



Procurement: The Molson Coors Way

Our Standards for Suppliers

February 23, 2018

Introduction

Molson Coors wants to build winning relationships with our suppliers. We are committed to doing business the right way in our markets by acting ethically, responsibly, and in compliance with the law. We achieve this by respecting human rights, demanding quality, and embracing diversity and inclusion. We have a responsibility to ourselves, the communities we live in, the suppliers we work with, the customers we serve, and the beer drinkers we seek to delight, to always operate with integrity, honesty, and respect.

We endeavor to adopt the best practice standards and techniques to achieve sustainable procurement by balancing economic development, social development, and environmental protection with our commercial needs for quality, reliability, innovation, and value for money. We expect our suppliers to adopt these best practice standards and techniques as well.

Our Commitment

Good corporate citizenship is a key priority at our Company. We are committed to using an ethical and sustainable supply chain and managing the supply of goods and services in a responsible way by adopting a risk and opportunities based approach to identify our priorities.

We are committed to working with suppliers who:

- Comply with all applicable international, national, regional, state, and local laws, rules, regulations and legislation.
- Work with us to achieve our quality, reliability, innovation, and value for money needs.
- Assess sustainability risks and identifying opportunities for improvement and innovation.
- Collaborate with us to continually improve business practices.

We emphasize that this document sets out our minimum compliance standards. They do not alter or eliminate any contractual requirements or other specifications provided by Molson Coors or its affiliates and subsidiaries. As a supplier, you are required to meet or exceed all threshold requirements. Many of these standards are grounded in applicable laws, rules, and regulations that are routinely updated and changed. Suppliers are always required to comply with the most current version of these laws, rules, regulations as they evolve. Further, we strive to consistently improve our standards and achieve excellence, and we may modify these standards to achieve those goals. Suppliers are expected to comply with the most current version of these standards. However, some requirements may not apply to every supplier, depending on the nature of the goods or services being provided. As a supplier, you are required to understand and meet the requirements that apply to you. We encourage all suppliers to have an open dialogue with us if you have questions or concerns regarding compliance with our standards.

Where the use of sub-contractors or other third-party organizations has been permitted, we expect our suppliers to implement this document throughout their supply chain, including sub-contractors.

We expect suppliers to have appropriate processes in place to verify and demonstrate applicable compliance with our standards. We also expect suppliers to have a business continuity plan in place in the event of an unforeseen, partial or complete interruption of their goods or services.

Modifications to these Policies

These Standards for Suppliers were adopted on February 23, 2018. Molson Coors Brewing Company reserves the right to modify these policies from time to time and suppliers will be expected to comply with these policies as revised.

Employment Standards and Human Rights

We are committed to preventing human rights violations. We strive to ensure our workplaces implement the highest level of safety and employment standards consistent with the United Nation's Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights to Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights. We expect our suppliers to act in accordance with these standards as well. We take a strong stance against modern slavery and forced labor in all its forms, such as human trafficking, child labor, workplace abuse, and domestic and indentured servitude. A supplier must meet basic ethical and employment standards. We evaluate a supplier's ability to adhere to basic ethical and employment standards in determining whether to have and maintain a business relationship with the supplier. We are committed to sourcing from suppliers who engage in ethical labor practices that allow their workplace to be a diverse, safe and healthy environment for all employees.

Suppliers shall:

- Ensure that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, sex, color, national or social origin, religion, age, disability, sexual orientation or any other status protected by applicable laws in the jurisdictions in which supplier operates. A fundamental aim is to ensure a diverse and representative workforce profile through promotion of employment equality.
- Comply with all 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 2015.
- Prohibit physical disciplinary abuse and forced labor, including human trafficking.
- Respect our employee's right to join, form or not to join a labor union.
- Fully document grievance procedures and to have communicated their existence and availability to their staff.
- Compensate all employees fairly with wages, overtime premiums, and benefits relative to industry and country laws. Hours of work must comply with benchmark industry standards and must not be excessive.
- Not require staff and workers to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.
- Publicly disclose the locations of all manufacturing and processing sites globally.
- Ensure that no child labor is recruited and that children or young persons outside of legal working age will not be employed at night or in hazardous conditions. These policies and procedures will conform to the provisions of the relevant International Labor Organization ("ILO") standards.
- Remove any harassment, bullying, and actions or attitudes that promote or allow such practices in the workplace.
- Have, and comply with, internal health and safety policies and procedures and applicable foreign, national, regional and local laws, rules and regulations to ensure a safe working environment, including the effective application of environmental, health and safety management and monitoring systems and maximizing the physical security of their employees wherever they are employed.
- Provide training to employees and ensure that all employees understand the health, safety and security issues and requirements concerning their job/position.
- Observe all applicable international, national, regional, state, and local laws, rules, and regulations.

