

# MOLSON Coors

## RAISING THE BAR ON BEER

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT 2019



# ABOUT THIS REPORT

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WELCOME TO OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT 2019. THIS REPORT HIGHLIGHTS THE PROGRESS WE MADE IN 2018 ON OUR MOST MATERIAL ESG ISSUES AND SITS ALONGSIDE MOLSON COORS' [OUR BEER PRINT REPORT 2019](#), WHICH DETAILS PROGRESS AGAINST OUR STRATEGY. OUR REPORT DEMONSTRATES OUR COMMITMENT TO INTERNATIONAL FRAMEWORKS. WE ADHERE TO THE GLOBAL REPORTING INITIATIVE (GRI) STANDARDS, AND OUR WORK IS ALIGNED WITH THE CEO WATER MANDATE, THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT (UNGC) AND THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS).

The reporting scope covers Molson Coors Brewing Company's (Molson Coors) direct operations: Molson Coors Canada (MCC), Molson Coors Europe (MCE), Molson Coors International (MCI) and MillerCoors. We also have employees in our Global Headquarters in Denver and in our Global Business Services (GBS) center in Bucharest, Romania. Data and metrics included in this report cover our global activities and performance in the fiscal year from January 1 to December 31, 2018. We report annually on our sustainability progress. Unless otherwise noted, the 2025 goals covered in this report have been set against a 2016 baseline that incorporates the performance of our global business.

Our sustainability reporting, which also includes the separate [Our Beer Print Report 2019](#), has been prepared in reference to the GRI Standards. This report also serves as our Communication on Progress (COP) for our commitment to the UNGC and CEO Water Mandate. The GRI Index and the UNGC COP Index can be found at the back of this report. Our contribution to the UN SDGs can be found in our [SDGs Impact Report](#). Corporate Citizenship has assured data related to our absolute water, energy and carbon, waste, health and safety, and environmental compliance metrics in accordance with ISAE 3000. Please see the [Assurance Statement](#) for details.



**For full details of our strategy and goals to 2025, key stories and highlights, please see [Our Beer Print Report 2019](#).**



## INTRODUCTION

*Our Beer Print 2025:  
Raising the Bar on Beer*

Our Beer Print is the imprint Molson Coors leaves on communities, the environment and our business wherever we brew and sell our beer. By working toward our 2025 goals, we are working to ensure that the imprint is a positive one. To learn more about Our Beer Print strategy and goals, in addition to the progress we've made in the previous year, please visit [Our Beer Print Report 2019](#).

*"I BELIEVE WE HAVE AN OPPORTUNITY – A RESPONSIBILITY – TO RISE UP TOGETHER TO FIND SOLUTIONS TO SOCIETY'S GREATEST CHALLENGES. I'M PROUD TO SAY WE'RE ALREADY DOING IT. WITH THIS REPORT, WE'RE CONTINUING OUR SUPPORT FOR THE UN GLOBAL COMPACT AND RENEWING OUR ONGOING COMMITMENT TO BUILDING A MORE SUSTAINABLE FUTURE."*

Mark Hunter, CEO



### IDENTIFYING KEY ISSUES

Like any business, environmental, social and economic issues can have significant impacts on our operations. To focus our efforts, we engaged a set of global stakeholders in a comprehensive materiality assessment in 2017 to uncover the issues most important to our business. This informed the development of Our Beer Print strategy, whose three pillars and 16 goals for 2025 are the focus of our organization. While we continue striving toward these goals, we continue to tap into our network of external stakeholders, investors, suppliers and retail partners to understand evolving trends and the expectations of us as a corporate citizen. To ensure our focus areas remain relevant, we aim to reassess our material risks and opportunities every three to five years. Details of our 2017 materiality assessment can be found [here](#).

### SUSTAINABILITY GOVERNANCE

Our Audit Committee of the Board of Directors has oversight of corporate responsibility, including Our Beer Print strategy and performance. While the Board has always been informed about Our Beer Print developments, we amended the Audit Committee Charter in 2018 so that it clearly emphasizes that the Committee has oversight of all corporate responsibility and sustainability matters.

Our Global Senior Director of Corporate Responsibility is accountable for managing sustainability issues that impact our business and driving day-to-day progress against Our Beer Print 2025 strategy and goals. Our sustainability performance is regularly reported to our Chief Legal and Corporate Affairs Officer, Global Chief Supply Chain Officer, Chief People and Diversity Officer, Chief Growth Officer and, at least annually, to the Executive Leadership Team and to the Board of Directors.

We also launched a Sustainability Leadership Council (SLC) in 2018, composed of executive leadership from across key functions, to provide comprehensive oversight of sustainability topics across our global organization. The SLC is accountable for driving performance against Our Beer Print 2025 goals and aligning our business units and functional teams to meet emerging environmental, social and governance issues facing our industry. The group meets quarterly, but subcommittees of the larger Council, such as the Packaging Risk Council, meet more frequently to address trending topics and challenges.

# MANAGEMENT APPROACH

*How we work*

How we do things matters just as much as what we do. We are committed to brewing extraordinary beers and running a business focused on respect for our employees, communities and consumers. Our approach embraces strong family traditions and performance-based management, with responsibility and accountability right from the start.



## RISK MANAGEMENT

Enterprise risk within Molson Coors is managed through a structured framework for how our business assesses our overall exposure to risk. Our Senior Director of Risk Management oversees this process, in which individuals who oversee risk management in each region report on Enterprise Risk Management (ERM) issues that are then consolidated at the corporate level. Every six months, we carry out an evaluation using the ERM process, and results are notified to the company's Board of Directors. This enables us to identify and report on emerging risks, and subsequently develop essential mitigation plans to address these risks.

Two such emerging risks that could affect our ability to operate optimally as a business are climate-related weather volatility and cyber-attacks. Climate risk could negatively affect the availability of raw materials, disrupt both our own and our partners' production and impact consumer demand. To address possible risks for climate change, we conduct Watershed Risk Assessments in our watersheds where our breweries are located and in our agricultural supply chain.

Cyber-attacks could have the potential to impact the safety and privacy of our employees, customers and consumers, as well as the security of our facilities, our logistics and transportation network. To address the risk of cyber-attacks, among other things, we utilized a defense-in-depth approach to protect our assets and people with multiple layers of technical controls. Due to the fact that most attacks are perpetrated through phishing email and credential harvesting, we have invested in expanded security controls for email and access management through the Microsoft suite of security solutions. Beyond these technical security controls, we will continue to focus on our resiliency – our ability to respond and recover to attacks – and expand our training and awareness program to educate our employees, partners and contingent workers. Read more about our risk factors in [Molson Coors 2018 Form 10-K](#).

## TAX STRATEGY

The taxes we pay as a responsible business can be a significant part of our economic contribution to the countries, cities and jurisdictions in which we operate. The management of our tax affairs is governed on principles aligned with our global commercial, sustainability and corporate governance practices, including compliance with all local tax laws and regulations.

We consider tax efficiencies when undertaking commercial activity, with the aim of enhancing shareholder value. We proactively manage tax risk and engage transparently with local tax authorities and consult them on a regular basis. Beyond taxation, we support governments and communities across the globe through the employment of our people in our operations and across our wider value chains, in addition to the investment in skills and the advancement of new technologies to manufacture and promote our products. Read more about [Our Global Tax Principles](#).



## REMUNERATION ALIGNED WITH SUSTAINABILITY

Our Brew is the foundation for the Molson Coors culture and the values we set forth as a company. Championing Our Beer Print is embedded in the Our Brew framework and emphasized as Who We Are as a company. Our CEO and the Executive Leadership Team (ELT) have accountability for leading Our Brew culture in their annual performance and goals.

A group of functional heads are responsible for the achievement of the Our Beer Print 2025 goals; these include our Global Chief Supply Chain Officer, Chief Growth Officer, Chief Legal and Corporate Affairs Officer, and Chief People and Diversity Officer, together with their functional teams.

Our Beer Print performance is further reinforced with the roll-out of World Class Supply Chain 2.0 (WCSC 2.0). This includes 12 pillars focused on key best practices, across areas such as health and safety and environmental sustainability. Each brewery that is involved in WCSC 2.0 is accountable for delivering performance against the following metrics:

- Energy Usage Ratio (MJ/hl)
- Water Usage Ratio (hl/hl)
- Total Incident Rate (TIR)

The continued deployment and maturity of WCSC 2.0 is embedded in our ELT long-range goals and is part of our enterprise priorities to fuel growth.

## ETHICS AND INTEGRITY

We believe we have a duty to our employees, communities, suppliers, customers and consumers to always do the right thing. At the heart of this ethical culture sits [Our Code of Business Conduct: A Guide for Living Our Brew](#). Guided by this Code, and led by our Vice President of Global Ethics and Compliance and Executive Ethics and Compliance Committee, we work with our regional partners to promote a consistent approach to doing things “the right way.”

