

# MOLSON Coors

OUR BEER PRINT REPORT 2018



RAISING THE

Bar

ON BEER

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RESPONSIBLY REFRESHING

SUSTAINABLY BREWING

COLLECTIVELY CRAFTED

# About This Report

## Welcome to the Molson Coors Our Beer Print Report 2018.

This report provides an update on Our Beer Print 2025 goals that we launched last year. The report offers clear reference to our progress, including a selection of key stories and relevant highlights on material areas.

The reporting scope covers Molson Coors Brewing Company's (MCBC) direct operations: Molson Coors Canada, Molson Coors Europe, Molson Coors International and MillerCoors in the US.

The report details our activities in the fiscal year from January 1 to December 31, 2017, with additional information on activities after that date where appropriate. All data and metrics included in this report cover 100% of MCBC's activities and performance.

We have continued our commitment to report against international frameworks, such as the Global Reporting Initiative (GRI) Standards, the Dow Jones Sustainability Index (DJSI), the Ten Principles of the UN Global Compact (UNGC), and alignment with the United Nations Sustainable Development Goals (UN SDGs). Full details of our 2017 performance, aligned to these global frameworks, are available in our [Environmental, Social and Governance \(ESG\) Report](#).

Our reporting, which includes our ESG Report, has been prepared in reference to the GRI Standards. Assurance of the data contained within this report has been carried out by Corporate Citizenship in accordance with ISAE3000.

For full details of our 2017 performance, including the GRI Index, please see our [ESG Report](#).

For questions, contact us at [corporate.responsibility@molsoncoors.com](mailto:corporate.responsibility@molsoncoors.com)



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# Message From Mark

Molson Coors is a company of dedicated people who aim to be First Choice for Consumers and Customers. As part of that ambition, we strive to leave a positive imprint everywhere we operate, with every pint of beer we brew. That's why, when we became one of the world's largest brewers, we wanted to challenge the expected and show the world's beer drinkers what's possible. It's this spirit that drove us to set ambitious sustainability targets for 2025 and demonstrate our commitment to the United Nations Sustainable Development Goals (SDGs).

Since launching our goals a year ago, we've rallied our people behind them and embedded the goals across our business. There's a lot to be proud of in this year's Our Beer Print Report, and I'm pleased to share with you how we are making a positive impact in our communities and our environment in our first year of reporting progress against our 2025 goals.

Our commitment to making great-tasting beers that are **Responsibly Refreshing** means going beyond just doing the right thing. We believe sharing a beer with friends is one of life's simple pleasures and we continuously work to help our consumers get the most out of their enjoyment by promoting responsible drinking, providing nutritional information and driving innovation in great-tasting low- and no-alcohol products. We've made a strong start on our journey with the launch of Coors Edge – our latest non-alcoholic brew in Canada – and we now offer low- and no-alcohol choices in 14 countries. Our plan is to expand this to all of our countries where we have brewing and selling operations by 2025, and we're working to accelerate our efforts to achieve this ahead of schedule.

Molson Coors has a long history in **Sustainable Brewing**, and with this report we've had an exciting year of firsts. We've committed to align our 2025 carbon reduction targets with the established standards for science-based targets,<sup>1</sup> making us one of nearly 430 companies

worldwide to do so. Today we have reached zero waste to landfill at 14 of our sites and intend to achieve this across all of our brewing and major manufacturing facilities by 2025. At our breweries, we plan to reduce our water usage by 2.1 billion gallons by 2025. But our commitment to brewing sustainably doesn't stop at our brewery doors. We're offering \$2 million in incentives to our growers who prioritize sustainability – and that only helps amplify the positive environmental impact we are making as a business.

We believe we can also make a positive impact as an employer and civic partner in the communities where we work and play. This means working in collaboration with our people and community members who **Collectively Craft** a culture that encourages giving back to the communities that help sustain our business. And it's why over the past two years we've invested almost \$23 million in local communities and are working toward our goal of making \$100 million in contributions by 2025.

For me, these achievements demonstrate our commitment to truly "Raise the Bar on Beer" and create a more sustainable future for our people, our communities and our planet. With our sights on 2025, we aim to carry on breaking new ground. Bit by bit. Beer by beer. And I look forward to sharing our progress.

*Mark Hunter*

**Mark Hunter, CEO and Vice Chair of the International Alliance for Responsible Drinking (IARD)**



<sup>1</sup> Source: [sciencebasedtargets.org/companies-taking-action](http://sciencebasedtargets.org/companies-taking-action)

# Brewing Passion Everywhere

## Beer is More Than What We Make – It's Who We Are

With a story that starts in 1774, we've spent centuries defining brewing greatness. With this heritage, we're more passionate than ever about making great beer. And it's this passion that gives us a lasting connection to the people who enjoy our beer.

### The Ingredients

- **27 primary breweries\***
- **13 craft breweries**
- **2 cideries\*\***
- **\$11 billion net sales revenue and \$2.5 billion of excise tax**
- **Approximately 17,200 full-time employees**

### The Recipe

Our story combines three great brewing families: Molson, Coors and Miller. Through their expertise and recipes, we have brewed a global family that is taking the art of great beer to new communities and fans around the world.

### The Results

As one of the world's leading brewers with a diverse range of brands, we're proud to say that we've got a beer to suit any taste.

\* One brewery is currently not operating.

\*\* One cidery was closed in 2018.

### Global Priority Brands\*

- Blue Moon
- Coors Banquet
- Coors Light
- Miller Genuine Draft
- Miller Lite
- Staropramen

### Selection of Our Craft, Specialty or Other Brands\*

- Cobra
- Creemore Springs
- Franciscan Well
- Granville Island
- Leinenkugel's
- Sharp's Doom Bar

### National Champion Brands\*

- Bergenbier
- Borsodi
- Carling
- Coors Light
- Jelen
- Kamenitzka
- Miller Lite
- Molson Canadian
- Nikšičko
- Ožujsko
- Staropramen

\*For a full list of all our Molson Coors brands, please visit our company website.

# Growing Our Business With a Positive Beer Print

In 2016, we became one of the largest brewers in the world with the acquisition and integration of MillerCoors. This larger business meant more responsibility too. In 2017, inspired by the UN Sustainable Development Goals (SDGs), we used a [materiality assessment](#) to zero in on our key areas of responsibility and further our commitment to Our Beer Print.

Informed by the findings in our analysis, we developed and implemented a new strategy, designed to take us beyond just doing the right thing and drive us toward doing the best thing. Since the launch of Our Beer Print 2025 strategy, our people have rallied behind our most ambitious set of sustainability targets yet.

It's been a great year of embedding our goals across the business, and we're excited to share our first year of progress updates with you. We look forward to continuing a journey aimed to ensure that every beer print we leave behind is a positive one.

See our [ESG Report](#) to read more about how we arrived at the most important issues for Molson Coors.

### SUPPORTING THE SDGS

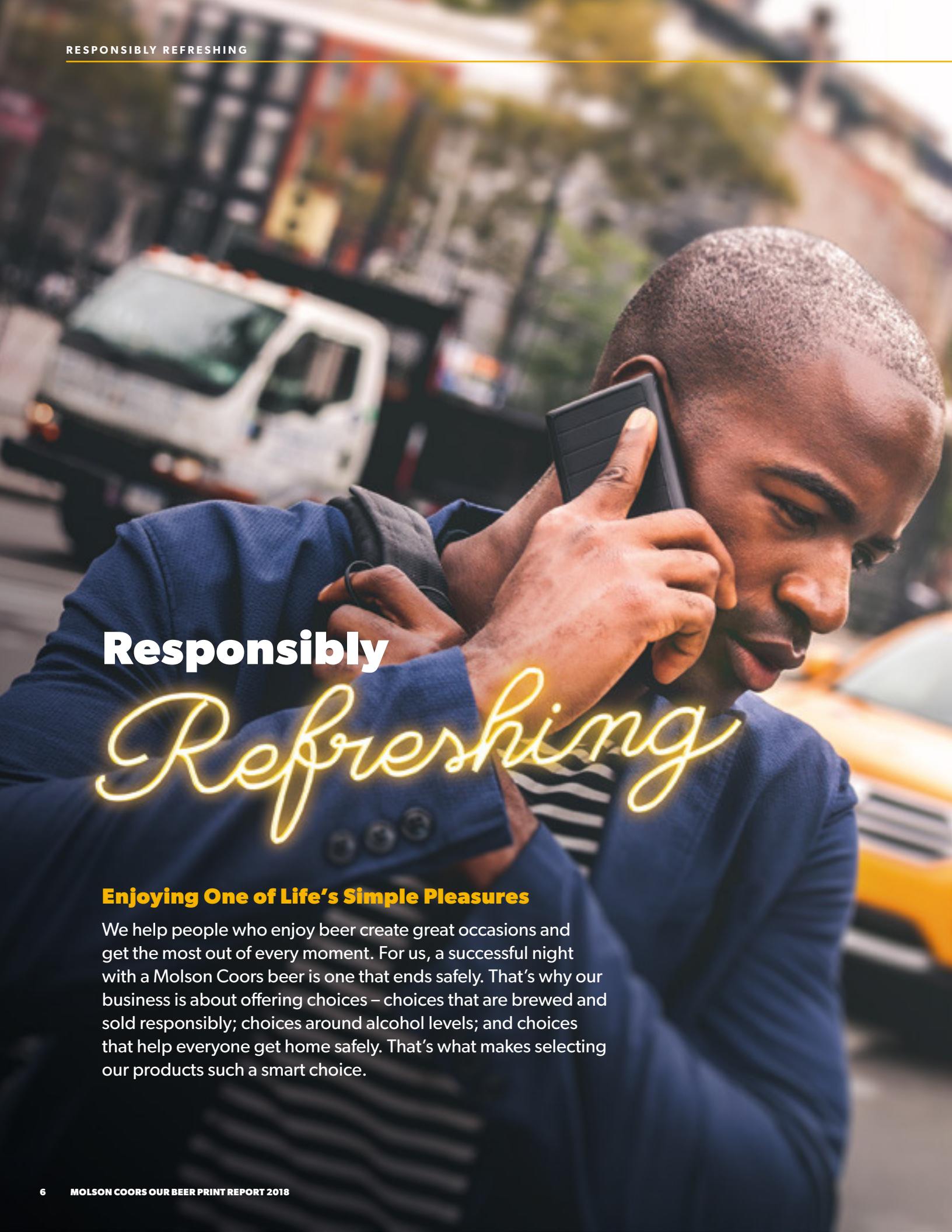
The United Nations Sustainable Development Goals (SDGs) offer industries and organizations an opportunity to align themselves to common goals that can change the way our world works.

At Molson Coors, we've identified the goals most relevant to our business in the following sections: [Responsibly Refreshing](#), [Sustainably Brewing](#), and [Collectively Crafted](#).

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# Our Beer Print 2025

WHAT WE BELIEVE IN	2025 GOALS	STATUS	FIND OUT MORE
<b>Responsibly Refreshing: Enjoying One of Life's Simple Pleasures</b>  <i>Supporting the UN SDGs</i>  	<b>Prevention of underage drinking</b> and drunk driving in all our countries where we have brewing and selling operations	9 countries	Page 8
	<b>Partner with other global alcohol producers to achieve 10% reduction</b> globally in harmful alcohol use	In progress	Page 9
	<b>Responsible marketing</b> and advertising of all our products	In progress	Page 10
	<b>Deliver nutritional information, alcohol serving facts and ingredients</b> for all our products	On 96 product labels; On 248 product websites	Page 11
	<b>Low- and no-alcohol choices</b> in all our countries where we have brewing and selling operations	14 countries	Page 12
<b>Sustainably Brewing: From Grain to Glass</b>  <i>Supporting the UN SDGs</i>  	<b>Improve water-use efficiency</b> in our primary breweries to achieve a 2.8 hl/hl water-to-beer ratio	3.57 hl/hl	Page 16
	<b>Protect local water resources</b> in partnership with others	Three of our at-risk brewery watersheds have stewardship programs	Page 18
	<b>Reduce carbon emissions</b> across our operations by 50%, and throughout our value chain by 20%	Emissions reduced by: - 15% in operations - 6.2% in value chain	Page 19
	<b>Achieve zero waste to landfill</b> at all our brewing and major manufacturing facilities	14 facilities	Page 21
	<b>Improve water-use efficiency</b> of our agricultural supply chain and malting operations by 10%	In progress	Page 23
	<b>100% of barley and hops</b> sourced from sustainable suppliers in key growing regions	In progress	Page 24
<b>Collectively Crafted: For Our People and Communities</b>  <i>Supporting the UN SDGs</i>  	<b>Recognition on the Great Place to Work® Index</b>	In progress	Page 28
	<b>Greater health and safety</b> in the workplace with 40% reduction in Lost Time Accident (LTA) rate	15% LTA rate reduction	Page 30
	<b>\$100 million investment</b> aiming to improve livelihoods, foster empowerment and build resilient communities	\$22.6 million invested	Page 31
	<b>Ethical and sustainable</b> supply chain practices	In progress	Page 34
	<b>Supplier diversity</b> across the business	\$1.01 billion spent	Page 35

A close-up photograph of a man with short, light-colored hair, wearing a dark blue jacket over a striped shirt. He is holding a black smartphone to his ear with his left hand and a dark beer can in his right hand. The background is blurred, showing what appears to be a city street with other people and vehicles.

# Responsibly Refreshing

## Enjoying One of Life's Simple Pleasures

We help people who enjoy beer create great occasions and get the most out of every moment. For us, a successful night with a Molson Coors beer is one that ends safely. That's why our business is about offering choices – choices that are brewed and sold responsibly; choices around alcohol levels; and choices that help everyone get home safely. That's what makes selecting our products such a smart choice.

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## How We Raised the Bar in 2017

# Our 2025 Goals and Progress

### 2025 GOALS<sup>2</sup>

**Prevention of underage drinking** and drunk driving in all our countries where we have brewing and selling operations

**Partner with other global alcohol producers to achieve 10% reduction** globally in harmful alcohol use

**Responsible marketing** and advertising of all our products

**Deliver nutritional information, alcohol serving facts and ingredients** for all our products

**Low- and no-alcohol choices** in all our countries where we have brewing and selling operations

### PROGRESS – 1 YEAR IN

Nine countries, including our three largest countries by brand volume: US, UK and Canada.

Publicly reported on completion of a five-year set of joint commitments to reduce harmful alcohol use:

International Alliance for Responsible Drinking facilitated consultations with the World Health Organization and other global public health experts on industry practices and meaningful measures to reduce harmful alcohol use.

Our legal and marketing teams currently review all Molson Coors communication materials to ensure their compliance with company, industry and government standards. Established Marketing Compliance Committees, which we believe is a self-regulatory best practice, in the US and UK.

96 products (brands and brand extensions) deliver nutritional and alcohol serving facts on labels. 248 products deliver nutritional information, alcohol serving facts or ingredients on our websites.

14 countries, including our three largest countries by brand volume: US, UK and Canada.

### CONTRIBUTING TO UN SUSTAINABLE DEVELOPMENT GOALS



<sup>2</sup> Set against a 2016 baseline.

# Inspiring Responsible Drinking

We want the people who enjoy our beer to enjoy it for years to come. That's why we've built a legacy of encouraging our consumers to drink responsibly and we continue to responsibly refresh our consumers today. From supporting meaningful alcohol education and safety programs to working with others in our industry to reduce alcohol-related harm, we're making sure there's more responsibility behind every bottle to help our consumers make better decisions around drinking.

## Our Wider Contribution

**Our responsible drinking goals support the following UN Sustainable Development Goals and Targets:**

### Goal 3:

Good Health and Well-Being



### Target 3.6:

By 2020, halve the number of global deaths and injuries from road traffic accidents.



## Our 2025 Goals

Implement impactful programs to prevent underage drinking and drunk driving in every country where we have brewing and selling operations.

Partner with global alcohol producers to reduce harmful alcohol use by 10% and encourage consumers to have sociable and responsible drinking occasions.

## Empowering Consumers

We believe in arming our customers and consumers with information about the effects of harmful drinking – especially when it comes to drunk driving. We believe that drunk driving is preventable. That's why we go further to help prevent drunk driving at the source, offering alternative transport options of taxis, trains and ride apps.

We partner with public and private organizations in our major global markets to educate consumers on responsible consumption. Most of our major markets also have dedicated underage drinking and drunk driving initiatives, including ambassador and incentive programs to encourage consumers to take alternative transport after a great night out.

We're proud to share some of our most successful global examples of how we're making sure that there's more responsibility behind every bottle.

## Championing Designated Drivers

Working with Beer Canada, we launched the [Designated Driver Superhero](#) campaign, asking employees to pledge to be ambassadors of drunk driving prevention. The campaign received 1,380 employee pledges, including a commitment from our CEO of Molson Coors Canada, Fred Landtmeters. But it's not just our employees – 97%<sup>3</sup> of Canadian drivers polled say they take the role of being a designated driver seriously, and 94% believe that communities need more designated drivers.

<sup>3</sup> Source: Ipsos, 2017.



### Free Rides for Baseball Fans

In 2017, we marked the 30th anniversary of our Free Rides program. Since the program began, over 6.2 million people have taken advantage of a safe ride in 27 different communities. This past year, we held a multi-day Free Rides program in Chicago, Illinois, where baseball fans were provided with rides for four straight days during the crosstown baseball series. The campaign was incredibly successful, getting more than 50,000 fans safely back home from a great day out at some of Chicago's hottest games, which we accomplished in partnership with the Chicago Transit Authority (CTA) and Uber.

