

WE DO GOOD THINGS WITH FLAVOR

2014 SUSTAINABILITY REPORT



DR PEPPER  SNAPPLE GROUP



A MESSAGE FROM OUR CEO LARRY D. YOUNG

DOING GOOD THINGS WITH FLAVOR

From the start, DPS has been an organization focused on our business, our people and our communities. When we published our corporate social responsibility report in 2010, we set five-year goals related to our impact on our communities. Our progress toward these goals has been anchored in our ACTION behaviors (Accountable, Customer Centric, Transparent and Honest, Inspect What We Expect and No Blame Fixing), which guide how we act in the workplace and in the marketplace.

There's no question that putting the processes in place to hold ourselves accountable for operating responsibly has been valuable. Over the last four years, we have improved our data collection on every front, from employee safety records to electrical usage. You've also seen us use our learnings to continuously improve every aspect of our business, using sustainability to support our efforts to build our brands and deliver shareholder value.

The mark of a great business is not how you perform during the easy times, but how you deliver results when things are difficult. Despite ongoing economic pressures on consumers and challenges to carbonated soft drinks, we've continued to win in the marketplace and improve as an organization. Some of our accomplishments since our last report include:

- We achieved a 40 percent reduction in our lost-time injury frequency rate since 2009, surpassing our original goal.
- We entered the next phase of our Let's Play initiative, which over the past three years has impacted more than 5 million kids. With an additional \$10 million partnership with KaBOOM! to build or fix up playgrounds and a \$1 million partnership with Good Sports to provide sports equipment and gear, we'll provide play opportunities to an additional 2.6 million kids.
- We exceeded two of our environmental goals by conserving 60.7 million pounds of PET through lightweighting and packaging redesigns since 2007 and replacing nearly 69,000 outdated coolers and venders with more energy-efficient equipment since 2009.
- We launched our TEN™ platform nationally, expanding the full-flavored, 10-calorie platform beyond Dr Pepper to include five additional flavors: 7UP TEN™, Canada Dry TEN™, Sunkist Soda® TEN™, A&W TEN™ and RC TEN™.
- We ensured that 100 percent of our suppliers identified as high risk have been audited for compliance with our Ethical Sourcing Code of Conduct.
- We were recognized among the Civic 50 for the second consecutive year, being named among the top 50 S&P 500 companies that best use their time, talent and resources to improve the quality of life where they do business.
- We rose more than 150 places to be ranked 115 in the 2014 Newsweek Green Rankings, which rates companies on energy, carbon, water and waste performance, company reputation, and board-level oversight.



A MESSAGE FROM OUR CEO LARRY D. YOUNG

DOING GOOD THINGS WITH FLAVOR

These wins are tangible results, with real-world impact, and they are providing value for customers, consumers, communities and shareholders. In advancing our sustainability goals, we've developed operational excellence that helps drive positive change in our business.

As we mark the fourth year of the journey, and the first leg comes to a close, I'm more confident than ever in our ability to do good things with flavor. As we approach the fifth year of our five-year goals, we will use our learnings to map the road ahead.

We look forward to continuing to share our work and results with you, communicating our progress to a broad range of stakeholders, including investors and non-governmental organizations. We have reaped great insights and benefits from these engagements, and our year-over-year improvements in indices such as the Carbon Disclosure Project and Dow Jones Sustainability Index help us benchmark our progress.

We know that our journey to Be the Best Beverage Business in the Americas will take the full commitment of all DPS employees and a collaborative effort with all our stakeholders. Together, we will continue to do good things with flavor. Please send your thoughts, suggestions and feedback to DPS.Communications@dpsg.com.

Regards,

LARRY D. YOUNG
President & Chief Executive Officer



OUR 5-YEAR GOALS

DOING GOOD THINGS WITH FLAVOR



ENVIRONMENTAL SUSTAINABILITY GOALS...

- Improve energy efficiency and reduce CO2 from emissions in manufacturing by 10% per gallon of finished product.
- Increase product shipments per gallon of fuel used by 20%.
- Replace 60,000 vending machines and coolers with Energy Star-rated equipment.
- 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.



HEALTH AND WELLNESS GOALS...

- Continue to provide a full range of products, with at least 50 percent 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.



PHILANTHROPY GOAL...

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



WORKPLACE GOALS...

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



ETHICAL SOURCING GOAL...

- Conduct a regular risk assessment of our supply base and audit any high-risk suppliers identified to ensure full compliance with our Ethical Sourcing Code of Conduct.



OVERVIEW

DOING GOOD THINGS WITH FLAVOR

Dr Pepper Snapple Group, Inc. (NYSE: DPS) is the undisputed leader in flavored beverages in North America and the Caribbean, with a 39.5 percent dollar share of flavored CSDs. Our success is fueled by more than 50 brands that are synonymous with refreshment, fun and flavor. We have six of the top 10 non-cola soft drinks, and 13 of our 14 leading brands are No. 1 or No. 2 in their flavor categories. In 2013, 88 percent of our net sales were generated in the U.S., 4 percent in Canada and 8 percent in Mexico and the Caribbean.

With a brand heritage spanning more than 200 years, the DPS portfolio includes some of the most recognized beverages in the Americas. In addition to our flagship Dr Pepper and Snapple brands, our portfolio includes Sunkist soda, 7UP, A&W, Canada Dry, Crush, Mott's, Squirt, Hawaiian Punch, Peñafiel, Clamato, Schweppes, Rose's and Mr & Mrs T mixers.

When DPS was established in 2008, President and CEO Larry Young issued a Call to ACTION to our employees, outlining a series of behaviors that characterize the way we do business. These include: Accountable, Customer Centric, Transparent and Honest, Inspect What We Expect, Own Decisions and No Blame Fixing. These values remain constant, and they are driving our quest to Be the Best Beverage Business in the Americas.





OVERVIEW

DOING GOOD THINGS WITH FLAVOR

OUR WORKFORCE

Prior to 2006, our operations consisted of 6,000 employees working in less than 20 sites in the U.S., Mexico and Canada, including 12 manufacturing facilities, with limited direct-store delivery (DSD) operations located primarily in the Northeast and on the West Coast.

Today, these figures have grown to more than 19,000 employees, with approximately 16,000 in the U.S. and Canada and 3,000 in Mexico and the Caribbean. We have 20 manufacturing facilities with 18 in the U.S. and Mexico. We have more than 120 distribution centers and warehouses, strategically located to enable us to better align our operations with our customers and reduce transportation costs.

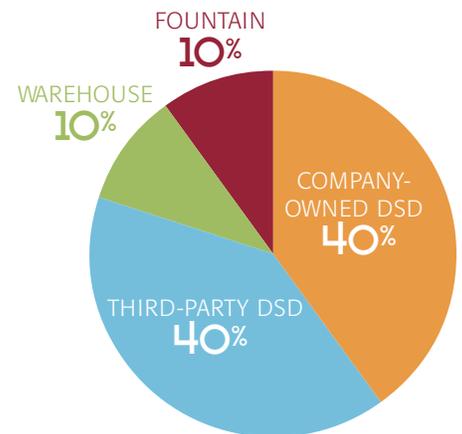
OUR BUSINESS MODEL AND ROUTE TO MARKET

DPS is composed of more than 40 different businesses brought together over the past 30 years to make up a unified, independent organization. In addition to the rich legacy of our brands, we have an integrated business model and a broad and flexible route to market for our products.

OUR ROUTE TO MARKET

We manufacture soft drink concentrates and finished beverages, selling 1.5 billion equivalent 288 fluid-ounce cases in 2013. This includes the sourcing and purchasing of ingredients and packaging materials, manufacturing and warehouse and distribution capabilities, and the transportation of finished products to our customers' retail and foodservice outlets, distribution centers and vending machine locations.

We also sell beverage concentrate to a significant number of third-party bottlers and finished products to distributors, ranging from smaller family-owned bottlers to multibillion-dollar, multinational bottling businesses such as the Coca-Cola Company and PepsiCo Inc.



Approximately 40 percent of our DSD volume is manufactured, sold and distributed through third parties, and an additional 40 percent is manufactured, sold and delivered through our company-owned operations. The remaining 20 percent is split evenly between our warehouse direct and fountain businesses.



OVERVIEW

DOING GOOD THINGS WITH FLAVOR

OUR GOVERNANCE PROCESS

DPS and its subsidiaries set high standards for all employees, officers and directors. Implicit in this philosophy is the importance of sound corporate governance. It is the duty of the board of directors to oversee the management of the company's business. To fulfill its responsibilities and to discharge its duty, our board of directors follows the procedures and standards that are set forth in its Corporate Governance Guidelines. These guidelines are subject to modification from time to time as the board of directors deems appropriate in the best interests of DPS or as required by applicable laws and regulations.

DOING THE RIGHT THING

At DPS, we hold transparency and honesty among our core behaviors. We pride ourselves on being a responsible company known for creating long-lasting relationships with our customers and consumers – and for doing the right thing.

DPS is committed to conducting our business in a safe, legal and ethical way, and our business practices safeguard our reputation and the trust placed in us by our stakeholders.

We have systems in place for ensuring compliance with these principles. We require employees to complete training in our Code of Conduct and core policies, administered via our online learning management systems, onsite training and through new employee orientation.

We also have a “Speaking Up” hotline, available 24 hours a day, seven days a week, and manned by a third party to enable employees to anonymously report concerns about such matters as criminal conduct, illegal activity, theft, fraud, environmental safety, financial reporting, conflicts of interest, regulatory compliance, harassment and discrimination. Increased awareness and training, combined with policy and systems improvements companywide, have enabled us to better detect, swiftly respond to and minimize behaviors that are inconsistent with our Code of Conduct.

RELATED LINKS

[CORPORATE GOVERNANCE GUIDELINES](#)

[CODE OF CONDUCT](#)



OVERVIEW

DOING GOOD THINGS WITH FLAVOR

MANAGING SUSTAINABILITY AT DPS

DPS takes a cross-functional approach to sustainability, and the link between our business strategy and corporate social responsibility grows with each passing year. In late 2013, we began the process of consolidating our compliance, risk and sustainability (CRS) functions into an integrated team, drawing on the foundational work of our existing sustainability committee. Our CRS program, managed by Vice President Arthur Swanson, will provide oversight and drive accountability down to each function across the organization, eliminating obstacles for collaboration and reducing redundancy while ensuring that no aspect of CRS is overlooked.

The Nominating and Corporate Governance Committee of the Board of Directors has oversight responsibility for DPS's sustainability efforts, including our sustainability goals and progress.

Through participation in key surveys and indices such as the Dow Jones Sustainability Index, the Carbon Disclosure Project, Newsweek Green Rankings and more, we communicate our sustainability efforts to external stakeholders and benchmark ourselves against others in our industry. We reach out regularly to customers, non-governmental organizations and others to get their feedback. Learn more about our approach to **stakeholder engagement** in our 2013 CSR Update.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

BY 2015, DPS WILL...

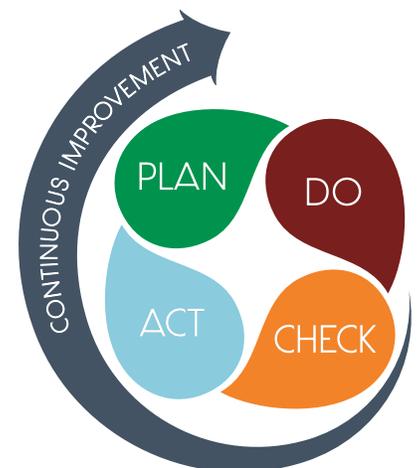
- **Improve energy efficiency and reduce CO2 from emissions in manufacturing by 10% per gallon of finished product.**
- **Increase product shipments per gallon of fuel used by 20%.**
- **Replace 60,000 vending machines and coolers with Energy Star-rated equipment.**
- **Reduce manufacturing water use 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.**

At DPS, we know that environmental stewardship is an integral part of operating a company that will be successful in the long term. We have invested heavily over the last several years to align and integrate our operations to serve our customers and consumers better while reducing the environmental impact of our value stream.

To ensure the strength and efficacy of our environmental guidelines, policies and controls, we have established an environmental management system (EMS) within our manufacturing operations as part of our overarching environmental, health and safety (EHS) function. Our EMS follows a plan-do-check-act (PDCA) cycle, providing a roadmap for how we address the immediate and long-term effects of our operations on the environment.

Using the Bloomberg BNA audit tool to measure our performance against federal, state and local regulations, as well as gap analyses conducted by our EHS team at each of our sites every two years, we've established a consistent approach to how we allocate resources, assign responsibilities and evaluate our practices, procedures and processes to reduce our environmental footprint.

For the second consecutive year, we have turned to TruCost to provide third-party assurance of our greenhouse gas and water consumption data. With their support, we have the confidence in our metrics to continue moving forward.



Environmental Management System PDCA Cycle



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

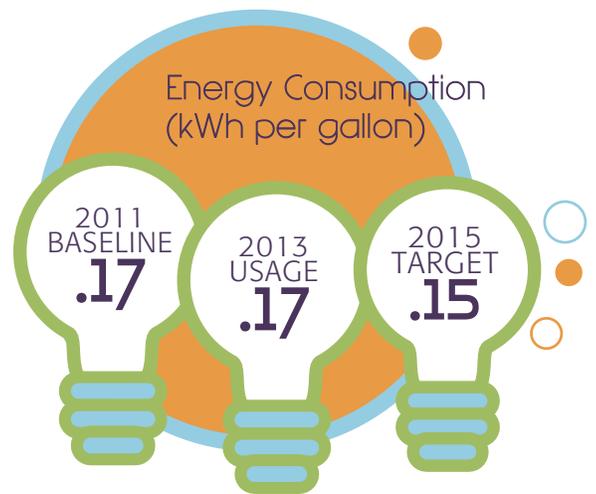
ENERGY CONSERVATION

In 2011, we set a new baseline for our electrical usage following improvements in our data collection. Our 2011 electrical usage was 270 million kWh, yielding a normalized usage rate of 0.17 kWh per gallon of finished product. In 2013, our usage was 254 million kWh to produce 1.5 billion gallons of finished product, or a rate of 0.17 kWh per gallon of finished product. Progress against this goal has remained flat, as improvements in energy efficiency have been offset by changes in our production volume.

Investment in energy efficiency across our company has driven site-by-site improvements. For example, in April 2011, the company's 850,000-square-foot, state-of-the-art manufacturing and distribution center in Victorville, California, received the Leadership in Energy and Environmental Design (LEED®) Silver Certification. Our Plano, Texas, headquarters followed a year later with LEED® Gold Certification for a multi-use building. Our headquarters building is also Energy Star certified by the Environmental Protection Agency (EPA). We expanded our EPA relationship even further in early 2014 by submitting electrical usage data for nearly all of our sites and expect to see more certifications in the future.

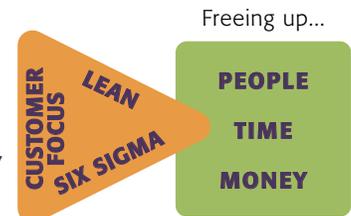
We have realized improvements in our distribution centers, where efficiency programs have driven electrical savings. While many of these programs take the form of traditional upgrades of lighting, electrical panels and other equipment, some come as a result of our Rapid Continuous Improvement (RCI) mindset, now in its fourth year of implementation. Through RCI, we continue to find opportunities to free up resources to grow the business, and many of these programs have an environmental benefit.

Our plant in Tehuacan, Mexico, for example, has reduced its impact on the electrical grid by scheduling maintenance during peak usage hours and staggering line starts to lessen the electrical load, which has helped the city experience fewer outages.



RAPID CONTINUOUS IMPROVEMENT AN ENabler OF GROWTH

- ✓ SAFETY
- ✓ QUALITY
- ✓ DELIVERY
- ✓ PRODUCTIVITY
- ✓ GROWTH



...to grow the business.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

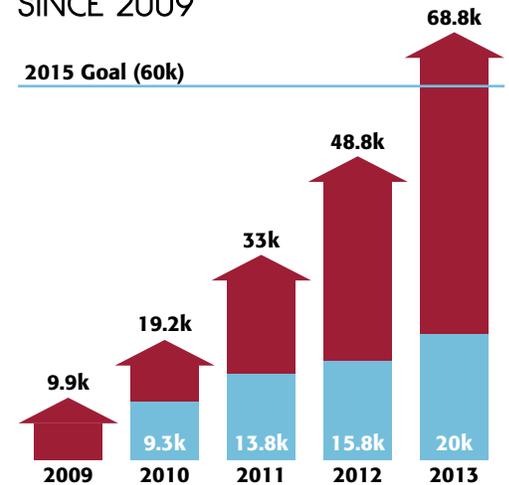
Our program to replace outdated vending machines and coolers continues to conserve energy outside of our operations, while lowering costs and improving service to our customers. In 2013, we replaced approximately 20,000 older units with Energy Star-rated coolers and vending equipment, which combined with our efforts since 2009, puts us nearly 9,000 units ahead of our 2015 goal. Each unit represents an energy savings of up to 30 percent, yielding more than 110 million pounds of CO₂ removed from the atmosphere, as much as would be produced by 10,000 cars. In addition, the establishment of a new cold-drink equipment control process in our business through RCI has given us greater insight to where our equipment is being used and by whom, allowing us to continue replacing outdated units in the future.

FUEL CONSERVATION

Through improvements in our logistics operations, environmentally focused partnerships and alternative transportation methods, DPS continues to make strides in reducing overall fuel use. In 2012, we reported a new baseline for our goal of increasing product shipments per gallon of fuel used by 20 percent by 2015. In 2011, we shipped 40.1 cases per gallon of fuel used, and our goal has been to reach 48.5 cases per gallon of fuel used by 2015.

So far, our progress toward this goal has been relatively flat, with a fuel use rate of 40.3 cases per gallon of fuel used in 2013. This is largely due to a slight decrease in production volume year-over-year and a shift to other lower-emission methods of transportation.

CUMULATIVE COLD DRINK EQUIPMENT REPLACEMENT SINCE 2009



In 2013, we exceeded our goal of replacing 60,000 vending machines and coolers with more energy efficient equipment.



DPS EXCEEDED
OUR 2015 GOAL
OF REPLACING
60,000
VENDERS AND
COOLERS WITH
ENERGY
STAR-RATED
EQUIPMENT.





ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

Our hub-and-spoke distribution model, completed with the opening of our Victorville, California, plant in 2010, and our RCI efforts continue to remove miles from the road, maximize loads per delivery, and reduce the total number of trips our vehicles take. In our warehouse direct system, for example, we have increased the efficiency of our product shipments, reducing the miles driven per shipment by more than 3 percent. This has contributed to a reduction in the absolute number of miles driven by 14 percent over the same period. One way we're saving fuel is by leaving the roads entirely, turning instead to intermodal transportation to move our products long distances. In 2013, we used intermodal transportation for 90 percent of our product shipments that traveled more than 500 miles from our manufacturing plants to our distribution centers.

Furthermore, we continue to reduce total mileage and leverage EPA SmartWay certified carriers in our third-party logistics. In 2013, our transportation emissions were reduced by nearly 11 percent. Since 2010, DPS itself has been a SmartWay member in good standing, proactively reporting fuel usage data to the program each year. Since 2004, SmartWay partners have eliminated 51.6 million metric tons of CO₂, resulting in savings of 120.7 million barrels of oil and \$16.8 billion in fuel costs.

In addition, our small fleet, comprising vehicles other than our large commercial vehicles, continues to see improvements. Since 2008, fully 85 percent of the vehicles added to our small fleet, including cargo vans and full-size pickups, meet the U.S. Environmental Protection Agency (EPA) standard for "green vehicles," and we expect this trend to continue in the future. In addition, we decreased miles driven by our small fleet by 2 percent in 2013.

FUEL CONSERVATION (cases per gallon)



Goal: By 2015, DPS will increase product shipments per gallon of fuel used by 20%.





ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

WATER CONSERVATION

As a beverage company, DPS will always have an important role to play in water stewardship. Water is the primary ingredient in our products, and it is as important to us as it is to the communities in which we manufacture beverages.

In 2011, we used approximately 3.1 billion gallons of water to produce 1.6 billion gallons of product, which equates to 1.97 gallons of water used per gallon of finished product. Our wastewater discharge was approximately 1.4 billion gallons, which equates to 0.88 gallons per gallon of finished product. These numbers form the baselines for our 2015 goal. Our targets have been 1.77 gallons of water used per gallon of finished product and 0.79 gallons of wastewater discharged per gallon of finished product.

In 2013, we used approximately 2.05 gallons of water for each gallon of finished product and discharged 0.88 gallons of wastewater per gallon of finished product. This trend was driven by two key factors. First, headwinds facing our industry resulted in product volume declines that have lowered the denominator in our formulas, leading to an increase in our normalized usage rate. Second, maintaining lower finished goods inventory levels requires more frequent changeovers on our manufacturing lines, which has required an increase in the amount of water necessary to support our operations. This increase has offset some of the process and technology improvements we've implemented since 2010.

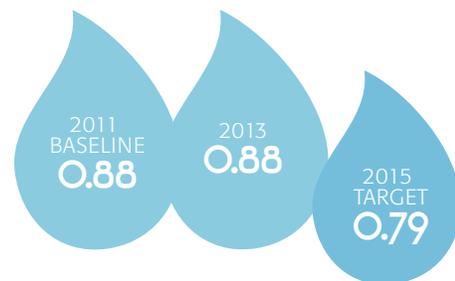
Beyond our operations, DPS is promoting water stewardship through partnerships with nonprofits that are making significant progress in preserving and conserving this important natural resource. Our four-year, \$1 million partnership with The Nature Conservancy is at the forefront of our philanthropic efforts related to water stewardship, with a focus on watershed areas in Texas. To date, the partnership has worked to protect approximately 2,000 acres of watershed in the Dallas, Houston and San Antonio areas.

WATER CONSUMPTION (gallons per gallon of finished product)



Goal: By 2015, DPS will reduce our ratio of water consumed to finished product by 10%.

WASTEWATER DISCHARGE (gallons per gallon of finished product)



Goal: By 2015, DPS will reduce wastewater discharge by 10% per unit of production.



ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

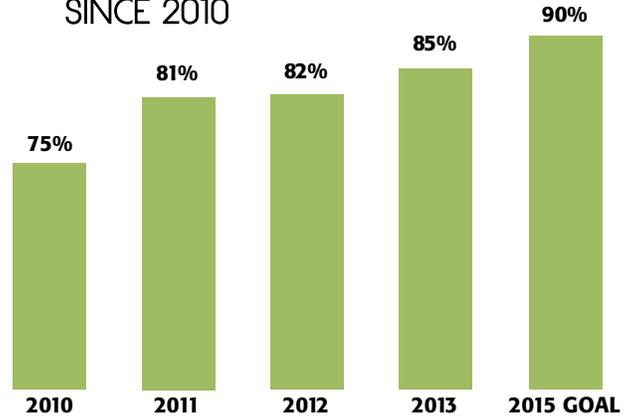
REDUCING WASTE

We couldn't get our products to consumers without using plastic, aluminum and other materials as containers. We recognize that there is a significant opportunity to reduce, reuse and recycle these materials, as well as the packaging and shipping materials we use in manufacturing and distribution.

Since 2010, we have been collecting comprehensive waste data from all of our locations. Having achieved our original goal of an 80 percent recycling rate in 2011, we revised our goal to achieve a 90 percent recycling rate of our solid manufacturing waste by 2015.

In 2013, we recycled more than 85 percent of our manufacturing solid waste, a 3 percent increase over 2012 and a good step toward our revised goal.

PROGRESS TOWARD OUR RECYCLING GOAL SINCE 2010



In 2011, we achieved our initial goal of recycling 80% of our manufacturing solid waste, and we have made progress each year toward our increased goal of 90% recycling.

Many of our sites saw double-digit increases in their recycling rates in 2013, with our Miami plant standing out, increasing recycling from 61 percent to 83 percent. Improvements at this and other locations were achieved through thorough examinations of each site's total waste stream, not just PET and aluminum. This means that the recyclable elements of everything, from office paper to vending machine parts, are being recycled whenever they are identified and recycling services are available.

Expanding our work with third-party recycling companies is a key component of this process, enabling us to leverage single-stream recycling beyond that offered by many municipalities. This also represents a benefit to the company, as these partners purchase, process and resell our waste materials.

Our successes in the lightweighting of our packaging continue to drive reductions in the use of PET plastic. Our leadership position in bringing the "1881 Standard" finishes and closures to the market has lightweighting benefit, and we continually investigate new technology and supply options for lowering our PET use. We still offer the lightest 2-liter bottle in the industry, a distinction of which we are proud.





ENVIRONMENTAL SUSTAINABILITY

DOING GOOD THINGS WITH FLAVOR

In 2013, we reduced our PET usage by approximately 14.5 million pounds, bringing our total conservation since 2007 to more than 60.7 million pounds – surpassing our lightweighting goal of conserving 60 million pounds of PET. These results will improve even further as we continue to seek opportunities to redesign and lightweight our packages and explore options for incorporating more post-consumer recycled PET into our packaging.

DPS EXCEEDED OUR 2015 GOAL OF CONSERVING
60 MILLION POUNDS OF PET

We believe that recycling is a responsibility shared by all. We are working with industry leaders such as the American Beverage Association to quantify the opportunity and devise a strategic industry approach. We remain committed to striving for innovative ways to minimize the environmental impacts of our products as we work with the industry to pursue shared solutions with communities, customers and consumers.

With many communities lacking recycling capabilities, we entered into a partnership with Keep America Beautiful in 2013 to support consumers and communities in their recycling efforts. Through this effort, we provided \$300,000 to deploy bins in public parks, giving local consumers greater access to local recycling systems. We have **renewed this partnership for 2014.**

BY THE NUMBERS



The amount in plastic DPS saved through PET lightweighting since 2007.

\$300,000

How much DPS is contributing to Keep America Beautiful to help promote consumer recycling in the second year of our partnership.



HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR

BY 2015, DPS WILL...

- **Continue to provide a full range of products, with at least 50 percent 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.**

Balance is about mastering the right mix. At DPS, we believe that healthy lifestyles are built on balance, and with more than 50 brands and hundreds of flavors in our portfolio, we offer options for virtually every personal choice and any occasion.

We support our consumers' efforts to gain a better understanding of how to balance the calories they consume with the calories they expend. DPS remains committed to bringing consumers great-tasting options they will enjoy as well as providing the facts and resources necessary to make informed choices.

CALORIES IN

Our goal is to provide consumers with beverage options that fit into their various lifestyles. In 2012, we exceeded our innovation goal ahead of time by achieving 55 percent of our innovation pipeline dedicated to reduced calories, smaller portion sizes or improved nutrition. In 2013, we brought many of those products to retailers near you while focusing 54 percent of innovations in our pipeline on our CSR goal. This is our second consecutive year of hitting our goal in this area.

We launched Dr Pepper TEN™ in 2012, and in 2013, we expanded our TEN™ platform, adding five additional flavors - 7UP TEN™, Canada Dry TEN™, Sunkist Soda® TEN™, A&W TEN™ and RC TEN™ - all delivering the great taste of a full-flavored soft drink with only 10 calories per 12-oz. serving. This year, we're building on this launch by bringing greater awareness to the TEN proposition while teaming up with healthy snack partners to gain attention beyond the beverage aisle.



DPS HIT OUR
2015 CSR GOAL
FOR THE SECOND
YEAR BY
FOCUSING
54% OF OUR
INNOVATION
PIPELINE ON
HEALTH &
WELLNESS





HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR

This year, DPS made a big splash with the national expansion of Canada Dry Sparkling Seltzer Water and Schweppes Sparkling Seltzer Water. Both are zero-calorie, all-natural choices for water drinkers who want the benefits of water with more interesting flavors and bubbles.



In early 2014, Mott's, the trusted brand among moms, brought Mott's Juice Drinks to market. Available in three bold flavors – Fruit Punch Rush, Strawberry Boom and Wild Grape Surge – these latest Mott's products encourage young consumers to maintain good nutritional habits as they grow into adulthood. Mott's Juice Drinks contain 40 percent less sugar than fruit juice, with no artificial sweeteners and a 100 percent daily value of vitamin C per serving. In addition, Mott's for Tots provides 40 percent less sugar than apple juice and a 100 percent daily value of vitamin C and no added sweeteners. In 2014, we continued to improve Mott's for Tots by adding vitamins A, C and E to every flavor.



In 2013, our Grupo Peñafiel business in Mexico devoted 65 percent of its product portfolio to low-calorie soft drinks and reduced sodium beverages. As a result of their commitment to delivering great tasting brands, in April our Peñafiel light flavors – Cranberry, Lemonade and Orangeade – were recognized as the 2013 Flavors of the Year in Mexico.



HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR

Throughout 2014, DPS will continue to bring new news to the beverage category and will test various new lower-calorie products to further provide choices to consumers. We are gearing up to test Sunkist Sparkling Water to complement our other sparkling water beverage options. With only 15 calories per 16.9 fluid-ounce serving, it will be lightly flavored with fruit juice and sweetened with Stevia.

We also are testing naturally sweetened, 60-calorie versions of Dr Pepper, 7UP and Canada Dry. These naturally sweetened versions are designed to round out our regular, diet and TEN offerings to provide even more choices for consumers among our well-loved brands. And a reduced-calorie, less sweet Snapple tea called Snapple Straight Up Tea is hitting test markets this summer. It has the true taste of tea, as it's made from all-natural black tea with a touch of sugar and contains 40 calories per serving.



We are also delivering new beverage options through our third-party allied brands. For instance, Vita Coco is launching Vita Coco Lemonade. Plus, in 2013 we added Bai Brands to our distribution, including Bai5, a five-calorie per serving beverage, as well as Fruit 2O, a no-calorie flavored water.

CALORIES OUT

Over the last two decades, the amount of time children spend playing each day has gone down considerably due to such factors as a lack of play spaces, the rising costs of organized sports and equipment and budget cuts to school physical education programs. For example, only 27.1 percent of U.S. high school students meet the physical activity guideline of 60 minutes or more per day (CDC. Youth Risk Behavior Surveillance - United States, 2013, MMWR 2014; 63(SS-4)).

That's why in 2011 DPS reinvigorated the concept of play with our Let's Play initiative to get kids and families active nationwide. Through Let's Play, and with the help of our nonprofit play partners, we have provided families with the tools, places and inspiration to make physical activity a daily priority.

The first phase of our Let's Play initiative was a \$15 million, three-year commitment to KaBOOM!, a national nonprofit dedicated to saving play for America's children. Together, we built or fixed up 2,000 playgrounds across North America from 2011 to 2013, providing play opportunities for more than five million kids. In 2014, DPS continues to bring kids more chances to play through Let's Play with a new three-year \$10 million commitment to KaBOOM! and a \$1 million commitment to Good Sports. Together, these commitments will provide more than 2.6 million kids the opportunity to play.





HEALTH & WELLNESS

DOING GOOD THINGS WITH FLAVOR

DPS also has supported government officials' efforts to get their communities fit and active through play by organizing the first-ever Mississippi Mayors' Let's Play Challenge. Mayors of 27 cities and towns across Mississippi rallied their residents to pledge to play for a chance to win a new playground for their community. With their pledge, residents committed to at least one additional hour of active play per week. The residents of Plantersville, Mississippi, ultimately won the challenge and a new playground. The three runner-up cities each received a \$750 grant to further enhance or improve an existing playground.

Historically, DPS has joined forces with professional sports teams to encourage kids to get active, and we continued those efforts with organizations such as the Chicago Bears, Pittsburgh Penguins and the Texas Rangers in 2013. DPS has awarded Let's Play grants and supplied **Imagination Playgrounds** to children within their local communities with the support of these partnerships. In addition, last year the Jaycee-Zaragoza Recreation Department in Dallas enjoyed the second year of its Let's Play Little League, which was founded with the support of DPS, Good Sports and the Texas Rangers organization. The league, which supports 180 disadvantaged youth in Dallas, received a donation of brand-new baseball apparel and equipment valued at \$20,000.

NUTRITIONAL AWARENESS

We believe in providing the information consumers need to make the right choices for their lifestyles based on good information.

For that reason, we're empowering consumers to choose the products that are right for them. Our **DPSProductFacts.com** site offers nutritional information for all of our brands and package sizes in one place. As a participant in the American Beverage Association's Clear on Calories initiative, we are placing front-of-pack calorie labeling on the cans, bottles and packs that we produce. The total calories are prominently displayed on the front of containers 20-oz. or smaller and larger sizes show calories per 12-oz. serving.

Moreover, we continue to support the ABA's Calories Count vending program, which offers consumers clear calorie information, encourages lower-calorie beverage choices and reminds consumers that calories count in all the choices they make. On the front of many of our vending machines, Calories Count™ signs have included one of the following messages: "Check Then Choose" or "Try A Low-Calorie Beverage."





PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

BY 2015, DPS WILL...

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

The communities where we operate have supported our success over the years and we believe the best way to show our appreciation is by doing good things in return.



Our **ACTION Nation** platform was established in 2010 to provide direction and focus toward achieving our 2015 goals. Our mission with this platform is to foster physically active, engaged and sustainable communities where our employees, customers and consumers live and work. Through a combination of volunteerism, cash and in-kind donations, ACTION Nation is touching the lives of millions of people across North America.

ACTION Nation targets four focus areas where we believe we can make the biggest impact:



FIT AND ACTIVE LIFESTYLES



ENVIRONMENTAL INITIATIVES



EMERGENCY RELIEF



HOMETOWN GIVING



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

Last year, DPS contributed more than \$10.6 million in cash and \$2.8 million in product donations to support our philanthropy goals, surpassing our 2015 goal. Our employees also took the initiative to do good things with flavor locally by providing more than 17,700 volunteer hours, bringing our cumulative total since 2010 to 97,700 hours, just shy of our 2015 goal. In 2013, our good work was recognized when DPS was named to the Civic 50 for the second consecutive year. This places DPS among the top 50 S&P 500 companies that best use their time, talent and resources to improve the quality of life where they do business.

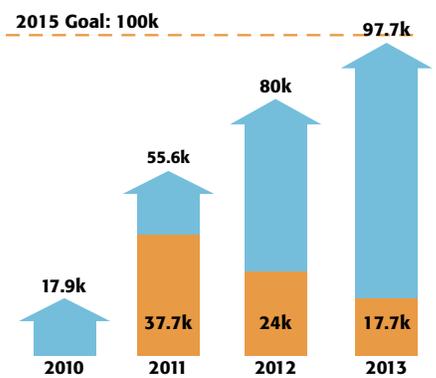
We also continue to find new ways to leverage our brands and their large fan following to do good things. Last year, our brands gave approximately \$3.6 million to support a variety of cause-related marketing efforts. The Dr Pepper Tuition Giveaway has become a college football tradition and one of our biggest outlets for giving back to our fans. We've awarded more than \$6 million in tuition since 2008 to help ease the burden of rising education costs for deserving college students.

ANNUAL CHARITABLE CASH DONATIONS SINCE 2009 (US\$ Millions)



As our ACTION Nation program continues to gain momentum, our philanthropic giving has grown on pace to meet our 2015 goal.

CUMULATIVE VOLUNTEER HOURS DONATED SINCE 2010



Since 2010, DPS employees have donated more than 97,000 volunteer hours, putting DPS very close to our 2015 goal.

DPS SURPASSED OUR 2015 CSR GOAL BY CONTRIBUTING MORE THAN **\$10.6 MILLION** IN CHARITABLE DONATIONS IN 2013.



Because DPS believes in nurturing the potential in every kid, every day at every age, last fall Mott's began supporting school enhancements by partnering with the **Box Tops for Education™ program**. Consumers can find Box Tops on specially marked Mott's products, helping moms and kids earn money for their schools.



In addition, 7UP joined forces with **Project 7** to provide consumers the opportunity to give back locally and globally. In 2014, 7UP launched the Make Every Bottle Count program to align with the mission of Project 7, and 7UP made an initial donation and subsequently makes a donation each time a code is redeemed. With more than 5,000 bottle caps collected and counting, consumers purchase specially marked 7UP products to choose from seven areas to receive their donations.



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

FIT AND ACTIVE LIFESTYLES

Because DPS is focused on helping consumers make informed choices to balance calories in and calories out, we have a history of supporting causes that help families lead active lives. In 2011, we launched **Let's Play** to give people the tools, places and inspiration to make physical activity a daily priority. At that time, DPS committed \$15 million over three years to KaBOOM!, an organization dedicated to saving play, and more than 2,300 DPS employees volunteered nearly 19,000 hours to build dozens of playgrounds and improve thousands more.

In the past three years, 41 playgrounds were built from the ground up and more than 1,800 grants were awarded to various organizations, benefitting an estimated five million children across North America. Our playground build in Seaside Heights, New Jersey, last fall marked the celebration of DPS's goal to build or improve 2,000 playgrounds by the end of 2013. More than 200 volunteers from DPS and the community joined together with organizers from KaBOOM! to roll up their sleeves and build a brand-new playground in the Hurricane Sandy-impacted oceanfront community.

In 2014, we are continuing our partnership with KaBOOM! to serve children's play needs nationwide with a three-year commitment of \$10 million. With the help of KaBOOM!, we'll hold 30 playground builds and plan to distribute more than 120 playground grants that will benefit an estimated 1 million kids across North America. As part of our continued relationship, we are going to play big in Houston and Chicago by hosting #LetsPlayHouston and #LetsPlayChicago events, where our volunteers will build a playground for a deserving community and donate sports and recess equipment to local organizations while also hosting an afternoon of various play activities.



New Let's Play playground built in Seaside Heights, New Jersey.





PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

In 2013, DPS expanded our play focus with the help of Good Sports, a nonprofit dedicated to providing athletic equipment, footwear and apparel to disadvantaged youth nationwide. DPS partnered with Good Sports to make 13 sports equipment donations to multiple community programs totaling \$115,000 worth of sporting good equipment. In Springdale, Arkansas, for example, DPS worked with Good Sports to provide a \$10,000 donation to the Jones Center, a place where the community can come together to learn, play and belong. DPS assisted the center in continuing its good works by funding new fitness and gymnastics equipment.



DPS expanded our partnership with Good Sports to provide athletic equipment and apparel to disadvantaged youth.

DPS is continuing our relationship with Good Sports in 2014 with a \$1 million commitment and making them an official Let's Play partner. Through this partnership, DPS will impact 1.6 million disadvantaged youth by distributing 650+ grants to various child-serving, nonprofit organizations.

ENVIRONMENTAL INITIATIVES

We depend on the Earth's resources to produce our products and we support protecting and sustaining the environment by backing organizations that help us put sustainability into ACTION. In the past year, we've partnered with Keep America Beautiful (KAB), The Nature Conservancy (TNC) and Student Conservation Association (SCA) to help protect our environment and conserve natural resources.

In 2013, DPS donated \$300,000 to KAB to fund the placement of recycling bins to give public park visitors greater access to recycling systems in city, regional and state public parks nationwide. During this inaugural year of the DPS/KAB Recycling Grant Program, we provided more than 700 durable, permanent recycling bins for placement in a variety of park settings, including athletic fields, neighborhood parks, walking trails and beach locations. In total, 33 grants were awarded to local and state governments in 23 states. In 2014, DPS has renewed our partnership with KAB with another \$300,000 commitment that continues efforts to provide recycling opportunities to consumers.



KEEP AMERICA BEAUTIFUL



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

In 2012, TNC and DPS entered into a four-year, \$1 million partnership to support and expand watershed protection in some of Texas' most iconic landscapes near Dallas, Houston and San Antonio where DPS has operations. Through our partnership, TNC has conducted a multitude of projects such as prairie restoration programs across Clymer Meadow, an 11-acre constructed marsh, to help meet future water needs for the residents, businesses and municipalities of North Texas.

In addition, we supported TNC in their tallgrass prairie native seed initiative and private lands outreach to encourage private landowners to undertake their own prairie restoration plots. TNC, through the support of DPS, was able to determine the health of the prairie vegetation through monitoring and research as well as conduct education and community outreach. More than 400 individuals benefitted from tours and classroom presentations at Clymer Meadow.



Three years ago, DPS launched our partnership with SCA, a national nonprofit whose mission is to ensure that each generation shares a connection to our land and passion for conservation. As a national sponsor of the SCA conservation intern program in 2013, DPS helped place more than 2,000 young adults in positions to support national parks, forests, lands and state parks across the U.S., Puerto Rico and the U.S. Virgin Islands. In addition, DPS employees donated more than 270 volunteer hours to participate in SCA's "Day of Service" community service event, where trained SCA interns led employees in conservation service projects. Furthermore, DPS supported SCA in developing their social media outreach project to extend and develop SCA's online presence to further their mission.

EMERGENCY RELIEF

Emergency relief has long been a focus area for DPS. We are committed to helping those affected by natural and other disasters both in our communities and within our business. We support our employees through the Employee Relief Fund (ERF) and help others through our commitment to the American Red Cross (ARC).



The ERF provides financial assistance to DPS employees and their families who experience a disaster or emergency hardship. The funds provided are generated by voluntary contributions from employees across the organization. In 2013, through the generosity of our employees raising funds via local activities and United Way donations, we contributed more than \$193,000 toward the ERF.

In times of disaster, people rely on the ARC to ease their suffering, sustain them through crisis and give them hope as they begin to rebuild from disaster. As a continued member of the American Red Cross Annual Disaster Giving program (ADGP), we helped to provide essential, and sometimes lifesaving, services and supplies to people in need following a natural or other disaster in 2013.



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

As an ADGP member, we help the organization respond quickly to disasters. As an example, DPS's funds went toward hard-hit Illinois, where floods affected 10 counties and 10,000 homes. With our support, more than 1,000 Red Cross volunteers were able to provide shelters and food for displaced families and delivered relief supplies and cleanup items to those returning to waterlogged homes.



When people needed us most this year, as one of our ADGP partners, DPS ensured the Red Cross was there. DPS's support became the blanket wrapped around their shoulders, the food that strengthened them for the work ahead, and the hope they can hold onto knowing the Red Cross will continue to be there for them.

Gail McGovern, President and CEO - American Red Cross

HOMETOWN GIVING

At DPS, we've proven time and again that through the action and passion of our people, we will deliver. Nowhere is this drive to succeed more evident than in our support for our hometowns. Our employees donate their time and fund nonprofit organizations year-round within their own communities because we understand that volunteering and sponsoring local events are wonderful ways to foster physically active, engaged and sustainable communities.

Last May, our five-year anniversary as a public company was an opportunity to thank employees for everything they have contributed to DPS over the past five years. At the same time, it gave us a chance to thank those who have supported our business and our brands over the years, and demonstrate that we are a company that cares about its communities. This inspired the Give Five for Five Challenge to motivate employees to volunteer together, donating five service hours per employee to a local nonprofit. To track our efforts, DPS enlisted VolunteerMatch, an online system that allows us to better record employee volunteer hours and promote various volunteer activities happening in our employees' hometowns.



PHILANTHROPY

DOING GOOD THINGS WITH FLAVOR

Since 2008, DPS and our employees have donated nearly \$8.5 million in support of United Way's efforts to promote education, income stability and health in our hometowns. In 2013, our sixth-annual **United Way (UW) campaign, "Drive Home Giving,"** emphasized the fact that every dollar we donate directly benefits nonprofit programs in the hometowns of our employees, customers and consumers. We raised \$2.17 million for United Way and set internal campaign records. A few highlights include more sites and more employees participating in our campaign than ever before, 92 percent participation among our leadership group, and 83 United Way chapters contributing a percentage of the funds raised to the DPS Employee Relief Fund, which is a 22 percent increase over 2012.



DPS combined financial giving with volunteerism through our ACTION Nation Month and ACTIONeer programs. Both of these programs encourage employees at a DPS site to collectively contribute 50 volunteer hours to a nonprofit organization to earn a \$1,000 grant toward their United Way campaigns or an individual nonprofit. During our 2013 United Way campaign, we held 45 ACTION Nation Month volunteer projects that contributed more than 2,800 volunteer hours to nonprofits in our local communities. Our Canada team participated in United Way's Day of Caring event where they prepared meals for the Knights Table nonprofit and processed and sorted donated goods at the local thrift shop.

Additionally, \$8,000 in ACTIONeer grants were awarded to nonprofits nationwide due to employees' volunteerism efforts in 2013. For example, our employees in Lenexa, Kansas, volunteered to sort and pack donated food for distribution for Harvesters Community Food Network to give to various agencies, and our employees in Akron, Ohio, assisted organizers with the Kids Fun Run hosted by the Akron Marathon Charity.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

BY 2015, DPS WILL...

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



Our workforce is made up of 16,000 employees in the U.S. and Canada and 3,000 in Mexico, a quarter and two-thirds of which are party to the collective bargaining agreements, respectively. The relationship between DPS and our people is a vital part of achieving our vision to Be the Best Beverage Business in the Americas. We recognize that successful people have a tremendous desire to win. That's why we leverage our **Call to ACTION behaviors** as our foundation to foster a workplace of people that are capable of being successful, feel empowered and engaged, and know they are equal contributors to the overall success of our business.

Our passion is building teams that win. Over the years we have implemented programs that enable our more than 19,000 employees to develop their careers, learn from their peers and take charge of their personal wellness. DPS is about people and brands, and we emphasize every day that great people and great brands will produce great results.

SAFETY

Safety in the workplace is of paramount importance at DPS. A serious workplace injury or death changes lives forever - for families, friends and coworkers. Through our companywide Drive to Zero initiative, we've made it an ongoing priority to reduce work injuries and accidents. As evidence of our progress, DPS has reduced lost-time injury frequency rates (LTIFR) by 40 percent since 2009, surpassing our 2015 goal.



The Drive to Zero safety campaign has supported our efforts to reduce accidents and injuries.

DPS REDUCED LTIFR BY **40%** SINCE 2009, SURPASSING OUR 2015 CSR GOAL.

Two years ago, DPS launched a Safety Board to take additional action around our commitment to safety. This has led to the development of a common process for reporting injuries and vehicle accidents to ensure all incidents are addressed promptly and appropriately and actions are taken for prevention. Since the Board's establishment, we have implemented employee orientations, safety committees and accident investigations with a focus on corrective actions to eliminate or significantly reduce safety hazards.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

We have also implemented a Safety Accident Reporting for Employees (SAFE) system to enable more effective and efficient accident reporting root-cause analysis. Utilizing the SAFE system, we have obtained an understanding of how to address safety issues by using clear measurements to accurately track how the business is reacting to injuries on the job. Our next goal is to ensure a proactive Drive to Zero commitment is embraced utilizing standardized programs, proactive metrics and communication systems in all of our facilities.

LOST-TIME INJURY FREQUENCY RATE

(incidents per 200,000 hours worked)



DPS has reduced our lost-time injury frequency rate by 40% since 2009.

DPS knows safety also extends beyond our sites and offices and into the driver seat. Last fall, at selected sites, we reinforced safe driving habits by hosting a truck driving rodeo. DPS's top semi-truck drivers from across the business participated and had the chance to display their safe driving skills and knowledge. As part of the rodeo, participants were required to complete a written exam - which was key in ensuring they were updated on the most recent Department of Transportation regulations - and an obstacle course to showcase their skill set behind the wheel.



DPS reinforces safe driving habits by hosting a truck driving rodeo at local facilities.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

DIVERSITY

At DPS, we recognize and celebrate the differences among our people. We know that these unique backgrounds and perspectives are a valuable asset to the growth of our business, how we engage our customers and our ability to deliver great brands that resonate with our diverse consumers.

DPS is committed to diversity and equal opportunity. When we take ACTION at DPS, we do so without regard to sex, race, color, national origin, ancestry, religion, creed, age, marital status, gender, gender identity or expression, disability, medical condition, covered veteran or military status, sexual orientation, genetic information, or any other status protected under federal, state or local law.

Female employees account for more than 13 percent of the total DPS workforce in the U.S. and Canada and approximately 25 percent of DPS's management (i.e., company vice presidents and above). Minority employees account for more than 44 percent of the total DPS workforce in the U.S. and Canada and more than 18 percent of management.

In 2012, our Diversity Leadership Council, comprising of members from our executive leadership team and senior management, laid the foundation for a more inclusive and diverse workplace. As part of that commitment, we've established relationships with local and national organizations to attract and recruit talent that reflects our changing marketplace. These organizations include The National Society of Hispanic MBAs, The National Black MBA Association, Catalyst, Inc., The National Urban League, the Department of Labor Women's Bureau, Women's Foodservice Forum, Network of Executive Women, YWCA, Grace After Fire and Goodwill Industries.

Furthermore, under the Diversity Council's leadership, DPS has hired more than 300 veterans since 2012. We will continue to leverage our partnerships with veteran organizations such as Hire for Heroes, Vocational Rehabilitation Agencies, Veterans Affairs and State Veteran Commissions along with military bases nationwide to recruit qualified military applicants.

For the third consecutive year, DPS was honored with the 2020 Women in Leadership award, a national campaign dedicated to increasing the percentage of women in corporate leadership by 20 percent in 2020. To help promote our female talent across the business and within leadership positions, the Diversity Council implemented an Employee Referral Program focused on recruiting women. In addition, DPS is leveraging the Emerging Leaders and mentoring programs to help prepare the women of DPS for advancement into management positions.

Earlier this year, DPS launched employee resource groups (ERGs). These affinity groups are voluntary, employee-led groups that provide opportunities for employees to connect, expand leadership skills, mentor and network with others. They are aligned with our business goals to foster a diverse and inclusive workplace and are open to anyone who wants to participate. ERGs help support recruitment and retention and provide another opportunity for professional development among employees, while generating active engagement in promoting diversity initiatives within DPS.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

WELLNESS

We recognize that a healthy workforce is a more productive workforce. The essence of DPS's wellness programs is to encourage our people to take ownership of their health through preventive care measures and integrating healthy habits into their daily activities.

Our "Take ACTION for Your Health" program continues to grow in popularity among DPS employees as they develop into good consumers of health care. Last year, more than 1,700 employees participated in 15 free biometric screenings and "Know Your Numbers" onsite events. Employees were able to speak to a trained health professional and get a check on their health numbers such as blood pressure, body mass index and cholesterol. In 2013, nearly 4,300 employees took advantage of DPS's Personal Rewards incentive program. As a result, DPS awarded a total of \$1.6 million to the employees who took ACTION for their health.



A similar program takes place in Mexico where our Grupo Peñafiel team hosts Health Week during which employees and their families are able to speak with medical specialists that provide them with important information regarding their health as well as safety in the workplace and at home.

To further encourage a health care consumer mindset and the use of the tools provided by DPS's benefits provider UnitedHealthcare, this year DPS began a "Bet You Can Save on That Claim" educational series, profiling real-life stories of employees saving on medical claim costs by making smart choices regarding their provider and care upfront.

LEADERSHIP AND DEVELOPMENT

This year, DPS is taking major steps to build capable, dedicated and enthusiastic employees who embody leadership and our **Call to ACTION behaviors**. This is part of a larger effort to deepen our bench strength, retain top talent and provide opportunities for DPS employees to grow their careers.

At DPS, leadership means providing purpose, direction and motivation to accomplish our business goals. We believe leadership is a learned skill and that every employee has the potential to be a DPS leader. In pursuit of that, we've designed a series of programs to arm our current and future leaders with the building blocks necessary to enhance their leadership capabilities.



OUR WORKPLACE

DOING GOOD THINGS WITH FLAVOR

One of those initiatives is a six-month mentoring program designed to give employees an opportunity to network, receive coaching and connect with people at different levels and areas of the company. Another, called the Developing Leader Program (DLP), is a one-year experience rooted in our Rapid Continuous Improvement principles. The DLP helps DPS develop an expanding group of leaders at the manager and director levels that can recognize and eliminate waste and drive breakthrough change. Finally, the Emerging Leader Program (ELP) is a two-year rotational program to build the next generation of leaders and extend our bench strength. The ELP focuses on developing high-potential talent, sourced both internally and externally, into leaders who will guide our business toward future success.

In 2014, we rolled out several new training videos to our e-learning system, DPS Campus, including the Retail Partnership Excellence sales training series. The objective of this training is twofold. First, we'll further develop the skills of our sales organization on five specific fundamental selling competencies. The second objective is to establish the DPS standards of purposeful partnerships and business disciplines for working with our retail customers to achieve superior trusted relationships.

LEADERSHIP DEVELOPMENT BUILDING BLOCKS





ETHICAL SOURCING

DOING GOOD THINGS WITH FLAVOR

BY 2015, DPS WILL...

- **Conduct a regular risk assessment of our supply base and audit any high-risk suppliers identified to ensure full compliance with our Ethical Sourcing Code of Conduct.**

Our operations are based in North America and the Caribbean, but we have suppliers around the world. We recognize that the integrity of our partners influences the integrity of DPS. Doing the right thing means ensuring that the companies we work with do too.

We also know that our consumers are paying attention. Not only do they base their purchasing decisions on whether beverages are safe and of the highest quality, but increasingly, they're also concerned about whether the ingredients and packaging materials are ethically sourced.

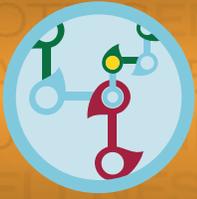
We use a third-party risk assessment tool to evaluate our supply base, segmenting our direct suppliers into low-, medium- and high-risk categories. This helps define the DPS roadmap for ethical sourcing.

Our risk assessment process includes a quantitative evaluation of each supplier's performance on key third-party indices, including the United Nations Human Development Index, the Heritage Foundation's Index of Economic Freedom and the Labor Rights Index of the International Labour Association. As a result of this process, the number of our suppliers in the high-risk segment has been reduced by 50 percent from 2013 for the second consecutive year, with many suppliers transitioning to our medium- or low-risk segments.

Having evaluated our supply base, DPS is committed to inspecting what we expect of our suppliers. Among other requirements, we expect our suppliers to guarantee that employment is freely chosen with no forced, bonded or involuntary labor; that working conditions are safe, hygienic and compliant with industry standards; that wages and benefits meet minimum national legal standards or industry benchmarks; that working hours comply with national laws and industry benchmarks; and that no discrimination is practiced in any employment-related decision. We seek commitment to our Ethical Sourcing Code of Conduct, which includes all of the foregoing requirements, and expect our suppliers to sign this Code or participate in the Supplier Ethical Data Exchange (SEDEX) and meet the compliance requirements that are part of the SEDEX process.

 **94.7%** of our direct suppliers have committed to our Ethical Sourcing Code of Conduct. 

All told, 94.7 percent of our direct suppliers have committed to our **Ethical Sourcing Code of Conduct**, either through acceptable audits maintained in SEDEX or direct agreement with our Code itself. The remaining 5.3 percent fall within our low- or medium- risk categories and we are working with them toward their commitment. Our Mexico business remains exemplary on this front, with 100 percent of its suppliers committed to our Code.



ETHICAL SOURCING

DOING GOOD THINGS WITH FLAVOR

Since 2012, 100 percent of our high-risk suppliers have agreed to our Ethical Sourcing Code of Conduct standards, and in early 2014 we went a step further. We are pleased to report that we have achieved our goal - 100 percent of our high-risk suppliers have been audited, either through our own efforts or through comparable audits on file with reputable third-party human rights auditors. Action plans are in place for those few suppliers who may have had certain business practices that did not comply with specific aspects of our Ethical Sourcing Code of Conduct. We expect the minor issues for these suppliers to be corrected in the year to come.

 **100%** of our high-risk suppliers
have been audited. 

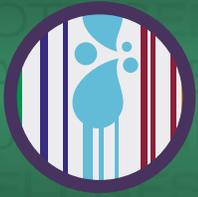
SUPPLIER DIVERSITY

While we have not established a specific goal related to our supplier diversity spend, DPS strives to work with suppliers that represent the communities in which we operate. We create opportunities for disadvantaged business enterprises, including those owned by minorities, women, military veterans and the physically challenged, while seeking the best quality, value and service at the best cost, from all of our suppliers. It is our desire to select the supplier who delivers the best overall value - value that consists of competitive pricing, technological foresight, product quality and customer support.

In 2013, we spent more than \$147 million with businesses that are either wholly or majority owned by women and minorities and approximately \$1.4 million with disadvantaged businesses. In total, our diversity supplier spend accounted for 6.6 percent of our direct and indirect supplier expenditures in 2013. In addition, we spent an approximately \$7.4 million with veteran-owned businesses.

DPS'S ANIMAL TESTING POLICY

DPS does not conduct animal tests and does not directly fund any animal tests in relation to our beverages. Where tests are needed to demonstrate ingredient safety, we and many other companies using those ingredients rely on third-party testing. We encourage the use of alternative testing methods whenever and wherever possible.



ECONOMIC IMPACT

DOING GOOD THINGS WITH FLAVOR

NET SALES

\$6.0 billion

GOODS PURCHASED

\$2.5 billion

TAXES PAID

\$310 million

U.S. Federal - \$259 million

State/Local - \$34 million

International - \$17 million

WAGES, BENEFITS AND PAYROLL TAXES

\$1.007 billion (Note: Some additional people costs are represented in Goods Purchased)

COMMUNITY INVESTMENTS

Financial Contributions - \$14.2 million

(Philanthropic: \$10.6 million; cause-related marketing: \$3.6 million)

PRODUCT DONATIONS

\$2.8 million

VOLUNTEERISM

17,700 hours

RETURNS TO SHAREHOLDERS

In 2013, DPS returned \$702 million to shareholders in the form of share repurchases (\$400 million) and dividends (\$302 million).

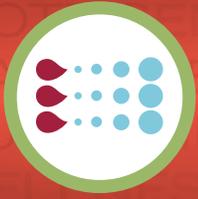


ADDITIONAL INFORMATION

DOING GOOD THINGS WITH FLAVOR

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, 2013, 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.



GRI INDEX

DOING GOOD THINGS WITH FLAVOR

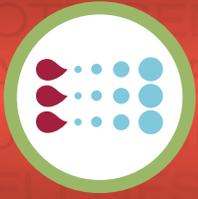
To maintain transparency and accountability, DPS adheres to Global Reporting Initiative’s guidelines for sustainability reporting. We have self-declared Application Level C for our report.

STRATEGY AND ANALYSIS

1.1	Statement from most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy.	Message from Our CEO
1.2	Description of key impacts, risks and opportunities.	Message from Our CEO Overview Environmental Sustainability Health and Wellness 10K

PROFILE

2.1	Name of reporting organization.	Overview
2.2	Primary brands, products and/or services.	Overview Annual Report 10K
2.3	Operational structure of the organization including main divisions, operating companies, subsidiaries and joint ventures.	Overview Annual Report 10K
2.4	Location of organization’s headquarters.	10K
2.5	Number of countries where organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Overview
2.6	Nature of ownership and legal form.	Overview Annual Report 10K
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries).	Overview 10K
2.8	Scale of the reporting organization including: <ul style="list-style-type: none"> • Number of employees • Net sales • Total capitalization broken down in terms of debt and equity; and • Quantity of products or services provided. 	Overview Economic Impact 10K



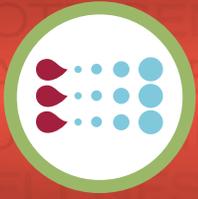
GRI INDEX

DOING GOOD THINGS WITH FLAVOR

2.9	<p>Significant changes during the reporting period regarding size, structure or ownership, including:</p> <ul style="list-style-type: none"> • Location of, or changes in operations, including facility operations, closings, and expansions; and • Changes in the share capital structure and other capital formation, maintenance, and alteration operations. 	<p>Overview Annual Report 10K</p>
2.10	<p>Awards received in the reporting period.</p>	<p>Message from Our CEO Health and Wellness Diversity DPSG.com - Awards and Recognition</p>

REPORT PARAMETERS

Report Scope and Boundary		
3.1	<p>Reporting period (e.g., fiscal/calendar year) for information provided.</p>	<p>Message from Our CEO</p>
3.2	<p>Date of most recent previous report (if any).</p>	<p>Message from Our CEO</p>
3.3	<p>Reporting cycle (annual, biennial, etc.)</p>	<p>Message from Our CEO</p>
3.4	<p>Contact point for questions regarding the report or its contents.</p>	<p>Message from Our CEO</p>
3.5	<p>Process for defining report content.</p>	<p>Overview</p>
3.6	<p>Boundary of the report.</p>	<p>Overview Environmental Sustainability</p>
3.7	<p>State any specific limitations on the scope or boundary of the report.</p>	<p>Overview Environmental Sustainability</p>
3.8	<p>Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.</p>	<p>Overview Environmental Sustainability</p>
3.9	<p>Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.</p>	<p>Overview Environmental Sustainability</p>
3.10	<p>Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).</p>	<p>Environmental Sustainability</p>
3.11	<p>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.</p>	<p>Environmental Sustainability</p>
<p>GRI Content Index</p>		



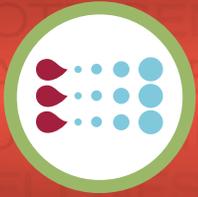
GRI INDEX

DOING GOOD THINGS WITH FLAVOR

3.12	Table identifying the location of the Standard disclosures in the report.	GRI Index
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	GRI Index Environmental Sustainability

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

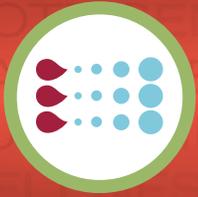
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Managing Sustainability Governance Leadership Team
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and if so, their function within the organization's management and the reasons for this arrangement).	Leadership Team Overview
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Governance Corporate Governance
4.4	Mechanisms for stakeholders and employees to provide recommendations or direction to the highest governance body.	Doing the Right Thing
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements) and the organization's performance (including social & environmental performance).	Annual Report 10K
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Annual Report 10K Corporate Governance
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	Code of Conduct Managing Sustainability
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental and social performance, and the status of their implementation.	Overview Corporate Governance Doing the Right Thing Governance



GRI INDEX

DOING GOOD THINGS WITH FLAVOR

4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Doing the Right Thing Managing Sustainability Governance
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Managing Sustainability
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	10K
Commitments to External Initiatives		
4.13	Members in associations and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	Philanthropy Message from Our CEO Health and Wellness Environmental Sustainability Our Workplace Our Approach to Public Policy Stakeholder Engagement
4.14	List of stakeholder groups engaged by the organization.	Stakeholder Engagement Our Approach to Public Policy
4.15	Basis for identification and selection of stakeholders with whom to engage.	Overview Stakeholder Engagement Our Approach to Public Policy
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Overview Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Overview Stakeholder Engagement

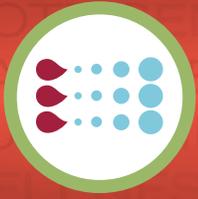


GRI INDEX

DOING GOOD THINGS WITH FLAVOR

PERFORMANCE: ECONOMIC

Disclosure on Management Approach		
	Provide a concise disclosure on the Management Approach items outlined below with reference to the following economic aspects: economic performance, market presence and indirect economic impacts.	Economic Impact Annual Report 10K
Economic Performance Indicators		
Aspect: Economic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Philanthropy Annual Report 10K Economic Impact
EC2	Financial implications and other risks and opportunities for the organizations activities due to climate change.	10K
EC3	Coverage of the organization's defined benefit plan obligations.	Our Workplace DPSG.com - Careers
Aspect: Market Presence		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Diversity
Aspect: Indirect Economic Impact		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement.	Philanthropy
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Message from Our CEO Economic Impact
Aspect: Indirect Economic Impact		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement.	Philanthropy
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Message from Our CEO Economic Impact

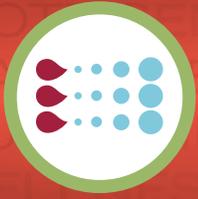


GRI INDEX

DOING GOOD THINGS WITH FLAVOR

PERFORMANCE: ENVIRONMENTAL

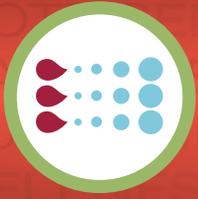
Disclosure on Management Approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following environmental aspects: materials, energy, water, biodiversity, emissions, effluents and waste, products and services, compliance, transport and overall.	Managing Sustainability
Environmental Performance Indicators		
Aspect: Material		
EN1	Materials used by weight or volume.	Reducing Waste
EN2	Percentage of materials used that are recycled input materials.	Reducing Waste
Aspect: Energy		
EN3	Direct energy consumption by primary energy source.	Energy Conservation Investor Carbon Disclosure Project 2013
EN4	Indirect energy consumption by primary source.	Energy Conservation Investor Carbon Disclosure Project 2013
EN5	Energy saved due to conservation and efficiency improvements.	Energy Conservation
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Energy Conservation
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Energy Conservation
Aspect: Water		
EN8	Total water withdrawal by source.	Water Conservation
EN9	Water sources significantly affected by withdrawal of water.	Water Conservation



GRI INDEX

DOING GOOD THINGS WITH FLAVOR

EN10	Percentage and total water volume of water recycled and reused.	Water Conservation
Aspect: Emissions, Effluents and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	Investor Carbon Disclosure Project 2013
EN17	Other relevant indirect greenhouse gas emissions by weight.	Investor Carbon Disclosure Project 2013
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Energy Conservation
EN19	Emissions of ozone-depleting substances by weight.	Investor Carbon Disclosure Project 2013
EN21	Total water discharged by quality and destination.	Water Conservation
Aspect: Products and Services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Environmental Sustainability
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Reducing Waste
Aspect: Compliance		



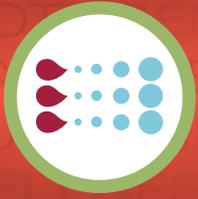
GRI INDEX

DOING GOOD THINGS WITH FLAVOR

EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Energy Conservation
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PERFORMANCE: ENVIRONMENTAL

Performance: Labor Practices and Decent Work		
Disclosure on Management Approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following labor aspects: employment, labor/management relations, occupational health and safety, training and education and diversity and equal opportunity.	Our Workplace Our Workforce Diversity
Labor Practices and Decent Work Performance Indicators		
Aspect: Employment		
LA1	Total workforce by employment type, employment contract and region.	Our Workforce
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Our Workplace DPSG.com - Careers
LA4	Percentage of employees covered by collective bargaining agreements.	Our Workplace 10K
Aspect: Occupational Health and Safety		
LA7	Rates of injury, occupational diseases, lost days, absenteeism, and number of work related fatalities by region.	Safety
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Our Workplace



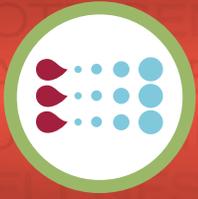
GRI INDEX

DOING GOOD THINGS WITH FLAVOR

Aspect: Training and Education		
LA10	Average hours of training per year per employee by employee category.	Learning and Development
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their careers.	Learning and Development
Aspect: Diversity and Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Our Workforce Diversity 10K

PERFORMANCE: HUMAN RIGHTS

Disclosure on Management Approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following human rights: investment and procurement practices, non-discrimination, freedom of association and collective bargaining, abolition of child labor, prevention of forced and compulsory labor, complaints and grievance practices, security practices and indigenous rights.	Our Workplace Our Workforce Ethical Sourcing
Human Rights Indicators		
Aspect: Investment and Procurement Activities		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Ethical Sourcing
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Ethical Sourcing
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Ethical Sourcing



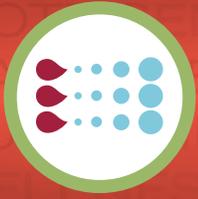
GRI INDEX

DOING GOOD THINGS WITH FLAVOR

Aspect: Freedom of Association and Collective Bargaining		
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Our Workplace
Aspect: Child Labor		
HR6	Operations identified as having a significant risk for incidents of child labor, and measures taken to contribute to the elimination of forced or compulsory labor.	Ethical Sourcing Ethical Sourcing Code of Conduct California Transparency in Supply Chains Act
Aspect: Forced and Compulsory Labor		
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Ethical Sourcing

PERFORMANCE: SOCIETY

Disclosure on Management Approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: community, corruption, public policy, anti-competitive behavior and compliance.	Our Workplace Our Workforce Ethical Sourcing
Society Performance Indicators		
Aspect: Community		
SO1	Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting.	Philanthropy
Aspect: Public Policy		
SO5	Public policy positions and participation in public policy development and lobbying.	Code of Conduct Investor Carbon Disclosure Project 2013



GRI INDEX

DOING GOOD THINGS WITH FLAVOR

PERFORMANCE: PRODUCT RESPONSIBILITY

Disclosure on Management Approach		
	Provide a concise disclosure on the management approach items outlined below with reference to the following society aspects: customer health and safety, product and service labeling, marketing communications, customer privacy and compliance.	Message from Our CEO Health and Wellness
Product Responsibility Performance Indicators		
Aspect: Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Health and Wellness
Aspect: Product and Service Labeling		
PR4	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Health and Wellness
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Health and Wellness
Aspect: Marketing Communications		
PR6	Programs for adherence to laws, standards and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.	Health and Wellness