The Code underpins our ethics and compliance program. This program includes policies, training, communication, monitoring and auditing procedures on a range of topics, such as:

- Accurate books and records
- Alcohol responsibility
- Anti-bribery and corruption
- Anti-discrimination and harassment
- Competition
- Conflicts of interest
- Data privacy
- Gifts and entertainment
- Insider trading
- Social media
- Speaking up

Each and every one of our employees is required to uphold the Code, which is available in all our languages.<sup>1</sup> Training in the Code, either face to face or online, is mandatory and all new employees are required to complete this as part of their onboarding. Refresher training is planned for every two years thereafter. We also require employees to affirm that they have read and will comply with the Code, and act ethically, responsibly and in compliance with the law. Employees are further required to disclose any potential conflicts of interest where their personal interests may be in conflict with those of the company. In such cases, employees must submit an online conflict of interest disclosure form to their manager and to our Ethics and Compliance department for approval and to ensure a record of each disclosure. We also expect employees who have any concerns about possible violations of the Code to raise such concerns through the appropriate channels.



## ANTI-BRIBERY AND CORRUPTION

Molson Coors has zero tolerance toward bribery and corruption by employees or anyone acting on the company's behalf. We require all our employees and business partners to adhere at all times to ethical, transparent business practices. Through our anti-bribery and corruption program, employees receive training in our policy and its operation. This is supported by an intranet suite that offers tools and resources to help employees receive and recognize bribery and corruption. Gifts and entertainments can be recorded and receive pre-approval via an online Gifts and Entertainment Register, in accordance with local policies. We help our business partners understand our approach to doing business the right way through compliance due diligence procedures and standard contract clauses. We also conduct audits – both internally and externally – to monitor compliance. Every quarter, our ELT and the Board's Audit Committee receive a report updating them on our ethics and compliance program, as well as activities through our anti-bribery and corruption program.

### Ethics and Compliance Helpline

All Molson Coors employees have access to our Ethics and Compliance helpline, 24 hours a day. The helpline is administered by a third-party provider, EthicsPoint, and enables employees and any other stakeholder to ask a question or raise a concern in complete confidence and/or anonymity. Users can contact the helpline by phone or internet, and in their native language. All such questions and issues raised are addressed by the Molson Coors Ethics and Compliance Office, and both the law and company policy prohibit any retaliation against anyone who raises a concern in good faith.

In 2018, the helpline received roughly 130 such reports. Of those followed up with investigative action, approximately 50% were substantiated and resulted in disciplinary or corrective action.

## HUMAN RIGHTS

We are committed to fostering open, inclusive workplaces, based on recognized workplace human rights, where employees are valued, engaged and inspired to be the best they can be. We have a clear set of Employment Principles that operate across all our operations and entities in which we hold a majority interest. These are informed and guided by recognized international standards on human rights, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the UNGC. We also expect our suppliers to meet certain human rights expectations. These are set out in our Standards for Suppliers and are included in supplier contracts. See the Sustainable Procurement Strategy section on page 18 for more details.

We are also committed to providing a workplace in which everyone is treated with respect, differences are valued and employees' actions are consistent with the company's standards and values. We aim at all times to provide workplaces that are free from discrimination or physical or verbal harassment based on race, sex, color, national or social origin, religion, age, disability, sexual orientation or any other status protected by applicable law.

All Molson Coors employees have access to our Ethics and Compliance helpline, where any concerns over human rights can be reported. Our Code of Business Conduct and our global "Speaking Up" policy detail employees' responsibility to report any potential misconduct or violations they witness.

## POLITICAL CONTRIBUTIONS

Molson Coors actively engages in the political environment to inform public policymakers on issues and practices that relate to our company and industry. We also promote the responsible promotion and consumption of our products.

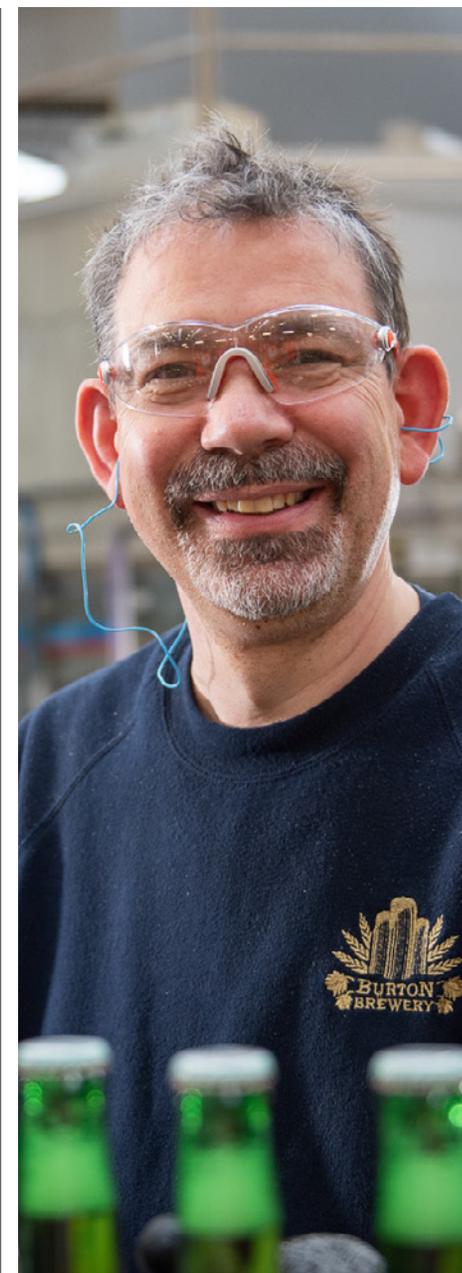
Our business rules state that only designated company employees may engage in public policy work on behalf of Molson Coors, and they must adhere to specific registration, ethics and disclosure requirements in their jurisdiction. Our Code of Business Conduct provides guidance on political contributions for employees.

Our total political donation in Canada was approximately CAD2,800 in 2018. For further details, please see the relevant provincial websites: Alberta, British Columbia, New Brunswick, Newfoundland and Labrador, Ontario, Prince Edward Island and Saskatchewan.

In the US, our political contributions support candidates, political parties and committees at both federal and state levels. In 2018, our contributions to candidates for state office, state political entities and ballot initiatives totaled approximately \$340,000. MillerCoors also operates the MillerCoors Political Action Committee (PAC), which made contributions to candidates totaling approximately \$88,000 in 2018, through voluntary contributions from a restricted class of eligible employees.

Our US business follows rigorous internal protocols, legal policies and external controls to ensure that all political contributions are made and reported in strict compliance with appropriate state or federal laws and regulations. The amounts of contributions made to candidates or parties at state level are mostly available publicly on the individual state's website as disclosures on the campaign finance reports required by that jurisdiction. Any employee contributions of over \$200 to the MillerCoors PAC, as well as expenditures by the PAC, are publicly available on the PAC's reports filed with the Federal Election Commission at [www.fec.gov](http://www.fec.gov).

Molson Coors Europe and Molson Coors International do not make political contributions.



<sup>1</sup> The Code is published in the following languages: Bulgarian, Croatian, Czech, English, French, Hindi, Hungarian, Japanese, Montenegrin, Romanian, Serbian and Spanish.

# RESPONSIBLY REFRESHING:

*Enjoying One of Life's Simple Pleasures*

WE WANT OUR CONSUMERS TO MAKE GREAT MEMORIES AND ENJOY EVERY MOMENT, SO WE ENCOURAGE THEM TO DRINK OUR BEERS AND CIDERS RESPONSIBLY. WE PROVIDE INFORMATION AND OPTIONS TO ENABLE CONSUMERS TO MAKE REFRESHING AND SMART CHOICES. WITH CAMPAIGNS TO PREVENT UNDERAGE DRINKING AND DRUNK DRIVING, AND TO REDUCE HARMFUL CONSUMPTION, WE'RE CONSTANTLY WORKING TO PROVIDE BETTER AND EASIER WAYS FOR OUR CONSUMERS TO ENJOY OUR PRODUCTS RESPONSIBLY.



## RAISING THE BAR ON BEER: OUR 2025 GOALS

OUR PRIORITIES 2025 GOALS<sup>2</sup>

<b>Inspire responsible drinking</b>	<ul style="list-style-type: none"> <li>• Prevention of alcohol-related harm in all our countries where we have brewing or selling operations<sup>3,4</sup></li> <li>• Partner with other global alcohol producers to achieve a 10% reduction globally in harmful alcohol use</li> </ul>
<b>Ensure responsible marketing and consumer information</b>	<ul style="list-style-type: none"> <li>• Responsible marketing and advertising of all our products</li> <li>• Deliver nutritional information, alcohol serving facts and ingredients for all our products in countries where we have brewing or selling operations<sup>3</sup></li> </ul>
<b>Drive innovation</b>	<ul style="list-style-type: none"> <li>• Low- and no-alcohol choices in all our 13 countries where we have brewing or selling operations<sup>3,5</sup></li> </ul>

 **Find out more about our strategy and goals in Our Beer Print Report 2019.**

## OUR APPROACH

Across all our business practices, we are committed to the responsible consumption of alcohol. Through education and safety programs, we aim to inspire responsible drinking among all our consumers. We continually explore and develop opportunities around low- and no-alcohol products to provide beer drinkers with alternative options, and work with partners to reduce harmful alcohol use. Our advertising aims to comply with the relevant laws and regulations in every country where we operate, and is targeted at people who are 18 years of age or the legal drinking age, whichever is higher. Longer term, our goal is to provide nutritional information, ingredients and alcohol serving facts for all our products.





## RESPONSIBLE MARKETING AND EMPLOYEE TRAINING

We require all our employees to review and comply with the Molson Coors Alcohol Responsibility Policy at the start of their employment. To make sure that our people understand the important role they play in modeling responsible behavior within their communities, we introduce our policies during new-employee onboarding and training, with refresher training provided every two years thereafter. In early 2018, we rolled out Molson Coors Alcohol Responsibility training across our entire business.

Our commercial employees must also familiarize themselves with our Commercial Responsibility Policy, which provides detailed guidance on how to develop, package, market and sell our products in a responsible manner. In early 2017, we provided training for our commercial employees and advertising agency partners to comply with our policies, industry standards and applicable laws and regulations. We will be refreshing the training for commercial employees and agency partners in 2019.

We are committed to responsible advertising and marketing directed to adults who are at least the legal drinking age or 18 years of age, whichever is higher. We believe every marketing message that we put into the marketplace, regardless of its form, must enhance our reputation as a lawful and responsible corporate citizen.

We self-regulate our marketing and advertising with the goal of ensuring they primarily reach legal drinking age audiences and meet our rigorous internal standards. The Marketing Compliance Committee process established by our US business has been rolled out to all our other business units. It includes a cross-functional group of employees who are responsible for reviewing communication materials against our internal standards, relevant local laws and industry standards, such as the voluntary, self-regulatory Beer Institute Advertising and Marketing Code (BI Code) in the US, before they are released to the public.



## PARTNERING TO REDUCE HARMFUL DRINKING

We are a charter member of the International Alliance for Responsible Drinking (IARD), a nonprofit organization that aims to reduce harmful drinking and promote understanding of responsible drinking. The IARD is supported by the leading global beer, wine and spirits producers and partners with the public sector, civil society and private stakeholders. The IARD works in support of internal goals to reduce harmful drinking, including the World Health Organization's (WHO) Noncommunicable Diseases (NCD) Global Monitoring Framework and the UN SDGs target 3.5.

Together, we're working to strengthen efforts to reduce harmful drinking around the world in five key areas:

- Reducing underage drinking
- Strengthening and expanding marketing codes of practice
- Providing consumer information and responsible product innovation
- Reducing drinking and driving
- Enlisting the support of retailers to reduce harmful drinking

The partners of this alliance are currently developing the next set of global commitments toward a 10% reduction in harmful use of alcohol by 2025.

We've also been working with the IARD to implement the Digital Guiding Principles in our marketing and commercial placements. The Principles were developed as part of the Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking. The IARD and the World Federation of Advertisers support member companies to achieve 80% full compliance with the Principles. Digital platforms are introducing changes that help to further minimize exposure of minors to alcohol advertising. To encourage digital platforms to do more, the IARD held an event at the Cannes Lions festival in June 2019 to increase awareness. To learn more about the Digital Guiding Principles safeguards, please visit [Our Beer Print Report 2019](#).

2. Set against a 2016 baseline incorporating 100% Molson Coors and MillerCoors data.
3. Where we have large breweries or significant selling operations.
4. India is the only MCI market included in the goal; it did not activate a program in 2018.
5. MCI currently developing strategy and is not included in the goal.

# SUSTAINABLY BREWING:

*From Grain to Glass*

FROM RESOURCE SCARCITY TO CLIMATE CHANGE, WE FACE A NUMBER OF CHALLENGES THAT COULD IMPACT OUR ABILITY TO BREW BEER INTO THE FUTURE. BY BEING A GOOD STEWARD FOR THE ENVIRONMENT AND MINIMIZING OUR IMPACT, WE ARE MEETING THESE CHALLENGES HEAD ON. WE CHALLENGE OURSELVES TO BE EFFICIENT USERS OF RESOURCES IN OUR OWN OPERATIONS, WHILE WORKING WITH SUPPLIERS AND PARTNERS TO MINIMIZE OUR FOOTPRINT ACROSS OUR VALUE CHAIN AND PROTECT AND CONSERVE RESOURCES.



## RAISING THE BAR ON BEER: OUR 2025 GOALS

### OUR PRIORITIES 2025 GOALS<sup>6</sup>

<b>Make the most out of every drop</b>	<ul style="list-style-type: none"> <li>Improve water-use efficiency by 22% in our large breweries<sup>7</sup> to achieve a 2.8 hl/hl water-to-beer ratio</li> <li>Protect local water resources in partnership with others</li> </ul>
<b>Reduce our carbon footprint</b>	<ul style="list-style-type: none"> <li>Reduce carbon emissions across our operations by 50%, and throughout our value chain by 20%</li> </ul>
<b>Promote a circular philosophy</b>	<ul style="list-style-type: none"> <li>Achieve and sustain zero waste to landfill at all our brewing and major manufacturing facilities<sup>8</sup></li> </ul>
<b>Grow best practice in agriculture</b>	<ul style="list-style-type: none"> <li>Improve water-use efficiency in our agricultural supply chain and malting operations by 10%</li> <li>100% of barley and hops sourced from sustainable suppliers in key growing regions</li> </ul>



Find out more about our strategy and goals in [Our Beer Print Report 2019](#).

## OUR APPROACH

As one of the world's largest brewers, we believe we are able to make a significant impact on sustainable brewing – by protecting precious water resources, reducing packaging, eliminating waste and cutting emissions. We aim to source the resources we use in a sustainable way, manage them effectively, and to exceed the expectations of our employees, customers, investors and regulators.

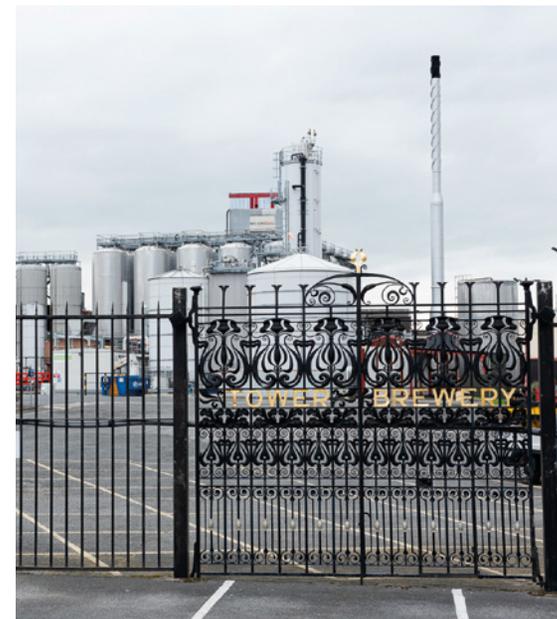
World Class Supply Chain 2.0 (WCSC 2.0) is our strategy to improve brewery efficiency throughout our business. We are in the process of rolling out WCSC 2.0 across our large brewery operations to improve alignment and minimize losses. WCSC 2.0 does this by stabilizing processes and standards, freeing up the ability to unlock speed, creativity and the capacity for new brands. The result is a more reliable, flexible and efficient supply chain that enables us to better meet market demands. We've already witnessed improved performance and realized synergies by creating one way of working globally.

Underpinning our WCSC 2.0 strategy and our way of working is our [Environmental, Health and Safety \(EHS\) Policy](#), which states our continued commitment to reducing energy and water usage, waste generation, and wastewater and air emissions, while improving packaging sustainability and recycling. We collaborate with key stakeholders, including governments, industry groups, academia and nongovernmental organizations, and share best practices as we aim to improve our operations, our industry and our communities.

## WATER STEWARDSHIP

Our water stewardship efforts start with our own operations. We monitor, track and collaborate with FEWER (Fuel Energy Water Emissions Reduction) teams to reduce water use and improve water efficiency, and share new and best practices with teams across Molson Coors.

Next we look at the health of our brewery watersheds and manage the risks to our business. Whether it is drought, flooding or quality issues, we work with local partners to address the unique challenges and risks at our high-risk watersheds and identify suitable solutions.



*Our performance in our direct operations*

We measure our water performance by the intensity of water used per unit of beer produced. By 2025, we aim to improve water-use efficiency at our large breweries<sup>7</sup> to reach a 2.8 hl/hl water-to-beer ratio.

In 2018, we achieved a water-use ratio of 3.52 hl/hl against an internal annual target of 3.43 hl/hl. Even though we experienced a reduction in overall production volume and brewery system upgrades in 2018, we saw a slight decrease of 1.3% in water-to-beer ratio in comparison to 2017.

Reductions in water usage were driven by people and process improvements, including the roll-out of WCSC 2.0 training, loss-prevention actions and the introduction of local FEWER groups.

Simultaneously, we are continuing to reduce water consumption through strategic investments in more efficient systems in our breweries. Investments such as tertiary water reuse systems and optimizing Clean in Place circuits that recycle clean water have been implemented in many of our US breweries. Through the DollarSense utility management system, we are giving our people the ability to better track performance, drive process improvements and, ultimately, improve operational efficiency.



**Water Usage Breakdown by Region in 2018 (khl)**

	TOTAL	MCE	MCC	MCI	MILLERCOORS (US)
Municipal	122,895	13,936	35,787	0	73,172
Ground	181,655	66,526	130	2,917	112,083
Brackish	0	0	0	0	0
Surface	57,438	9,521	0	0	47,917
<b>Total water usage</b>	<b>361,989</b>	<b>89,983</b>	<b>35,917</b>	<b>2,917</b>	<b>233,172</b>
Rainwater harvested	0	0	0	0	0
Water restored to source	464	464	0	0	0

**Large Brewery<sup>9</sup> Water Intensity (hl/hl)**

HI of water used per hl of beer produced

2017	<b>3.57</b>
2018	<b>3.52</b>

**WATERSHED MANAGEMENT IN OUR BREWERIES**

We aim to conduct Watershed Risk Assessments and update our Water Risk Index annually for each brewery watershed. These assessments help us set action plans to drive the right behaviors, track risks and manage our progress at high-risk brewery watersheds.

As part of our 2025 goals, we set out management and mitigation plans for each of our high-risk brewery watersheds. When we set our baseline in 2016, we identified the following breweries as being at water risk for quantity, quality or access issues: Fort Worth, Texas; Irwindale, California; Golden, Colorado; Burton-on-Trent, UK; Ploiesti, Romania; Apatin, Serbia; Bőcs, Hungary; Ostrava and Smichov, Czech Republic; and Bhankarpur and Saha, India.

We aim to assess the watershed risks at our major breweries each year to ensure we are prioritizing our actions and will add or remove breweries from the list as necessary.

**WATERSHED PARTNERSHIPS**

We recognize that achieving and maintaining a sustainable water supply cannot be done alone. It requires collective effort and the sharing and adoption of best practice across industries.

We engage with local stakeholders, including other major water users, nonprofits, and representatives from municipalities and local government to identify opportunities for collaboration to address local priority areas. By engaging with our local brewery community, we can develop a risk mitigation action plan that takes into account our stakeholders' feedback and provides a comprehensive approach to address the unique challenges of each watershed.

While our watershed management strategy is governed by the global supply chain team, each brewery has dedicated employees responsible for water and environmental sustainability on-site. This global and local approach allows us to have a more complete view on how watershed risks impact our business and enables us to create partnerships with local, national and international organizations to collectively address these issues.



**PUBLIC POLICY**

Each one of our breweries has its own unique water conditions, depending on factors such as location and the structures of local and national governments. In some cases, breweries obtain their water from municipal sources, while others are supplied from wells or direct-flow sources. Our sites can also be affected by regulatory and pricing changes, which are monitored by our Government Affairs department, as well as by our global and regional EHS teams.

With our long-standing commitment to water stewardship, we actively engage in wider discussions about how water risk can be managed at global, regional and local levels. We also participate in collaborative efforts with other bodies and initiatives – such as the CEO Water Mandate and the Beverage Industry Environmental Roundtable (BIER) – and with governmental regulatory departments. Through this kind of engagement, we are able to identify risks and trends in advance of regulation and compliance requirements, and work to ensure the security and sustainability of water sources in the localities where we operate.



**Find out more about collaborative watershed stewardship work in Our Beer Print Report 2019.**

## ENERGY AND CARBON

Through our strategy, we continually focus on reducing our overall operational energy consumption as a result of improved process control and execution. In 2018, we implemented multiple process improvement projects to optimize our supply network and completed investments in several low-carbon technologies, such as:

- Upgrades to ammonia refrigeration systems, which are used for product and building cooling, in our Golden and Toronto breweries
- LED lighting upgrades in our Trenton Brewery
- Energy-efficient conveyor drives on a number of packaging lines in Apatin, Haskavo and Smichov
- A second biogas engine to generate electricity at the Borsodi Brewery

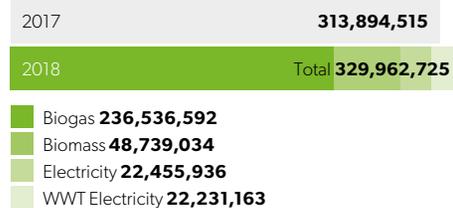
### Energy Use (MJ)



### Electricity Purchased (MJ)



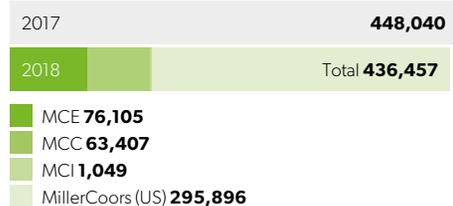
### Renewable Electricity Generated by Source (MJ)



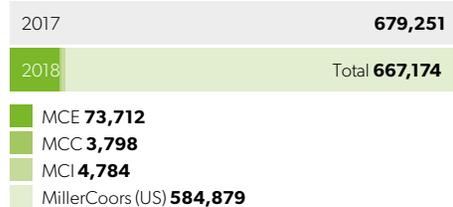
### Renewable Electricity Generated by Business Unit (MJ)



### Scope 1 Emissions (tonnes CO<sub>2</sub>e)



### Scope 2 Emissions (tonnes CO<sub>2</sub>e): Location-Based



### Scope 2 Emissions (tonnes CO<sub>2</sub>e): Market-Based

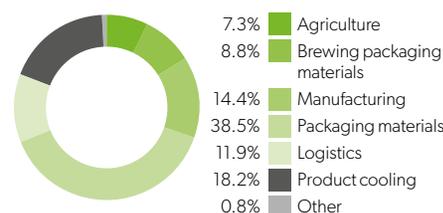


### Scope 3 Emissions<sup>10</sup> (tonnes CO<sub>2</sub>e)

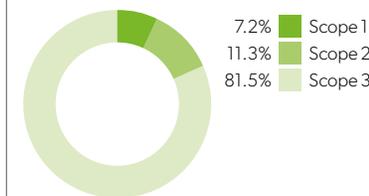


Molson Coors' 2025 goal to lower absolute emissions by 50% within our direct operations has been verified against the 1.5°C pathway recommended by the recent [report by the Intergovernmental Panel on Climate Change \(IPCC\)](#). We are one of the approximately 230 companies to have our emissions reduction target approved by the [Science Based Targets initiative \(SBTi\)](#). Climate-related risks and how we are managing our emissions to mitigate those long-term risks are included in our ERM and reported in our [Annual Report on Form 10-K](#). Detailed reporting of our carbon footprint across the value chain (including operations, packaging, transportation, agriculture and refrigeration), our Scope 1 and 2 emissions, and our carbon intensity are available in our Climate submission on the [CDP](#) website.

### 2018 GHG Emissions – Breakdown by Segment



### 2018 GHG Emissions: Breakdown by Scope



## Our performance

We measure our performance in energy and carbon based on the intensity of energy used and carbon emissions per unit of beer produced.

### ENERGY

- We set an annual energy usage ratio target of 104.8 MJ/hl, a decrease of 0.8% for our large breweries.<sup>8</sup> We exceeded that goal, achieving a ratio of 102.8 MJ/hl, a decrease of 2.9% from 2018.
- In 2018, we used 9.4 billion MJ total energy across all our operational sites versus a target of 9.6 billion MJ. This is a decrease in total energy of 4.4% from 2017.

### CARBON

- In 2017, we committed to a 1.8% reduction of Scope 1 and Scope 2 GHG emissions and achieved a 3.8% reduction in Scope 1 and Scope 2 emissions in 2018.

As we work toward our 2025 goal of reducing our emissions in our direct operations by 50% and in our value chain by 20%, we will continue to reduce our energy usage and aim to expand the use of onsite renewable energy, where possible. We are currently working on developing a robust portfolio for offsite purchased renewable electricity to help us reach our 2025 goals.

## PACKAGING EMISSIONS

Packaging materials are the largest source of emissions in our value chain footprint, accounting for approximately 38% of the total. That’s why, as part of our 2025 target to cut absolute carbon emissions across our supply chain by 20%, we aim to reduce emissions from packaging materials by 26% (or 6.88 kgCO<sub>2</sub>e/hl).

Building on this, our new plastics strategy adds three further goals for 2025: to incorporate at least 30% recycled content in our plastics packaging; make 100% of our plastics packaging reusable, recyclable, compostable or biodegradable; and participate in recycling solutions to increase recycling rates or reduce waste in priority markets.

We continue to invest in innovation and partnering with our suppliers to advance a circular economy. We have joined the New Plastics Economy Global Commitment, an initiative led by the Ellen MacArthur Foundation, that brings together more than 400 like-minded organizations that are committed to creating a circular economy for plastics. Together with other businesses and governments, we are working to eliminate the plastic items we don’t need; innovate so that the plastics we do need are designed to be reused, recycled or composted; and circulate everything we use to keep it in the economy and out of the environment.

## WASTE REDUCTION

A major factor in our overall environmental footprint is the creation and disposal of waste throughout the lifecycle of our products. Our 2025 goal is to achieve zero waste to landfill at all our major brewing and manufacturing facilities.<sup>8</sup> At the end of 2018, 17 such sites, including every MillerCoors brewery, achieved and sustained this goal, while others are progressing toward it.

Our drive for resource efficiency goes beyond our target of zero waste to landfill. Our Environmental, Health and Safety Management System (EHSMS), part of our World Class Supply Chain 2.0 program,



**Find out more about circular philosophy in Our Beer Print Report 2019.**

supports our work to oversee our progress and eliminate waste throughout our activities. To understand how waste streams are generated, we have characterized and quantified waste streams at all our facilities. Using this data, we are collaborating with our suppliers and customers to find ways to eliminate these waste streams or, where that is not possible, reduce, reuse or recycle them. Glidpaths for each facility have been established by our EHS teams, and progress toward zero waste to landfill is overseen globally.

### Our performance

A key focus for our work is on increasing recycling rates and reducing the total waste we generate. By the end of 2018:

- We disposed of only 1,869 tonnes (0.17%) of the solid waste we generated in our major brewing and manufacturing facilities<sup>8</sup> in landfill.
- We reduced the amount of waste disposed in landfill by 17% compared with 2017.
- 17 major brewing and manufacturing facilities<sup>8</sup> achieved or are sustaining zero waste to landfill – nine in the US, six in Europe and two in Canada.

Our waste data comprises solid waste disposed of from our major brewing and manufacturing sites as follows: landfill, incineration (without energy recovery), waste to energy, compost and soil amendment, recycled and reused (including co-products like animal feed).

## Resource Efficiency (tonnes) by Region 2018

	TOTAL	MCE	MCC	MCI	MILLERCOORS (US)
Landfill	1,869	1,021	564	0	284
Solid waste to incineration	0	0	0	0	0
Solid waste to energy	4,495	836	2,221	0	1,438
Compost and soil amendment	69,700	3,167	204	1,251	65,078
Waste recycled	72,277	18,931	17,557	1,566	34,223
Reused total	943,389	338,939	75,705	9,280	519,465
Total solid waste	1,091,729	362,893	96,252	12,096	620,488
<b>Percentage (landfill/total solid waste)</b>	<b>0.17%</b>	<b>0.28%</b>	<b>0.59%</b>	<b>0.00%</b>	<b>0.05%</b>





## ENVIRONMENTAL COMPLIANCE

The number of environmental releases is tracked through EHSMS as a key performance indicator (KPI). We also set annual targets that aim to drive continuous reductions, and our Global Chief Supply Chain Officer reviews performance each month. In 2018, there were 16 environmental releases, a reduction from 25 in 2017.

We have robust protocols to manage compliance. Should an environmental release occur, we take immediate steps to restore compliance and prevent any future occurrence. This includes holding investigations with senior leadership and environmental experts, and implementing corrective actions.

For 2019, we have updated our environmental KPI to include both releases to the environment and administrative breaches of regulations as a more stringent measure of compliance. These incidents will together be referred to as Serious Environmental Incidents. Where either type of incident has the potential for a fine in excess of US\$10,000, or where there is adverse media reporting that is likely to cause reputational damage to Molson Coors Brewing Company, these will be tracked as Critical Environmental Incidents.

## AGRICULTURAL SUPPLY CHAIN

### AGRICULTURAL WATERSHEDS

Our agricultural supply chain makes up a significant part of our product's water footprint. That's why we are committed to protecting valuable water resources and improving water efficiency together with the growers that we purchase our barley and hops from. Watershed Risk Assessments are carried out in our key growing areas to identify and mitigate against potential risks.

We also partner with local stakeholders in our agricultural supply chain to collaborate on projects, engage in public policy and take collective action in protecting our waterways and shared water sources.

## STANDARDS FOR AGRICULTURAL BREWING INGREDIENTS

We believe that building sustainable supply chains that reduce price volatility, risk, and negative environmental and social impact are critical to the long-term viability of both Molson Coors and our agricultural suppliers. We have a goal to source 100% of our barley and hops from suppliers who grow, produce and deliver in a manner that recognizes and embraces our sustainability standards in our major markets.

In 2018, we updated our Agricultural Brewing Ingredients Policy to outline our expectations for growers to produce and deliver agricultural brewing ingredients in line with our sustainability standards. We updated a list of sustainability metrics that we track, including yield, land use, water, nitrogen, pesticides and GHG emissions, and locally relevant metrics, where necessary. This enables us to monitor the progress of our suppliers' impact on the environment and drive continuous improvement.

So far we believe we're making significant strides toward our goal. In the UK, the Molson Coors Growers Group (MCGG) works with UK-based agricultural charity Linking Environment and Farming (LEAF) to support the development of their water-management tool for farmers. The 149 growers that make up the UK MCGG are also Red Tractor certified for their malt barley. Red Tractor began in 2000 and has grown to become the UK's biggest farm and food standards scheme, covering animal welfare, food safety, traceability and environmental protection. In the third year of our Grower Direct Web Portal in the US, we've seen participation from over 800 direct barley farmers. The data from the portal offers barley farmers valuable insights into best-management practices, enabling them to benchmark performance and manage water use more efficiently over time.

### Environmental Violations

#### Environmental Violations of Legal Obligations/Regulations<sup>11</sup> (number)

2016	1
2017	1
2018	2

There were two environmental violations with fines exceeding \$10,000 in Molson Coors US business unit in 2018. The breaches were administrative in nature and there were no negative impacts to the environment.

#### Environmental Releases<sup>12</sup> (number)

2016	21
2017	25
2018	16

### 2018 Environmental Releases

(number)

<b>Total</b>	<b>16</b>
MCE	3
MCC	0
MCI	1
MillerCoors (US)	12

- Set against a 2016 baseline incorporating 100% Molson Coors and MillerCoors data.
- There are 24 large breweries within the scope of our 2025 water goal.
- Those with 75 or more employees.
- Large breweries are: Albany, Ft. Worth, Golden, Irwindale, Milwaukee, Shenandoah, Trenton, Moncton, St. Johns, Montreal, Toronto, Vancouver, Apatin, Bocs, Burton, Haskovo, Ostrava, Ploiesti, Smichov, Tadcaster, Trebjesa, Zagreb.
- Scope 3 emissions include: agriculture, processing brewing ingredients, manufacturing, packaging materials, logistics, product cooling, end of life. This year, emissions from the distribution of finished product including transport and warehouses have been assured.
- We use the Dow Jones Sustainability Index definition of a violation, i.e., a violation occurs when an authorized body (e.g., a governmental body, independent commercial or non-commercial regulator) determines that a law, regulation, code, etc., related to environmental or ecological issues has been breached and the fine or penalty is over \$10,000.
- We use an internal definition of Environmental Release Incidents, which matches the legal reporting requirements in our areas of operation.

# COLLECTIVELY CRAFTED:

*For Our People and Communities*

WE STRIVE TO SUPPORT OUR PEOPLE TO BE THE BEST THEY CAN BE AT WORK, PROVIDING OPPORTUNITIES FOR THEM TO GROW AND DEVELOP THEIR CAREERS AT MOLSON COORS. WE ALSO SUPPORT THE LOCAL COMMUNITIES THAT WE'RE ROOTED IN, INVESTING IN PROJECTS THAT SERVE THE NEEDS OF OUR NEIGHBORS. OUR SUPPLIERS ARE PART OF OUR TEAM AND WE WORK WITH THEM TO REALIZE SHARED BENEFITS. WE'RE PROUD TO SHARE THE STORIES OF HOW PASSIONATE PEOPLE, VIBRANT NEIGHBORHOODS AND STRONG PARTNERSHIPS ARE WHAT REALLY MAKE US GREAT.



## RAISING THE BAR ON BEER: OUR 2025 GOALS

OUR PRIORITIES 2025 GOALS<sup>13</sup>

<b>Be known as a great place to work for our people</b>	<ul style="list-style-type: none"> <li>• Recognition on the Great Place to Work® Index</li> <li>• Greater health and safety in the workplace with 40% reduction in Lost Time Accident (LTA) rate</li> </ul>
<b>Be a good global citizen</b>	<ul style="list-style-type: none"> <li>• \$100 million investment aiming to improve livelihoods, foster empowerment and build resilient communities</li> </ul>
<b>Strengthen our supply chain</b>	<ul style="list-style-type: none"> <li>• Ethical and sustainable supply chain practices</li> </ul>
<b>Promote supplier diversity</b>	<ul style="list-style-type: none"> <li>• Actively engage with women-owned, minority-owned and small businesses as suppliers</li> </ul>

 **Find out more about our strategy and goals in [Our Beer Print Report 2019](#).**

## OUR APPROACH

We believe attracting and retaining the best talent is key to our ongoing success. We aim to provide our people – our beer champions – with an environment that is a great place to work and one that provides them with meaningful experiences. To achieve this, we have adopted four principles: Connect, Grow, Live and Thrive. We aim to provide everyone an opportunity to Connect with our people, to Grow their skills and careers, to Live with the support and benefits fit for them, and to Thrive in our culture – which is built on our proud family heritage and forward-reaching ambition. We aim to listen to our employees at all times, using their feedback to drive continual improvements in how we work and operate.

We believe this is the right approach. By focusing on the things that are truly important for both candidates and employees, our framework ensures we all win together, with engaged, motivated teams delivering success.



When surveyed, 83% of employees told us they believe diversity and inclusion are supported at Molson Coors. Our global Diversity and Inclusion (D&I) strategy is directly linked to our strategic ambition and growth imperative, and has four pillars: Employees, Consumers, Customers and Communities. The strategy is supported by a D&I Leadership Guide, which outlines how D&I behaviors should be embedded throughout the entire employee experience.

Our Executive Leadership Team and Global Human Resources Team work to make sure we have a diverse pool of candidates for executive and other key roles across the business.

In 2018, we produced our second report covering the gender pay gap in the UK & Ireland. The report indicates that our pure pay gap is a little over 0.5%, while the proportion of female employees receiving bonuses is very slightly higher than the proportion of male employees (not accounting for elements such as car cash allowances and shift pay). We continue to work to maintain a strong reward philosophy with fair, transparent, consistent processes.



## GROW

### DEVELOPMENT

Engaging and developing our people is a top priority at Molson Coors – in fact, it is one of four focus areas for the company in our strategic plan. We see career growth and developmental opportunities as cornerstones of employee engagement.

We encourage our employees to continue to learn and develop their career at Molson Coors, through quality one-on-one meetings with

their manager, creating and following their Personal Development Plan and committing to continuous learning. Resources such as our First Choice Learning Center and in-person and online training programs, along with experiential learning, enable our employees to build competencies, share best practices and advance their leadership capabilities.

### PERFORMANCE

Employee performance is assessed at year-end, with performance evaluated against goals (the “What”) and Molson Coors’ cultural values (the “How”).

Employee self-evaluations and manager assessments are calibrated across functions, supporting a consistent, global method to support our pay-for-performance culture and for getting the right people with the right skills in the right roles, at the right time.

Our Talent Management Planning process will also review the current performance and future potential of all management employees.

## PEOPLE TRAINING

15.1 hours of training and development per full-time employee (FTE) on average in 2018

268,590 hours of training and development were logged in 2018:

- 15.95% was spent on supply chain and commercial topics.
- 14.76% was spent on onboarding.
- 5.2% was spent on leadership development programs, including Living Leadership.

5,653 live sessions were delivered globally, an increase of 110% from 2017. The number of attendees for these training sessions was 72,105, which represents approximately four attendances on average per FTE.

### 2018 Employment Profile by Region<sup>14</sup>

	APPROX. NO. OF FTE (2018)	% UNDER UNION AGREEMENT (2018) <sup>15</sup>
Denver HQ	300	0%
Global Business Services (GBS) Center	500	n/a
MCC	2,600	52.3%
MCE	6,600	3.3%
MCI	450	0%
MillerCoors (US)	7,300	31.2%
<b>Total</b>	<b>17,750</b>	<b>22.0%</b>

### Demographic Data<sup>16</sup>

	2016	2017	2018
Total male employees	6,500	12,600	12,900
Total female employees	2,100	4,700	4,800
Female share of total workforce	25.07%	27.27%	25.94%
Females in management positions (% of total management workforce)	25.08%	32.83%	33.15%
Females in junior management positions (% of total management workforce)	32.63%	34.41%	34.60%
Females in top management positions <sup>17</sup> (% of total management workforce)	22.66%	17.86%	17.54%
Females in management positions in revenue-generating functions (% of all such managers)	27.13%	30.24%	26.08%

LIVE

WELLNESS AND REWARDS

Our aim is to establish a workplace culture that embraces employee well-being. Across our company, we apply health and safety standards that are based on applicable regulatory requirements, as well as industry best practices. We promote healthy lifestyles across our global enterprise by offering our employees numerous health benefits, wellness and work/life balance programs that are tailored to employees' needs and culture by work location. Full-time employees have access to benefits such as medical plans, dental and vision coverage, and in many locations, on-site medical care and confidential assistance for personal matters. All of Molson Coors' business units comply with minimum required maternity leave laws, and in many countries we go further to provide flexible work schedules and extended leave for new parents.

Most employees can also participate in various aspects of our wellness program, which seeks to inform and, when possible, incentivize healthy habits and lifestyles. Our global employee assistance programs provide free and confidential assistance in areas such as family and personal relationships, personal crises, depression, anxiety, family care and financial and legal concerns, as well as health and well-being issues, available for most of our employees and their families depending on their region.

We stress the importance of workplace and personal safety, and raise awareness that the responsible consumption of alcohol is consistent with sociability and an active, healthy lifestyle. Accordingly, we ask every employee to complete alcohol responsibility training to better understand the impact of alcohol on the human body, as well as how best to recognize and intervene, as necessary, when excessive drinking is observed. Employees not only learn about the company's [Alcohol Responsibility Policy](#) and the consequences for non-compliance, but they are also encouraged to be champions for alcohol responsibility, on the job, with their families and in their communities. Our Alcohol Training is refreshed every two years.

THRIVE

EMPLOYEE ENGAGEMENT

One of the most important challenges facing any employer is attracting, developing and retaining the best talent. We believe employee engagement directly impacts business performance, safety, turnover and absenteeism.

Global People Survey

At Molson Coors, we use a continuous listening model to ensure we understand our employee sentiment throughout the year. This approach consists of a biennial Global People Survey, an

external benchmarking Great Place to Work® survey on alternating years, regular pulse surveys, rolling exit surveys, and in 2019 we have begun an onboarding survey that will help us understand the employee experience across the entire employment lifecycle.

On a biennial basis, our Global People Survey asks employees a number of ethical, social and environmental questions that we believe are drivers of employee engagement. Results help teams focus action-planning efforts on key drivers of employee engagement that will have the greatest impact on engagement and our ability to achieve our goals.

Between Global People Surveys, we use short, regular pulse surveys to continually understand how employees feel about key issues such as the Molson

Coors global integration, their managers, the pace of change and their understanding of the organization's strategic direction. In 2018, a sample of our global employee population participated in the Great Place to Work® survey. This provided additional feedback and baseline comparisons to other multinational production and manufacturing corporations, helping us understand what we need to do to be recognized as a Great Multinational Place to Work, one of our strategic goals for 2025.

This continuous listening approach allows us to be constantly connected to employees, and agile in addressing opportunities that can positively impact our business.

Employee Engagement<sup>18, 19</sup>

	2013	2015	2017
Annual survey participation rate	83%	84%	80%
Employee engagement	57%	65%	81%
Believe company is socially and environmentally responsible	77%	80%	89%
The company's actions in support of Our Beer Print make me proud to work here <sup>20</sup>	-	72%	91%
Data coverage	100%	100%	100%

	2016	2017	2018
Employee turnover rate (total)	12%	10.4%	14.9%



## HEALTH AND SAFETY

We believe the health and wellness of our people is fundamental to their performance and engagement. Health and safety is part of our global commitment to doing business the right way, and we work to achieve a workplace culture in which health and safety are embraced by all.

Our Environment, Health and Safety (EHS) Policy guides our approach to managing health and safety. This approach is formalized by our EHS pillar within WCSC 2.0, and provides the framework for our EHS Management System.

Through our EHS Policy, we aim to instill employee ownership at all levels of our organization. We are dedicated to maintaining safe and healthy workplaces. We take a proactive approach to the identification and control of EHS risks, and expect all employees to take responsibility for EHS through the opportunities for involvement we provide. We are committed to continuously improving our EHS performance through methodologies that aim to prevent workplace injuries and illnesses, and reduce the environmental impacts of our operations and products throughout their lifecycles.



*Our performance*

Safety is a central focus of Our Beer Print 2025 strategy with an ambitious target to reduce our internal Lost Time Accident (LTA) rate by 40% by 2025. LTA measures the Lost Time Rate (LTR) per 200 thousand hours for employees and contractors' workplace injuries, as well as any employee occupational illnesses that result in lost time. Based upon a baseline LTR of 0.46 in 2016, Molson Coors is currently achieving a 17% reduction.

### Lost Time Rate

(Lost Time Rate/200,000 hours worked)

2016	<b>0.46</b>
2017	<b>0.39</b>
2018	<b>0.38</b>

	2016	2017	2018
Fatalities (including contractors)	0	0	0

## COMMUNITY ENGAGEMENT

Molson Coors has a long, proud history of giving back to our communities. This commitment is behind our 2025 goal of providing \$100 million dollars in cumulative cash and in-kind donations to these communities. To achieve this, we are concentrating on the areas of most importance to our neighbors and our business – fostering empowerment, improving livelihoods and building resilient communities to make the places where we work better places to live.

### Employee Volunteering

We believe the best way to support communities is to be active within them. Throughout our company, we support our people to make an active difference to their communities and the environment through volunteering. Our Global Volunteer Policy helps us to maintain a consistent approach while allowing for regionally specific conditions. As a result, volunteering has become a part of many of our employees' lives. In 2018, our employees donated approximately 45,000 hours of service to our communities.