### A Decade of Raising Awareness With "Alcohol Is a Bad Driver"

Our Bulgarian business unit Kameniza AD continued its Alcohol Is a Bad Driver campaign for the 10th consecutive year. In 2017, we hosted an event at the Sofia Motor Show, giving attendees the opportunity to take part in a test drive simulation mirroring the effect of driving under the influence of alcohol using alcohol goggles. Since the campaign's inception 10 years ago, the number of victims of drunk driving in Bulgaria has fallen by more than 75%, according to the Ministry of the Interior.



### A Winning Team

Every year, thousands of fans enjoy our products during college sporting events. To ensure our products are enjoyed responsibly, we collaborate with our partners to prevent alcohol-related harm and limit consumption of our products to only those over the legal drinking age.

Since 2011, we've been partnering with universities that sell alcohol. We're particularly proud of our partnerships with the University of Texas at Austin (UT) and University of Maryland (UMD). After implementing strict alcohol policies and conducting alcohol management training, both UT and UMD continue to see favorable results from their work with us. After three years of alcohol sales, UT campus police data has shown an 87% decrease in alcohol-related arrests. At UMD, intoxication-related ejections at the stadium dropped by 72% from the previous season.<sup>4</sup>

MillerCoors continues to provide its alliance universities with Great Plays grants, which address risky drinking behavior on college campuses. In 2017, 11 universities received Great Plays grants amounting to almost \$150,000. Marquette University used the funding to provide Red Watch Band training to all residential sophomore students. The training program focused on knowledge, skill and confidence-building around preventing death from alcohol overdose. Approximately 2,000 students received this training in September 2017. Since the program began in 2011, \$1.2 million has been awarded overall to a number of universities to help them address harmful drinking through the Great Plays Grant Program.

<sup>4</sup>Data provided by UMD.

### Inspiring Our Industry – Partnering to Reduce Harmful Consumption

Molson Coors is a charter member of the International Alliance for Responsible Drinking (IARD). This collaborative industry body represents the 11 largest global brewers, distillers and vintners, and together we are cooperating with governments around the world to work toward a 10% reduction in harmful use of alcohol by 2025.

In 2017, the IARD made progress with the World Health Organization (WHO) with its inclusion in a key global discussion around how non-communicable diseases can be prevented. The IARD will build on its credibility in 2018 and provide an important industry voice on serious health issues, including collaboration that supports the UN's strategy to prevent non-communicable diseases and achieving the broader UN SDGs.

We're proud to report that, in 2017, our CEO Mark Hunter assumed the role of Vice Chair of the IARD, demonstrating Molson Coors' global leadership and desire to reduce harmful alcohol use. He plans to assume the position of IARD Chair in 2019.

More information about the IARD and the latest progress report can be found on the [CEO Producers' Commitments](#) site.

**10%**  
reduction in harmful use of alcohol by 2025



# Ensuring Responsible Marketing Practices and Consumer Information

Enjoying a beer is one of life's simple pleasures and that's why we want them to be enjoyed responsibly. We also want to make that easy to do, which means advertising and marketing every brand responsibly, and providing consumers with information on bottles, cans and websites about nutritional values, ingredients and alcohol content.

## Our Wider Contribution

**Our responsible marketing goals support the following UN Sustainable Development Goals and Targets:**

### Goal 3:

Good Health and Well-Being

### Target 3.5:

Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.



### Goal 17:

Partnerships for the Goals

### Target 17.16:

Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.



## Our 2025 Goals

Make certain 100% of our advertising and marketing programs are in compliance with company, industry and applicable governmental standards.

Deliver nutritional information, alcohol serving facts and ingredients to consumers for 100% of our products.

## Moderation Starts With Marketing

At Molson Coors, we have a proud tradition of developing creative and inspiring campaigns that celebrate the way beer can make a good time even better. But no matter how we're promoting our brews – from social media to TV to radio – we do our best to make sure that we follow guidelines established by governments, our industry and our own internal standards.

We back up our commitment to market responsibly by inviting consumers to tell us when they believe we have not fulfilled our duty to self-regulate our advertising materials. In fact, in the US, a third-party complaint resolution process is operated by the Beer Institute and is available to everyone, including our competitors, who wishes to have their complaints reviewed, according to the guidelines established by the [Beer Institute Advertising and Marketing Code](#).

### THE UK'S NO.1 LAGER



29 PINTS OF CARLING ARE SOLD EVERY SECOND  
HIGHEST RSP OF ANY TOP 50 BEER BRAND, MEANING MORE CASH IN YOUR TILL  
Source: Nielsen Scantrack, Jan 2016. © Molson Coors Beverage Company 2016

CARLING



## Reviewing Our Responsibility

We value the ability to self-regulate our advertising and constantly analyze our business for practices that should be replicated. The Marketing Compliance Committee (MCC) process established by MillerCoors includes a cross-functional group of employees who are responsible for reviewing communication materials against our internal standards, relevant local laws and industry standards, including the voluntary, self-regulatory [Beer Institute Advertising and Marketing Code](#) (BI Code), before they are released to the public.

Established by MillerCoors and expanded globally, we've implemented this rigorous marketing review process for Carling, Rekorderlig and Cobra, and we fully expect that all our brands in the UK & Ireland will align with MCC later in 2018. Going forward, we will continue to fine-tune training for our marketing employees and roll out the MCC process to the rest of our brands in Europe.

## Building Our Ambassadors

In early 2017, our commercial employees received training to comply with company policy, industry standards, and applicable laws and regulations. That means that every person with advertising and marketing responsibilities in Molson Coors must follow the policies, protocols and guidelines laid out in our policy. We also train our advertising agency partners and conduct in-depth training with all sales and marketing employees every two years.

In April 2018, we rolled out our Employee Alcohol Policy, a mandatory training for all employees company-wide that reiterates our company and our employees' obligation to model responsible drinking at all times. The Employee Alcohol Policy includes guidance regarding personal conduct, company-sponsored events, impaired driving and underage drinking. Every employee is required to read and acknowledge this Policy at hiring, and every two or three years thereafter as a refresher.

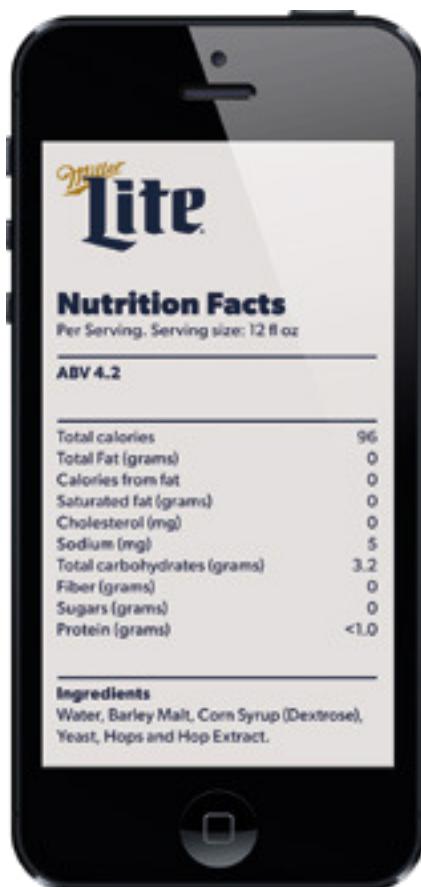
## A Look Inside: Better Labels on Every Beer

Today's consumers want to know exactly what goes into their favorite refreshment, which is why we developed a goal to transparently deliver nutritional values, alcohol serving facts and ingredients to consumers for all our products by 2025.

In the US, MillerCoors has joined other major US brewers in fulfilling the Beer Institute's Voluntary Disclosure Initiative. MillerCoors helped inspire the effort in 2013, when it began placing serving facts labels on its leading brands, including Coors Light and Miller Lite. Now, the industry-wide initiative encourages all companies to disclose nutritional values, alcohol content and freshness dates on labels of bottles and cans, and ingredients on labels or websites by 2020.

100% of MillerCoors brands now disclose ingredients on [MillerCoors.com](#).

This represents solid progress toward our 2025 goals in the US and we'll continue to work with our regional teams outside the US to implement impactful programs that inspire responsible consumption and uphold our commitment to alcohol responsibility.



# Driving Innovation

To give today's beer drinkers more ways to have a good time responsibly, we are broadening our portfolio to include a wider range of low- and no-alcohol options. With a low strength of 3.5% alcohol by volume or less, these products offer consumers the refreshment they enjoy with the responsibility they want.



## Our 2025 Goals

Offer consumers exceptional quality low- and no-alcohol choices in 100% of the countries where we have brewing and selling operations.

## More With Less – Innovating on Low- and No-Alcohol Products

As one of the world's largest brewers, we like to offer people who appreciate beer the options that suit their lifestyles and that help them find more ways to enjoy the good times. Recently, we've been focusing on doing that through providing more low- and no-alcohol choices that offer the same great taste and refreshment but without the strength of traditional beers.

