KEURIG GREEN MOUNTAIN

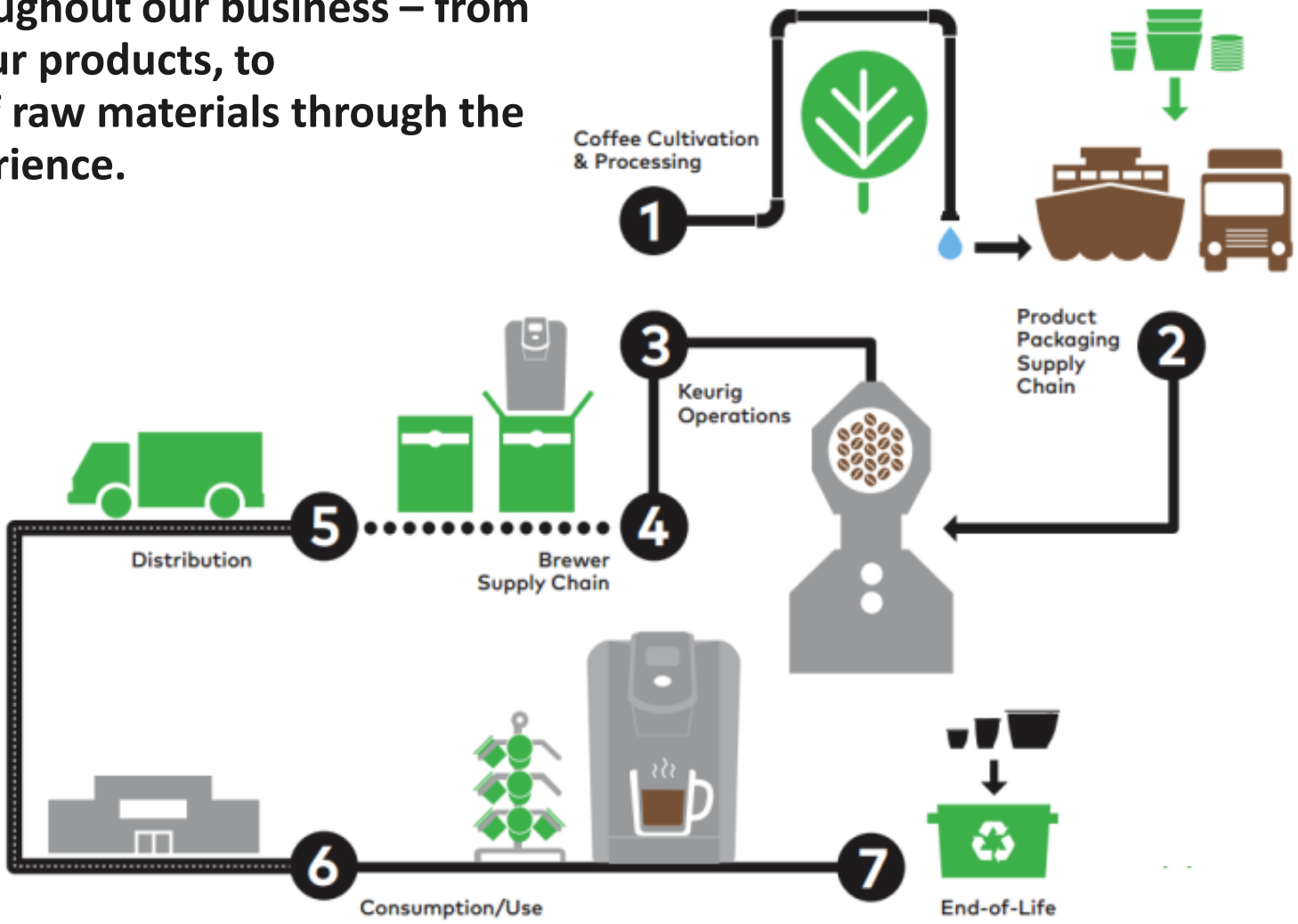
NERC FALL 2017 CONFERENCE

November 13, 2017


COFFEE & TECHNOLOGY
1981
2006
1990

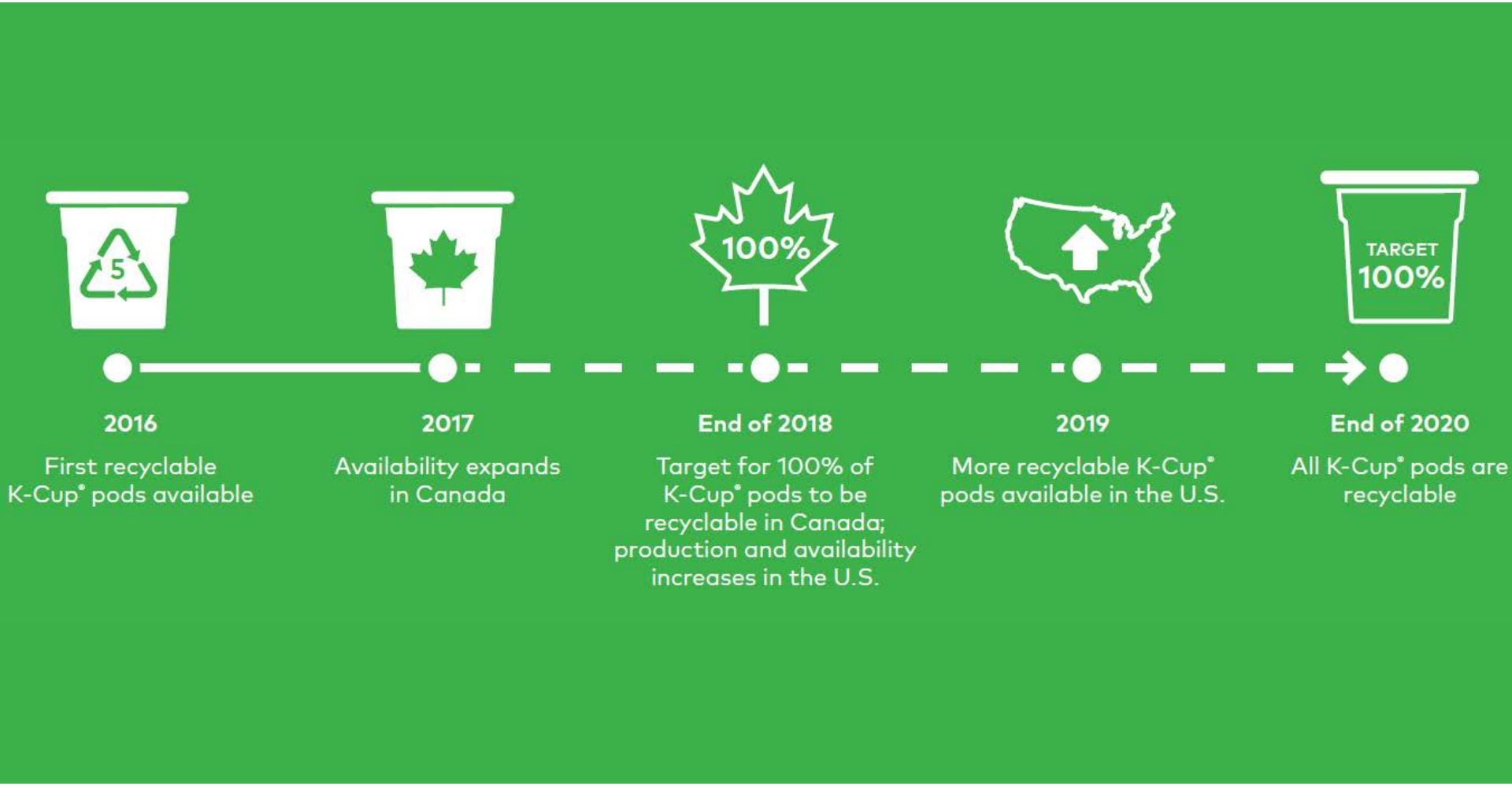
SUSTAINABILITY THROUGHOUT OUR BUSINESS

Our sustainability strategy and targets are integrated throughout our business – from the design of our products, to procurement of raw materials through the consumer experience.



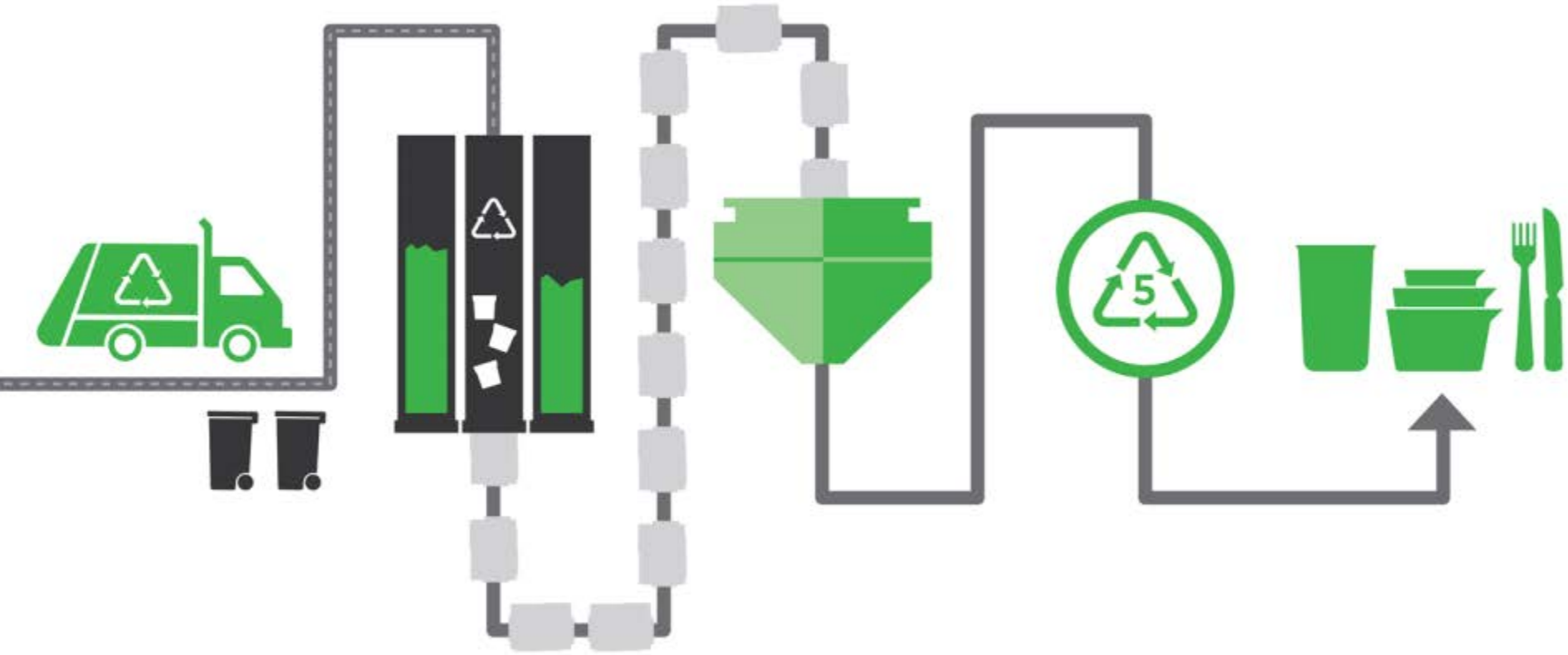
JOURNEY TO 100% RECYCLABLE

Recyclable K-Cup® pod Timeline & Milestones



UNDERSTANDING THE RECYCLING SYSTEM

Testing with MRFs, Reclaimers and Experts informed our design



PARTNERING FOR MUTUAL SUCCESS

Annual Roundtables, Active Memberships, Direct Partnerships

Plastics Forming Enterprises (PFE)

