....	14
ADDITIONAL INFORMATION .....	15



## ECONOMIC IMPACT

Net Sales  
\$5.6 billion

Goods Purchased  
\$2.2 billion

Taxes Paid - \$188 million  
U.S. Federal - \$146 million  
State/Local - \$33 million  
International - \$9 million

Wages, Benefits and Payroll Taxes  
\$924 million (Note: Some additional people costs are represented in Goods Purchased.)

Community Investments  
Financial Contributions (U.S. & Canada) – \$7 million  
(philanthropic: \$3.8 million; cause-related marketing/sponsorships: \$3.2 million)

Product Donations – \$1.6 million (DPS cost)

Returns to Shareholders  
In 2010, DPS returned \$1.3 billion to shareholders in the form of share repurchases (\$1.1 billion) and dividends (\$194 million).

# MESSAGE FROM PRESIDENT AND CEO LARRY D. YOUNG

At Dr Pepper Snapple Group, we understand that an investment in sustainability is an investment in our business. We have spent the three years since our establishment as an independent company building the foundation for future success, and we are achieving long-term, sustainable growth by fulfilling our responsibilities to our shareholders, employees, customers and consumers, and to the communities in which we operate.

In 2010, we took an important step in our sustainability journey with the release of “Sustainability in ACTION,” our inaugural corporate social responsibility (CSR) report, providing a snapshot of our sustainability efforts to date and the opportunities and challenges to come. Most importantly, we set ambitious five-year goals for our company covering environmental sustainability, health and wellness, philanthropy, workplace and ethical sourcing.

Since then, we have taken ACTION to put DPS’s plans into effect. In July 2010, we appointed Tim Gratto to the newly created role of vice president of sustainability, further sharpening our focus on sustainability strategy, programming, monitoring and reporting.

At DPS, we say what we’re going to do, and we do what we say. We’ve made great strides toward many of our goals and are close to completing a few. As we continue to improve our processes, gather more complete and accurate data and pursue new initiatives, we are confident in our ability to meet our goals in the years ahead. This document is just a taste of our progress to come.

Our vision is to be the best beverage business in the Americas. We know what we want to accomplish, and we know how to get there. And when we reach that goal, we will set the bar even higher. As we move into the future, please continue to share your feedback and ideas with me, and DPS will continue to take ACTION on corporate social responsibility.



Larry D. Young  
President & Chief Executive Officer



# OUR FIVE YEAR GOALS

## BY 2015, DPS WILL...



- Improve energy efficiency and reduce CO<sub>2</sub> from emissions in manufacturing by 10% per gallon of finished product.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment that is approximately 30% more energy-efficient.
- Increase product shipments per gallon of fuel used by 20%.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 90% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns and increased use of recycled PET.



- Continue to provide a full range of products, with at least 50% of innovation projects in the pipeline focused on reducing calories, offering smaller sizes and improving nutrition.
- Support local and/or national programs that encourage active lifestyles and fitness.



- Contribute a total of 100,000 volunteer hours and attain an annual giving level of \$10 million in charitable cash donations, with the majority of support focused on fit and active lifestyles, environmental sustainability, emergency relief and community celebrations.



- Maintain team leader engagement scores comparable to or better than those of other high-performing companies.
- Reduce lost-time injury rate by 25%.



- Conduct annual third-party risk assessments of all suppliers and audit any high-risk suppliers to ensure full compliance with our Ethical Sourcing Code of Conduct.



**Our Victorville, Calif., plant was awarded LEED Silver Certification in April 2011**



## BY 2015, DPS WILL:

- Improve energy efficiency and reduce CO<sub>2</sub> from emissions in manufacturing by 10% per gallon of finished product.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment that is approximately 30% more energy-efficient.
- Increase product shipments per gallon of fuel used by 20%.
- Reduce manufacturing water use and wastewater discharge by 10% per gallon of finished product.
- Recycle 90% of manufacturing solid waste.
- Conserve more than 60 million pounds of plastic through PET package lightweighting and redesigns and increased use of recycled PET.

## ENERGY CONSERVATION

Earlier this year, DPS completed an important step in managing electricity usage throughout our organization. Using third-party resources, we now have comprehensive data on our utility usage by site across our company. Building upon the manufacturing tracking data we have been collecting since 2008, we are now better positioned than ever before to make significant progress in improving energy efficiency and reducing CO<sub>2</sub> emissions, not just at our manufacturing sites, but across the U.S.

In 2010, we used 276 million kWh of electricity in our manufacturing operations, which equates to 0.19 kWh per gallon of finished product on a normalized basis. This will serve as the new baseline for our 2015 goal, following our implementation of the more robust system for tracking energy usage. Our state-of-the-art production facility in Victorville, Calif., now in full operation, is leading the way in energy efficiency, as the site was awarded Leadership in Energy and Environmental Design (LEED®) Certification (Silver) in April 2011.

Of course, DPS is much more than just our manufacturing facilities. Including corporate offices, distribution centers and other locations, we used 321 kWh of electricity in 2010. Although this number does not relate directly to our stated goal, we expect continued improvement in energy conservation companywide as we refine our processes.

In 2010 alone, we completed lighting projects at 17 locations, upgrading to more energy-efficient fluorescent lighting or LEDs, improving safety and saving 1.5 million kWh annually. Our Plano headquarters office continues to make strides in energy use, achieving an EPA Energy Star rating in 2011 as we continue the process of pursuing LEED certification for the building.

Beyond our properties, DPS is also driving energy efficiency in the field, replacing outdated vending machines and coolers with Energy Star-rated equipment. Since 2009, we have replaced nearly 20,000 older units with new coolers and venders, bringing us one third of the way to our goal and cutting the energy consumption of this equipment up to 30 percent at these locations. This represents significantly lower energy costs to our customers and translates to approximately 36 million pounds of CO<sub>2</sub> removed from the atmosphere, as much as would be emitted by 3,000 cars.

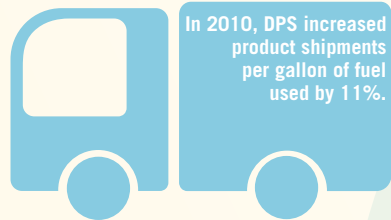


## FUEL CONSERVATION

Our Victorville plant is also leading the way toward accomplishing our fuel goals. Its opening in 2010 represents the completion of our hub-and-spoke distribution system, enabling us to serve our customers closer to where they operate. With manufacturing and distribution facilities in five key regions of the U.S., DPS has been able to reduce the distance our products travel to our consumers by 9 million miles per year.

In addition, our route optimization efforts are ongoing as we continually seek ways of serving our customers better. These reduced miles are often driven in more fuel-efficient vehicles, as we have replaced nearly 1,100 commercial vehicles with newer models featuring electronic speed controls and five-minute idle shutdown technology.

All told, DPS has achieved an 11 percent increase in product shipments per gallon of fuel used, representing a total fuel reduction of 456,675 gallons of diesel in 2010. As we continue to refine and analyze our data, we have found that our 2009 baseline was approximately 42.5 cases shipped per gallon of fuel used. As a result, we've adjusted our 2015 goal to 51 cases shipped per gallon of diesel fuel used.



DPS is also improving fuel usage beyond our commercial vehicles. More than 70 percent of the replacement vehicles added to our small fleet in the past three years meet the EPA ratings standard for “green vehicles.” DPS is also taking ACTION to improve fuel efficiency with our third-party transportation partners, joining the U.S. Environmental Protection Agency’s SmartWay Partnership. This is contributing to the Partnership’s goal to reduce 33 to 66 million metric tons of carbon dioxide and up to 200,000 tons of nitrogen oxide per year by 2012.

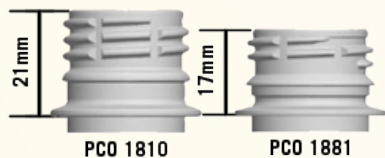
## WATER STEWARDSHIP

As with fuel and electricity, efficiency in water usage benefits our company as well as the communities in which we manufacture our products. That is because water is the primary ingredient in our products. We are continuously seeking ways to produce more with less, fueling our growth by reducing waste and increasing efficiency. In 2010, our overall water usage was approximately 3.0 billion gallons and our water discharge was approximately 1.4 billion gallons.

In our 2010 sustainability report, we outlined a number of water conservation measures being implemented across the company, and we’re continuing to see results. In addition, we are currently evaluating our water usage reporting and tracking practices, and with the help of third-party resources, we will soon have a more complete picture of our water usage by site.

In addition, Grupo Peñafiel, our Mexico-based operation, is setting the standard for accountability on water stewardship at DPS with its membership in Mexico’s National Campaign for Water Conservation. More than 350 companies have joined the campaign, which is organized by the Mexican Council of Communications with a mission to change water usage habits in order to produce immediate and significant savings across the country.





**THE "1881 STANDARD" HAS REDUCED THE SIZE OF OUR BOTTLE FINISHES AND CLOSURES, REDUCING BOTTLE WEIGHTS UP TO 11%.**



**WE NOW HAVE THE LIGHTEST 2-LITER BOTTLE IN THE INDUSTRY.**

## REDUCING WASTE

2010 was our first year collecting comprehensive waste data, and we can now report on the recycling yields at all of our locations. DPS currently recycles 75 percent of its manufacturing solid waste, putting us close to our 80 percent goal. In the spirit of continuous improvement, we are raising our solid-waste recycling goal to 90 percent of our manufacturing solid waste by 2015.

The packaging of our products is another highly visible source of solid waste, and we're pursuing innovative packaging solutions to reduce the amount of raw materials we use. Last year, we set a goal to conserve more than 60 million pounds of plastic by 2015, and we are already well on our way to that goal. In 2010, we saved 12.5 million pounds of plastic through increased use of recycled PET, package lightweighting and redesigns.

We now have the lightest 2-liter bottle in the industry, as we became the first company to fully implement the "1881 Standard" for the finishes and closures of our water and carbonated soft drink bottles. Available on 20-oz., 1-liter and 2-liter bottles, this innovation reduces bottle weights up to 11 percent, and we are now saving the equivalent of 25 rail cars of PET material annually. Moreover, the savings seen from the conversion covered the cost of the project within six months.

**In last year's report, we outlined four specific initiatives we planned to complete by 2012, and we are pleased to announce that all of them have been accomplished ahead of schedule:**

- We reduced 64-oz. aseptic/cold-fill juice and tea bottle weights by 5 percent, saving 900,000 pounds of resin annually.
- We redesigned 20-oz., 1-liter and 2-liter soft-drink containers to save 0.3 g to 2.9 g of weight per package, which has resulted in 5 million pounds of PET savings per year.
- We converted the finish on all Snapple 20-oz. bottles from 43 mm to 38 mm, saving 1.2 million pounds of PET and 147,500 pounds of high-density polyethylene annually.
- We decreased ReaLemon/ReaLime PET container weights by 11 percent for 15-oz. packages, 13 percent for 32-oz. packages, and 28 percent for 48-oz. packages, resulting in an ongoing savings of 563,000 pounds of PET resin per year.

**We are not resting on these accomplishments, however, and have already begun pursuing a series of initiatives that will increase our use of post-consumer recycled (PCR) material and further reduce our overall PET use. These include:**

- Commercially implementing 100 percent PCR single-serve containers in select markets, with select brands, by the end of 2011.
- Conducting market-test evaluation of reusable, multi-serve juice and secondary display packaging, further reducing the need for disposable corrugate boxes.
- Expanding the use of Green Ink™ printing technology beyond Deja Blue to also include labels for brands such as 7UP, A&W and Diet Rite.







## BY 2015, DPS WILL:

- Continue to provide a full range of products, with at least 50% of innovation projects in the pipeline focused on reducing calories, offering smaller sizes and improving nutrition.
- Support local and/or national programs that encourage active lifestyles and fitness.



DPS is focused on helping consumers make informed choices to balance calories in with calories out. We want to be constructive participants in the battle against social issues like obesity, particularly in children, which can only be solved when everyone takes some share of responsibility and works together. For DPS, this includes offering reduced-calorie products, offering options with smaller portion sizes, putting calorie counts on the front of packages and improving the nutrition offerings in our portfolio.

## CALORIES IN

You don't become the leading producer of flavored beverages in North America without offering consumers what they want. The breadth and diversity of our product portfolio is one of our greatest strengths, with products to suit any taste and expectation. Increasingly, consumer insights tell us that health and wellness products are in growing demand, and we're using the strength of our innovation pipeline to meet and beat expectations for great-tasting, "better-for-you" and lower-calorie beverage choices.

In 2011, 31 percent of our innovation pipeline is focused on health and wellness initiatives.