### 2018 Community Contributions

(Total US\$)



# Our Four-Step Supplier Monitoring Process

## STAGE 1 – SCREENING

We conduct a pre-screening of our suppliers that focuses on employment standards and human rights, ethical business practices and regulatory compliance, business continuity preparedness and key environmental indicators.

## STAGE 2 – IDENTIFICATION

During the tendering process, suppliers will be requested to provide data and comments to questionnaires on areas of concern within each category. High-risk suppliers, identified during the screening process, will be asked to complete a Sedex Self-Assessment Questionnaire (SAQ) to gather further information on any potential risks.

## STAGE 3 – SUPPLIER DEVELOPMENT

We work with our suppliers to address any concerns and provide guidance to enable continuous improvement against our standards.

## STAGE 4 – AUDIT

Suppliers identified as representing the highest potential risk during the SAQ process are required to undergo an audit. After an audit is conducted and all findings are recorded, a corrective action plan is established. This helps to ensure that minimum expectations are being applied to their business operations and supply chains, and that risks are being addressed. If an agreement cannot be reached, we will consider terminating the contract.

## PROCUREMENT PRACTICES

### SUSTAINABLE PROCUREMENT STRATEGY

We believe an integral part of doing business the right way is adopting the best practice standards and techniques to achieve sustainable procurement. To maintain the highest standards, we aim to balance economic development, social development and environmental protection with our commercial needs for quality, reliability, innovation and value. To achieve this, we focus our procurement strategy on key areas, such as environmental sustainability, social and economic sustainability (including employment standards and human rights), ethical business, community responsibilities, environmental impact and data security.

We actively monitor regulations regarding genetically modified organism ingredients in all our markets and are committed to compliance with health, food, safety, labeling and ingredients regulations. In addition to adopting best-practice sourcing standards and techniques, we aim to work with suppliers who have the same ambition. This allows us to jointly:

- Meet and exceed our customers' growing expectations to procure ethically and responsibly
- Implement better risk management by protecting our interests throughout the supply chain
- Drive efficiency and continuous innovation through our supply chains

We updated our Standards for Suppliers document in 2018, which sets out our minimum compliance requirements. We expect all Molson Coors suppliers to adopt these standards and have processes in place to verify and demonstrate applicable compliance in their own operations. Where the use of subcontractors or other third-party organizations

is permitted, we also expect our suppliers to implement the Molson Coors Standards for Suppliers throughout their supply chains. Our standards are communicated as an ongoing requirement to our global supply base through our standard terms and conditions.

### SUPPLIER MONITORING

As one of the world's largest brewers with an extensive global supply chain, we aim to ensure that every supplier we work with commits to an ethical and sustainable supply chain. That's why we have developed a four-stage process to screen, identify and monitor potential issues, such as workers' rights (including modern slavery), the environment, health and safety, and business ethics.

Through the Supplier Ethical Data Exchange (Sedex), we're able to manage supplier performance on labor rights, health and safety, the environment and business ethics. As part of our due diligence process, we've completed a Sedex Risk Assessment Pre-Screen for around 11,000 suppliers of our current global supplier base. These suppliers were screened initially to identify potential supply chain risks based on category, spend and geographic location.

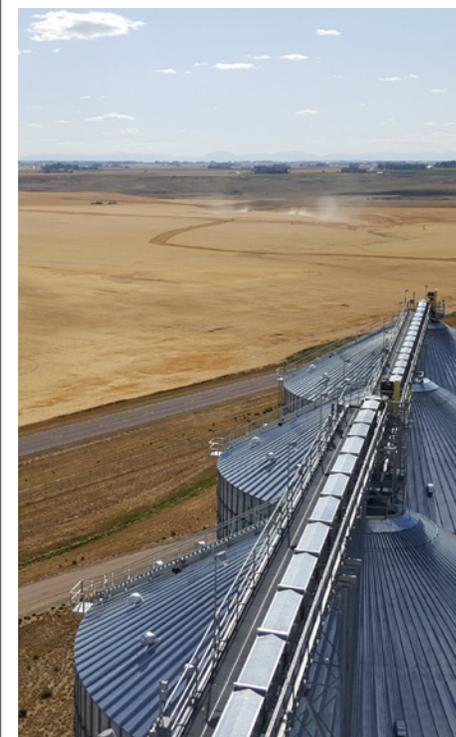
### SUPPLIER DIVERSITY

We are committed to promoting diversity and inclusion in our supply chain to foster mutual benefits for us and for our suppliers and to support economic growth in our local communities. Our total spend with women-owned and minority-owned small businesses is formally incorporated into our quarterly procurement scorecards, with oversight from leadership. We believe we've made significant progress in our supplier diversity program in the US and we plan to expand the scope of our work to encompass Canada and the UK in the coming years as we continue to drive progress toward our 2025 goals to promote a diverse and ethical supply chain.

### PERCENTAGE OF MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES SPEND

2016	7.09%
2017	6.52%
2018	6.87%

- Set against a 2016 baseline incorporating 100% Molson Coors and MillerCoors data.
- As of December 2018.
- While we still have unionized employees within our Central Europe business, our new employee data system does not allow us to identify union employees within this region.
- 2016 data does not include MillerCoors.
- Includes executives and senior management.
- Not a direct comparison as 2017 was the first year in which both Molson Coors and MillerCoors organizations participated in the survey.
- Since 2012, we have alternated between conducting surveys of 100% of employees and smaller sample surveys. We did not hold a full survey in 2018, so the most recent data is from 2017.
- New question added in 2015.



## GRI CONTENT INDEX

This report has been prepared in reference to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards. For a detailed explanation of the indicators, visit the GRI website <https://www.globalreporting.org/standards/>.

### GENERAL DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION AND NOTES
<b>Organizational Profile</b>		
102-1	Name of the organization	<a href="#">Our Beer Print (OBP) Report (pg. 2)</a> ; <a href="#">Environmental, Social and Governance (ESG) Report (pg. 2)</a>
102-2	Primary brands, products, and/or services	<a href="#">OBP Report (pg. 4–5)</a> ; <a href="#">2018 Annual Report on Form 10-K</a>
102-3	Location of organization's headquarters	<a href="#">OBP Report (pg. 5)</a> ; <a href="#">2018 Annual Report on Form 10-K</a>
102-4	Number of countries where the organization operates, and countries with major operations or relevant to sustainability issues	<a href="#">OBP Report (pg. 5)</a> ; <a href="#">2018 Annual Report on Form 10-K</a>
102-5	Nature of ownership and legal form	<a href="#">2018 Annual Report on Form 10-K</a>
102-6	Markets served	<a href="#">2018 Annual Report on Form 10-K</a>
102-7	Scale of the reporting organization	<a href="#">OBP Report (pg. 2)</a> ; <a href="#">2018 Annual Report on Form 10-K</a>
102-8	Employees by employment contract and gender	Breakdown by gender in <a href="#">ESG Report (pg. 15)</a>
102-9	Description of supply chain	Our supply chain starts from the barley and hops fields where our farmers supply our agricultural brewing ingredients. Our packaging, such as bottles and cans, also makes up a large portion of our carbon footprint, which is why we work closely with our packaging suppliers to reduce their carbon emissions. We also work with transportation suppliers to drive efficiencies in our transportation and logistics network.
102-10	Significant changes to size, structure, or ownership	<a href="#">2018 Annual Report on Form 10-K</a>
102-11	Whether and how the precautionary approach or principle is addressed	<a href="#">ESG Report (pg. 9–13)</a>
102-12	External initiatives	<a href="#">OBP Report (pg. 2)</a> ; <a href="#">ESG Report (pg. 2)</a>
102-13	Membership of associations	<a href="#">OBP Report (pg. 14, 22, 25, 27)</a> ; <a href="#">ESG Report (pg. 6, 8, 10)</a> ; <a href="#">SDG Impact Report (pg. 11)</a>
<b>Strategy</b>		
102-14	CEO statement	<a href="#">OBP Report (pg. 3)</a> ; <a href="#">ESG Report (pg. 3)</a>
<b>Ethics and Integrity</b>		
102-16	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	<a href="#">ESG Report (pg. 5)</a> ; <a href="#">Code of Business Conduct</a>
<b>Governance</b>		
102-18	Governance structure	<a href="#">ESG Report (pg. 3)</a> ; <a href="#">Molson Coors corporate website</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">ESG Report (pg. 3)</a> ; <a href="#">Molson Coors corporate website</a>
102-21	Consulting stakeholders on economic, environmental, and social topics	<a href="#">ESG Report (pg. 3)</a> ; <a href="#">Molson Coors corporate website</a>
G4 – 37	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	<a href="#">ESG Report (pg. 6)</a>
<b>Stakeholder Engagement</b>		
102-40	Stakeholder groups engaged by the organization	<a href="#">ESG Report (pg. 3)</a> ; <a href="#">Molson Coors corporate website</a>
102-41	Percentage of employees covered by collective bargaining agreements	<a href="#">ESG Report (pg. 15)</a>

