

# CANADIAN CONSUMER HEALTH & WELL-BEING STRATEGY AND PORTFOLIO MANAGEMENT APPROACH

Since 2021, KDP Canada has been collaborating with industry experts and stakeholders to guide its health and well-being journey. In 2024, this work led to the completion of our Canadian Health & Well-Being strategy, including key performance indicators tailored to the unique market dynamics and regulatory environment of the country.

In July 2022, Health Canada amended the Food and Drug Regulations ("Regulations") to require front-of-pack nutrition labeling for most prepackaged products high in saturated fat, sugars, and/or sodium. In alignment with this updated regulation, we initiated work with brand teams, innovation, R&D, and key stakeholders to develop a strategy aimed at reducing the nutrients of concern, as defined in the Regulations, across our beverage portfolio. We are committed to offering a balanced portfolio of options to our consumers and helping them make informed choices to fulfill their beverage needs for every occasion.



## METHODOLOGY & OVERVIEW OF TARGETS

A key step in our Health and Well-being journey was to conduct a nutrition assessment of our products. We evaluated each product against the threshold established by Health Canada for nutrients of concern and defined categories to have a comprehensive overview of our offering. The baseline reflects the product lineup as of December 31, 2024. Then, in order for our agenda to be both ambitious and achievable, we developed category-specific targets taking into consideration existing products in all categories as well as planned product innovations, evaluating each flavor and serving size as a distinct product. Our strategy takes a holistic approach, encompassing both the Away-From-Home and the At-Home segments and including owned brands, licensed products, private labels, and partner brands across all non-alcoholic beverages.

Our strategy focuses on reducing the number of products that exceed 15% of the Daily Value (DV) (or 10% DV for products <30 mL) for sugars, sodium, and saturated fat. These thresholds correspond to:

### Sugar

<b>15g</b>	<b>&gt;30 mL</b>	<b>10g</b>	<b>&lt;30 mL</b>
per serving for products		per serving for products	

### Sodium

<b>345mg</b>	<b>&gt;30 mL</b>	<b>230mg</b>	<b>&lt;30 mL</b>
per serving for products		per serving for products	

### Saturated Fat

<b>3g</b>	<b>&gt;30 mL</b>	<b>2g</b>	<b>&lt;30 mL</b>
per serving for products		per serving for products	





OUR CANADIAN PORTFOLIO  
MANAGEMENT APPROACH

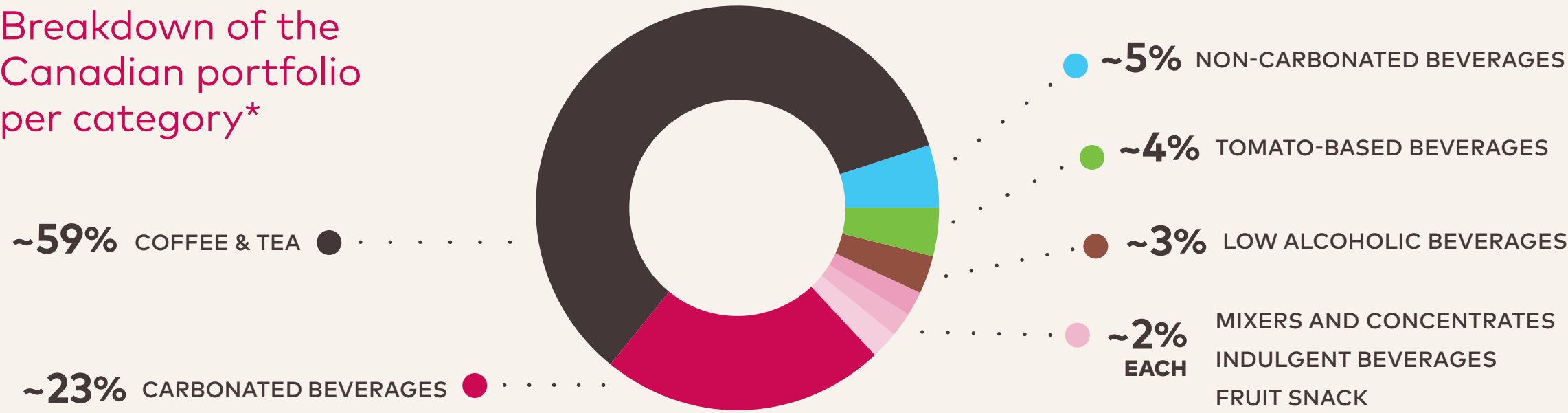
We aim to maintain a portfolio in which **75% of the products** contain **less than 15%** of the Daily Value (or 10% DV for products <30 mL) for sugars, sodium and/or saturated fat.

The table below presents our baseline evaluation and targets per category along with the breakdown of our Canadian non-alcoholic beverage portfolio.

Category-Specific Targets

	2024 Actual	By 2030...
<b>Low alcoholic beverages</b> % below 15% daily value in the portfolio for sugars and/or sodium.	69%	85%
<b>Carbonated beverages</b> % below 15% daily value in the portfolio for sugars.	25%	35%
<b>Mixers &amp; Concentrates</b> % below 15% daily value (or 10% DV for products <30 mL) for sugars.	64%	65%
<b>Non-carbonated beverages</b> % below 15% daily value in the portfolio for sugars and/or sodium.	43%	50%
<b>Tomato-based beverages</b> % below 15% daily value in the portfolio for sugars and/or sodium.	19%	25%
<b>Fruits Snacks</b> % of fruits snacks in the portfolio will be below 15% of the Daily Value for sugars.	60%	95%
<b>Coffee &amp; Tea</b> % below 15% daily value in the portfolio for sugars, sodium and/or saturated fat.	100%	100%
<b>Indulgent beverages</b> % below 15% daily value in the portfolio for sugars and/or saturated fat.	64%	MAINTAIN A MINIMUM OF 50%

Breakdown of the Canadian portfolio per category\*



\*This graphic illustrates the percentage that each product category represents within our overall Canadian portfolio. Each product is counted once, with each flavor and serving size considered as a distinct product.



MARKETING TRANSPARENCY

To uphold our commitment to transparency, we will disclose the percentage of our marketing budget dedicated to promoting products that meet these nutrition standards starting in 2026.

ALCOHOLIC BEVERAGES

While the category is excluded from the Canadian front-of-pack labeling scheme, and is not included in our approach, we remain committed to reducing the amount of salt, sugar and saturated fat in those beverages. Starting in 2026, we will provide transparent information on our progress.



We are committed to sharing our progress in the coming years to ensure that our portfolio corresponds to our ambition while meeting our Health and Well-Being targets. As we pursue our Health and Well-Being journey, we strive to offer a balanced portfolio of beverages while delivering on our vision of offering a beverage for every need, anytime, anywhere!