Mott's has been a leading innovator in "better-for-you" options for nearly a decade, and the brand continues to be at the forefront of our innovation efforts. Mott's brought increased variety to the juice aisle in 2010 with Mott's Medleys, containing a total of two fruit and vegetable servings in every 8-oz. glass with a taste kids love. Mott's Garden Blend vegetable juice, available in regular and low-sodium versions, is taking that same focus on taste to the vegetable juice category, with two servings of vegetables per 8 fl. oz.

Mott's has more in store for the back half of 2011. Mott's for Tots, a great-tasting juice drink that has 40 percent less sugar than regular apple juice and no artificial sweeteners, will offer two functional extensions: fruit punch with vitamins A, C and E and grape with calcium and vitamin D. Mott's applesauce will be taking health and wellness on the go with Snack & Go pouches, allowing moms to give their kids the No. 1 branded applesauce anywhere. Sold in resealable 3.2-oz. pouches, Mott's Snack & Go will be available in natural and strawberry flavors with just 40 calories per pouch.

Hawaiian Punch is another standout in health and wellness innovation in 2011. Earlier this year, the brand received a healthy makeover, with a new face for its iconic mascot, Punchy, and a reformulation that lowered calories to 70 per 8-oz. serving. This represents a more than 40 percent calorie reduction since 2006. The brand also found a new home in a multipack, resealable PET format with the launch of Hawaiian Punch six packs, featuring 10-oz. bottles with a full daily value of vitamin C and a convenient smaller portion size for consumers on the go.







Currently in test markets, Dr Pepper Ten looks to be one of our top innovations in 2011, and we're now looking at how we accelerate our national launch. The buzz on this product has been incredible, driven by great taste, innovative marketing and tremendous consumer response. With its male-oriented messaging, Dr Pepper Ten is breaking down barriers to low-calorie consumption, offering the flavor and mouthfeel of regular Dr Pepper with just 10 bold calories per 12-oz. serving.

## CALORIES OUT

Our partnership with KaBOOM! continues to be our flagship program in encouraging fit and active lifestyles. Following our successful pilot partnership in 2009, KaBOOM! and DPS provided playgrounds to even more children in 2010, with 10 builds taking place across the country.

The fun didn't stop there, however, as Mott's was the lead sponsor of Play Days, a campaign to invite communities to enjoy games and activities together as they improved their local parks and playgrounds. Mott's teamed up with "Desperate Housewives" star Marcia Cross to spread the word that playing is a great way to incorporate exercise into kids' daily lives. From Sep 16-26, 2010, more than 1,600 communities across the country participated in a Play Days event. Five lucky communities were also awarded grants to improve their local playspaces. Visit <http://kaboom.org/playday> for more information.

In 2011, we're going even further with KaBOOM!, this time as part of our Let's Play initiative launched earlier this year. Let's Play is a community partnership led by DPS to get kids active nationwide. The first Let's Play initiative is a \$15 million, three-year commitment to KaBOOM! that will be used, in part, to build or fix up 2,000 playgrounds by the end of 2013, benefiting an estimated five million children across North America.

Each Let's Play grant satisfies a different community need – whether it's helping to create a brand-new playground, update or restore an older playground, or extend the life of an existing play space. The first five Let's Play grants were awarded to the winners of the KaBOOM! "Promote Your Playground" video contest, an interactive competition that invited consumers to upload a short video showing why their community needs a playground. Visit <http://www.letsplay.com> for more information and to view the winning entries.

## NUTRITIONAL INFORMATION

In addition to giving consumers more healthy options and supporting active lifestyles, DPS is providing more information about the options they already have. In 2010, DPS announced its intention to join the American Beverage Association's Clear on Calories initiative, in support of First Lady Michelle Obama's Let's Move campaign. As a participant, DPS is rolling out calorie counts on the front of our product packaging. Containers up to and including 20 oz. will show total calorie counts on the front. Larger sizes will show calories per 12-oz. serving, except juices and juice drinks, which will be labeled with calories per 8-oz. serving as requested by the U.S. Food and Drug Administration. Information will also be posted on or adjacent to company-controlled vending machines and fountain equipment.

Dr Pepper, Squirt and Hawaiian Punch packages are already appearing in market with the new labeling, and most of DPS's largest brands will convert to the new labeling this year. The remainder of the portfolio will convert in 2012.

# CORPORATE PHILANTHROPY



## BY 2015, DPS WILL:

- Contribute a total of 100,000 volunteer hours and attain an annual giving level of \$10 million in charitable cash donations, with the majority of support focused on fit and active lifestyles, environmental sustainability, emergency relief and community celebrations.

In August 2010, Dr Pepper Snapple Group announced the launch of ACTION Nation, our unified approach to corporate philanthropy. The mission of ACTION Nation is to foster physically active, engaged and sustainable communities where our employees, customers and consumers live and work. ACTION Nation focuses on four key areas: fit and active lifestyles, environmental initiatives, community celebrations and emergency relief. We address each of these issues through a combination of volunteerism, cash and in-kind donations.

## DONATIONS

In 2010, DPS and its subsidiaries gave approximately \$3.8 million in cash and \$1.6 million in product donations to a wide variety of causes. Since August 2010, DPS has educated managers at sites across the company on how they can best leverage the ACTION Nation platform to get the most out of their giving. We are empowering employees nationwide to act locally while building critical mass around the causes that are most important to our business.

For example, DPS recently donated a total of \$20,000 worth of sports equipment to The Franklin Park Basketball League in Chicago and to the Miracle League in Dallas through our partnership with Good Sports, a national nonprofit that shares our mission of promoting fit and active lifestyles. In Albuquerque, N.M., employees regularly donate product and parade floats for community celebrations such as the Twinkle Lights Parade and the New Mexico State Fair. At DPS's distribution center in Fargo, N.D., employees teamed up with Hugo's, a family-owned chain of supermarkets, for Operation Warm Heart, raising \$4,626 for soldiers at nearby Grand Forks Air Force Base.

ACTION Nation also gives focus to our larger, companywide initiatives. The United Way continues to be one of DPS's most successful fundraising initiatives, as the campaign gained momentum in 2010 with 137 sites participating to raise more than \$1 million for the cause. This represents a 69 percent increase in donations since 2008 and a new high in employee participation. Our Employee Relief Fund, integrated into our United Way efforts for the first time in 2009, saw similar success, raising \$60,000 for employees experiencing hardship or disaster.

In 2011, DPS is taking our environmental initiatives to new heights with a \$200,000 engagement with the Student Conservation Association (SCA), the nation's leading youth conservation service organization. DPS and SCA will collaborate to help create sustainable communities through a series of conservation service events such as the restoration of parks, trails and other natural resources. In addition, DPS's commitment will enable the SCA to provide opportunities for college and graduate students to complete internships in conservation and environmental services that restore and preserve public lands nationwide.



**ACTION NATION**  
TAKING ACTION. IMPROVING COMMUNITIES.





**IN 2010,  
DPS EMPLOYEES  
CONTRIBUTED  
NEARLY 18,000  
VOLUNTEER HOURS  
TO LOCAL AND  
NATIONAL CAUSES.**

Disaster relief was a big part of our 2010 ACTION Nation activities. From our \$100,000 commitment to Haiti earthquake relief efforts to product donations for disasters such as the floods in Iowa and Tennessee, the earthquake in Guatemala City and the wildfires in Texas, DPS is using the strengths of its partners and its products to help those in need.

In 2011, our disaster relief efforts are taking a big leap forward with a significant new partnership with the American Red Cross (ARC). DPS has committed to donating \$1 million over the next four years through ARC's Annual Disaster Giving Program, composed of a select group of leading corporations that provide the highest level of support to Red Cross relief efforts nationwide. DPS's commitment will also support the ARC Dallas Area Chapter's role in the North Texas Mass Care Task Force, a disaster preparedness group that is a collaboration of the American Red Cross Dallas Area Chapter, The Salvation Army DFW Metroplex Command, the North Texas Food Bank and the Volunteer Center of North Texas.

## **VOLUNTEERISM**

Volunteerism is also an important part of our philanthropic efforts, as our employees take ACTION to directly improve the communities in which they live and work. In 2010, DPS employees contributed nearly 18,000 volunteer hours to national and local philanthropic activities.

Our KaBOOM! playground builds were the highlight of our 2010 volunteerism, resulting in new playgrounds in the following 10 cities: Houston; Detroit; Indianapolis; Columbus, Ohio; Rogers, Ark.; Waco, Texas; Victorville, Calif.; Covina, Calif.; La Verne, Calif.; and Jacksonville, Fla. Hundreds of DPS volunteers at these sites teamed up with community partners and our customers to erect playgrounds in areas in need. This program will bring in even more volunteers in more locations in 2011 with the launch of the Let's Play campaign described earlier in this report.

In the third quarter of 2010, we rolled out ACTION Nation Week in conjunction with our United Way campaign. We asked our sites to participate in a "play-inspired" volunteer activity to earn \$1,000 grants to apply toward their site's United Way fundraising total.

A total of 16 ACTION Nation Week Grants were awarded, covering a wide variety of activities, both play-inspired and otherwise. Employees in St. Louis, for example, spent a day playing with and reading to children at the Magnolia Head Start program. Our employees in Mississauga, Ontario, participated in a beautification project at the Peel Youth Center, which provides safe, stable, transitional housing and support services for young people. Likewise, employees in Cleveland spent their volunteer hours providing kitchen services and cleaning and repairing cabins at Hiram House Camp, one of the oldest youth camps in the U.S.

Late 2010 also saw the first of our ACTIONeer grants, a program that encourages site-organized group volunteer activities both during and outside business hours. Employees at a DPS site that collectively contributes 50 volunteer hours to a nonprofit organization can earn a \$1,000 grant each year for the nonprofit organization of their choice. While this program is still in its early stages, a handful of sites have taken ACTION to claim their grants, including such ACTIONeers as youth football coaches in Dubuque, Iowa, and barn workers in Toledo, Ohio, who provided clean-up services for Sunshine, a nonprofit organization serving people with developmental disabilities and their families.



**DPS-SPONSORED  
PLAYGROUND BUILDS ARE  
AT THE FOREFRONT OF OUR  
HEALTH-AND-WELLNESS  
PHILANTHROPIC EFFORTS.**



## GOALS: BY 2015, DPS WILL:

- Maintain team leader engagement scores comparable to or better than those of other high-performing companies.
- Reduce lost-time injury rate by 25%.

## LEARNING AND DEVELOPMENT

Soon after DPS went public in 2008, we held our first Call to ACTION workshop with the executive leadership team and their direct reports. Since then, it has become a way of life at DPS, unifying our employees behind a single vision and purpose defined by a set of business drivers that make up who we are and how we do business.

More than 8,700 employees have completed Call to ACTION workshops to date, participating in daylong courses that give our employees a broader, strategic understanding of our business. Beginning in 2011, all new hires will complete the program within months after joining the company, introducing them not only to every aspect of our business, but also to a cross-functional team of new and experienced employees.

Our Call to ACTION is not a one-way street, however. DPS's managers and supervisors are engaging hourly employees in our Call to ACTION Huddles, a series of four sessions that create an opportunity for employees to offer their ideas and input as well as develop individual plans to positively impact the business while demonstrating the ACTION behaviors. More than 5,800 employees have participated in huddle sessions since the program launched in early 2011.

The huddle sessions are just one way in which we are putting our philosophy of leader as coach into ACTION. The DPS Campus was launched in late 2009 to build coaching skills and strong fundamentals of people management. Since then, employees have completed more than 66,000 online training sessions in the system's more than 350 training modules covering everything from revenue and margin management and full-portfolio selling to conflict management and presentation skills. Virtually all of our eligible employees have completed the core coaching training, and with more content being added, this tool is one of the most important ways that we are engaging employees across the company.

## SAFETY AND WELLNESS

At DPS, we recognize the importance of a safe and healthy work environment, and we have seen significant progress based on the plans and processes we outlined in our 2010 sustainability report.

Safety is in the best interest of not just our employees, but also our business. In the last year, we have put new focus on our safety efforts with the rollout of rapid continuous improvement (RCI), a problem-solving mindset focused on eliminating waste and variation in our processes to serve our customers better. Safety is top among our five key focus areas, which also include quality, delivery, productivity and growth. While our RCI capabilities are still early in their development, we have seen positive results.

**MORE THAN 5,800  
HOURLY EMPLOYEES  
HAVE PARTICIPATED IN  
OUR ACTION HUDDLE  
SESSIONS SINCE  
JANUARY 2011.**

**LOST-TIME  
INJURIES ARE  
DOWN 15%  
COMPANYWIDE.**



## Take ACTION FOR YOUR Health

In addition, Larry D. Young, president and CEO, and Derry Hobson, executive vice president of supply chain, recently signed a new environmental health and safety policy into effect for our supply chain. The policy states:

At Dr Pepper Snapple Group, we see sound and responsible Environmental, Health and Safety management as an integral part of achieving our goal to grow the value of our business for our shareowners. We aim to ensure that in the course of our business activities we minimize our impact on the environment in which our business operates; look after the health and safety interests of our employees; and seek opportunities to improve the local environment in the communities in which we operate. We believe that such an approach will generate and sustain significant environmental, social and financial benefits, contributing to our goal of becoming the best beverage business in the Americas.