## GENERAL DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION AND NOTES
102-42	How stakeholders are identified and selected	<a href="#">ESG Report</a> (pg. 3); <a href="#">Molson Coors corporate website</a>
102-43	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	<a href="#">ESG Report</a> (pg. 3); <a href="#">Molson Coors corporate website</a>
102-44	Key concerns raised through stakeholder engagement, and how the organization responded	<a href="#">Molson Coors corporate website</a>
<b>Reporting Practice</b>		
102-45	Entities included in consolidated financial statements and if any are not in report	<a href="#">OBP Report</a> (pg. 4–5); <a href="#">ESG Report</a> (pg. 2); <a href="#">2018 Annual Report on Form 10-K</a>
102-47	Material aspects identified	<a href="#">Molson Coors corporate website</a>
102-48	Effect of restatements	N/A
102-49	Significant changes from previous reporting period	<a href="#">OBP Report</a> (pg. 2); <a href="#">ESG Report</a> (pg. 2)
<b>Report Profile</b>		
102-50	Reporting period	<a href="#">OBP Report</a> (pg. 2); <a href="#">ESG Report</a> (pg. 2)
102-51	Most recent report	<a href="#">OBP Report</a> (pg. 2); <a href="#">ESG Report</a> (pg. 2)
102-52	Reporting cycle	<a href="#">OBP Report</a> (pg. 2); <a href="#">ESG Report</a> (pg. 2)
102-53	Contact for sustainability report	For questions and comments, please email <a href="mailto:corporate.responsibility@molsoncoors.com">corporate.responsibility@molsoncoors.com</a>
102-54	Claims for reporting in accordance with the GRI standards	<a href="#">OBP Report</a> (pg. 2); <a href="#">ESG Report</a> (pg. 2)
102-55	GRI Content Index	<a href="#">ESG Report</a> (pg. 19); <a href="#">Molson Coors corporate website</a>
102-56	External assurance	<a href="#">Independent assurance of environmental, health and safety performance data</a>

## MATERIAL TOPICS

INDICATOR	DESCRIPTION	LOCATION AND NOTES
<b>Economic</b>		
<b>Economic Performance</b>		
201-1	Direct economic value generated and distributed	<a href="#">OBP Report</a> (pg. 5); <a href="#">2018 Annual Report on Form 10-K</a>
201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	<a href="#">2018 CDP submission</a>
<b>Anti-corruption</b>		
205-2	Communication and training on anti-corruption policies and procedures	<a href="#">ESG Report</a> (pg. 6)
<b>Environmental</b>		
<b>Energy</b>		
302-1	Energy consumption within the organization	<a href="#">ESG Report</a> (pg. 11)
302-3	Energy intensity	<a href="#">ESG Report</a> (pg. 11)
302-4	Reduction of energy consumption	<a href="#">ESG Report</a> (pg. 11)
<b>Water</b>		
303-1	Total water withdrawal by source	<a href="#">ESG Report</a> (pg. 10)

## MATERIAL TOPICS

INDICATOR	DESCRIPTION	LOCATION AND NOTES
<b>Emissions</b>		
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	<a href="#">ESG Report</a> (pg. 11)
305-2	Energy indirect GHG emissions (Scope 2)	<a href="#">ESG Report</a> (pg. 11)
305-3	Other indirect GHG emissions (Scope 3)	<a href="#">ESG Report</a> (pg. 11)
305-4	GHG emissions intensity	<a href="#">ESG Report</a> (pg. 11)
305-5	Reduction of GHG emissions	<a href="#">ESG Report</a> (pg. 11)
<b>Effluents and Waste</b>		
306-2	Total weight of waste by type and disposal method	<a href="#">ESG Report</a> (pg. 12)
<b>Environmental Compliance</b>		
307-1	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<a href="#">ESG Report</a> (pg. 13)
<b>Social</b>		
<b>Employment</b>		
401-1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Total turnover in <a href="#">ESG Report</a> (pg. 16)
<b>Occupational Health and Safety</b>		
403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Lost Time Rate (LTR) reported in <a href="#">ESG Report</a> (pg. 17)
<b>Training and Education</b>		
404-1	Average hours of training per year per employee by gender, and by employee category	Average training hours in <a href="#">ESG Report</a> (pg. 15)
404-2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<a href="#">ESG Report</a> (pg. 15); <a href="#">OBP Report</a> (pg. 32)
<b>Diversity and Equal Opportunity</b>		
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Breakdown of employees by gender can be found in <a href="#">ESG Report</a> (pg. 15)
<b>Local Communities</b>		
413-1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100 percent of our large breweries and offices implemented local community engagement. More information can be found in <a href="#">OBP Report</a> (pg. 34–35) and <a href="#">ESG Report</a> (pg. 17).
<b>Public Policy</b>		
415-1	Total value of political contributions by country	<a href="#">ESG Report</a> (pg. 6)
<b>Customer Health and Safety</b>		
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	All of our products address alcohol responsibility and drink driving issues with audiences above the legal drinking age. More information can be found in <a href="#">OBP Report</a> (pg. 12–13) and <a href="#">ESG Report</a> (pg. 8).
<b>Product and Service Labeling</b>		
417-1	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements	<a href="#">OBP Report</a> (pg. 12)

## COMMUNICATION ON PROGRESS

### UN GLOBAL COMPACT

The UN Global Compact (UNGC) and CEO Water Mandate are consistent with our global commitment to sustainability. We continue to support the Ten Principles of the UNGC and six elements of the CEO Water Mandate and are committed to making them part of our corporate strategy, culture and day-to-day operations.

The table below indicates where descriptions of the practical actions we have taken to implement the UNGC and CEO Water Mandate can be found in our public reporting.

UN Global Compact		
ISSUE AREA	PRINCIPLE	FURTHER INFORMATION
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	<a href="#">ESG Report (pg. 6)</a> ; <a href="#">Employment Principles</a> ; <a href="#">UK Modern Slavery Act Statement</a>
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses	
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	<a href="#">ESG Report (pg. 6)</a> ; <a href="#">Employment Principles</a> ; <a href="#">UK Modern Slavery Act Statement</a>
	Principle 4: The elimination of all forms of forced and compulsory labor	
	Principle 5: The effective abolition of child labor	
Environment	Principle 6: The elimination of discrimination in respect of employment and occupation	<a href="#">ESG Report (pg. 9–13)</a> ; <a href="#">OBP Report (pg. 16–27)</a> ; <a href="#">Environmental, Health and Safety Policy</a> ; <a href="#">Agricultural Brewing Ingredients Policy</a> ; <a href="#">Packaging Policy</a>
	Principle 7: Business should support a precautionary approach to environmental challenges	
	Principle 8: Undertake initiatives to promote greater environmental responsibility	
Anti-Corruption	Principle 9: Encourage the development and diffusion of environmentally friendly technologies	<a href="#">ESG Report (pg. 5–6)</a> ; <a href="#">Code of Business Conduct</a>
	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	

CEO Water Mandate	
COMMITMENTS	FURTHER INFORMATION
Direct Operations	<a href="#">ESG Report (pg. 10)</a> ; <a href="#">OBP Report (pg. 21–22)</a> ; <a href="#">SDG Impact Report (pg. 6)</a>
Supply Chain and Watershed Management	<a href="#">ESG Report (pg. 10)</a> ; <a href="#">OBP Report (pg. 21–22)</a> ; <a href="#">SDG Impact Report (pg. 6)</a>
Collective Action	<a href="#">ESG Report (pg. 10)</a> ; <a href="#">OBP Report (pg. 21–22)</a> ; <a href="#">SDG Impact Report (pg. 6)</a>
Community Engagement	<a href="#">OBP Report (pg. 22)</a> ; <a href="#">SDG Impact Report (pg. 6)</a>
Public Policy	<a href="#">ESG Report (pg. 10)</a> ; <a href="#">SDG Impact Report (pg. 6)</a>
Transparency	Our OBP Report discusses our water stewardship targets, practices and current performance. Our water data is assured according to ISAE 3000 by a third party, Corporate Citizenship. We report on water and climate risk in our <a href="#">2018 Annual Report on Form 10-K</a> .



## MOLSON *Coors*

This report contains “forward-looking statements” within the meaning of the US federal securities laws. Generally, the words “believe,” “expect,” “intend,” “anticipate,” “project,” “working,” “striving,” “will” and similar expressions identify forward-looking statements, which generally are not historic in nature. Forward-looking statements include those relating to the company’s investments in socioeconomic programs; water management and other environmental efforts; reuse and recycling measures; and sourcing of raw materials. Although the company believes that the assumptions upon which its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the company’s present projections and expectations are disclosed in the company’s filings with the Securities and Exchange Commission (“SEC”). These factors include, among others, health of the beer industry and our brands in our markets; economic conditions in our markets; stock market and commodities performance; crop yields; consumer demand; global economic conditions; changes in laws and regulations; development of new technology; costs of resources and raw materials; force majeure events; changes in our supply chain system; availability or increase in the cost of packaging materials; success of our joint ventures; risks relating to operations in developing and emerging markets; the impact of climate change and the availability and quality of water; the ability to attract, hire and retain qualified personnel; future financial and operating performance within and related to the industry; and other risks discussed in our filings with the SEC. All forward-looking statements in this report are expressly qualified by such cautionary statements and by reference to the underlying assumptions. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise.