Changing Climate Change
GMCR Efforts

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VP Environmental Affairs

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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

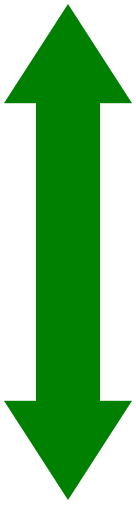
- **Energy and Carbon Intensive Processes**
  - Gallon Gasoline – 19 pounds CO2
  - Gallon Propane – 12 pounds CO2
  - Ton-mile of freight – 0.5 pounds CO2
  - Passenger Mile of Air Travel – 0.63 pound CO2

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



tougher 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

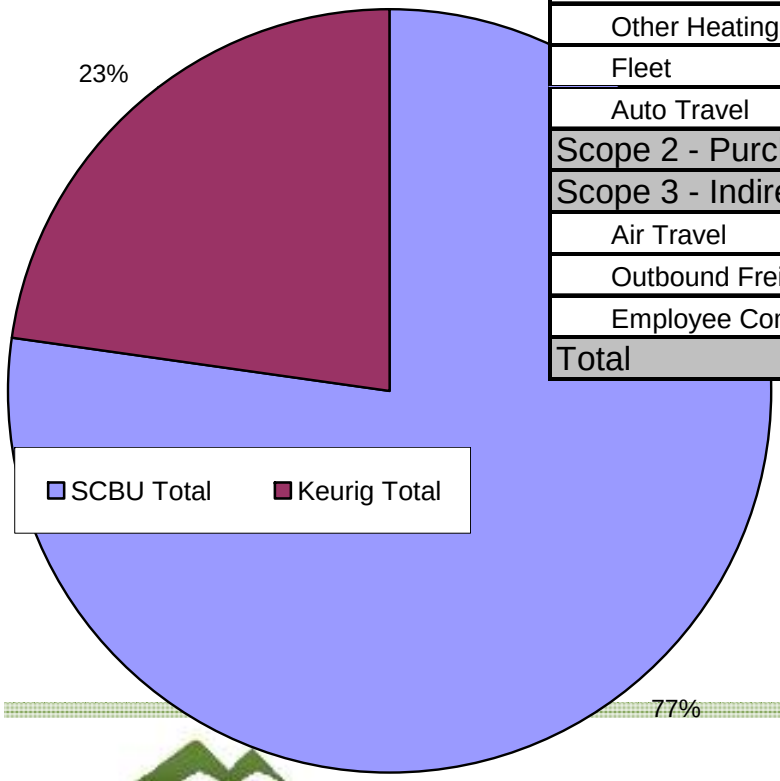
More to do: Transport from origin, embedded emissions in materials, life cycle impacts of our products (waste)

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**

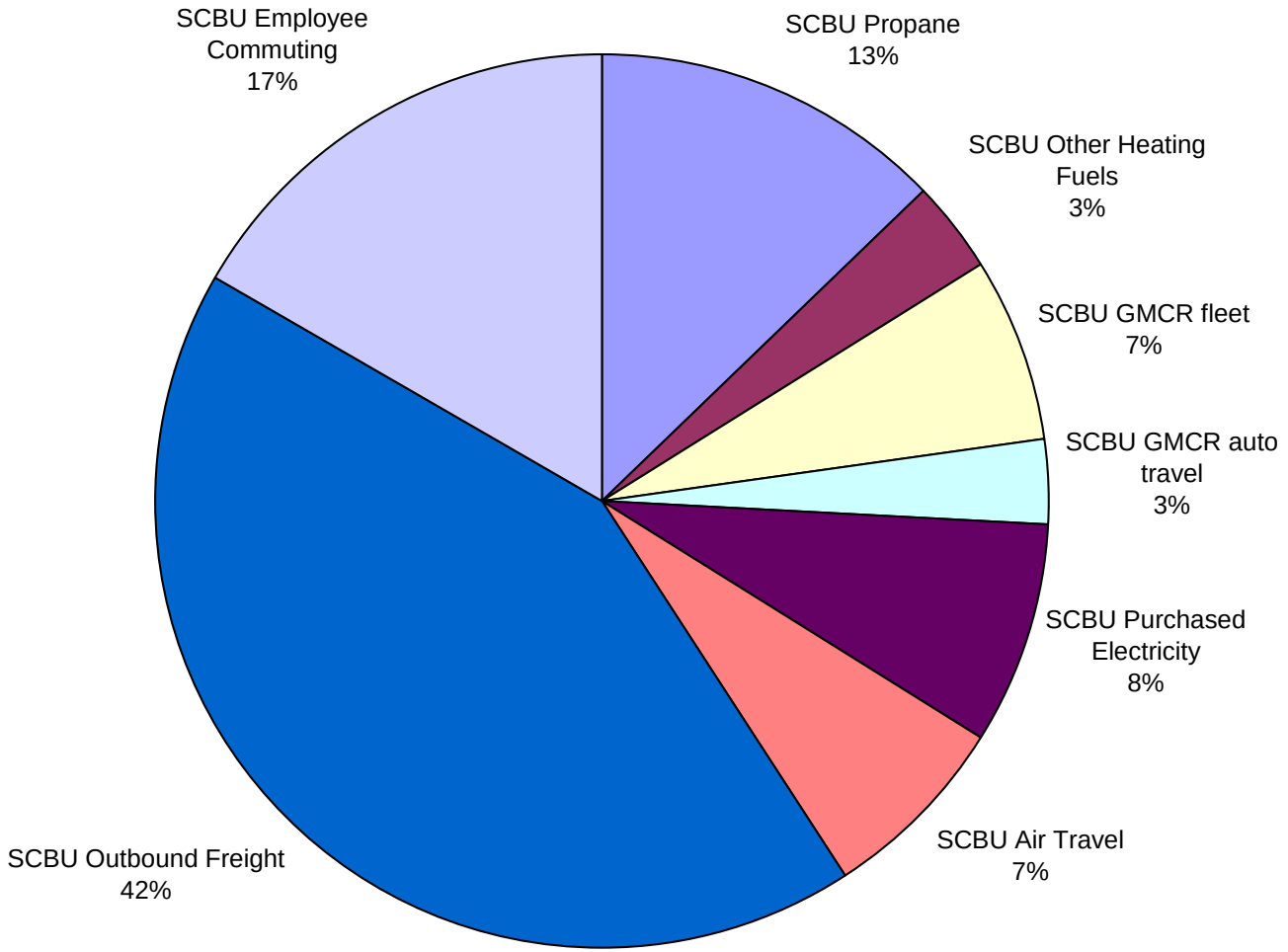
GMCR Enterprise CO2 by Business Unit

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
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

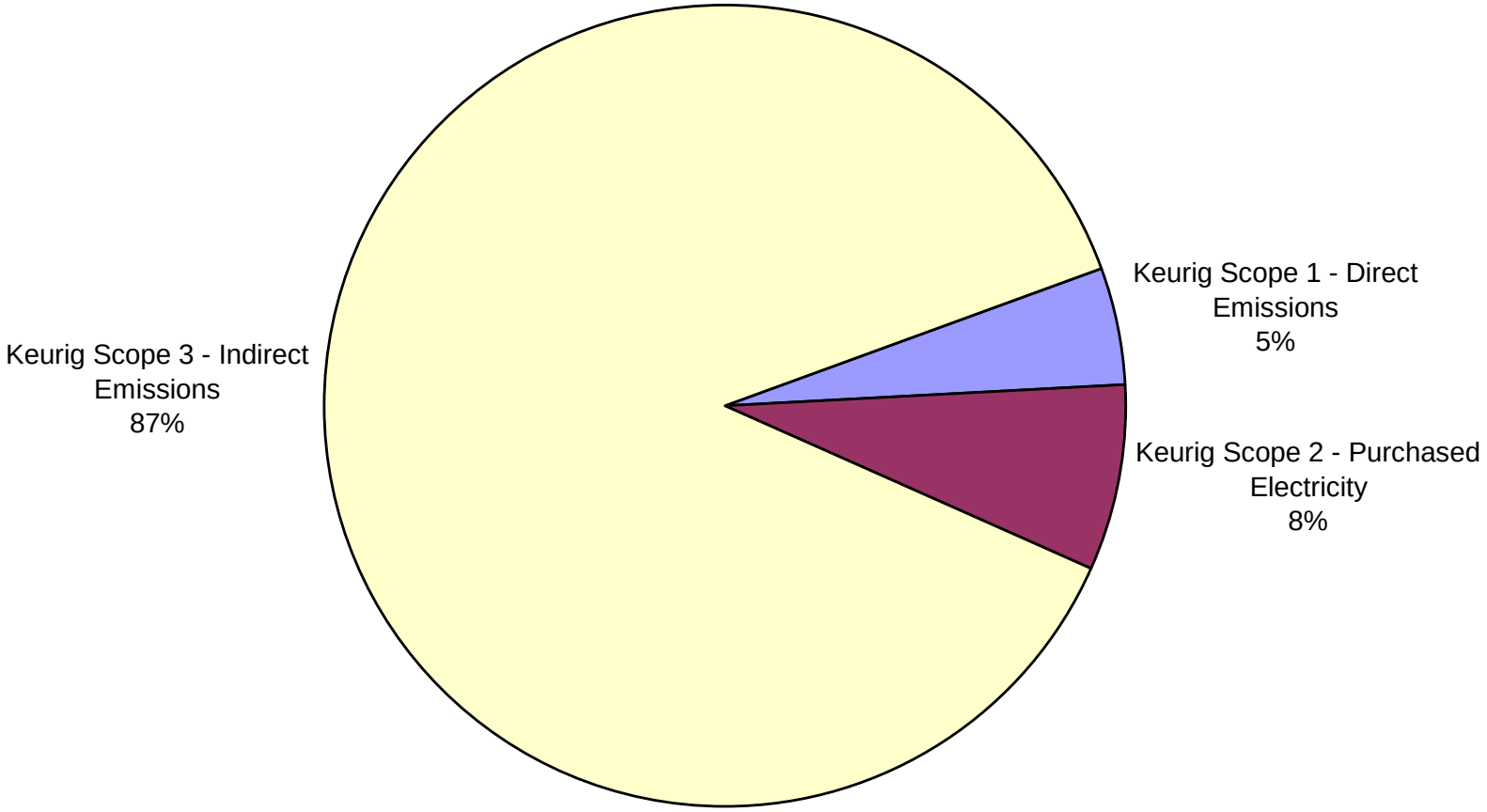


FY2009 Emissions through Q3.
Estimate Total Annual Emissions = 37,800 tons

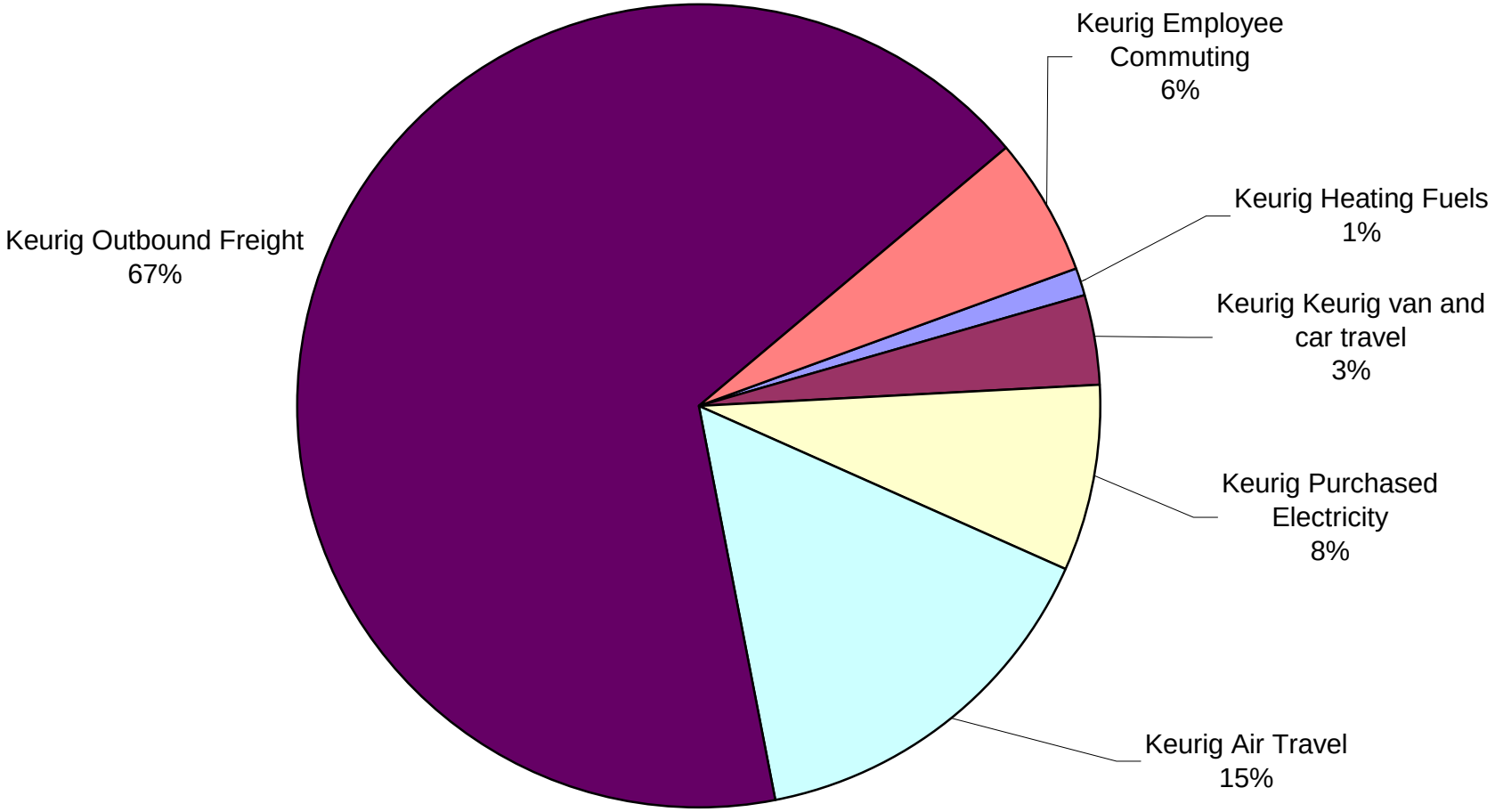
SCBU by Component



Keurig by Scope



Keurig CO2 by Component



On-site Reductions

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Onsite Reductions

starting year	Energy Conservation Measure (ECM) Description		avoided annually					
						natural gas	therms avoided	CO2 (tons)
2001	High efficiency r						60	0.2
2002	variable speed a						6,452	16.8
	Co-generation 9						26	0.2
	Co-generation 2						32,948	220.9
2005	compressed air						4,467	11.6
2005	High efficiency r						18	0.0
2005	idling reduction p						6,945	56.0
2005	Pilgrim 1 - T5 hig						8,079	21.0
2006	nitrogen product						4,041	10.5
2007	office lighting co						1,045	2.7
2007	compressed air						3,518	9.1
2007	laser cooling / lig						3,723	9.7
2007	process compre						2,061	5.4
2008	air compressor s						6,826	17.7
2008	compressor room heat recovery - WTBY	Waterbury					18,714	125.5
2008	heat recovery - compressor room - essex	Essex				15,200	15,656	91.6
2008	air conditioning upgrade IT room	Waterbury	61,000	6,200			8,003	45.1
2009	commuting incentives	Enterprise						15.0
2009	solar PV	Waterbury	67,713				2,	6.0
TOTAL	Total		1,309,244	60,324	5,000	15,200	124,893	665

Savings = 665 tons / yr

(For Comparison Projected FY2009 emissions 37,800 tons; 665 tons < 2%)

Mitigation Efforts

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

GMCR Emissions			
Year	tons	Offset commitment	Offsets required
2003	7087.9	2302	2,302
2004	8070.5	100.00%	8,071
2005	9823	100.00%	9,823
2006	14861	100.00%	14,861
2007	26662	100.00%	26,662
2008	30,137	100.00%	30,137
TOTAL			**91,855.5**

Purchase of Short Tons - GMCR				
Offset Tons Purchased	Invoiced	Tons Purchased	Invoiced	Tons
2302.19	3/5/2003			2302
7614.2	9/22/2004			7614
9517.8	9/30/2005			9518
10859.8	12/26/2006	4305.5	6/29/2007	15165
19000	12/28/2007	2219	7/22/2008	21219
36037	12/31/2008			36037
				91855.5

Over the past 5 years, GMCR has supported enough new renewable generation to avoid

91,855 tons CO2

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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

INTERNATIONAL PAPER

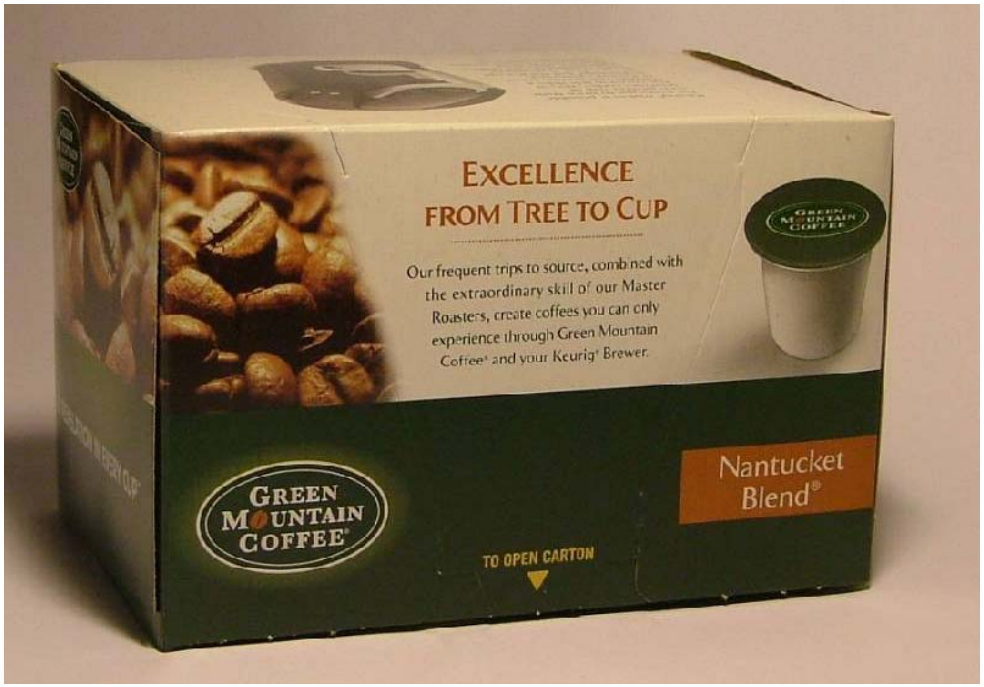
NatureWorks®

GMCR

Engaging the Supplier
The existing K-cup delivery Sleeve

GMCR

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

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Process Change for the Better

Engaging the Consumer

BREW OVER ICE™

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

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Out with the old, in with the new!

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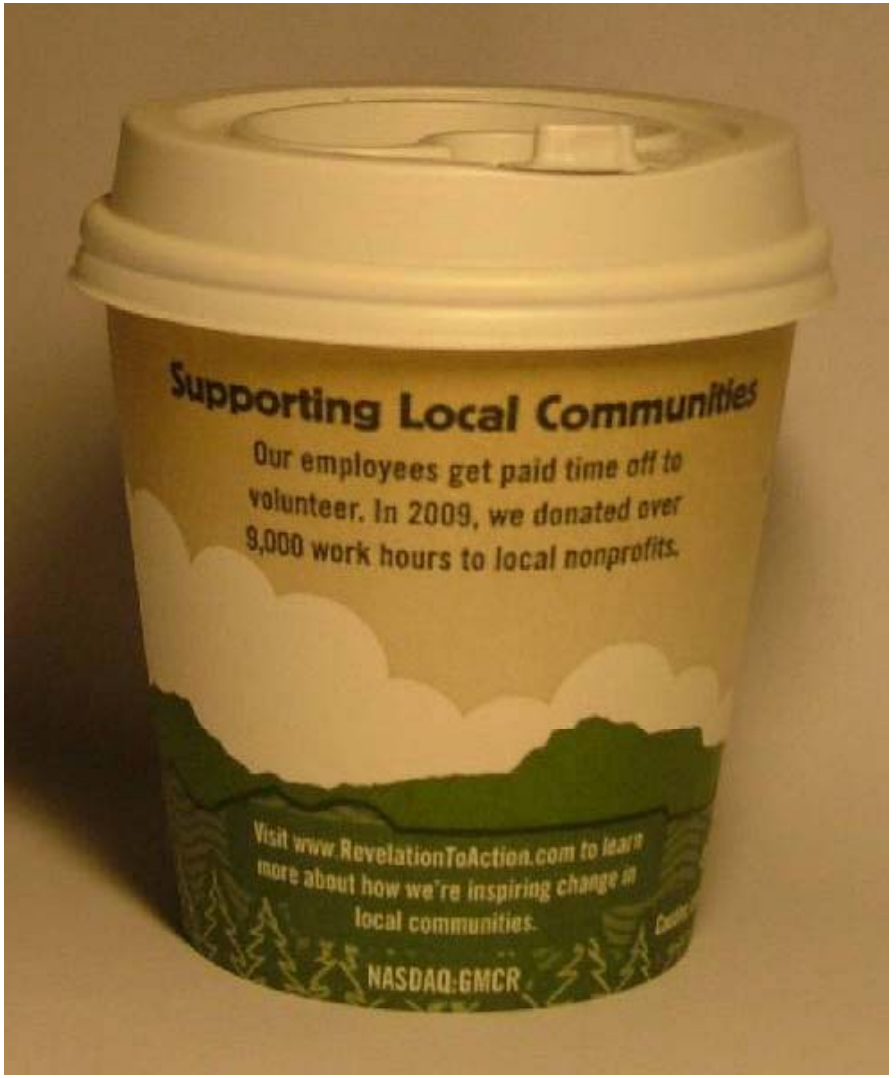
Billboard for Communication

Completing the Entire Package

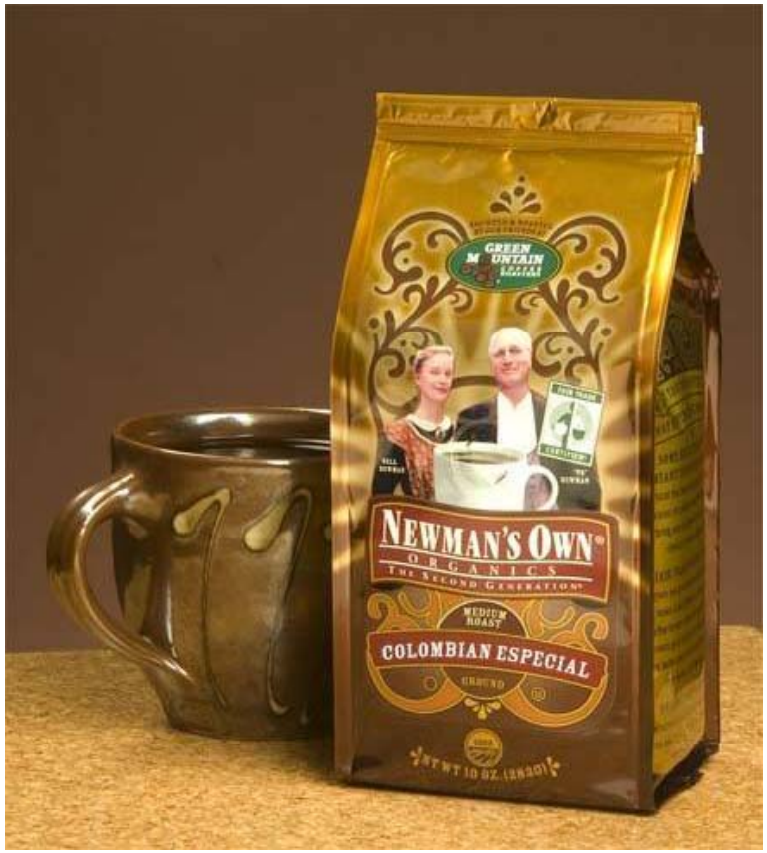
- **Removal of the petroleum based lid and substituting a bio polymer one**

The Package

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



Branding Partnerships



From Biodiesel to Photovoltaic's

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Installation of the 100KW Array

Customer Motivation


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Thank You
Any Questions?

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