Ethical Business Practices

Our policies on gifts, entertainment, bribery and corruption, and conflicts of interest are clear: no gift, favor or entertainment is required to conduct business with Molson Coors, and any supplier may be ineligible to do business with Molson Coors if a conflict of interest exists where any of our employees own a substantial interest in the supplier's organization or has a close personal relationship with a key person in the supplier organization. Further, we expect our suppliers to adhere to strict standards surrounding confidentiality, business expenses, securities, software, tangible and intangible assets.

Suppliers shall:

- Refrain from providing any payments, loan, service, gratuity, gift, personal travel or other favors of more than nominal value to any Molson Coors representative.

- Follow applicable anti-bribery and corruption laws, including, for example, the United States Foreign Corrupt Practices Act and the UK Bribery Act. These laws prohibit promising, offering or making any payment of money, products or services to anyone in exchange for favorable treatment. No supplier is allowed to make any such payments for, or on behalf of Molson Coors Brewing Company.
- Provide prompt disclosure of any relationship where any of our employees own a substantial interest in the supplier's organization or has a close personal relationship with a key person in the supplier organization.
- Safeguard both our tangible (i.e. money, physical assets) and intangible assets (i.e. intellectual property, information).
- Keep our confidential information secure and avoid discussions of confidential information in public places.
- Retain and preserve confidential information. This obligation may be ongoing and extend beyond the years of contractual agreement. Suppliers may be asked to sign a Non-Disclosure Agreement.
- Follow any guidelines provided in relation to the submission of business related expenses. All expenses must be reasonable and supported by valid receipts where required.
- Never purchase, sell or otherwise trade Molson Coors Brewing Company securities while in possession of material, non-public information. Suppliers may not provide material, non-public information directly or indirectly to anyone. Any such disclosure would breach confidentiality obligations and may subject supplier to liability under certain U.S. securities laws.
- Refrain from engaging in unauthorized duplication of any software owned or licensed by Molson Coors.
- Communicate these standards to their employees, contractors and business partners in writing and ensure that they are followed.
- Observe all applicable international, national, regional, state, and local laws, rules, regulations.

We strongly encourage any supplier who has a question, would like to raise a concern, or feels pressured by a Molson Coors company employee or another representative of our company to violate these standards, to contact Molson Coors Ethics and Compliance Helpline at **1-866-294-9302** or www.molsoncoorshelpline.ethicspoint.com. The Helpline is run by a third party service and can be completely anonymous, if requested. Every caller is provided a code number and can call back to receive an answer to their question or find out how the matter was resolved.

Community Responsibilities

We strive to engage in the highest standard of conduct and will always strive to treat our suppliers ethically, honestly and fairly. We expect our suppliers to conduct activity following the same standards of ethics, honesty, and fairness. Further, we are committed to alcohol responsibility in all our business practices, and encourage our suppliers to promote principles of alcohol responsibility.

Suppliers shall:

- Deploy a consistent and ethical standard by which contracts are awarded with respect to products and services for Molson Coors, taking into consideration a wide array of social, environmental and economic impacts on the communities in which they operate or source from.
- Have plans in place to minimize any disruption to their local communities caused by their activities and to demonstrate compliance with those plans.
- Encourage employee education on responsible drinking principles.
- Only promote the highest principles of responsible drinking in the creation of marketing and sales collateral.

Environmental Impact

The Company continually strives to improve the environmental quality of our systems and our products. We endeavor to do business with suppliers who share our philosophies and commitments to the environment. We are committed to sourcing from suppliers, who grow, convert, produce and deliver our packaging materials in a manner that embraces our sustainability and quality standards in ways that meet or exceed expectations for performance, product & consumer safety and environmental sustainability.

Suppliers shall:

