

ENSURING A SUSTAINABLE, ETHICAL SUPPLY CHAIN

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In fiscal year 2020, we will purchase ingredients and packaging materials domestically and from countries around the globe. In line with our *Basic Beliefs*, it is important to us that these are sourced in a sustainable and ethical way.

To apply this principle across a diverse array of sources, we need to remain diligent in establishing expectations, and work closely with our suppliers to make sure our standards are maintained.

However, being rigorous doesn't mean being rigid. We are committed to building trusting relationships with our suppliers and leveraging their expertise to enhance our efforts to protect the quality of the ingredients and materials we rely on and support the places they come from.

To support our commitment to ethical sourcing, we have an established Supplier Code of Conduct that clearly articulates our expectations for those we do business with. Our Supplier Code of Conduct communicates our standards across many different areas relating to the supply chain, including social, labor, and environmental practices. With these standards established, we conduct audits and assessments that ensure alignment and help

identify areas for improvement. In fiscal 2020, our Global Responsible Sourcing program will enhance our auditing and enforcement efforts.

Ensuring our Company has a viable supply of ingredients is another key component of our supply chain efforts. Nowhere is this more evident than our Green Coffee Strategy. Given coffee's importance to our business and our consumers' lives, we continue to invest in responsible coffee sourcing initiatives, programs to support smallholder farmers, and integrated environmental protection efforts. These investments have helped to solidify the coffee supply chain in El Salvador, Indonesia, Honduras, and Nicaragua, while also improving the quality of life for the coffee growers who depend upon the commodity for their livelihood. Our efforts in fiscal 2020 will continue to demonstrate our commitment to the long-term viability of not only the coffee supply chain but other key ingredients in our portfolio.

Consumers today expect high levels of sourcing transparency. They are more thoughtful and conscientious about the products they enjoy, and that requires companies to act in the same spirit. Given the growing importance consumers are placing on these efforts, we have made it a priority to be as transparent as possible about our sourcing programs.

All our teams share in this dedication, and our support of this value has made transparent, ethical, sustainable practices an expectation across all aspects of our business. Having these values as a core part of our Company's DNA goes a long way to ensuring we meet both the expectations we've set for ourselves and those of our customers and consumers.

GREEN COFFEE SUSTAINABILITY

As a market leader in the coffee category, we have pursued a three-pronged green coffee sustainability strategy built around Responsible Sourcing, Smallholder Support, and Integrated Environmental Efforts. We are proud of our accomplishments in support of the sustainability of the coffee supply chain. Some recent highlights include:

16,500
SMALLHOLDER
FARMER
BENEFICIARIES

\$2.4M
DISTRIBUTED TO
991 FARMERS

19,950
HECTARES OF
LAND IMPACTED

39%
AVERAGE
PRODUCTIVITY
IMPROVEMENT