That's why we've been refining our focus in the low- and no-alcohol category – particularly in Canada, Europe and Panama.

Our new products are helping us progress toward our 2025 goal of expanding our portfolio to include great-tasting low- and no-alcohol choices for our consumers in 100% of our countries where we have brewing and selling operations.



## BREWING UP NEW OPTIONS

In May 2018, we launched something a little bit different in Canada to help our consumers enjoy a great-tasting beer responsibly. Coors Edge is a non-alcoholic beer (contains less than 0.5% alcohol by volume) brewed for beer lovers. Coors Edge uses a unique double brew method that combines two different brews to create an exceptional non-alcoholic option for responsible and moderate drinkers.

This brew comes on the heels of new research that shows millennials in Canada are looking for more responsible drinking options.

A new survey of more than 1,200 Canadian beer drinkers found that:

- The top reason millennials consume non-alcoholic beer is to avoid drinking and driving.
- 95%<sup>5</sup> of millennials surveyed said that they take their designated driver role seriously. They understand the risks and the potential harm of getting behind the wheel while intoxicated.
- That's why they take action – 82% of driving and legal-drinking-aged Canadian millennials have served as designated drivers, making sure their friends and loved ones get home safely after a great night out.

More than ever, young Canadians know that having fun safely can help make great memories. Finding out what millennials are looking for from a night out was key in helping Molson Coors create a brilliant new beer that would help them do just that. Even better is the fact that by launching this product in one of our largest markets, we're working toward our 2025 goal to offer beer fans more moderate choices.



*"In the coming years, we will continue working toward our 2025 goal of providing a great-tasting low- or no-alcohol option, like Coors Edge, in 100% of our countries where we sell beer, as more and more consumers are seeking refreshment from beer that is lower alcohol, lower calorie and aligned with their preference to drink responsibly."*

**Bill Young,**  
*Global Senior Director of Alcohol Policy*



<sup>5</sup> Source: Ipsos, 2017.



# Sustainably Brewing

## From Grain to Glass

The ingredients of great beer? Quality barley, yeast, hops and water. Without them, there is no beer. That's why we need to ensure that the resources we use are sourced responsibly so we may have access to them for years to come. We work with our employees, growers and industry partners to reduce our footprint – meaning less waste, less energy and water use, and more efficiency. We can all raise a beer to that.

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## How We Raised the Bar in 2017

# Our 2025 Goals and Progress



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

### PROGRESS – 1 YEAR IN

<b>Improve water-use efficiency</b> in our primary breweries to achieve a 2.8 hl/hl water-to-beer ratio	3.57 hl/hl water-to-beer ratio achieved.
<b>Protect local water resources</b> in partnership with others	Three of our at-risk brewery watersheds have stewardship programs.
<b>Reduce carbon emissions</b> across our operations by 50%, and throughout our value chain by 20%	Reduced absolute carbon emissions from our direct operations by 15% and achieved an absolute carbon emissions reduction of 6.2% in our value chain.
<b>Achieve zero waste to landfill</b> at all our brewing and major manufacturing facilities <sup>7</sup>	Achieved or sustained zero waste to landfill at 14 brewing and major manufacturing facilities.
<b>Improve water-use efficiency</b> of our agricultural supply chain and malting operations by 10%	Working with our barley and hops farmers and strategic malt suppliers to establish a baseline in 2018.
<b>100% of barley and hops</b> sourced from sustainable suppliers in key growing regions	Enhanced our Molson Coors Agriculture Ingredients Policy, which outlines our sustainability standards, in key growing regions.

### CONTRIBUTING TO UN SUSTAINABLE DEVELOPMENT GOALS



<sup>6</sup> Set against a 2016 baseline.

<sup>7</sup> Our brewing and major manufacturing sites consist of facilities with over 75 employees.

# Making the Most of Every Drop

**Life depends on high-quality water. For Molson Coors, water is also a vital ingredient in our product – if there's no water, there's no beer, it's as simple as that. As a major water user, we believe we have a responsibility to use it wisely and protect it for other users and future generations. That's why we're committed to leading water stewardship by protecting watersheds and exploring ways to make the most of every drop.**

**Water takes center stage at pretty much every part of the production process – from the start, when it feeds the fields that grow our barley, to the end of the line, when it fills our bottles. So when we manage water, we need to think about the whole ecosystem.**

**Find out how we're working with farmers to reduce water use in our supply chain.**

## Our Wider Contribution

**Our water goals support the following UN Sustainable Development Goals and Targets:**

### Goal 6:

Clean Water and Sanitation

### Target 6.4:

By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

### Goal 17:

Partnerships for the Goals

### Target 17.16:

Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.



## Our 2025 Goals

Improve water-use efficiency in our primary breweries by 22% to achieve a 2.8 hl/hl water-to-beer ratio.<sup>8</sup>

Partner with others to protect valuable water resources in our high-risk watersheds where our breweries are located.

<sup>8</sup> Set against a 2016 baseline. This goal includes our primary breweries only.

## Thinking About Our Water Ecosystem



### WATERSHED

Freshwater is sourced from local watersheds to grow natural ingredients and for use at our breweries. We work to **PROTECT** and enhance the quantity, quality and access of watersheds where our breweries are located.

### FIELD

The ingredients that make up our brews rely on freshwater. We **REWARD** our growers for using water resources efficiently.

### BREWERY

Water is used throughout the production process at our breweries to make our great beers. We implement processes to **REDUCE** water losses and boost efficiency. We **REUSE** water and **RECYCLE** wastewater within our breweries.

### SOCIETY

We **RECOVER** resources (other than water) such as biogas and ethanol out of wastewater and put them to use in industry.

## Reducing, Reusing and Recycling at Our Breweries

By aligning with best practice and improving water efficiency in our breweries, we aim to reduce both our water use and the waste we generate.

We continually seek new ways to increase water efficiencies, such as finding innovative ways to reuse freshwater so we can make the most of every drop. We've set ourselves a target of reducing water consumption in our primary breweries by 22% by 2025, and to achieve a water-to-beer ratio of 2.8:1 – which our breweries in Trenton, Ohio, and Fort Worth, Texas, have either achieved, or are close to achieving.

**In 2017, we achieved a water-to-beer ratio of 3.57 hl/hl at our Molson Coors primary breweries.**

## Brewing Up Energy and Water Savings

Our facilities in Trenton, Ohio, and Fort Worth, Texas, have led the way in many of our sustainability efforts across our global brewery network. For instance, both breweries have achieved, or are nearly at, our 2025 goal of a 2.8 water-to-beer ratio years ahead of schedule. Additionally, our facilities in Trenton and Fort Worth have achieved 30% and 19% energy reductions respectively over the past four years.

The secret is not in technological improvements. The Fort Worth Brewery, for instance, is not a new brewery and yet it is paving the way for Molson Coors in water and energy savings. Both breweries have cultivated a culture where everyone, from frontline operators to brewery leadership, is accountable and engaged to improve sustainability metrics.

For example, leaders at Fort Worth perform a daily walkthrough of utilities and will ask the floor employees about energy and water performance. This daily activity demonstrates to all floor operators that sustainability is important to leadership and empowers them to make necessary changes based on their own judgment.

Similarly, at our facilities in Trenton, frontline operators are encouraged to join employee councils to improve sustainability. Through these councils, employees perform walkthroughs and are taught to look out for water and energy loss points on the brewery lines. For issues such as compressed air leaks, for example, employees have access to portable carts that allow them to make corrections on the spot as soon as they detect the problem.

We are collecting and sharing these people and process best practices across our brewery network so that other breweries can also learn and similarly make advancements in their sustainability metrics.

*"Our sustainability metrics are built into every level of the brewery, from our leadership to our operators. We encourage employees to question why we operate in a certain way, and feel empowered to provide feedback or raise ideas to improve our sustainability performance."*

**Brad Greer, Technical Services Manager, Fort Worth Brewery**



## Protecting Local Watersheds

We're working to protect and enhance the watersheds where our breweries are located, improve the quantity and quality of water in the water-stressed and scarce regions where we operate, and improve access to high-quality water for local communities. As each watershed is unique, with its own particular characteristics and challenges, we seek to work with local stakeholders and partners to provide customized solutions to fit each watershed's distinct needs.

This is why we are globally standardizing the assessment of watershed risk to help us identify the range of issues stemming from our at-risk brewery watersheds around the world. To do this, we've created a Watershed Risk Index Assessment process across our operations. This utilizes industry-accepted public water assessment tools, such as the World Resources Institute's (WRI) Aqueduct Tool, and focuses on three key categories of risk – quantity, quality and access to clean water for our employees and communities.

The work is already underway. In the US, in our water-scarce brewery watershed in California and our water-stressed brewery

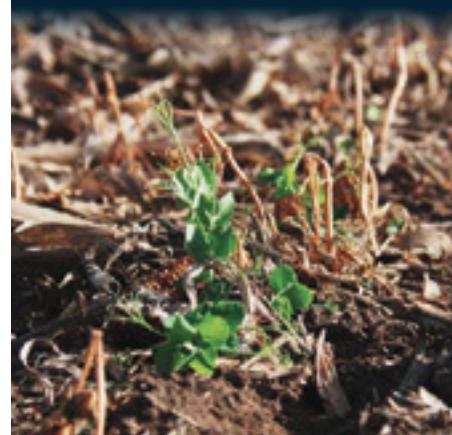
watersheds in Texas and Colorado, we partnered with organizations, such as The Nature Conservancy, Tarrant Regional Water District and California Water Action Collaborative, to restore water. In 2017, we restored approximately 460 million gallons of water to these watersheds.

In Europe, we're continuing to improve water quality and reduce our wastewater discharge by investing in anaerobic digesters and other water-quality technologies as needed. We also protect water quality by managing flooding risks. We understand that unreliable water infrastructure can cause interruptions to our operations. That is why, in the UK, our Burton-on-Trent facility has constructed a flood wall to minimize the risk posed by being on a floodplain.

As we progress toward our 2025 goals, we will continue to work with key stakeholders, including public, private and non-profit organizations, to safeguard this precious resource in our high-risk brewery watersheds. In particular, we will continue to implement projects that prove effective in mitigating risks and to share the findings with our collaborative partners and stakeholders.

## Taking Collective Action

Access to clean water is an issue of increasing global importance. At Molson Coors, we recognize that achieving sustainable supplies is not something that we can do on our own. It requires a concerted effort and the adoption of best practice across the entire industries. That's why we partner with local, national and international organizations, including major non-profits, companies, agricultural producers and environmental foundations, to work collectively on watershed issues. California Water Action Collaborative (CWAC) is an example of a local partnership working on the ground to protect and enhance California's water resources. We are also active in many cross-industry working groups, such as the Beverage Industry Environmental Roundtable (BIER), to collaborate and share best practices, as well as benchmark and develop guidance documents to advance environmental sustainability within the industry. By taking collective action, we can help protect water supplies, improve water quality and preserve resources for everyone.



# Reducing Our Carbon Footprint

We believe in doing more with less across all of our operations. That's why we focus on more efficient energy use and using renewables wherever we can. As a global citizen and a company that wants to do its part in limiting climate-related risks, we are committed to measuring, managing and reducing our greenhouse gas (GHG) emissions. Our strategy includes a continued focus to reduce our overall energy consumption by at least 20%, expand our use of on-site renewable energy where possible and develop a robust portfolio for off-site purchased renewable electricity. It means we're able to stay ahead of the game and show real leadership in reducing both our operating costs and our environmental impact right across our value chain.

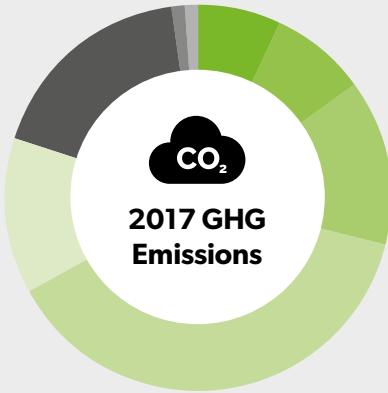


## Our 2025 Goals<sup>9</sup>

Reduce absolute carbon emissions from our direct operations by 50%, and achieve an absolute carbon emissions reduction of 20% across our value chain.

## Monitoring and Minimizing Our Carbon Footprint

In 2017, we launched a project to analyze our carbon and energy footprints across the company. By auditing our operations – including our value chain – we have obtained results that have helped us refine the scope of our data and inform our commitment to science-based targets. These targets will provide us with a clearly defined pathway to future-proof growth. They do this by detailing exactly by how much and how quickly we need to reduce our emissions to align with the globally agreed goal to limit temperature rise below 2 degrees Celsius.



We're already driving efficiencies across our breweries and increasing our use of renewables. In Ploiești, Romania, our Bergenbier Brewery is offsetting emissions from its brewing operations by supporting renewable energy projects, in addition to planting 150,000 fir trees over the next three years. Meanwhile, in the US, our Irwindale, California Brewery uses a 10-acre solar photovoltaic array and its own energy-generating engines and turbines. As a result, it has reduced its energy consumption by more than 25% since 2008.

**Since launching our goals in 2017, we've reduced our absolute carbon emissions from our direct operations by 15% and achieved an absolute carbon emissions reduction of 6.2% in our value chain.**

This year, we committed to aligning our 2025 direct and indirect carbon emissions reduction goals with Science Based Targets initiative's (SBTi's) standards for science-based targets.

## Molson Coors Carbon Footprint 2017

- Agriculture 7%
- Processing brewing ingredients 8%
- Manufacturing 14%
- Packaging materials 38%
- Logistics 13%
- Product cooling 18%
- End of life 1%
- Other 1%

Find out more about our carbon emissions performance in our [ESG Report](#).



## Driving Down Emissions From Transportation

In 2018, we are piloting a high-gravity brewing process that allows us to protect a beer's character and flavor, but takes less space, cuts down on transporting water and significantly drives down our emissions from transportation.

The output of this process is fresh-brewed, perfect-tasting beer. We are currently piloting this program in Canada and we hope to roll this model out to the larger network next year. This model not only allows us to brew great-tasting beer, brewed to perfection, but does so in a way that is better for the planet.



## Packing Up Our Emissions

Our assessments found that packaging materials are the largest source of emissions in our value chain footprint, accounting for 38% of the total. That's why as a key component of our 2025 goal to reduce emissions from our global value chain by 20%, we have set a specific packaging target to achieve a 26% emissions reduction in packaging materials (or -6.88 kgCO2e/hl), based on a 2016 baseline.

To achieve this, we're looking at it from all directions – from exploring disruptive packaging innovations and working with our packaging suppliers to reduce carbon emissions in their operations. Today, nearly all our packaging is recyclable – from the glass, aluminum and steel cans that contain our brews to the corrugated boxes and shrinkfilm<sup>10</sup> we use as secondary packaging. We continue to innovate with materials to reduce and lightweight our packaging. For instance, in our European operations, all our cans are being converted from steel to aluminum.

We continue to support take-back systems in markets where they operate. All our breweries in Canada, Central Europe and India have take-back systems, which allow us to accept and reuse beer containers, in addition to packaging materials like six-pack rings and corrugated cardboard. The [Beer Store](#) in Canada, which we jointly own with another major brewer, is considered a world-class system, with a recovery rate in 2017 of 86.7% for beer containers. This minimizes not only our packaging footprint, but also the overall emissions for our industry and community.

# Promoting a Circular Philosophy in Waste

Our circular mindset means that we aren't just about doing more with less – our commitment to true efficiency means that we're making sure our operations create less waste to begin with and where there is waste, it is recycled, remade or reused as something new. That's why we're aiming to achieve zero waste to landfill at all our brewing and major manufacturing sites<sup>11</sup> by 2025.

In 2017, we reduced total waste to landfill by 30% from the previous year. Find out more about our waste data in our [ESG Report](#).

## Our Wider Contribution

Our waste goal supports the following UN Sustainable Development Goals and Targets:

**Goal 12:**  
Responsible Consumption  
and Production



**Target 12.5:**  
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



## Our 2025 Goals

Achieve zero waste to landfill at all of our brewing and major manufacturing facilities.



## Sending Zero Waste to Landfill

We track all waste to landfill from all of our brewing and major manufacturing sites and, in 2017, we disposed of 2,253 tonnes to landfill, a 30% reduction<sup>12</sup> from 2016. That keeps us well on track to reach our target. But we know that the closer we get to zero waste, the tougher it will get, so we'll continue to work hard to eliminate waste from all our operations.



<sup>11</sup> Our brewing and major manufacturing sites consist of facilities with over 75 employees.

<sup>12</sup> The 2016 figure was 3,197 tonnes, but excluded Leinenkugel's, which is accounted for in the 2017 figure.

## Exceeding Our Targets: Project 50

Last year marked the first anniversary of Project 50, a major recycling project at our brewery in Burton-on-Trent, UK. The project aims to improve the brewery's recycling rate from 31% to 50%, and to save 50 pence for each bag of general waste converted to dry mixed recycling.

As part of the project, our Burton team has removed all paper and plastic cups from onsite drinks vending machines, replacing them with ceramic mugs and glasses donated by onsite contractors. Within the first nine months, paper cup consumption fell by 52,707 cups and use of plastic cups by over 24,000 cups.

This means we have eliminated an entire source of waste from the brewery. We have also reduced costs from our vending provider by around £3,500 compared with the previous year.

