



Changing Climate Change GMCR Efforts

Presented by Paul Comey

VP Environmental Affairs

June 2, 2011

Topics

- 1. Our Company Vision and Values
- 2. Climate Change Statement
- 3. Business Activities
- 4. Our Footprint
- 5. On Site Reductions
- 6. Mitigation Efforts
- 7. Partners in the Supply Chain
- 8. Consumer as a Partner





Environmental Vision

- GMCR is committed to actions consistent with an environmental conscience in all aspects of our business operations. Our core values are:
- In every decision, consider the environmental impact of our actions.
- Encourage a spirit of continuous environmental innovation in products, practices and programs.
- Foster and promote programs which increase levels of employee environmental awareness and participation.





Consistent with these core values GMCR is committed to:

- Pollution prevention and reduction.
- Reuse and recycling where feasible.
- Promoting and working towards the utilization and purchasing of sustainable resources.
- Meeting or exceeding the requirements of applicable federal, state, and local environmental regulations.
- Continually improving our environmental management system and our environmental performance.
- Designing products in a way as to minimize their environmental impacts in production, use and disposal.
- Apply the 4 R's and offset the remaining footprint.
- Involving, and communicating with, interested parties.





GMCR Inc. Statement on Climate Change

The threat of dangerous, long-term, and irreversible climate change as a result of manmade greenhouse gas (GHG) emissions is real. This threat affects the already fragile ecosystems and communities where we live, work, and purchase coffee; moreover, it affects the entire planet, ignoring natural or manmade boundaries.

Climate change is not a problem that can be solved by a single entity - be it government, business, civil society or individuals. We believe the long term solution will come from the combined efforts of all of the above. While government will play an important role, we need not wait for government direction to take steps to understand, reduce, and mitigate our share of GHG emissions.





Accordingly, we pledge to:

• Use best practices to measure our GHG footprint with respect to our processes and products. We will follow best practices in expanding the scope of our measurement to estimate appropriate business-related indirect greenhouse gas emissions.

• Reduce our share of GHG emissions through programs and practices which both reduce energy use in our business operations and support the development of renewable energy sources - onsite when feasible and offsite through our offset purchases.

• Mitigate 100% of measured GHG emissions that we cannot avoid through onsite reductions from energy efficiency and renewable energy use. We will use best practices to evaluate and select offsets that help to meaningfully reduce GHG emissions.

• Raise awareness about the reality of climate change and build the will among our customers, employees, government, suppliers, and corporate peers to reduce and mitigate GHG emissions. We will accomplish this by keeping abreast of developing consensus around the science of climate change and working with the appropriate stakeholders.

• Pursue all measures related to the reduction and mitigation of our GHG footprint in a transparent manner, reporting at least annually on our progress.



Primary Activities

- We:
 - Source
 - Roast
 - Process (ie, Grind, Flavor) ...
 - Package
 - Distribute
- Energy and Carbon Intensive Processes
 - Gallon Gasoline 19 pounds CO2
 - Gallon Propane 12 pounds CO2
 - Ton-mile of freight 0.5 pounds CO2
 - Passenger Mile of Air Travel 0.63 pound CO2







Our Approach

- Measuring carbon footprint
- Reducing Carbon footprint
 - By reducing energy use
 - By using alternative fuels
- Mitigating remaining emissions with carbon offsets







GMCR GHG Footprint

easier to quantify / control

We work to estimate GHG impacts of:

- Heating fuel Use
- Liquid Propane
- Electricity Use
- Transportation fuel use (GMCR fleet)
- Business Travel (air & auto)
- Fed / Ex and Common Carrier
- Employee Commuting
- Brewer Transport



tougher

to quantify / control

More to do: Transport from origin, embedded emissions in materials, life cycle impacts of our products (waste)





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Components of Measured Carbon Footprint

- Scope 1
 - Process Fuels (Propane / Natural Gas)
 - Heating Fuels (Propane / Natural Gas)
 - GMCR / Keurig fleet (Gasoline, Diesel, Bio-diesel)
 - GMCR / Keurig auto travel (reimbursed; rentals)
- Scope 2
 - Purchased electricity
- Scope 3
 - Air Travel
 - Outbound Freight (Common Carrier, Parcel)
 - Inbound freight (Shipments from Simatelex)
 - Employee Commuting

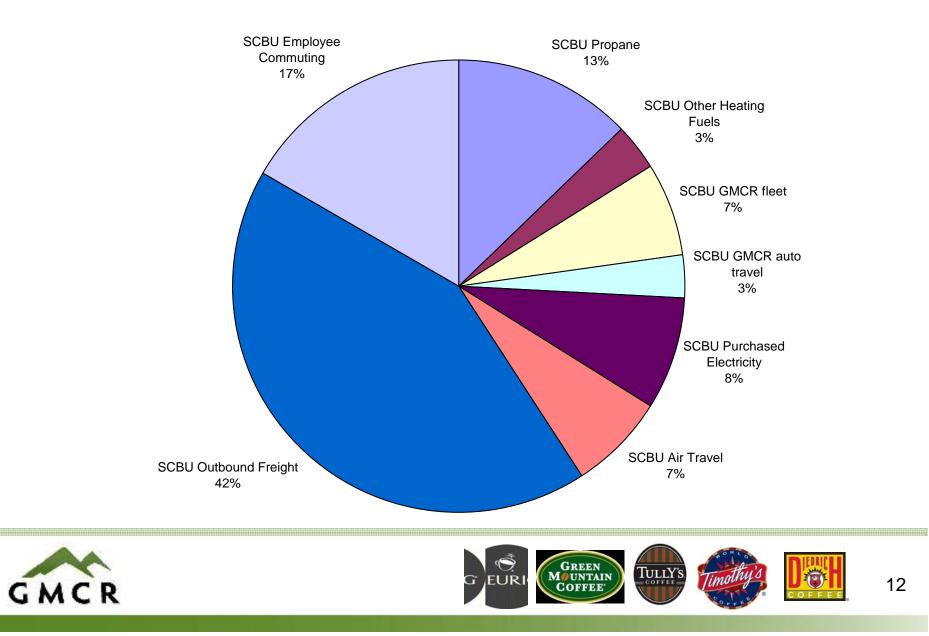


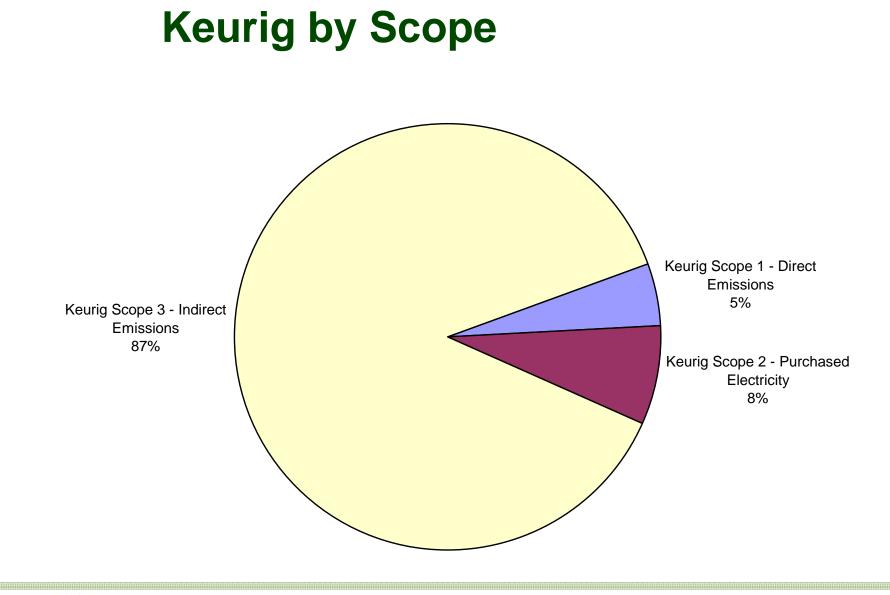


GMCR Enterprise CO2 by Business Unit

	CO2 Emissions							
		FY09 - YTD TOTAL through Q3 (tons)						
		SCBU	Keurig	TOTAL				
	Scope 1 - Direct Emissions	5,651	301	5,952				
	Propane	2,768	0	2,768				
	Other Heating Fuels	729	77	806				
23%	Fleet	1,457	224	1,681				
	Auto Travel	697	224	921				
	Scope 2 - Purchased Electricity	1,739	490	2,229				
	Scope 3 - Indirect Emissions	14,477	5,684	20,161				
	Air Travel	1,540	993	2,533				
	Outbound Freight	9,284	4,327	13,611				
	Employee Commuting	3,653	363	4,017				
	Total	21,867	6,475	28,342				
SCBU Total Keurig Total				s through Q3. = 37,800 tons				
GMCR	77% GEURI	GREEN MOUNTAIN COFFEE	LLY'S					