Plastic Recycling Facilities (PRFs)
***KW Plastics *Merlin Plastics**

MRFs across North America

Equipment Manufacturers

Canadian Stewardship Organizations, ie. RecycleBC

Brands/Manufacturers of other plastic products

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Association of Plastic Recyclers (APR)

Sustainable Packaging Coalition (SPC)

The Recycling Partnership (TRP)

The Closed Loop Fund (CLF)

NEW MODEL FOR VOLUNTARY PRODUCER RESPONSIBILITY

A new model for voluntary producer responsibility

What about the grounds?

No value

It's too small

It will contaminate glass and paper

Brands just throw things at us and we have to "deal"

What about the lid?

1. Material Flow Testing with MRFs
2. Quantifying Contamination Potential
3. Equipment Manufacturer Engagement
4. Standardize testing protocol
5. Use of APR Design Guide
5. Invest in System Solutions

1. Pods are **not too small** to be recovered.
   - *Tested at facilities with glass screens up to 2 inch minus*
2. **Filter paper** being attached to the pod is not a problem for recovery or recycling.
3. **Polypropylene (#5) plastic** is a highly recyclable and desirable material.
4. Preference to have **grounds emptied** from the pod prior to collection.

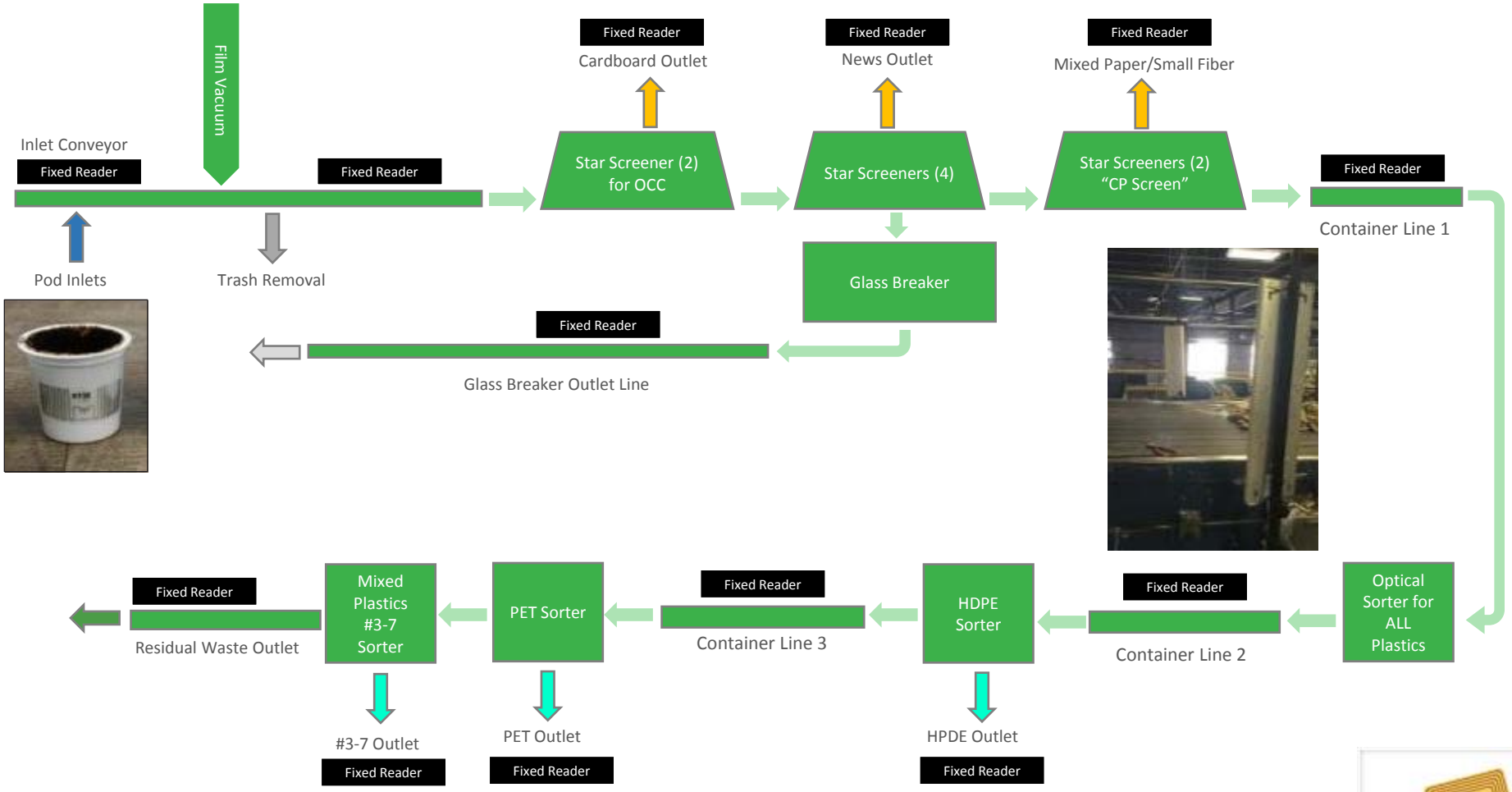
OFFICIAL STATEMENT FROM KW PLASTICS

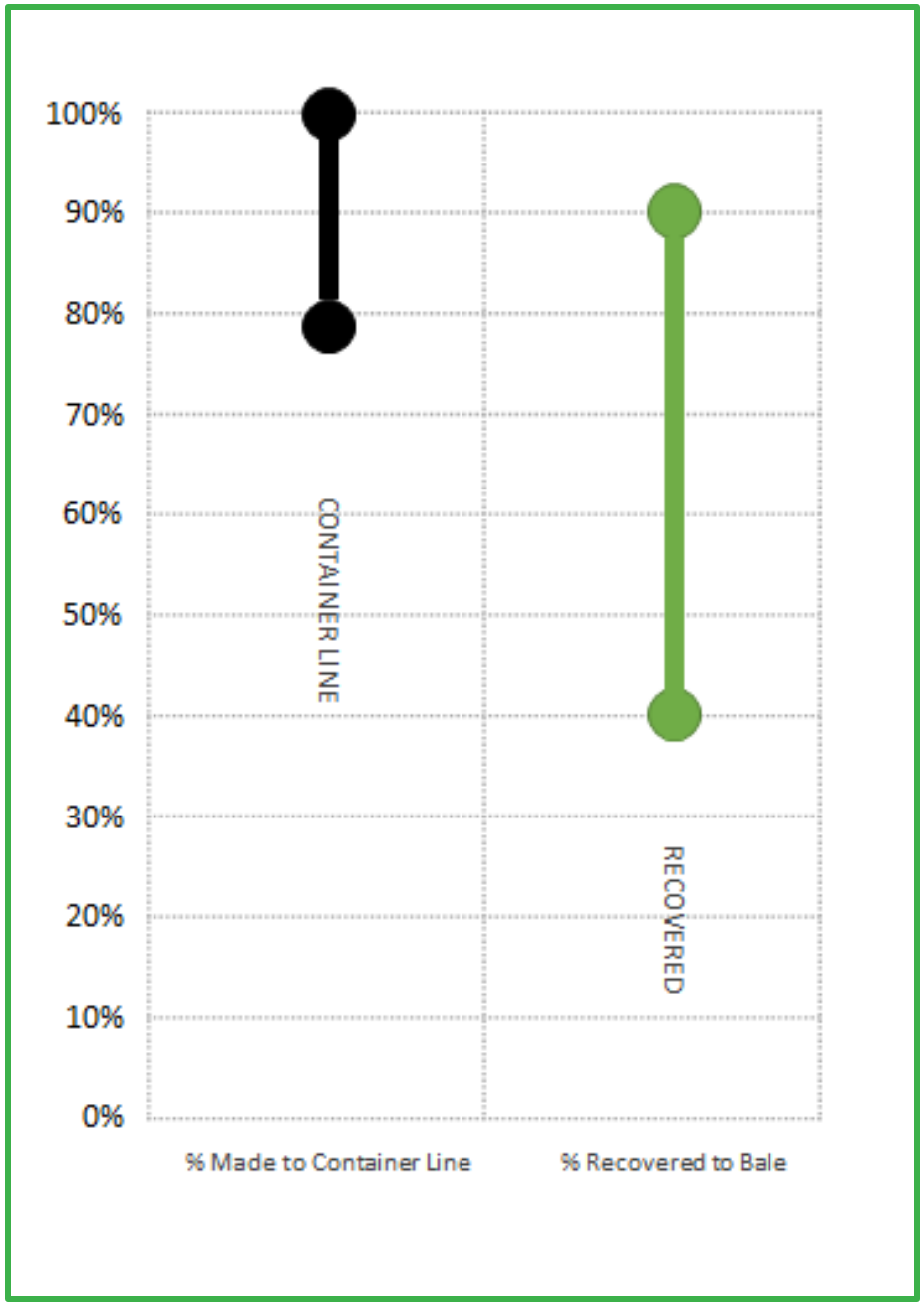
"Upon extensive testing, our research confirms that the polypropylene pod & filter with removable lid, K-Cup®, is recyclable and recoverable. Based on its physical testing results, analytical testing results and our experience as the world's largest plastics recycler, it is our opinion that the K-Cup® (as defined above) is a welcome addition to the post-consumer PP recycling stream and will not negatively impact the post-consumer PP recycling stream."

-Scott Saunders, General Manager
KW Plastics Recycling Division

INNOVATION: TESTING WITH RFID TECHNOLOGY

= RFID Reader





KEY FINDINGS

- ✓ **Minimal loss to glass**, and
- ✓ An average of **90% of empty K-Cup®** pods make it to the container line
- ✓ A recovery potential that **exceeds 80% of incoming material**.

BIN TO MRF FLOW TEST WITH CASELLA

Evaluation of flow and impact of shape on sortation

- Full and empty brewed cups tested
- Commercial and residential routes included

DEFORMATION CHARACTERIZATION

What is the Impact of Transportation on Pod Shape and Organic Separation

Crushed			Not Crushed		
Empty	Full		Empty	Full	
	No Coffee	*Coffee*		*No Coffee*	*Coffee*
96%	**75%**	23%	4%	1%	1%

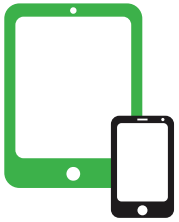
- Natural crushing of the pod in transport is effective at exiting the majority of the grounds in full pods without increasing loss to glass stream
  - *75% of Full cups were empty on container line*

APR DESIGN GUIDE AND HOW2RECYCLE LABEL

Upcoming Changes

- ✓Base Polymer
- ✓Barrier Layers/Additives
- ✓Color
- Dimensions
  - **Currently Language**: *Items smaller than three inches in all dimensions render the package non-recyclable per APR*
  - **Updated Language**: *Items smaller than three inches in all dimensions require testing per APR Sorting Potential Protocol- Size*
- APR Design guide directly impacts/guides the SPC How2Recycle label

COMMUNICATING TO CONSUMERS IN CANADA



Digital Campaign:

Banners | Videos
Landing page | Social Posts

Public Relations

Brand influencers campaign
Eco-Influencers activation

In-Store & AFH activation

Mass Media

15 sec. TV spot

6 sec. designed specifically for Facebook and Instagram

CONSUMER ENGAGEMENT


Curbside Collection
Building materials
Footwear
Outdoor furniture
Kids toys
Make Something New
Driving Continued Innovation
Designing for Recyclability
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