As a result of the measures we've taken, Project 50 has exceeded one of its key goals in its first year, raising the brewery's recycling rate from 31% to 70%, as well as saving more than £20,000. As a result of our success, we were recognized by one of our customers, ASDA, for supplier sustainability.

**As we work toward our ambition of achieving zero waste to landfill, we aim to empower our employees to reduce waste streams and promote continuous improvement. Through innovative solutions and engaging our people, we are well on track to reach our goal across all our major manufacturing facilities.**



## BUILDING FROM WASTE

We continually seek new and innovative ways of dealing with waste – such as the efforts being made by our Bhankhpur and Saha breweries in India.

At these sites, we use rice husk as a boiler fuel, but this produces ash – some 950 tonnes each year from the two breweries combined. Traditionally, this has been removed from site at a cost and simply spread over the ground as a soil enhancer. Our teams have now found new uses for this ash. Some is sent to local brickworks where it is mixed with clay and formed into bricks. As the bricks are lighter than those made entirely of clay, they also require less energy for baking in the kilns. Additionally, some ash is mixed with coconut husk to form a mulch that is used in a mushroom farm to improve yield and ease of harvesting – and we've reduced removal costs too!



# Growing Best Practice in Agriculture

The best beer requires the best barley – and that means working with dedicated farmers in our supply chain. Many of our barley growers have supplied us for generations, producing some of the highest-quality barley in the world.

We know the agricultural operations we source from make up some of the largest impacts on our water footprint. As we do not own these farms, it is essential we partner with farmers in our key growing regions to embed sustainable techniques and best practices in their operations.

[Find out more about the responsible sourcing standards we implement across our supply chain.](#)



## Our 2025 Goals

Improve water-use efficiency of our agricultural supply chain and malting operations by 10%, a volume equivalent to the entire water use of all breweries across the world.<sup>13</sup>

Source 100% of our agricultural brewing ingredients from suppliers who grow, produce and deliver in a manner that recognizes and embraces our sustainability standards in our key growing regions.



## Nurturing Sustainable Practices

Ensuring a sustainable barley supply is a big part of what we do. In 2008, in partnership with our major grain merchant [Frontier Agriculture](#) and facilitated by the [European Food and Farming Partnership \(EFFP\)](#), we set up the Molson Coors Growers Group (MCGG) in the UK. The MCGG is designed to ensure a top-quality barley supply. It has become the largest malting barley group in the UK, and is often used as a benchmark for other groups.

Members of the MCGG are contracted on a three-year basis, and in 2017, 150 of the 158 members chose to renew their contracts, underlining the strength of the relationship between the growers and Molson Coors.

<sup>13</sup> Set against a 2016 baseline.



## Taking Pride in Our Sourcing

We take great pride in the way we source our barley responsibly.

A number of our growers have led the way in embedding sustainability best practices on their farms, such as cover cropping, minimizing soil tilling and reducing nitrogen applications.

One of the UK's largest high street pub chains, Wetherspoon, partnered with us in 2017 for a special consumer-facing magazine feature to inform customers about the history of Carling and how it's cultivated, from grain to glass. Their free magazine, *The Wetherspoon News*, is read by 2 million customers and carried the story of Carling. Additionally, 23 Wetherspoon lorries traveled the length and breadth of the country with our Carling branding and barley message. There were further Carling promotions in Wetherspoon pubs, including the [Your Pint Can campaign](#).

## Tracking Farm Performance

This is the second year that we've successfully collected barley data via our MillerCoors Grower Direct Portal and have seen 100% participation from our direct barley farmers. This gives us the ability to drill down our findings to a farm level and help identify trends and opportunities. As we build out this platform going forward, we aim to provide individual growers with a scorecard to measure and benchmark performance and, ultimately, use the information to influence decisions that will maximize resource efficiency. As a result of this system, we can now track sustainability metrics and performance for 100% of our direct barley and hops farmers. We have also introduced a new [Agricultural Brewing Ingredients Policy](#) and support our producers in key growing regions in working toward the principles contained in the Policy.

In 2018, MillerCoors initiated a Sustainability Incentive program as part of our barley contract price. The program will lay the foundation for continuous improvement in the area of agricultural sustainability. It will help our growers implement best management practices that help reduce their malt barley's environmental footprint.

[Read more about how we're reducing water use in our operations and protecting watersheds.](#)

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**These efforts are helping us to work toward achieving our 2025 goals to help our growers maximize resource efficiency and integrate sustainable standards in our agricultural supply chain.**

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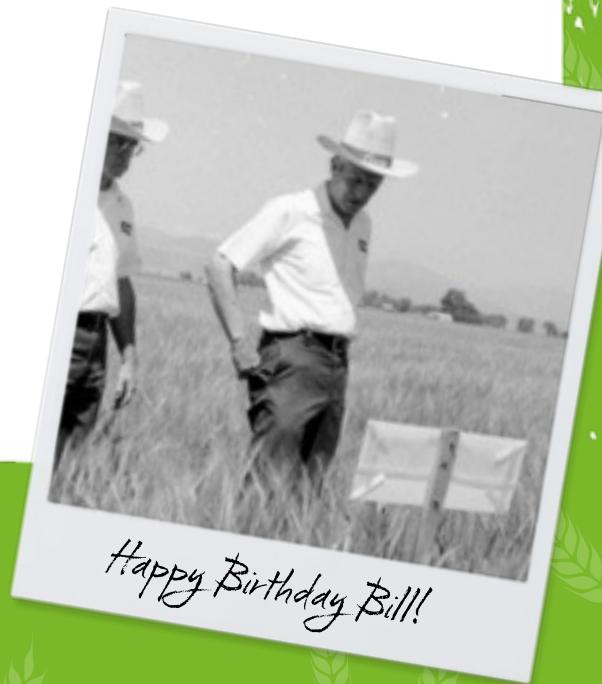


## OUR BILL COORS 100 BARLEY VARIETY

To mark the 100th birthday of Bill Coors, in 2016, we launched a new variety of malt barley in Montana, the Bill Coors 100 (BC100). By 2017, BC100 had become the most rapidly adopted variety of irrigated malt barley in the state.

Bill has understood the importance of high-quality barley since his early years in the brewery – that great beer starts in the barley field. Back in the 1940s, Bill's vision to secure a high-quality and sustainable barley supply led him to vertically integrate his business, incorporating a grower-direct barley program into Molson Coors' supply chain. Bill encouraged local barley farmers to produce their crops for the Coors company, which helped cultivate long-lasting relationships with the same farmers, many of whom are still supplying barley to Molson Coors today. It was Bill who founded and nurtured our barley breeding program, taught farmers how to grow high-quality barley and invested in our mutual success. The program was visionary when he launched it and, decades later, continues to set us apart from our competitors.

So when Bill reached 100, we wanted to do something very special to celebrate that landmark and his legacy. The result was BC100, which has already provided an 8% increase in yield versus our previous variety in Montana. It also features improved quality and agronomic attributes, such as reduced need for water and fertilizer, thereby cutting down on the energy consumption per acre. Over the coming years, we'll be testing its suitability for use in other barley-growing regions. The success of this new variety pays fitting tribute to Bill's vision and maintains the tradition he established of our company working hand in hand with the growers who provide our barley.



**Bill Coors 100**

# Collectively Crafted

## For Our People and Communities

Whether in our breweries or the communities where we operate, it's people who are behind our success. We're proud of our talented, diverse and dedicated employees, who craft our beers and cement our connections with our communities. Our people have real passion for making a positive impact in neighborhoods and building partnerships for a better world.

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## How We Raised the Bar in 2017

# Our 2025 Goals and Progress

### 2025 GOALS<sup>14</sup>

### PROGRESS – 1 YEAR IN

#### **Recognition on the Great Place to Work® Index**

Take part in the [Great Place to Work®](#) survey for the first time globally in fall 2018.

#### **Greater health and safety in the workplace with 40% reduction in Lost Time Accident (LTA) rate**

15% reduction in LTA rate in 2017 from 2016.

#### **\$100 million investment aiming to improve livelihoods, foster empowerment and build resilient communities**

Since 2016, we have provided \$22.6 million in monetary and in-kind donations to communities.

#### **Ethical and sustainable supply chain practices**

Launched new Standards for Suppliers, including a four-stage process for identifying, assessing and managing supplier risk.

#### **Supplier diversity across the business**

Since 2016, we have invested \$1.01 billion cumulatively with diverse suppliers.

### CONTRIBUTING TO UN SUSTAINABLE DEVELOPMENT GOALS



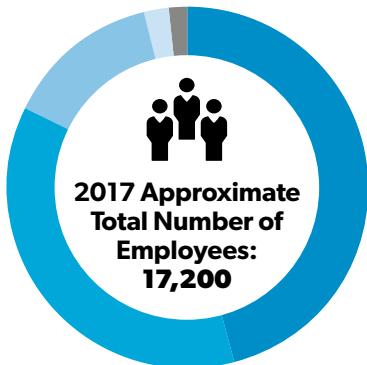
<sup>14</sup> Set against a 2016 baseline.



# Recognition as a Great Place to Work for Our People

**Our products start with our dedicated employees. We have a series of programs designed to ensure our people feel valued, inspired and part of our family.**

**Reflecting this, we're aiming to be recognized on the Great Place to Work® Index by 2025. The Index is based on surveys conducted among employees themselves, so a high score shows that a company is truly meeting the needs and expectations of its employees and providing challenging, fulfilling careers in an engaging and inclusive workplace. That's exactly what we strive to offer.**



- MillerCoors (US) 7,900
- Molson Coors Europe 6,250
- Molson Coors Canada 2,400
- Molson Coors International 400
- Global Headquarters (Denver) 250

## A Recipe for Diversity

Diversity and inclusion are critical to growth. They help us to strengthen our connections with our consumers and customers, and create an inclusive workplace in which our employees can do their best work and feel they belong. We also know that more diverse companies have better decision-making and business performance.<sup>16</sup> That's why diversity and inclusion are values for how we operate and are embedded in our overall company strategy.

## Launching Our New Strategy

We aim to foster a diverse workforce that reflects the rich diversity of our consumers, customers and communities where we do business. Building on the progress we've made in the US, in 2017, we launched a new global Diversity and Inclusion strategy linked directly to our strategic ambition and growth imperative. The strategy has four pillars: employees, consumers, customers and communities.

We have launched this new strategy at our Global Headquarters in Denver and in the UK this past year, and we aim to roll this out across all of our business units in locally relevant ways over the next three years to better foster inclusion and enhance employee engagement across our company.

<sup>15</sup> Set against a 2016 baseline.

<sup>16</sup> [www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work/#78c714de4cbf](http://www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work/#78c714de4cbf)



## Creating Diverse Environments

Within the employee pillar of our new strategy, we have several critical initiatives to support the retention, development and representation of our diverse talent through our three focus areas: equipping leadership, embedding practices and championing opportunities.

That's why MillerCoors continues to embed Inclusive Leader 2.0, which is focused on underscoring the value of diversity and inclusion to our leaders and revealing and understanding how to address unconscious bias. To date, over 800 leaders from all functional areas across MillerCoors in the US have completed the program. Additionally, we are including awareness of unconscious bias in our people management training and using specific technology to help remove unconscious bias from our hiring process.

Across our organization, we aim to nurture the development of women to ensure more representation at the senior leadership level. We provide multiple ways to empower women, including Women in Beer seminars, career progression training, flexible work schedules and parental leave practices. At a Global Leadership Team level, we currently have 30% female representation. And in Canada, we achieved our target of 50% female hires for our summer sales program for the second year in a row. This serves as a critical pipeline for future roles within the business.

All Executive Leadership Team members are focused on identifying and accelerating the development of diverse global leaders. As we look forward, our organization is working to continuously find new ways to build an environment that celebrates difference, supports collaboration and helps Molson Coors achieve competitive business advantages.



- Male 12,500
- Female 4,700

Find out more about our diversity performance in our [ESG Report](#).

## Receiving Recognition on Diversity

We're proud of the recognition we've received on diversity – here are a few examples.

- MillerCoors scored 95 out of 100 on the Hispanic Association on Corporate Responsibility's Corporate Inclusion Index for the third year in succession and a perfect score of 100 for the 12th consecutive year with the Human Rights Campaign.
- For the fifth year, our UK & Ireland business was recognized by the [Top Employers Institute](#) for providing excellent employee conditions, nurturing and developing talent, and striving to continuously optimize employment practices.

Of course, we know there is still more to do, but we are confident that we have the policies and the commitment in place to ensure that Molson Coors will achieve its goals of mirroring marketplace diversity and being recognized as a company that fosters diversity and inclusion.

[Find out about how we're supporting diversity and inclusion within our supply chain.](#)

## Reporting on Gender Pay in the UK & Ireland

In the UK & Ireland, we have produced our first report covering the gender pay gap. Our results show that our pure gap in the UK & Ireland is less than 1%, while the proportions of male and female employees receiving bonuses are exactly the same.<sup>17</sup> This reinforces that we have a strong reward philosophy that ensures fair, transparent and consistent processes, helping us to continue to attract, retain and reward our people in the right way.



***"Not only has Molson Coors provided opportunities, they have also given me choices. When I said no to a role because it wasn't the right time, they respected that. When I was ready, they gave me flexibility to shape it around my strengths."***

*Laura Lee, Director of Customer Excellence, Molson Coors Europe*



<sup>17</sup> This does not account for elements such as car cash allowances and shift pay.

## Training for the Future

Molson Coors has continued to invest in a variety of high-quality employee development programs that have yielded measurable benefits in 2017. Three areas in particular have had a measurable impact globally: Living Leadership, Commercial Excellence Framework and World Class Supply Chain 2.0.

### Living Leadership Program

The Living Leadership program at Molson Coors is a global development program focused on leading, from purpose to performance. Last year across our global business, 291 employees completed Living Leadership at the manager level, 20 employees completed the director level, and 31 completed the executive level.

### Global Commercial Excellence Framework

Last year was the first year that we communicated and built capability around a new Commercial Excellence Framework. The Framework unifies all our commercial employees by building their knowledge of our global philosophies and approaches across different aspects of the commercial business and teaching them how to tangibly use these capabilities and skills in their day-to-day work. It covers topics such as brand positioning, market segmentation, integrated marketing communications, the Molson Coors Advantage content management tool, and investment in selling technologies and e-commerce capabilities.

### World Class Supply Chain 2.0

World Class Supply Chain 2.0 (WCSC 2.0) builds on a strong foundation that we already had in place to transform how we work to drive world-class performance. It is a proven methodology implemented with great success in multiple organizations globally. There are 12 pillars focused on key best practices – including environmental, health and safety – that are led by pillar experts. Much more than a set of tools and systems, the real differentiator of WCSC 2.0 is its focus on people and business results.

As our teams embrace the standard ways of working, it provides our people with the tools, knowledge and resources they need to continue to improve.

As we progress toward our goal of being recognized, internally and externally, as a great place to work, we will continue to track our progress, benchmark our activities and results against our peers, improve our processes, engage our employees and offer innovative solutions.

## Protecting What Matters

The health and wellness of our people is fundamental, and we have embedded a workplace culture that promotes health, wellness and safety across all of our operations. By 2025, we aim to have achieved a 40% reduction in our LTA rate.

Our new [Environment, Health and Safety Policy](#), launched in 2017, aims to instill employee ownership at all levels of our organization, ensuring it becomes the responsibility of each and every employee. We also track and prioritize our environment, health and safety risk so we can continually assess and identify issues and implement appropriate process improvements to reduce our LTA rates year after year.

In the UK, we launched a week dedicated to raising awareness of environment, health and safety. During the week, we provided employees with information on mental well-being and maintaining a healthy balance, as well as offering blood pressure checks, exercise classes and dietary advice.

**In 2017, the LTA rate for every 20,000 hours worked was 0.39.**

See our full health and safety performance data in our [ESG Report](#).

## Improving Our Processes

We take the health and safety of all our employees seriously. That's why this year our employees at our Fort Worth Brewery came up with a new solution to make the keg decanting or depressurizing process safer. This task is inherently dangerous due to the high pressures inside filled kegs. In Fort Worth, employees took it upon themselves to challenge the expected and look for a better, safer way of doing things.

With a can-do attitude, the team rebuilt the depressurizing process to decrease the likelihood of malfunctions. The team set out on a project that took many months, several different designs and multiple hours of work before they landed on a solution.

Today, the decanting device is more efficient, easier to use and, most importantly, designed to be safe enough to stop any pressurized stem from hitting an employee's body. This new solution will not only help eliminate future injuries in the Fort Worth Brewery, but will also improve the safety of the company as a whole.



# Being a Good Global Citizen

At Molson Coors, we're not just a business – we're one of the neighbors in the communities where we live and work. And like all good neighbors, we like to contribute to the community and take part in local activities. Given our size and experience, we can offer extra support where it matters.

To channel that support, we operate a community investment program, aligned with Our Beer Print strategy. Since 2016, we have donated a total of \$22.6 million in the communities where we operate. Our goal is to take our total contributions to more than \$100 million in our communities across Our Beer Print priority areas by 2025.



## Our 2025 Goals

Make the places where we work better places to live by investing \$100 million in initiatives that improve livelihoods, foster empowerment and build resilient communities.<sup>18</sup>



## Connecting With Our Communities

Beer connects people, and we aim to connect with people too, in our communities and around the world. We support and invest in a wide range of programs, events and activities that engage and inspire stakeholders and create a real connection with our communities.

**Global community donations worth \$22.6 million since 2016.**

<sup>18</sup> Set against a 2016 baseline.



## LENDING A HAND TO OUR COMMUNITIES

Last year was one of the most devastating years in the US for natural disasters. Tens of millions of people were badly affected by hurricanes and related flooding, many losing their homes completely. Hurricane Harvey alone caused damage estimated at \$100 billion in and around Houston, Texas, while Puerto Rico suffered the biggest humanitarian disaster in its history.<sup>19</sup>

In the face of devastation, we're proud to say we rose to the challenge of supplying those in need with whatever help we could, from fundraising to providing essential clean water. All of our operations in Texas and Puerto Rico were mobilized to help those in need – including Revolver Brewing, part of the MillerCoors family. The brewery launched a brand-new beer, Harvey Relief Golden Ale, the proceeds from which would go to rebuilding Texas in the aftermath of the storm.

The initial plan was for a 60-barrel run, but demand was such that it soon became clear more was needed. With support from

MillerCoors, no fewer than 600 barrels were soon making their way to Texan bars and restaurants, with six-packs being sold through retailers. And 100% of the profits went direct to organizations helping with the relief work, such as the [Rebuilding Texas Fund](#), a disaster-relief fund established by Keep Texas Beautiful. In addition, by partnering with United Airlines, we were able to distribute around 550,000 cans of water to support relief efforts in Florida, Texas, Puerto Rico, the Caribbean and the West Indies.

To help Puerto Rico recover from Hurricane Maria, our team gave the island the refreshment it deserved. Coors Light refrigerated trucks traveled to towns in need across Puerto Rico with bags of ice, water, hand fans, "Cold Zones" and live music.

This year, we've learned the importance of being proactive. With can donations from Ball Corporation, we agreed to a three-year partnership with the American Red Cross to produce and distribute 1 million cans of water to areas hit by disasters. We are also proud to support the Red Cross in their work, donating more than \$178,000 in 2017 to help provide overnight shelter, meals, relief items, and physical and mental health support.

<sup>19</sup> [www.washingtonpost.com/news/energy-environment/wp/2018/01/08/hurricanes-wildfires-made-2017-the-most-costly-u-s-disaster-year-on-record/?utm\\_term=.1d7a7da4dd8e](http://www.washingtonpost.com/news/energy-environment/wp/2018/01/08/hurricanes-wildfires-made-2017-the-most-costly-u-s-disaster-year-on-record/?utm_term=.1d7a7da4dd8e)

## Your Pint Can

In May 2017, our Carling brand teamed up with the UK's Wetherspoon pub chain to launch the Your Pint Can campaign. The idea was simple: in every pint of Carling is the power to change communities for the better – and with the campaign, we empowered people to make the positive change their community needed.

Consumers simply had to buy a pint of Carling and register at [www.carling.com/yourpintcan](http://www.carling.com/yourpintcan) to nominate a local project for support. For every barrel of Carling sold at a Wetherspoon pub, we would put funds toward nine community projects chosen by a panel of judges. As a result, we've helped refurbish two parks, supported two community sports initiatives, purchased equipment for a community radio station, bought facilities for a "pay what you can" café and sponsored a community litter clean-up group, to name a few. In total, we donated over £30,000 toward Wetherspoon consumer-nominated community projects in 2017.

We're proud of the impact the project has had and we've enjoyed this opportunity to partner with a key account to spread our community spirit even further. The campaign was such a success that it will run again in 2018, with an increased funding pot of £40,000.

More details on the program can be found on [www.carling.com/yourpintcan](http://www.carling.com/yourpintcan).

## Our Beer Print Month

Our Beer Print guides our approach to sustainability throughout the year. But to really fulfill its potential, it needs the involvement of all our people. That's why each September, we host Our Beer Print Month. Around the world, our employees take part in fun, engaging activities that are relevant to the needs of their local communities. Last year, each week was dedicated to a specific theme to embed Our Beer Print into our people organization.

Our employees find remarkable ways to get involved and take Our Beer Print to new heights, from volunteering and personal pledges to large-scale team activities. Here are just a few of the many ways they did this in 2017:

- In Canada, more than 300 shrubs and trees were planted as part of the City of Toronto's Trees Across Toronto project to reclaim green spaces.
- Our Bulgarian business unit Kamenitza AD held the campaign Donate a Goal, which is part of its social project Kamenitza Fan Cup – the biggest non-professional soccer tournament in Bulgaria. For every goal scored, the company donated 1 BGN, with a total of more than 10,000 BGN collected by the end of the tournament. The donation went toward renovating a community soccer field located in the tournament winner's city.

• In Hungary, more than 350 people participated in a cooking competition, supported by a celebrity chef. The event featured non-alcoholic beers to highlight how well they pair with food.

- Over 120 volunteers from our Golden Brewery in Colorado partnered with the City of Golden and our private partner, Ball Corporation, to pick up trash along the Clear Creek area. We recently received the City of Golden's Business Sustainability Award for our annual cleanup effort, our largest to date.

Our Beer Print Month is an integral part of our annual people engagement work and a clear demonstration of how we collectively give back to the communities where we live and work. It's an opportunity for us, every year, to rally our people to engage with Our Beer Print in locally relevant ways – building pride for the work they do and raising awareness for what we are achieving and aim to achieve by 2025.

**Over 3,000 employees volunteered through Our Beer Print Month.**



# Strengthening Our Supply Chain

We're proud of the fact that the Molson Coors family is an extended one – taking in not just our employees and our local communities, but our supply chain too. Our suppliers are an integral part of our work to achieve our sustainability goals.

## Ensuring Sustainable Practices in Our Supply Chain

Of course, we carry out rigorous checks on any company wishing to join our family. Molson Coors suppliers must meet our [Standards for Suppliers](#) code, which was recently updated to reiterate our commitment to an ethical and sustainable supply chain.

Our code sets out our minimum compliance standards, and focuses on environmental sustainability, high employment standards, community responsibilities, ethical business practices and sound commercial standards. Where the use of subcontractors or other third-party organizations has been permitted, we expect our suppliers to implement the Standards for Suppliers throughout their supply chains as well.

We also offer new and existing suppliers the support and tools they need to continually improve. This includes using Sedex, an online database for managing ethical supply chain data, to support responsible sourcing. Our suppliers can use Sedex to identify potential issues within the supply chain, and ensure they are complying with our standards.

As part of our Standards for Suppliers update, we reinstated our commitment to anti-slavery laws and all other applicable laws relating to human trafficking and its prevention, including but not limited to the UK Modern Slavery Act. We will utilize Sedex to identify and monitor potential issues within our global supply chain for human rights violations, and we expect our suppliers to screen against modern slavery and forced labor in all its forms, such as human trafficking, child labor, workplace abuse and indentured servitude.

We also collaborate closely with our suppliers to drive our mutual sustainability agendas. Givaudan is an example of one of our long-term suppliers that provides flavors for our MillerCoors range of products. Givaudan recently launched its own sustainability program, focusing on sourcing, innovation and the environment, with ambitious goals to reduce GHG emissions and drive responsible sourcing.

We look forward to continuing our work with suppliers, like Givaudan, to advance our sustainable procurement standards and drive shared value for our supply chain.

[Find out how we're working with our agricultural suppliers to reduce their environmental impacts.](#)



### Our 2025 Goals

Work with suppliers who adopt our supplier standards and allow us to jointly commit to an ethical and sustainable supply chain.

Promote supplier diversity across the business and actively engage with women-owned, minority-owned and small businesses as suppliers.

## Building a Diverse Supply Chain

Diversity and inclusion are an important and integral part of our holistic business strategy that extends beyond our own employees and into our supply chain. We aim to build a supply base that reflects the diversity of our consumer base. Our Supplier Diversity Program is designed to encourage the use of minority and women-owned businesses, which, in turn, supports economic growth and the spending power of our diverse communities. Since 2011, our total spend with diverse suppliers amounts to approximately \$3.48 billion.

Diversity and inclusion foster mutual benefits for us and for our suppliers and supports economic growth in our hometown communities. That's why we've formally incorporated these values into our quarterly procurement scorecards, with oversight from leadership to meet our goals.

Together with our suppliers, we're excited to drive progress toward our 2025 goals to promote diversity and create an ethical and sustainable supply chain.



## Five Forward

As part of our diversity and inclusion commitment to both employees and suppliers, MillerCoors is partnering with Chicago United, an organization that aims to achieve economic parity by advancing multiracial leadership, management and diversity in business. We're working together on the Five Forward 20/20 program, which endeavors to strengthen the minority business enterprise community in the Chicago area, where MillerCoors is headquartered. The first cohort of the Five Forward amounted to more than \$850 million in supplier spending and created 4,781 jobs. Thus far, we have committed to work with three minority business enterprises, as part of our support for Five Forward. These companies will work with our specialists on targeted opportunities to enhance their capacity, which will result in us increasing our spend with them through 2020.

CHICAGO UNITED

FIVE FORWARD  
● ● ● ● ● 20/20



**Chicago United**





**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," "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.