SCBU by Component

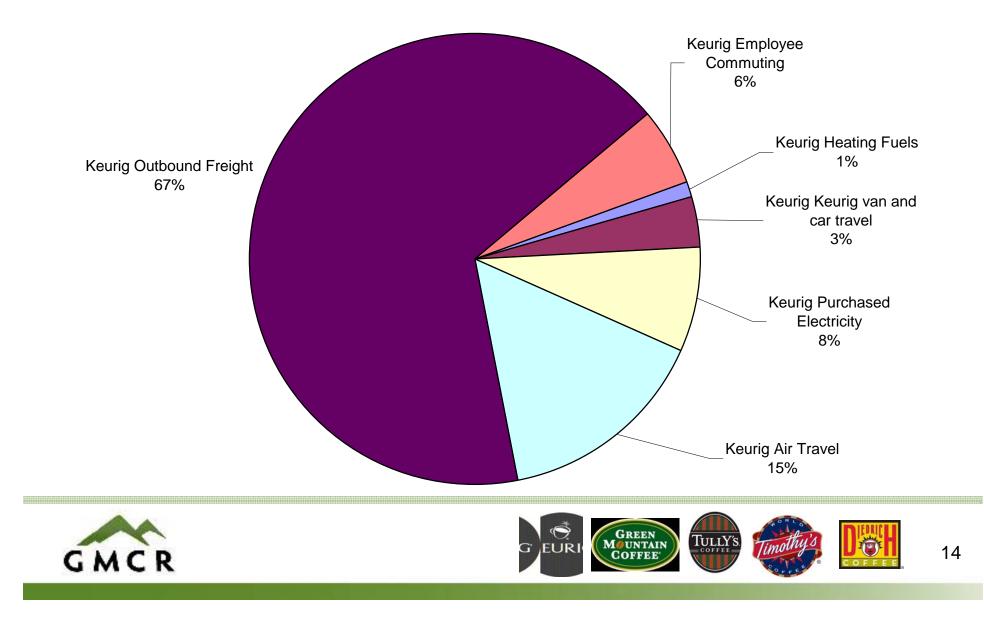








Keurig CO2 by Component



On-site Reductions







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Onsite Reductions

						av	voided annually					
starting year	Energy Cons	or action Manager						natural gas	therms avoided	CO2 (tons)		
2001	High efficiency re								60	0.2		
2002	variable speed a								6,452	16.8		
	Co-generation 9		Savings	- 66	5 ton	e / vr			26			
	Co-generation 2		Javinga	- 00		э / уг		_	32,948			
	compressed air								4,467			
	High efficiency re		(For Compar	ison D	rojocto		na		18			
	idling reduction p		· ·		-		03	_	6,945			
	Pilgrim 1 - T5 hig		emissi	ons 37	,800 to	ns:		_	8,079			
	nitrogen product				*	,		-	4,041			
	office lighting co		66	5 tons	< 2%)			-	1,045			
	compressed air							-	3,518			
	laser cooling / lig							_	3,723			
	process compre							-	2,061			
	air compressor s			NAC 6 1			_		6,826			
	compressor room			Waterbury					18,714			
2008	heat recovery - c	ompressor roo	m - essex	Essex				15,200	15,656	91.6		
2008	air conditioning u	pgrade IT roon	n	Waterbury	61,000	6,200			8,003	45.1		
2009	commuting incen	ntives		Enterprise						15.0		
2009	solar PV			Waterbury	67,713				21	6.0		
TOTAL	Total				1,309,244	60,324	5,000) 15,200) 124,893	665		





Mitigation Efforts

Working with Native Energy – supporting new renewable generation to avoid pollution. Mitigating 100% of measured emissions since 2004

	GMC	R Emissions			Purchase of	Short Tons -	GMCR	
Year	tons	Offset commitment	Offsets required	Offset Tons Purchased	Invoiced	Tons Purchased	Invoiced	Tons
2003	7087.9		2,302	2302.19	3/5/2003			230
2004	8070.5		8,071	7614.2	9/22/2004			761
2005	9823	100.00%	9,823	9517.8	9/30/2005			951
2006	14861	100.00%	14,861	10859.8	12/26/2006	4305.5	6/29/2007	1516
2007	26662	100.00%	26,662	19000	12/28/2007	2219	7/22/2008	2121
2008	30,137	100.00%	30,137	36037	12/31/2008			3603
OTAL			91.855.5					91855.
				ICR has sup eneration to				N
		91,8	855 tons	s CO2				





Development Opportunities

- Measurement
 - Carbon Reduction Policy and Numerical Goals
 - Drawing Meaningful Boundaries (outsourcing, reductions beyond scope)
- Reduction Efforts
 - Leveraging funding opportunities in new geographies
 - Engaging Suppliers Reductions
- Mitigation Efforts
 - Credible Offset Projects in Coffee Communities





Partners in the Supply Chain

- Innovation in new products
- Reduction in materials carbon footprint
- Benefits of sustainable packaging
- Members in the Sustainable Packaging Coalition







Engaging the Supplier The existing K-cup delivery Sleeve







The new delivery Pack







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Reduce: the ultimate in efficiency

- Switch to a 12 count box
- Old 24 count used 197.6 cu in
- New 12 count uses 80.8
- Two new 12 count use 161.7 cu in
- 20% reduction in volume
- New 24 count uses the same cube
- Better cube for shipping
- Increased shelf facings for 12 count





Reduce your carbon footprint while increasing scope 2









Reuse: the efficient energy user









Recycle = Return on Investment











Process Change for the Better







Engaging the Consumer









Could it be the Ultimate Reduction in Supply Chain manufacturing and distribution?







Out with the old, in with the new!









Billboard for Communication







Completing the Entire Package

Removal of the petroleum based lid and substituting a bio polymer one







The Package

- PLA based Cup
- PLA based Lid
- Made from renewable resources
- Compostable in municipal compost facilities







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Branding Partnerships







From Biodiesel to Photovoltaic's









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Installation of the 100KW Array







Customer Motivation





Now even more for Keurig* Brewers

Bold and Delicious! Bold and Delicious We have to channes on the KC op⁴ from. Curresponded outwards of Estive Sold SC opp⁴ new induces 1995 Yours Street, we have 9 counts been and Birlet and Remain AS A fur product we find the Street channes and the base and Birlet and Remains with Estive Sold others. See grade to except a she file first colors. Remain the two intervels

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Limited Edition summer colfees-

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Thank You Any Questions?

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