With this renewed focus and our ongoing safety training and communications, we've reduced lost-time injuries to 1.7 incidents per 200,000 hours worked, a 15 percent reduction from our 2009 baseline.

**DPS is also continuing to encourage employees to be proactive about their health with the ongoing "Take ACTION for Your Health" campaign. Our goal is for every employee to make use of the variety of health services we provide free of charge through in-network providers. The results speak for themselves:**

- The number of employees receiving annual preventive care – which includes checking numbers for blood pressure, cholesterol, blood sugar and weight – increased to 32 percent, up from 28 percent in 2009. Annual preventive care is directly linked to lower long-term medical costs for employees and DPS.
- Employees who checked their blood pressure, cholesterol, blood sugar and weight during the 11 "Know Your Numbers" events at DPS sites last year had, on average, 8 percent lower medical costs than employees who did not.
- Annual dental checkups, which include teeth cleaning and X-rays, increased to 47 percent, up from 35 percent in 2009.

In April 2011, our production plant in Irving, Texas, brought health care to the workplace with the opening of an onsite medical clinic. Open 7 a.m. to midnight, the clinic provides emergency care, basic health care and information and training to help prevent workplace injuries. Health clinic services are paid 100 percent by DPS; employees do not have to pay copays or coinsurance for any minor non-work related illnesses. The clinic is the second of its kind at DPS, following the success of a similar clinic in Aspers, Penn.







## BY 2015, DPS WILL:

- Conduct annual third-party risk assessments of all suppliers and audit any high-risk suppliers to ensure full compliance with our Ethical Sourcing Code of Conduct.

One year into our five-year goal, DPS has seen strong initial progress toward ensuring that our suppliers are in full compliance with our Ethical Sourcing Code of Conduct. As a responsible corporate citizen, we must ensure that quality and safety standards are maintained throughout our supply chain by well-treated, fairly compensated workers in accordance with all applicable laws.

The first step in this process was the segmentation and identification of our direct suppliers into low-, medium- and high-risk categories based on our knowledge of their industries and locations. Beginning next year, we will undertake the review of indirect suppliers, and next year's report will include the compliance rates for both direct and indirect suppliers.

While high-risk suppliers make up a very low percentage of our total direct supplier base, it is these suppliers that we will first address in order to ensure compliance with our standards. Whether through supplier acceptance of the DPS Ethical Sourcing Code of Conduct, participation in the Supplier Ethical Data Exchange, or on site audits, we are holding our high-risk suppliers accountable. Year to date, we have confirmed compliance with our standards by 56 percent of our high-risk suppliers.

In addition, we have further confirmed compliance by low- and medium-risk suppliers, at the rates of 22 percent and 46 percent, respectively. We expect these numbers to significantly increase in the coming months as we continue to review a greater number of our suppliers.

All told, 34 percent of our direct suppliers have confirmed their compliance with our ethical trading standards. Grupo Peñafiel has led the way in these efforts, with 95 percent of our Mexican suppliers confirmed to be in compliance.



A DR PEPPER SNAPPLE GROUP COMPANY

**95% OF GRUPO  
PEÑAFIEL'S SUPPLIERS  
ARE CONFIRMED TO BE IN  
COMPLIANCE WITH OUR  
CODE OF CONDUCT.**



# ADDITIONAL INFORMATION

## FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation, and cost and availability of raw materials. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “may,” “will,” “expect,” “anticipate,” “believe,” “estimate,” “plan,” “intend” or the negative of these terms or similar expressions. These forward-looking statements have been based on our current views with respect to future events and financial performance. Our actual financial performance could differ materially from those projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and our financial performance may be better or worse than anticipated. Given these uncertainties, you should not put undue reliance on any forward-looking statements. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed under “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2009, and our other filings with the Securities and Exchange Commission. Forward-looking statements represent our estimates and assumptions only as of the date that they were made. We do not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, after the date of this release, except to the extent required by applicable securities laws.