- Efficiently use available resources to minimize or mitigate environmental impacts by fully exploiting opportunities for energy optimization and efficiency, utilizing clean and low energy sources, and using whole life cycle costing for energy.
- Seek to reduce carbon emissions, discharges, waste and use of water and energy.
- Provide information on carbon emissions and embedded carbon associated with the manufacture and supply of products and services, including those associated with their production, storage, transportation, use and ultimate disposal or recycling.
- Secure legally and sustainably sourced timber and timber products, and comply with appropriate national, regional, local and international laws and standards.
- Comply with our Packaging Policy, available at <http://www.molsoncoors.com/-/media/molson-coors-corporate/policies/packaging-policy.ashx?la=en>, and our Agricultural Brewing Ingredients Policies, available at <http://www.molsoncoors.com/-/media/molson-coors-corporate/policies/agricultural-brewing-ingredients-policy.ashx?la=en>, where applicable.
- Give priority to and provide information on secondary materials (reused or recycled) where they offer equal or greater value for money and do not compromise quality or food safety standards, provide information on recycled content and recyclability, and exploit opportunities to increase such levels where appropriate.
- Produce biodiversity action plans for high risk first tier categories and demonstrate compliance with good practice in habitat management for those suppliers whose activities significantly impact species or habits, and support and comply with our Packaging or Agricultural Brewing Ingredients policies where applicable.
- Quantify the water consumption of product or services provided and demonstrate how they will exploit opportunities to reduce water consumption in our operations over time.
- Have water risk assessments and be able to demonstrate compliance with any risk mitigation activities specified for categories of supply that are sourced from areas of water stress.
- Work with us to reduce the waste arising at our sites, and where wastes cannot be eliminated, work to ensure the waste has alternatives to land fill for disposal. Where practicable, all products and their packaging will be reused, recycled or recovered by locally commonly available methods.
Comply with local and national environmental laws, rules, and regulations, and show sensitivity to environmental issues that may impact local communities.

Data Security

Data security and the protection of personal information is an ever-growing concern worldwide. We are committed to doing our part to protect sensitive data and individual's identifying information. We expect our suppliers to maintain adequate data security protocols using appropriate technical and organizational security measures.

Suppliers shall:

- Use appropriate technical, physical, and administrative security measures and safeguards designed to protect the storage and transmission of sensitive data and personally identifying information.
- Comply with all directives, laws, rules, and regulations relating to the privacy, confidentiality, security, and protection of personally identifying information, including the EU Data Protection Directive 95/46/EC as amended and as implemented in the various European Economic Area countries or any similar and applicable legislation enacted outside of the European Economic Area.
- Comply with security breach notification laws, rules, and regulations and have appropriate organizational procedures in place in order to react to a security breach.
- Comply with all requirements of the ePrivacy Directive (2002/58/EC) and any successor regulation.
- Maintain a list of all locations where personal data is processed.
- Ensure that any transfer of personal data is performed by an entity that maintains active certification under the EU-US Privacy Shield Program or any successor program.
- Ensure that any transfer of personal data is transferred pursuant to standard contractual clauses or binding corporate rules approved by the European Commission and deemed to ensure "adequate" data protection under applicable data protection law.

How We Work With Our Suppliers

As a global company, we recognize that we have a wide and diverse range of suppliers, and that achieving these standards presents unique challenges in different parts of the world. With this in mind, we have developed a comprehensive but flexible four-stage process for identifying assessing and managing risk as it relates to sustainable procurement. We use a variety of tools and services to perform initial screenings of potential suppliers and may perform additional due diligence screenings for various purposes. With many suppliers, we utilize the Sedex Risk Assessment Tool. We are working towards utilizing Sedex with more suppliers in our supplier base.

Stage 1 - Screening

- We will conduct an initial screening of our current supplier base. Screening will focus on: employment standards and human rights, ethical business practices and regulatory compliance, business continuity preparedness, energy use, emissions to air, natural resources, biodiversity, water, waste, and pollution prevention.

Stage 2 - Qualification

- During the tendering process, suppliers will be requested to provide data and comments to Questionnaires on areas of concern within each category area, as raised in Stage 1.

Stage 3 – Supplier development

- Successfully-appointed suppliers or business partners will be provided with further support and guidance, enabling improvements against these standards as the business relationship develops.

Stage 4 - Audit

- Suppliers who are identified to represent the highest potential risk may be required to implement risk mitigation actions and/or be audited to ensure that the minimum expectations contained within this document are being applied to their business operations and supply chains, and that risks are being mitigated.
- All suppliers and members of the supply chain are expected to provide information to us about a product or service's social, environmental and ethical credentials. If we determine that any information provided warrants further investigation, we may commission an independent auditor to examine the information provided, at the expense of the supplier or supply chain member. After an audit is conducted, and all findings recorded, a corrective action plan will be established.

Management systems

Where deemed necessary by Molson Coors, suppliers shall use management systems to facilitate continual improvement and compliance with the expectations of these standards. This is determined by the size and activities of the supplier, along with the sustainability related risks derived from our analysis and audit process. The management systems shall include:

- Allocating appropriate resources and defining appropriate policies and standards.
- Performing all contracted services in a reasonably safe and professional manner.
- Identifying and complying with applicable laws, regulations, standards and relevant customer requirements, as such laws, regulations, standards or requirements are amended from time to time.
- Having mechanisms to determine and manage risks in all areas addressed by this document.
- Maintaining documentation necessary to demonstrate conformance with these expectations and compliance with applicable regulations.
- Implementing training programs that achieve appropriate levels of knowledge, skills, and abilities in management and workers to address these expectations.
- Striving to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies.