

Keurig Dr Pepper

Product categories assessed

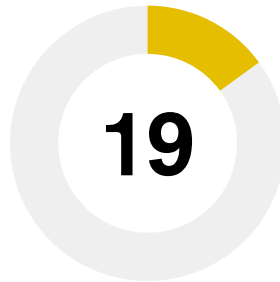
Bottled Water
(Pure)|Carbonates|Juice|Processed Fruit
and Vegetables|RTD Tea|Energy
Drinks|Bottled Water (Other)

Percentage of company global sales covered by Product Profile assessment
90-95%

Headquarters
U.S.

Number of employees
25500

Type of ownership
Public



Rank 19 / Score 1.5



Product Profile ¹

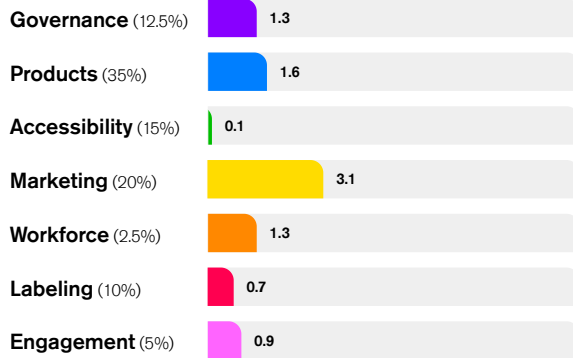
Rank 24 / Score 2.6

Important:

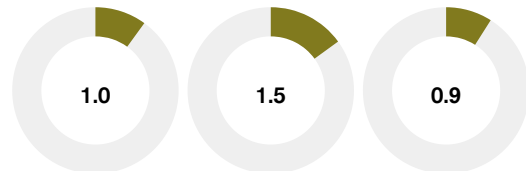
The findings of this Index regarding companies' performance rely to a large extent on information shared by companies, in addition to information that is available in the public domain. Several factors beyond the companies' control may impact the availability of information such as differences in disclosure requirements among countries or capacity constraints within companies, amongst others the Covid-19 pandemic. Therefore, in the case of limited or no engagement by such companies, this Index may not represent the full extent of their efforts.

Corporate Profile

Rank 19 Score 1.5



Commitment Performance Disclosure



The bar graph to the left shows company performance across the seven Index categories, which are key topic areas of assessment, and scores are shown for each category. The circles above provide an alternate view on the company's overall results, showing the score per indicator type. The Commitment, Performance, Disclosure score only applies to category scores and not to the BMS/CF Assessment.

Main areas of strength

- **SCORES AND RANKING:** Keurig Dr. Pepper (KDP) ranks 19th on the Global Index with a score of 1.5 out of 10. The company was formed in 2018 through a merger of Keurig Green Mountain and Dr Pepper Snapple Group and therefore not part of the 2018 Global Index. The Dr Pepper Snapple Group was assessed in ATNI's 2018 US Spotlight Index. The company's highest score is in the Marketing Category (3.1 out of 10).

- **GOVERNANCE:** Keurig Dr Pepper (KDP) has a strategic commitment to grow through a focus on nutrition and health. The company highlighted that it has established a multi-year strategy with a new corporate responsibility platform, 'Drink Well. Do Good', which includes health and wellbeing goals and initiatives for which senior management has formal accountability. The company has also disclosed its commitments to deliver more healthy foods.

- **PRODUCTS:** KDP has carried out reformulation measures for some of its products and introduced zero-calorie and plant-based sweeteners into their portfolio of ingredients. The company is an active member of the American Beverage Association (ABA) and is working with the Alliance for a Healthier Generation on the 'Balance Calories Initiative.' Which means the company commits to reducing beverage calories consumed per person, nationally, by 20 percent by 2025.

- **MARKETING:** With regards to responsible marketing, the company has a policy in place which applies to certain media – such as print, broadcast, non-broadcast, and additional forms of media, including cinema and TV shows. KDP has pledged to the Children's Food and Beverage Advertising Initiative (CFBAI), and has a public policy that specifically addresses responsible marketing to children. The company commits to only advertise products meeting the company's own or industry association-related standards for marketing to children and/or teens in its major markets. KDP does not market to children under the age of 12 years, with a child audience restricted to a threshold of 25 percent. As part of their CFBAI pledge the company commits to responsibly use children, celebrities (including influencers), or fantasy and animated characters, for their home market only.

- **MARKETING:** The company also has committed to not market or advertise products in primary schools for its home market and commits to do so only for healthy products in secondary schools in agreement with parents. The company could improve in this area by expanding both commitments to include other places where children gather and expand this to its global markets. KDP also audits and discloses its compliance with its policy.

- **LIFESTYLES:** KDP has good commitments in place to support the health and wellness of its employees, with a program focused on physical activity with meaningful outcomes. It has also provided evidence that some programs have been designed/ (co)implemented by stakeholder groups with relevant expertise. The company shows industry-leading practice by making a commitment to improve the health and wellness of groups across its

Priority areas for improvement

- **GOVERNANCE:** KDP is advised to adopt and disclose a nutrition policy that specifies how the company contributes to improved nutrition and health, and how it helps address all forms of malnutrition in the countries in which it operates through its commercial strategy and activities. To this effect the company could establish and publish clear goals and initiatives in relation to consumers' health and nutrition. ATNI also advises the company to consider linking individual remuneration arrangements to health and wellbeing targets and objectives. The company could consider further increasing public disclosure about its nutrition-related commitments, policies, and practices, and is encouraged to engage with ATNI to allow for a more complete assessment of its policies and practices.

- **PRODUCTS:** KDP is encouraged to define what products are healthy based on objective nutrition criteria (using an internationally-recognized Nutrient Profiling Model (NPM)), and implement a strategy towards a healthier product portfolio by setting product formulation and/or reformulation targets in all markets – especially for total calories/sugars and report on progress over time. It is also recommended that the company publicly commits to aligning its approach to reformulation with (inter)national or regional dietary guidelines.

- **ACCESSIBILITY:** The company is advised to adopt and publish a policy to improve the affordability and physical accessibility of products that meet healthy criteria, taking into account how it could reach low-income populations or populations in rural or urban areas that lack regular access to healthy, affordable food. It is recommended KDP carries out analysis on appropriate pricing of healthy products to reach all consumers and priority populations at risk of malnutrition, and assess ways to improve the physical accessibility of such products.

- **MARKETING:** KDP could consider improving its disclosure that addresses general aspects of responsible marketing, and make specific commitments to ensure that marketing of unhealthy products to children up to the age of 18 years is avoided. The company is advised to align with the World Health Organization (WHO) regional nutrient profile systems to establish which products should not be marketed to children. To further improve in this area, the company is recommended to implement a response mechanism to ensure corrective measures are taken regarding any non-compliance with its marketing policy.

- **LIFESTYLES:** The company is encouraged to expand its current public commitment to support employee health and wellness by including nutrition programs and extending these to its global markets. KDP has a policy that offers mothers four weeks of paid maternity leave. It is advised the company strengthens this policy by expanding it to include proper breastfeeding facilities and extend this to its global markets.

- **LABELING:** The company is advised to adopt and publish a global labeling policy and expand its commitments to include BOP labeling of nutrients, following (inter)national guidelines such as Codex. KDP is recommended to use interpretative labeling on the FOP of

food supply chain (that are not necessarily direct employees).

- **LABELING:** As part of the ABA's 'Clear on Calories Initiative', KDP joined with other beverage companies to commit to placing caloric information on the front of its containers and company-controlled vending machines and fountains. The information is presented as a numeric figure, e.g. '90 calories per can'. The company also has strong commitments regarding the rollout of its front-of-pack (FOP) and back-of-pack (BOP) labeling, for which it has set a target to reach 50-79 % of its markets, or less than 90% of its products globally.

- **ENGAGEMENT:** The company provides a comprehensive list of trade associations they support in the U.S., indicating the dues paid and those they pay more than \$25,000 per year to in non-deductible fees for federal lobbying expenditures. It also assigns to the Board oversight of lobbying policy positions, processes, and practices, including third parties.

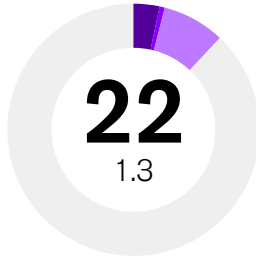
all its products as this is industry best practice. The company could also consider introducing a commitment not to place health claims on products unless they have been determined as 'healthy' by a relevant Nutrient Profiling Model (NPM). This can prevent consumers from being misled into purchasing unhealthy products and aid in making informed decisions.

- **ENGAGEMENT:** KDP is encouraged to publish a responsible lobbying policy and commit to only lobby in support of measures designed to improve health and nutrition that have a solid grounding in independent, peer-reviewed science. It is also advised to increase transparency around its lobbying efforts on nutrition-related topics, and disclose any potential governance conflicts of interest and Board seats at industry associations, as well as its lobbying efforts outside the U.S. Moreover, the company is encouraged to commit to playing an active and constructive part in supporting governments' efforts to combat all forms of malnutrition.

- **ENGAGEMENT:** The company did not provide evidence of engaging with stakeholders in developing its nutrition strategy, policies and/or programs, or of partnerships with, or formally supporting, any international initiatives/organizations to address malnutrition in priority populations. KDP is encouraged to conduct well-structured and focused engagement with a variety of independent stakeholders that have expertise in nutrition and addressing malnutrition, in order to strengthen their strategies and policies.

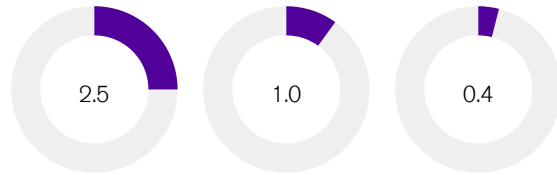
Category Analysis

Governance



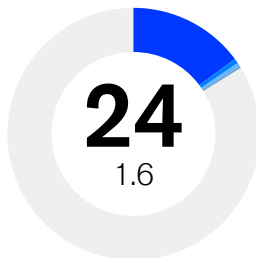
- A1 Nutrition strategy
- A2 Nutrition management
- A3 Reporting quality

Commitment Performance Disclosure



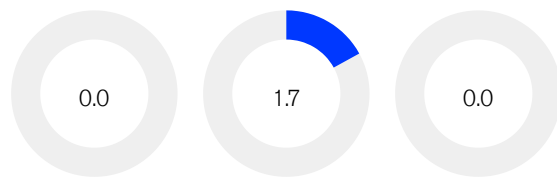
The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Products



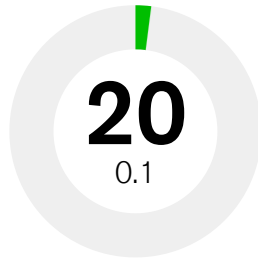
- B1 Product Profile
- B2 Product formulation
- B3 Defining healthy products

Commitment Performance Disclosure

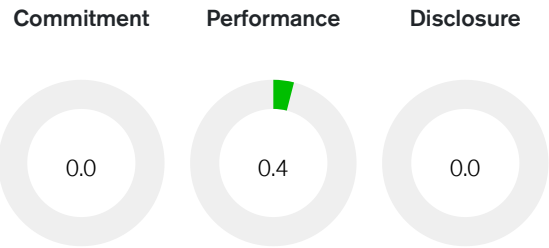


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Accessibility

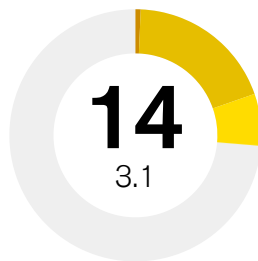


- C1 Product pricing
- C2 Product distribution

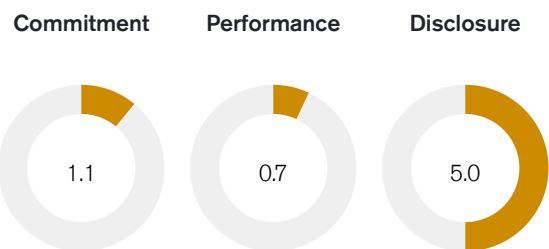


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Marketing

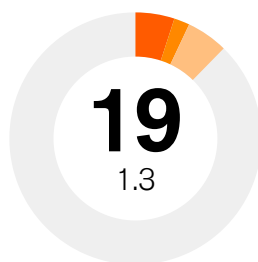


- D1 Marketing policy
- D2 Marketing to children
- D3 Auditing and compliance

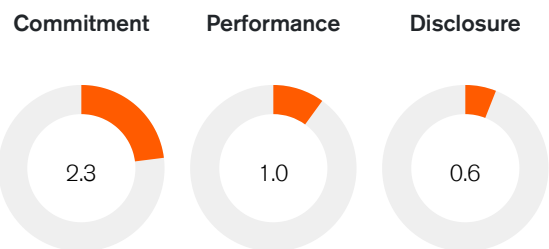


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Workforce

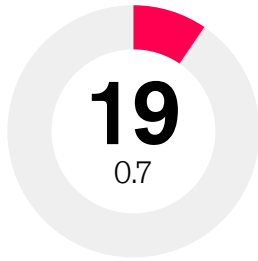


- E1 Employee health
- E2 Breastfeeding support
- E3 Consumer health

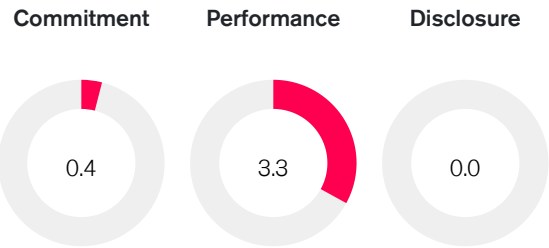


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Labeling

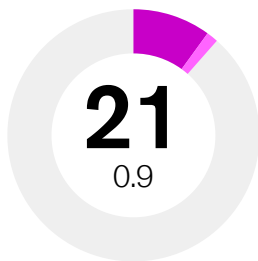


- F1 Product labeling
- F2 Claims

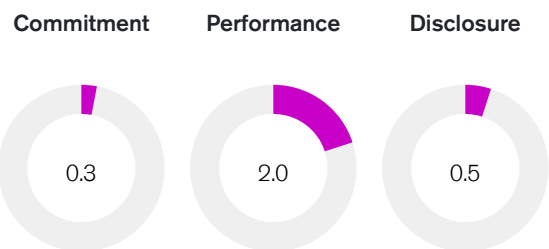


The big circle on the left represents the company result for this Index category, showing the rank out of 25 and the score below it. The smaller circles above indicate company's scores on the three types of indicators.

Engagement



- G1 Influencing policymakers
- G2 Stakeholder engagement



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Detailed Product Profile Results ^{1 2}

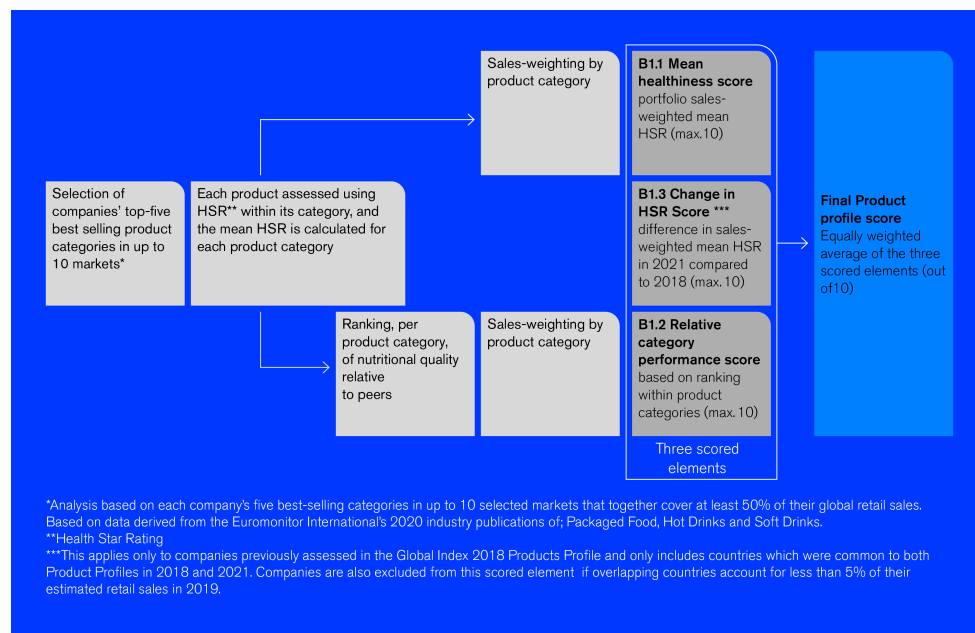


24

Rank 24 / Score 2.6

The Product Profile is an independent assessment of the nutritional quality of companies' product portfolios. For this purpose, ATNI uses the Health Star Rating (HSR) model, which rates foods from 0.5 to 5.0 based on their nutritional quality. ATNI uses the threshold of 3.5 stars or more to classify products as generally healthy. This assessment is undertaken in partnership with The George Institute for Global Health (TGI), with additional data input from Innova Market Insights.

The methodology for the Global Index 2021 Product Profile has been revised and now includes three scored elements. The overall Product Profile score reflects: B1.1, the mean healthiness of a company's product portfolio; B1.2, the relative healthiness within product categories compared to peers, and; B1.3, changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile. The steps taken to calculate the final Product Profile scores are visualized in Box 1. The next section further explains each of these three elements.



KDP has been assessed for the first time in the Global Index Product Profile. In this Index, a total of 473 products have been analyzed across 3 of the company's major markets. Products from the top five best-selling product categories within each market are included. In 2019, these products accounted for almost 94% of the company's global retail sales, excluding plain coffee.

Hong Kong, Mexico and the US are included in this iteration. A total of 6 product categories were covered by the assessment. Products from the 'Bottled Water – Other' and 'Bottled Water – Pure' categories are assessed in 2021 but were not in 2018.

In this Product Profile assessment, KDP scores 3.0 out of 10 (B1.1) in the mean healthiness element and 2.3 out of 10 (B1.2) for the relative healthiness of its products within categories compared to peers. This results in KDP obtaining an overall score of 2,6 out of 10, ranking 24 out of 25 in the Product Profile.

B1.1 Portfolio-level Results

Average HSR (out of 5 stars) (sales-weighted)	3 Countries included	Range of global sales included i 3	Healthy products (HSR)				Products suitable to market to children (WHO regional models) - UNSCORED		
			No. products assessed	% products healthy (≥3.5 stars)	% retail sales healthy 2019 (≥3.5 stars) – assessed countries only	% estimated global retail sales healthy 2019 (≥3.5 stars) i 4	No. products assessed	% products suitable	% sales from suitable
1.5	Hong Kong, Mexico, USA	90-95%	473	12%	5%	6%	499	13%	7%

▪ A total of 473 products manufactured by KDP, sold in 3 countries, covering 6 product categories, were included in this Product Profile (baby foods, plain tea and coffee were not assessed). The company's sales-weighted mean HSR is 1.5 out of 5. ATNI turns this value into a score between 0 and 10, resulting in a mean healthiness score of 3.0 out of 10 for KDP. The company ranks 21 out of 25 companies in this first scored element (B1.1).

▪ Overall, 12 % of distinct products assessed were found to meet the HSR healthy threshold (HSR ≥3.5). Together, these products accounted for an estimated 5% of Keurig Dr Peppers' retail sales of packaged food and beverages 2019 in the selected markets (excluding plain coffee). Assuming the products and markets included in the assessment are representative of the company's overall global sales, ATNI estimates the company derived approximately 5% of its global retail sales from healthy products in 2019.

WHO nutrient profiling models (unscored): Only 13% of products assessed were found to be of sufficient nutritional quality to market to children, according to the World Health Organization (WHO) regional nutrient profiling models. These products were estimated to generate 7% of the company's sales in 2019. More information on this part of the assessment can be found in the Marketing section (Category D) of the Index.

B1.2. Product Category Results

	No. products analyzed	% products healthy (HSR >= 3.5)	Company mean HSR	Mean HSR for all companies selling this product category	Company performance (rank in mean HSR compared to peers selling products in the same category) 5
Bottled Water - other	5	0%	2	2	3rd out of 6
Carbonates	243	0%	1.3	1.6	5th out of 5
Juice	132	20%	2.1	3.2	8th out of 8
Processed Fruits and Vegetables	34	68%	3.3	4.1	4th out of 4
Bottled Water - pure	6	100%	5	5	1

▪ The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies. For KDP, 'Processed Fruits and Vegetables', was the next best performing category, where a total of 34 products analyzed obtained mean HSR of 3.3 out of 5. Carbonates (1.3) had the lowest mean HSR of all product categories included for KDP.

▪ For 4 of the categories assessed, KDP products perform lower than the mean HSR of companies selling products in the same categories. The company performs equal compared to peers in the 'Bottled Water Other' product category.

▪ KDP scores 2.3 out of 10 in this second scored element (B1.2), ranking 24 out of 25 companies. This is based on its ranking compared to peers within the six categories, using the scoring system set out in ATNI's methodology.

B1.3. Change in mean HSR

	No. of products analyzed in 2018	No. of products analyzed in 2021	Sales weighted mean HSR 2018	Sales weighted mean HSR 2021
TOTAL	0	0	0	0

Not applicable for this company. This third scored element applies only to companies assessed in both Indexes and takes into account only those countries included in both assessments. Companies are also excluded from this scored element if overlapping countries account for less than 5% of their estimated retail sales in 2019.

Full Product Profile report:

https://acesstonutrition.org/app/uploads/2021/06/GI_Global-Index_TGI-product-profile_2021-2-1.pdf

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Footnotes

1. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
2. The overall Product Profile score reflects: B1.1 the mean healthiness of a company's product portfolio; B1.2 the relative healthiness within product categories compared to peers, and; B1.3 changes in the nutritional quality of product portfolios compared to the Global Index 2018 Product Profile.
3. Retail sales data derived from Euromonitor International.
4. ATNI estimates this value by taking the proportion of healthy products within each category assessed and multiplying that figure by the global category retail sales. The values are then aggregated to generate an estimate of the overall global healthy sales (excluding baby foods, plain tea, and coffee, which are not included in the Product Profile).
5. Within-category ranks are calculated for all product categories in which two or more companies are active. Next, a performance percentage is calculated from the inverted rank (e.g. first out of 10: inverted rank $10/10 = 100\%$ performance score; tenth out of 10: inverted rank $1/10 = 10\%$ performance score). The 'Bottled Water- Pure' category receives a standard rating of five stars, according to the HSR algorithm for all companies.

