

McDonald's USA Enters Agreement with Keurig Dr Pepper for McCafé Packaged Coffee

Move Will Support Continued Innovation and Aim to Make McCafé a Go-To Coffee Brand

CHICAGO, BURLINGTON, Mass., PLANO, Texas and PITTSBURGH, Sept. 26, 2019 /PRNewswire/ -- McDonald's USA (MCD) and Keurig Dr Pepper (KDP) today announced a long-term master licensing and distribution agreement for McCafé packaged coffee in the U.S. This new partnership, which brings together the national McCafé brand with Keurig Dr Pepper's leadership in specialty coffee and tea, represents the next chapter in the McCafé packaged coffee business that launched with Kraft Heinz in 2014.

Under the agreement, KDP will continue to be the exclusive manufacturer of McCafé K-Cup® pods in the U.S. KDP will also take on responsibility for coffee sourcing, distribution and marketing of the McCafé brand in K-Cup® pods and bagged and canned coffee formats in all classes of trade, including retail and e-commerce, beginning in the second half of 2020. With this partnership, McCafé will continue to be marketed alongside KDP's market leading single-serve brewing systems in addition to in the coffee aisle.

"We are prioritizing making McCafé a go-to coffee brand for our customers, and we are confident this move will strengthen the impact of the McCafé brand in retail," said **McDonald's USA Vice President of Menu Innovation, Linda Van Gosen**. "We would like to thank our current partner Kraft Heinz for a successful partnership in McCafé packaged coffee. We are looking forward to the next chapter and working with Keurig Dr Pepper, a leader in innovation and marketing of single-serve coffee pods."

McDonald's, Kraft Heinz and Keurig Dr Pepper will work together to ensure a smooth transition in the second half of 2020. Customers will be able to continue to enjoy the McCafé experience at home with the quality, convenience and value they have come to expect.

"McCafé is emerging as one of the power brands at retail, and we are pleased to welcome the brand as a new member of our licensed brand family," said **Derek Hopkins, Chief Commercial Officer at KDP**. "We look forward to innovating with McCafé for our leading Keurig brewing system and bringing our sourcing, roasting, distribution and marketing expertise to further drive growth and expansion of the brand in homes throughout the U.S."

Both McDonald's and Keurig Dr Pepper are taking meaningful steps to ensure that coffee is grown and traded in ways that support coffee farmers, their communities and their land. McDonald's and KDP share a commitment to sustainably sourcing 100% of coffee by 2020, and both are members of the Sustainable Coffee Challenge, a group of global stakeholders aiming to make coffee the world's first sustainable commodity. In addition, KDP has committed to responsibly source its brewers and make all K-Cups® pods recyclable in the U.S. by the end of 2020, providing a comprehensive approach to a sustainable supply chain from source to cup.

"We are incredibly proud of our successful partnership with McDonald's and the growth we have seen in McCafé packaged coffee since the launch into retail in 2014," said **Peter Eck, General Manager of Coffee for Kraft Heinz**. "Kraft Heinz will support the transition for McCafé, and we remain fully committed to the coffee category as a whole. We are actively exploring all options to grow, innovate and win in coffee with our own brands, as well as with our other licensed brands."

Since brand launch in 2009, good has always been brewing with McCafé. McDonald's is offering more choices to match customers' busy lives and meet them where they are, with café-quality McCafé coffee in the most convenient places. In August, McCafé launched a new brand identity including an updated logo, new golden cups that match gold standard for quality coffee and a new brand tagline, "Good is Brewing." Additional investments have been made as part of McDonald's commitment to coffee, including improvements in quality and sustainability, as well as increased convenience offerings such as Mobile Order & Pay and McDelivery.

About McDonald's USA

McDonald's serves a variety of menu options made with quality ingredients to more than 25 million customers every day. Approximately 95% of McDonald's nearly 14,000 U.S. restaurants are independently owned and operated by businessmen and women. For more information, visit www.mcdonalds.com, or follow us on Twitter @McDonalds and Facebook at www.facebook.com/mcdonalds.

About Keurig Dr Pepper

Keurig Dr Pepper (KDP) is a leading coffee and beverage company in North America, with annual revenue in excess of \$11 billion. KDP holds leadership positions in soft drinks, specialty coffee and tea, water, juice and juice drinks and mixers, and markets the #1 single serve coffee brewing system in the U.S. The Company maintains an unrivaled distribution system that enables its portfolio of more than 125 owned, licensed and partner brands to be available

nearly everywhere people shop and consume beverages. With a wide range of hot and cold beverages that meet virtually any consumer need, KDP key brands include Keurig®, Dr Pepper®, Green Mountain Coffee Roasters®, Canada Dry®, Snapple®, Bai®, Mott's®, CORE® and The Original Donut Shop®. The Company employs more than 25,000 employees and operates more than 120 offices, manufacturing plants, warehouses and distribution centers across North America. For more information, visit www.keurigdrpepper.com.

About The Kraft Heinz Company:

For 150 years, we have produced some of the world's most beloved products at The Kraft Heinz Company (NASDAQ: KHC). Our Vision is To Be the Best Food Company, Growing a Better World. We are one of the largest global food and beverage companies, with 2018 net sales of approximately \$26 billion. Our portfolio is a diverse mix of iconic and emerging brands. As the guardians of these brands and the creators of innovative new products, we are dedicated to the sustainable health of our people and our planet. To learn more, visit <http://www.kraftheinzcompany.com/> or follow us on LinkedIn and Twitter.

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