



WHEREAS:

Dr. Pepper Snapple Group is the third largest soft drink business in the U.S. with a commitment to environmental leadership, yet has no recycled content or container recovery strategy for the containers its beverages are sold in.

Society has been inundated with recyclable materials that are not recycled. 63% of the 243 billion beverage containers generated annually in the U.S. are discarded in landfills, incinerated or littered, and thereby diverted from recycling streams. This value of these wasted containers between 2001 and 2010 exceeded \$22 billion. Yet the U.S. recycling rate for beverage containers declined from 54 percent in 1992 to 36 percent in 2010, while sales continued to grow (Container Recycling Institute).

The failure of the beverage industry to recycle nearly two-thirds of its containers has enormous environmental impacts. Replacement production for wasted containers resulted in emissions of an additional 116 million tons of greenhouse gases over the last decade, equivalent to the annual carbon dioxide emissions from 23 million cars. The aluminum cans littered in the U.S. alone in the past decade could have reproduced the world's entire commercial air fleet 25 times over.

Significantly higher container recovery rates are possible. In 10 U.S. states with container deposit legislation, beverage container recycling rates of 70% and higher are being achieved, levels on average three times as high as in states without deposit laws. In Norway and Sweden, beverage companies have achieved container recovery rates of 80% and higher.

"At Dr Pepper Snapple Group, we understand that an investment in sustainability is an investment in our business," CEO Larry Young stated in the company's 2011 Corporate Social Responsibility Update. Yet unlike its peers, our company has set no public quantitative goals for container recovery or use of recycled content in its bottles and cans.

As a result of engagement with As You Sow and other stakeholders, three of the largest U.S. beverage companies established container recovery goals. Coca-Cola Co. agreed to recycle 50% of its plastic and glass bottles and aluminum cans by 2015. Nestle Waters North America agreed to an industry recycling goal of 60% of plastic bottles by 2018, and PepsiCo set an industry recycling goal for 50% for bottles and cans by 2018. Dr. Pepper Snapple is clearly not keeping up with its peers.

BE IT RESOLVED:

Shareowners of Dr. Pepper Snapple Group request that the board of directors adopt a comprehensive recycling strategy for beverage containers sold by the company and prepare a report by September 1, 2016 on the company's efforts to implement the strategy. The strategy should include aggressive quantitative recycled content goals, and container recovery goals for plastic, glass and metal containers. The report, to be prepared at reasonable cost, may omit confidential information.

SUPPORTING STATEMENT:

We believe the requested report is in the best interest of Dr. Pepper Snapple and its shareholders. Leadership in this area will protect our iconic brands and strengthen the company's reputation.