Molson Coors Brewing Company
Our Beer Print 2015
Corporate Responsibility Report
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CEO Statement

At Molson Coors, we use Our Beer Print to talk about our Corporate Responsibility program in an uncomplicated way. Our Beer Print describes our relationship with our communities, our environment and our people. We challenge ourselves to grow our positive Beer Print and to shrink our negative Beer Print in every aspect of our business and geography where we brew and sell our products.

As CEO I am understandably pleased with the continued progress of our corporate responsibility agenda, and the opportunity we have to use this approach to delight the world's beer drinkers and support a relentless focus on being first choice for consumers and customers. To fully deliver on our commercial ambition, and continue to drive our business forward I recognise the need to grow and constantly seek improvements within our CR activity throughout the business.

“Doing business the right way is the only option for me, and will support our ambition to be first choice for consumers and customers and delight the world’s beer drinkers.”
- Mark Hunter

Our Results:

**DJSI:** In 2014, Molson Coors was recognized as a member of the Dow Jones Sustainability World Index for the third consecutive year. This is a great indicator of how seriously we take this agenda across our entire business. We continue to focus on process, data improvements and global metrics across the organisation which should assist in maintaining our position on the index in 2015.

**Targets:** Our 2020 Supply Chain Sustainability Strategy is focused on delivering significant long term goals as we balance supply chain and environmental risk and efficiency. Results are already positive. In 2014, we saw 3.4% reduction in energy usage, equivalent to the average annual use for 1600 households and remained well positioned to deliver our 2020 target. We reduced water use by 3.3% in 2014, saving over 500 million litres of water, following a steady downward trend, 7.7% below the 2011 baseline and we continue to make excellent progress on our global zero waste to landfill target.

**Investment:** We know these activities do not produce results through system changes alone, so we investing heavily in future technology. In 2014, Molson Coors commissioned a new anaerobic digestion (AD) waste water treatment plant in our brewery in Haskovo, Bulgaria. In the first quarter of 2015 two other AD treatment plants in Apatin, Serbia and Trebjesa, Montenegro were commissioned, bringing the total to seven breweries operating this technology. The investment of $11.8 million in these three projects represents a real commitment to delivering the environmental and business benefits set out in our 2020 Strategy. In addition, in the UK a new energy centre was opened in Burton on Trent, as part of a £75m investment in the plant, is set to reduce energy by 25% and reduce carbon emissions by 15% - real, tangible Our Beer Print benefits.
Processes: We continue to work on aligning our processes and data collection systems as a result of our growth through our international operations and the acquisition of StarBev in 2012. Great progress has been made in many areas as we build a One Way People agenda and operationally increase the scope and metrics of our packaging data collection.

Our People:

These activities would not be possible without a highly motivated team of people who care deeply about Our Beer Print. I’m looking forward to measuring our people engagement in 2015, having taken a year to implement changes since our 2013 survey, and progress is looking positive. Through Our Beer Print communications and an annual Our Beer Print month we held 42 community and employee events in 2014, involving almost 1000 employee volunteers. In 2014 we contributed 1.45% of pre-tax profits, US$8.5M, made of cash contributions, employee volunteering, and product and service donations to good causes across the globe.

Delighting Consumers and Customers:

While brewing beer and growing our business the right way is of personal importance to our people, Our Beer Print also supports our ambition to become first choice for consumers and customers. Developing brands with social purpose makes sense to our consumers; take the launch of Staropramen ‘Festivals Without Barriers’ in the Czech Republic (see here) where recycling a waste product has provided an opportunity to showcase the brand’s sociability and ingenuity. In a separate program we recognize that environment is important to modern consumers which is why we develop lightweight alternative packing solutions such as PET bottles and aluminum cans which have resulted in saving 100,000 tonnes of material in 2014.

In Summary:

I am delighted with the progress this business has made through developing a robust Our Beer Print agenda. From striving for increased environmental improvements, through driving an engaged, educated and motivated workforce, to developing real social purpose within our core brands. This is not without its challenges, but I feel we are set up to address and react to these as we learn and adapt to this growing agenda. Doing business the right way is the only option for me, and will support our ambition to be first choice for consumers and customers and delight the world’s beer drinkers.

Sincerely,

Mark Hunter
President and CEO
Molson Coors Brewing Company
Our Approach

Our Beer Print

Corporate responsibility can be as simple or as complicated as companies want to make it. We have a comprehensive strategy that touches all areas of our business in all our geographies but communicating it clearly can be challenging. We have a framework for talking about our culture at Molson Coors called “Our Brew” and we developed Our Beer Print as part of that culture to make corporate responsibility easier to understand and more relevant.

The simple story of Our Beer Print – Every time a beer is picked up there is a beer print left behind. Wherever we brew and sell our beer we leave a beer print on our communities, on our environment and on our business. At Molson Coors we want to grow our positive Beer Print and shrink our negative Beer Print. It helps guide purchasing decisions, company goals, community partnerships, employee engagement and profit. It helps drive our business.

In particular, we want to grow Our Beer Print in five key areas:

- **Governance and Ethics**: Be ethical and accountable in our business practices.
- **Alcohol Responsibility**: Make quality products that we advertise and sell responsibly.
- **Environmental Stewardship**: Brew and package our products with care for the environment.
- **Employees and Community**: Support the development, engagement and wellness of our people and invest in the communities where we live and work.
- **Responsible Sourcing**: Extend our best practices throughout our supply chain.
Engaging with stakeholders is essential to building our reputation, developing long-term relationships, helping to understand stakeholder concerns and supporting our ambition to grow our positive impact. Our stakeholder engagement activity helps us set long term corporate responsibility priorities and targets. See Materiality Assessment for full details.

We also see Our Beer Print as a driver for our commercial business. We know a company’s environmental and social actions are of increasing importance to our beer drinkers and commercial stakeholders such as our on- and off-premise customers, and investors. It is also one of the ways our brands connect with our consumers.

Our Beer Print is unique to Molson Coors. Through it we are engaging our employees and seeing corporate responsibility come to life. We are giving all our stakeholders a look at what is going on inside the company and together looking for ways to shrink our negative and grow our positive Beer Print.

**Reporting Scope**

We update our corporate responsibility performance on an annual basis and our online report feature allows for customized reporting for each reader. The 2015 report covers quantitative data for the calendar year 2014 with additional qualitative material from previous years. MillerCoors produces a separate report, MillerCoors Sustainability Report: Great Beer, Great Responsibility.

The reporting scope is global and covers Molson Coors Brewing Company’s business units: Molson Coors Canada, Molson Coors Europe (covering the UK & Ireland and Central European operations), and Molson Coors in India.

Molson Coors International (MCI) has a production and sales presence in Asia, continental Europe, Mexico, Latin America and the Caribbean (excluding Puerto Rico which is part of the MillerCoors business). In June 2011, a joint venture agreement was finalized in India with Cobra India, giving us a 51% share and operational control of the newly formed Molson Coors Cobra India. The rest of our international business is conducted through license agreements with other brewers and independent distributors.

From 2009, under US accounting requirements, Molson Coors does not report revenues from US and Puerto Rico operations. Therefore, we have not consolidated MillerCoors corporate responsibility data into our totals, to allow accurate comparison to revenues. For full transparency and accuracy, we separately report our share (42%) of MillerCoors’ corporate responsibility data.

In June 2012, Molson Coors acquired StarBev which merged with Molson Coors (UK & Ireland) and was renamed Molson Coors Europe. Our Central European business employs approximately 4,100 people, operates nine breweries and sells its market-leading brands in the Czech Republic, Serbia, Croatia, Romania, Bulgaria, Hungary, Montenegro, Bosnia-Herzegovina and Slovakia.

As you read about our responsibility programs and challenges, we want to hear from you. We welcome your feedback about our reporting, scope and priorities for the future.
Our Targets

Alcohol Responsibility

2015 Target: Continuation of targets listed below.

What We Said: 2014

1. All product design, packaging, advertising and marketing conform to Molson Coors Global Alcohol Policy and local regulatory and self-regulatory standards.
2. Every major market implements and evaluates the impact of at least one major alcohol responsibility program to reduce harmful drinking and its effects.
3. Maintain compliance with CEO Global Commitments reporting and action plans, sharing best practice with our partners, and implementing our own action plans.

How We Did

1. Molson Coors did not have any product or marketing withdrawn in 2013 because of non-compliance with company or local standards.
2. In each of our major markets, we have alcohol responsibility programs addressing issues such as drunk driving, underage drinking and other harmful drinking patterns. See details in the Alcohol Responsibility section.
3. Audit carried out on each of our countries where we are commercially active. Action plans are being developed to prioritize activity and share best practice.

Environmental Responsibility

2015 Target: Work towards 2020 targets.

What We Said: 2014

1. Improve energy efficiency by 25% by 2020 from 2011 levels.
2. Improve water efficiency by 20% by 2020 from 2011 levels.
3. Reduce GHG intensity by a further 15% by 2020 based on 2011 levels.
5. Reduce packaging weight by 4% by 2015 from a 2012 baseline.

How We Did

1. We have achieved 26% of our 2020 targeted energy reductions with 6 years remaining. See Energy Performance for full details.
2. We have achieved 22% of our 2020 targeted water reductions with 6 years remaining. See Water Performance for full details.
3. Achieved 53% of our 2020 targeted GHG reductions with 6 years remaining. See Carbon Performance for full details.
4. Reduced waste generated per pint of beer produced by 11.5%. See Waste Performance for full details.
5. Reduced packaging weight by 21% against our 2015 target. See Packaging Performance for full details.
Community and Employees

Community: Continue investment of 1% of pre-tax profits in the community.

What We Said: 2014
Invest 1% of pre-tax profits in the community.

How We Did
In 2014, we invested 1.45%, $8.5M of pre-tax profits. See Community Investment.

Employees: Continue with target noted below.

What We Said: 2014
1. 15% improvement in employee engagement over 2012.
2. 10% improvement in Health & Safety performance year over year out to 2020.

How We Did
1. A decision was made to conduct the People Survey every other year, next survey 2015. See Engagement for full details.
2. 44% reduction was achieved worldwide in Lost Time Injury Frequency Rates (LTIFR) in 2014. See Wellness & Safety for full details.

Responsible Sourcing

2015 Target: Continue with targets noted below.

What We Said: 2014
1. Communicate Supplier Standards to global supply base.
2. Deploy SEDEX to high risk packaging, brewing and merchandise suppliers.

How We Did
1. Communicated as an on-going requirement to 100% of global supply base through our Standard Terms and Conditions. See Responsible Sourcing.
2. Assessed 120 suppliers through the SEDEX tool to ensure ethical compliance among some of our top tier suppliers.
Economic Impact

Financial Results and Impact
Molson Coors gross sales for 2014 were $5,927.5 million, or $4,146.3 million net of excise taxes. The distribution of these funds are provided in the economic impact section below.

Note that under US GAAP, these gross sales do not include sales by MillerCoors LLC, the US operating company operated in a joint venture with SABMiller. MillerCoors LLC reported gross sales of $7,848.4 million net of excise taxes. On a pro forma basis, 42% of these sales would be attributed to Molson Coors.

Molson Coors pro forma gross sales (including 42% of MillerCoors LLC) total $9,703.5 million, or $7,442.6 million net of excise taxes.

Molson Coors net income for 2014 totalled $514.0 million. Equity income from MillerCoors LLC is included in Molson Coors net income.

More information is available on the Form10K Annual Report.
Stakeholder Engagement and Materiality

Engaging with stakeholders is essential to building our reputation, developing long-term relationships, helping to understand stakeholder concerns and supporting Molson Coors’ ambition to grow our positive impact through Our Beer Print.

Our stakeholder engagement activity helps us set long term corporate responsibility priorities and targets. Our network is vast, covering all our business groups. It ranges from those that we proactively engage with to those whose public positions help shape our own views and activities. Our stakeholders include:

- Communities
- Consumers
- Customers
- Employees
- General Public
- Government/Regulators
- Industry Trade Associations
- Investors/Shareholders
- NGOs
- Public Health Community
- Suppliers

The variety and differing scale of our stakeholders means we engage in a range of different ways depending on the level of interest, the relevance to the business and the most appropriate way to engage the stakeholders’ specific needs.

- Employees – Annual People Survey
- Customers – See 2014 Commercial Stakeholder Review details below
- Internal Commercial Leaders – included within 2014 Commercial Stakeholder Survey
- Molson Coors CR Council – meetings three times a year
- Other Commercial Stakeholders – engaged through trade industry groups, regular meetings and process reviews
- Government, NGOs & General Public – engaged at local level on appropriate issues

We conduct a formal stakeholder review every three to five years.

Stakeholder Review

Our commercial partners (i.e. our on-premise and off-premise customers) are one of our most important stakeholder groups, as they understand their own consumer activity and have a clear idea of expectations from a partner like ourselves. With that in mind, we carried out a detailed qualitative stakeholder engagement review in 2014 to explore:

- Issues and expectations of the global brewing industry – now and in the future
- Issues facing customer stakeholders and opportunities for collaboration
- Perceptions of Molson Coors – performance and importance assessment

And use this output to:

- Integrate feedback into business practices to drive performance improvements
- Set long term corporate responsibility priorities and targets
- Enhance the company’s reputation for accountability and transparency in corporate responsibility

Please see the independent commentary and recommendation from the review.
The 2014 review found that our current corporate responsibility priorities are closely aligned to stakeholders’ views and address the company's material issues. Using the review findings, we have conducted a materiality assessment to identify the issues of greatest importance to our stakeholders and that have the largest impact for the company (3-5 years period). We set annual targets for our priority areas and report against our progress externally and to our leadership and board.

We have identified our top environmental and social issues as:

- Water Risk
- Packaging and Waste
- Energy and Carbon
- Alcohol Responsibility
- Responsible Sourcing
- Employee Engagement

We explain why these issues are material for us in Top Material Issues.

**Materiality Assessment**

- **HIGH** – The issues in the high category are regarded as those that are of greatest importance to our stakeholders and have the largest impact for Molson Coors (3-5 years). The Corporate responsibility (CR) Council set annual targets in these areas and report against our progress externally and to our leadership and board. The Council, which meets 3 times a year, sets the policies and strategies for these areas and conducts regular stakeholder dialogue and utilize the feedback to set strategies.

- **MEDIUM** – For our mid-level material issues we have or are in the process of setting annual targets. We report performance internally and externally. The CR Council also has oversight over these issue areas.

- **LOW** – These are issues that are not aligned with Molson Coors’ strategy and whilst we monitor them we don’t set annual targets nor report externally against them.
Governance and Ethics

Ethical Culture

Our Code of Conduct

At the heart of our ethical culture is the Code of Business Conduct, Living Our Values.

As we say at Molson Coors, we have a duty 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 do the right thing. Our guide to doing the right thing is our Code of Business Conduct, Living Our Values. Together with our Values, the Code helps us to ensure our decisions and actions are consistent with the “right way.” All employees and the Board of Directors affirm the Code upon joining our company, and every two years after that.

Bringing the Code to Life

The Code is the cornerstone of our ethics and compliance program which includes communication, training, policies, and monitoring and auditing procedures on a variety of topics relevant to our business. These topics include, but are not limited to, accurate books and records, alcohol responsibility, anti-bribery and corruption, conflicts of interest, competition data privacy, discrimination and harassment, social media and speaking up.

Communication and training elements focus on providing employees with an understanding of the compliance topic as well as tools to help them apply what they have learned to their area of responsibility. Our Ethics and Compliance intranet site puts ethics and compliance information and other resources into the hands of our employees wherever they reside. To ensure the company’s strong tone at the top spreads throughout leaders at all levels of the organization, we added resources in 2014 aimed specifically at middle management to better enable them to communicate about ethics and compliance issues and demonstrate “the right way” daily in their particular roles.

Under the Chief Ethics and Compliance Officer and our Executive Ethics and Compliance Committee, we work with partners in each of our regions to promote a consistent global approach to doing things the “right way” everywhere we do business.
Anti-Bribery and Corruption

Molson Coors prohibits bribery and corruption by its employees or by anyone who is acting on behalf of the company. We expect our employees and business partners to “win the right way” through ethical and transparent business practices. Our anti-bribery and corruption program includes a global policy and training program, an intranet site with tools and other resources for employees, due diligence procedures and standard contract clauses for key business partners, and monitoring through internal/external audits and our Ethics and Compliance Helpline. Activities related to our anti-bribery and corruption program, along with our broader ethics and compliance program, are communicated to our executive leadership team and the Audit Committee of our board on a quarterly basis.

Ethics and Compliance Helpline

Our employees also have access to an Ethics and Compliance Helpline 24 hours a day. The helpline allows employees, or any stakeholder, to ask a question or raise a concern in their native language in a confidential and/or anonymous way. All questions and issues raised through this channel are responded to through the Ethics and Compliance Office at Molson Coors. In 2014, we had 25 reports or inquiries through this channel. Of the 2014 reports where investigative action was necessary, approximately 50% were substantiated and resulted in corrective or disciplinary action. 20% of reports in 2014 were anonymous vs. 25% in 2013. Reports were made in the following categories:

![2014 Reports to the Helpline](chart)

**Political Contributions**

Molson Coors engages in the political environment in order to inform public policy makers on company and industry issues and practices and to promote corporate responsibility, including the responsible promotion and consumption of our products. Only designated Company employees may engage in public policy influence on behalf of the Company, and these employees must adhere to registration, ethics and disclosure requirements in their jurisdiction see our Political Contributions Principles. Full disclosure of our contributions is available online, see link.
Corporate Responsibility Governance

Corporate Responsibility (CR) is a Board priority, embedded into the Company’s strategy and integrated into the expectations of senior and other leaders. To govern CR a CR Council was formed in January 2012, chartered by the Executive Leadership Team, and with accountability for delivering performance in the strategic, operational and commercial areas of the business including climate strategy. The Council enhances performance and the company’s reputation and supports the business’ ambition to be ‘First Choice for Consumers and Customers’ through corporate responsibility. The Council is sponsored by the Chief People & Legal Officer and Chief Supply Chain Officer and chaired by the Chief Corporate Responsibility Officer. The Council reports to the Executive Leadership Team three times a year and twice a year directly to the Board of Directors.

Remuneration Tied to ESG

Monetary reward in performance pay is rewarded to the Corporate Executive Team; Chief Executive Officer; Chief Operating Officer; and the entire Management group on the basis of 3 indicators:

1. Energy used per hl of production (MJ/hl),
2. Water consumption per hl of production (hl/hl), and
3. Performance in external benchmarking indices (such as Carbon Disclosure Project and Dow Jones Sustainability Index).

These indicators form part of our BrewHouse Operating Scorecard and are integrated into a larger suite of metrics which drive our business at a global level. The Corporate Executive Team is rewarded on the basis of this entire suite of metrics.

Monetary reward in performance pay is rewarded to Business unit managers; Energy managers; Environment/sustainability managers; Process operation managers; and Risk managers on the basis of 4 indicators:

- Fuel used per hl of production (MJ/hl),
- Electricity consumed per hl of production (MJ/hl),
- Carbon emissions per hl of production (kgCO2e/hl),
- Water consumption per hl of production (hl/hl).

Non-monetary recognition for efforts undertaken to reduce carbon emissions, energy use and water consumption is heavily used as a method of generating excitement amongst employees in sustainability. We employ Yammer as an internal social media network to recognize accomplishments.

Accountability

Corporate responsibility performance is communicated throughout the organization via: the quarterly company performance review by the Executive Leadership Team, the quarterly report to all leaders and the quarterly communication to all employees, across all our regions. The Board of Directors reviews CR performance as part of their overall company performance oversight. Twice a year, the Board undertakes a deeper dive into a corporate responsibility topic of particular importance.
**Alcohol Responsibility**

**We’re successful when our products are consumed the right way.**

We’re deeply concerned about excessive, irresponsible and underage drinking. We want our quality products to be enjoyed responsibly by those old enough to drink. Read our [Global Alcohol Policy](#) and [Our Views](#) to better understand our commitments on these critical issues.

Another aspect of our responsibility commitment is meticulous care for the quality of our products throughout the supply chain. Our quality management extends from the careful selection of barley and hops and other agricultural products we buy, throughout the brewing process, in our packaging, and management of our distribution to ensure that drinkers drink only fresh beer.

All employees are required to take alcohol responsibility training. This includes our policies and the role our people play in modelling responsible behavior in their families and communities.

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**CEO Global Alcohol Commitments**

In October 2012, we joined with twelve other leading beer, wine and spirits companies to strengthen efforts to reduce harmful drinking around the world in five key areas. These [Global Commitments](#) will be implemented over a five-year time period.

As an active partner to these commitments, we are proud to share the launch of [ResponsibleDrinking.org](#) in May 2015. Built by the International Alliance for Responsible Drinking (IARD) to encourage responsible drinking, the website is intended to be a helpful health destination for current information on issues related to safe, legal and responsible drinking decisions. Consumers can find information about different forms of beverage alcohol, the immediate and long-term health effects of drinking, as well as examples of when drinking is risky and why some people should choose not to drink.

This is one of a number of commitments that Molson Coors is proud to support. More information can be found on the [IARD website](#). See our [Case Studies](#) for more details about how we are putting our commitments into practice and how we are partnering on specific responsibility programs.
Responsible Sales and Marketing
Molson Coors is committed to alcohol responsibility in all of our business practices. We package and label our beer in accordance with applicable laws and regulations. We advertise and sell our products honestly and in accordance with all applicable laws and regulations.

We follow the letter and spirit of industry self-regulatory codes that are consistent with our commitment to responsibility. This means, among other things, that we target our sales and marketing activities to individuals who are at least the legal drinking age or age 18, whichever is higher. We are also an advocate for global standards and self-regulation. To learn more, see our Global Alcohol Policy.

Responsible Consumption
The vast majority of beer drinkers are of legal age and drink responsibly most of the time. However, the issues of illegal underage drinking, excessive drinking, drinking before driving, drinking and pregnancy and other inappropriate drinking remain serious issues around the world. We believe that we should do our part to promote only responsible drinking, and join with others to discourage harmful drinking.

Responsible Retailing
Molson Coors beers are purchased by consumers at a variety of retail outlets for consumption on-premises (e.g., restaurants, bars, pubs, sports and concert venues) or to take-away (e.g., supermarkets, convenience stores, alcohol stores). Molson Coors sells our product to these retail customers either directly, or through distributor networks. As a result, we typically do not have control of how our product is served or sold.
At the same time, we believe that responsible retailing plays an important part in reducing underage and irresponsible drinking. Trained retailers can ensure that alcohol products are sold only to consumers of legal drinking age, and not sold to intoxicated consumers. Trained staff can be the first line of defense against disruption caused by intoxicated consumers. Responsible serving practices including water and food availability, safe glassware and safe-ride home services also help reduce problems.

We partner with our customers to encourage seller and server responsibility across the world. We also provide programs, support training and distribute materials (as allowed by local law and regulation) to make the enjoyment of our brands a positive experience.

**Growing the Low-Alcohol Category in Europe**

At Molson Coors we are successful when our products are consumed the right way. We're deeply concerned about excessive, irresponsible and underage drinking.

As part our continued ambition to drive responsibility across the alcohol category we have actively pursued the development of low alcohol fruit flavoured beer mixes. These products, like all our products, are designed to have primary appeal and to be consumed by legal-aged consumers. These products are in general 3% ABV or below, so a very low alcoholic strength product offering real lower option choice to the consumer. To date we have lower ABV beer mix mixes in 8 countries (UK, Hungary, Czech, Bulgaria, Croatia, Montenegro, Serbia, Romania).

See full story [here](#).
Environmental Stewardship

At Molson Coors we have an ambition to be first choice for consumers and customers, we believe we will achieve this by doing business the right way; one way we do this is through our strategic commitment to improve Our Beer Print. Improving Our Beer Print by protecting our environment is critical to maintaining the trust of our customers and consumers and therefore our long-term sustainability as a business.

So how do we improve Our Beer Print?

- We first ask our consumers and community stakeholders what is important to them and focus our efforts accordingly. We evaluate the risks associated with our resource use and waste generation and take action to mitigate these risks.
- We set ambitious long term targets on our most material issues.
- We continuously work towards achieving our targets and have rigorous internal governance to ensure we stay on track.
- We engage our suppliers in managing risk and improving their resource intensity with the objective of minimizing the impact of our entire supply chain on the environment.

2020 Sustainability Strategy

Through our materiality assessment process we identify the most important environmental issues to our business. These issues cover both availability of resources that we rely on to make our products, and the impact we have on the environment though generating waste streams and emissions. In our most recent Stakeholder Review, conducted in 2014, water was again identified as a top material issue; see full details in Stakeholder Engagement. Our top three material environmental issues:

- Water Risk
- Energy and Carbon
- Packaging and Waste

Our 2020 Sustainability Strategy was developed in response to the environmental issues we have found to be most material to our business. The Strategy lays out ambitious targets for improvement and integrates how we manage energy, carbon emissions, water, waste water and solid waste.

The cornerstone of the strategy is a commitment to invest in waste water treatment that will allow us to generate clean energy from the waste water our breweries produce. The use of anaerobic digestion waste water treatment technology allows us to treat our waste water to a high quality and generate biogas that can be used to produce heat or electricity. The energy can then be used to power our breweries. This approach will mean we protect the watersheds we operate in, alleviate the impact of our operations on municipal water treatment resources, reduce our reliance on fossil fuels, and reduce our carbon emissions.
Our Targets

Water

- Improve water efficiency by 15% by 2020.
- Breweries in water stressed areas will achieve world class water use efficiency.

What is world class? Global brewing benchmark studies indicate world class water intensity as being between 3.0 and 3.5 pints of water to make 1 pint of beer, depending on the complexity of the brewery’s product mix.

We undertake benchmarking of water and energy efficiency performance each year through the Beverage Industry Environmental Round Table. See Our Performance for full details.

Energy and Carbon

- Improve energy efficiency by 25% by 2020.
- Reduce carbon intensity by 15% by 2020.

Our energy efficiency and carbon intensity targets are complementary and are designed to both reduce the overall energy footprint of our operations and incentivize the use of cleaner fuels and alternative renewable energy sources. The 10% difference between the two objectives is due to the very low relative carbon intensity of our energy consumption in Canada (where electricity is largely generated by hydro power), while the largest opportunity for energy saving also lie within our Canadian operations. See Our Performance for full details.

Waste

- Send zero waste to landfill by 2020.

Currently we dispose of 16% of our solid waste streams to landfill. We are already some way along the road to meet our target; our three main UK breweries have been landfill-free since December 2012. See Our Performance for full details.

Packaging

- Reduce the weight of packaging sold by 4% by 2015.

The target excludes our on-trade keg packaging, which are in a reusable format. See Our Performance for full details.

MillerCoors, in the US, has also set challenging targets. By 2015 they have set the goal to reduce water usage in their breweries by 15%, reduce total energy use by 15%, reduce packaging by 2%, and reduce waste to landfills by 50%. See details here.
Global Systems and Management

Our **Quality, Environmental, Health & Safety Policy** (QEHS Policy) outlines our commitment to control the risks associated with the safety of our people and communities, manage our impact on the environment and ensure our products are safe and of the highest quality. It is reviewed regularly and updated based on best practice and issues that are material to our business. In 2015 our QEHS Policy was expanded in scope to encompass the broader life cycle impacts of our products and this year we have added our commitment to be first choice for customers and consumers. The policy is approved by the Chief Executive Officer and the Chief Supply Chain Officer and is distributed to all facilities. The policy applies to our direct operations, is practiced by all employees and promoted with our partners, contractors, and suppliers. It is available to all employees on the company intranet portal and is displayed in key communication areas across our sites.

We have a global environmental management system that ensures we deliver the commitments laid out in our QEHS Policy and support our business to reach our 2020 sustainability goals. The EHS pillar and Our Beer Print (OBP) Pillar are part of our World Class Supply Chain continuous improvement programme. The EHS pillar covers Environmental Compliance while the Our Beer Print Pillar covers energy, water, waste management and longer term environmental sustainability risk and opportunity. The pillars and management system are modelled on global best practice and international standards explicitly ISO14001 and ISO50001. Responsibility for the policy and management system is held at the highest level by both the CEO and Chief Supply Chain Officer.

Each year we audit every brewery and large distribution centre against our Global EHS and OBP Pillar Standards using internal experts who are all qualified to ISO lead auditor status. This rigorous audit program ensures consistency of approach to environmental risk management is maintained at the highest level throughout all our operations worldwide.
Environmental Compliance

We take any incident that impacts on the environment very seriously and ensure they are fully investigated to prevent reoccurrence.

In 2014, we had no violations\(^1\) of an environmental law or regulation; however 19 incidents met our internal criteria for a significant or critical environmental incident. These definitions exceed the legal reporting requirements in some of our areas of operation but we feel it gives us a clearer understanding of our issues.

In Europe we had 10 of these types of environmental incidents and in Canada we had 9. Only one of these incidents resulted in enforcement action from the environmental regulator in that geography.

Each of these events has been fully investigated and actions taken to prevent reoccurrence. We continue to invest significant resources against environmental risk improvement projects, primarily though not exclusively in the area of waste water risk management. Over $13M has been invested in building or upgrading waste water treatment facilities in 2014.

\[\text{Data Assurance}\]

For the sixth year we have had our environmental data verified by an independent third party. This year’s assurance was performed against ISAE 3000, the internationally recognized standard. As part of the assurance the EMS in each region was reviewed. See Our Assurance section for more details and for the 2014 Assurance Statement.

Water

A commitment to good water stewardship and ensuring water as a sustainable resource is part of Molson Coors’ heritage and future. The quality of our beer is directly tied to the quality of the water we use to produce it, and the sustainability of our business depends on a secure supply of high quality water. For this reason, protecting the water resources in our communities is a central part of Our Beer Print. In setting our 2020 water targets, we have taken a risk based approach to ensure that we are focusing on the right elements of water for our business and the watersheds in which we operate. Each of our breweries undertakes detailed watershed risk assessment and also completes our water risk index. This approach has allowed us to set targets that focus resources to drive the right behaviour on water, reducing risk across the enterprise. Our 2020 ambitions are to:

- Reduce water intensity by 15% in all brewery operations (relative to our 2011 baseline).
- Achieve world-class water efficiency in breweries exposed to a risk to the security of supply.

Additionally we have a commitment to invest in waste water treatment that will allow us to generate clean energy from the waste water our breweries produce. The use of anaerobic digestion waste water treatment technology allows us to treat our waste water to a high quality and generate biogas that can be used to produce heat or electricity that can be used in our breweries to make our beers. This approach will mean we protect the watersheds we operate in, alleviate the impact of our operations on municipal water treatment resources, reduce our reliance on fossil fuels and reduce our Carbon emissions.

\(^1\) Violation: We use the Dow Jones Sustainability Index (DJSI) definition of a violation, i.e. A violation occurs when an authorized body (e.g., governmental body, independent commercial or non-commercial regulator, etc.) determines that a law, regulation, code, etc. related to environmental or ecological issues has been breached, and the fine or penalty is over $10,000.
What is world class?

Global brewing benchmark studies indicate world class water intensity as being between 3.0 to 1 and 3.5 to 1 (ratio of water use to beer), depending on the complexity of the brewery’s product mix. We undertake benchmarking of water and energy efficiency performance each year though The Beverage Industry Environmental Round Table. See Our Performance for full details.

Water Conservation Efforts

In 2014 Molson Coors focused on executing our Enterprise Sustainability Strategy. This resulted in concrete action on water conservation and risk mitigation in two main areas:

1. Delivered our commitment to invest in waste water to energy projects. In 2014, Molson Coors commissioned a new anaerobic digestion (AD) waste water treatment plant in our brewery in Haskovo, Bulgaria and started construction on two other AD treatment plants in Apatin, Serbia and Trebjesa, Montenegro. The plants were commissioned early 2015, bringing the total to seven breweries operating this technology. The investment of $11.8 million in these three projects represents a commitment to delivering the environmental and business benefits set out in our Strategy.

2. The implementation of the Our Beer Print Pillar. The Pillar is part of our World Class Supply Chain continuous improvement program, and which acts as a robust energy, water, Carbon and waste management system is expected to deliver important water savings and risk reduction through better planning, process control and risk management. In 2014, we implemented the Our Beer Print Pillar in all of our breweries. In so doing we trained our production sites on good water management practice, established plans to align each one with the requirements of the system, and audited them against the standard. This has resulted in the following improvements:
   - Better water savings planning to secure resources for projects;
   - A deeper engagement of our employees on the importance of minimizing water use;
   - Enhanced ability to develop meaningful water conservation targets and track progress; and
   - A greater understanding on behalf of each brewery of the local water-related risks.

Watershed Risk Assessments and Index

Each of our breweries is in a unique water situation based on location, physical attributes, local, national government structure and other users in the community. Across our network we have sites that are supplied by municipal water sources while others source from surface or ground water. We have a number of breweries that have their own waste water treatment and others that utilize municipal treatment works. This variety means we need a flexible system to monitor and respond to changes in water risk and impact over the short and long term.

We invest significantly in capturing the best data on each of the watersheds we operate in, with the objective of understanding our risks, impacts and opportunities. To date, we have utilized a number of strategies which have helped us to become more sophisticated in understanding what data and metrics are helpful to our business. In addition to using publically available tools (including World Business Council for Sustainability Development (WBCSD) water tool and World Resource Institute (WRI) Aqueduct, we engaged third party experts to complete watershed risk assessments for each of our breweries. The scope of these studies covers: current water availability, quality and waste water issues local to the brewery and in the wider watershed, future challenges and pressures, legislation risks and stakeholder conflicts.
Working with our Communities and Stakeholders

We believe that working with others on water stewardship is critical. Not only does it allow us to gain a greater understanding of water in the communities we operate in, it also helps us to find solutions that ultimately help us meet our own goals. We work with others in a number of ways.

- **CEO Water Mandate:** Molson Coors is a signatory of the UN CEO Water Mandate which we signed in 2008. See our [Communication on Progress here](#).
- **Beverage Industry Environmental Roundtable (BIER):** [Beverage Industry Environmental Roundtable](#) (BIER) is a technical coalition of leading global beverage companies working together to advance environmental sustainability within the beverage sector. Molson Coors participate in BIERs technical working groups as well as benchmarking studies.
- **Local Communities:** We also reach out to the communities who share our watersheds. Where we have identified higher risk sites we have a more formal outreach in place. In a number of our breweries we have been instrumental in creating community forums to protect local watersheds, some of which have been active for many years. Learn more about our community engagement in the [UK](#), US, Canada and India in our detailed [Case Studies](#).

### Bringing Clean Drinking Water to Bihar, India

Our brewery in India is located in the state of Bihar, home to more than 100 million people. Once prosperous, Bihar is now battling issues such as illiteracy, inadequate access to safe drinking water and poor sanitation coverage. Surveys show that only 14% of households have access to a toilet facility and only 8% of Bihar’s 290 schools have water and sanitation resources.

We wanted to improve Our Beer Print and make an impact in our local community, so our team in India partnered with Water For People to build a fresh water well down the street from our brewery. The new well opened in August 2013 and serves 500 families with safe drinking water. Our team also built a new toilet block and hand washing facility at the local school, which is helping to improve attendance, especially for young girls. These small actions give our community greater access to water and sanitation services and dramatically improve their wellbeing. Read more [here](#).

### Water in Our Supply Chain

Water isn’t just important in our breweries, it’s vital throughout our supply chain, from growing barley, manufacturing our packaging materials, even washing glasses in the pub!

In fact water footprint analysis indicates that 98% of our Water Footprint is in our supply chain. That is why we work to extend our responsibility standards to our growers and suppliers. In 2009, and revised in early 2012, we published [Our Standards for Suppliers](#) which extend our corporate responsibility practices to our complex supply chain, challenging our suppliers to set similar commitments to reduce their impact, particularly with regard to water.
Similarly to our own operations, we need to prioritize supplier engagement based on water risk or opportunities. Here are two examples of how we are working with suppliers to improve water stewardship:

- **Supplier Score Card:** A number of sustainability criteria are now integrated into our supplier score card process. Along with other key indicators (such as quality) we are tracking the energy, carbon and water savings our suppliers are delivering on the goods and services we purchase.
- **Molson Coors Growers Group:** In the UK we have direct links to our barley growers. We have worked with LEAF (Linking Environment and Farming) to develop the LEAF Water Management Tool to enable any LEAF partner to develop their own water management techniques.

**Our Performance**

Our performance for the 2014 calendar year is measured based on the intensity of water use, in other words, per unit of product produced:

- We set-out to achieve a ratio of water use to beer of 4.51 to 1, a reduction of 1.8%.
- We surpassed our target and achieved a ratio of 4.37 to 1 113.1, a reduction of 3.1%.
- We used 510 million litres less water; the equivalent of 920 households’ average annual usage.

**Progress towards our 2020 targets:**

- We have achieved 22% of our 2020 targeted water reductions so far and are well-positioned to deliver on our commitment.
- We have greater capacity to deliver further water savings by means of better monitoring, tracking, and more on-site treatment of waste water.

**Molson Coors Water Use (khl)**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater Withdrawal</td>
<td>83,695</td>
<td>82,718</td>
<td>80,915</td>
<td>78,697</td>
</tr>
<tr>
<td>Direct Surface Water Withdrawal</td>
<td>10,049</td>
<td>9,976</td>
<td>9,353</td>
<td>9,684</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>68,135</td>
<td>69,282</td>
<td>65,519</td>
<td>62,295</td>
</tr>
<tr>
<td>Water Returned to Source at Similar or Higher Quality</td>
<td>498</td>
<td>494</td>
<td>456</td>
<td>448</td>
</tr>
</tbody>
</table>

**Molson Coors Water Use (khl)**

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
<th>Central Europe</th>
<th>India</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater Withdrawal</td>
<td>129</td>
<td>35,257</td>
<td>1,590</td>
<td>41,721</td>
</tr>
<tr>
<td>Direct Surface Water Withdrawal</td>
<td>-</td>
<td>9,684</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>43,263</td>
<td>9,674</td>
<td>-</td>
<td>9,357</td>
</tr>
<tr>
<td>Water Returned to Source at Similar or Higher Quality</td>
<td>-</td>
<td>448</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
MillerCoors Water Use (khl)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012*</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groundwater Withdrawal</td>
<td>59,908</td>
<td>56,698</td>
<td>51,810</td>
<td>49,977</td>
</tr>
<tr>
<td>Direct Surface Water Withdrawal</td>
<td>18,074</td>
<td>27,639</td>
<td>97,365</td>
<td>91,145</td>
</tr>
<tr>
<td>Purchased Water</td>
<td>55,401</td>
<td>49,805</td>
<td>45,969</td>
<td>43,828</td>
</tr>
<tr>
<td>Water Returned to Source at Similar or Higher Quality</td>
<td>80,107</td>
<td>85,788</td>
<td>74,488</td>
<td>78,204</td>
</tr>
</tbody>
</table>

*Water use from non-brewery production sites added for the first time in 2012.

The data has been independently reviewed in accordance with ISAE 3000 and disclosed to investors in our 2014 10K. Due to our 42% equity share in MillerCoors in the US, we also report 42% of their environmental impact separately. This was due to a change in the scope of reporting from equity share to operational control in order to render the environmental metrics with financial denominators more comparable. See Reporting Scope for full details regarding MillerCoors and Economic Impact for details of Molson Coors’ and MillerCoors’ 2014 financial performance.

Energy and Carbon

We are committed to reducing our energy use and carbon emissions to minimize our contribution to climate change and improve Our Beer Print. In 2012 Molson Coors set ambitious objectives to reduce energy and carbon intensity by 2020 from a 2011 baseline:

- Reduce Carbon intensity by 15%\(^2\)
- Reduce Energy intensity by 25%\(^3\)

We have set out a plan to achieve the necessary reductions as part of an Enterprise Sustainability Strategy. The principle elements relating to carbon emissions and energy reductions are:

- **Commitment to invest in alternative energy with a focus on converting brewery waste water to biogas energy.** The recovery of biogas for generating heat or electricity to use in our processes is a more efficient use of natural resources and is Carbon neutral; thereby helping us to achieve our Carbon intensity target.

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\(^2\) Carbon targets include all production sites and company-owned distribution. The energy target also excludes offices which represent less than 1% of total energy consumption. As a result of the exclusions, the coverage of the targets (emissions included in the target calculation as % of total Scope 1 and 2 emissions) is 92%.

\(^3\) The energy intensity objective is an industry standard applied to breweries with the denominator expressed in hectoliters. It does not include non-production sites such as distribution, offices or the maltings facility in the UK due to the production being in dry tonnes as opposed to hectoliters. The resulting coverage of the target is 86%.
- **The implementation of the Our Beer Print Pillar.** The pillar is part of our World Class Supply Chain continuous improvement program, and which acts as a robust energy, water, carbon and waste management system aligned with the internationally recognized standard ISO50001 and sets out processes, tools and resources for activities such as:
  - Energy and carbon savings planning;
  - Employee engagement;
  - Sustainability auditing;
  - Adoption of best-available technology;
  - Climate and energy risk management;
  - Measurement and tracking of energy use.

- **The Implementation of The Dollar$ense Project.** The project is composed of energy management software and business processes to support greater accountability and visibility of energy use within our sites. This tool provides our front-line employees with the tools they require to act with greater agility and autonomy in solving problems and implementing opportunities for energy and carbon savings. In 2014 we completed a successful pilot in our Montreal brewery and we are now rolling it out across our brewery network. The system is currently live in 4 of our site and will be implemented in all sites by 2016.

Our commitment to improve Our Beer Print extends beyond the borders of our breweries. We engage with our supply chain to find ways to reduce energy use and carbon emissions initially by improving the data we capture and report on carbon emissions. In 2014 we continued to make progress in this regard, primarily through cooperation with other beverage companies within the Beverage Industry Environmental Roundtable (BIER) to generate a standard methodology to calculate the environmental footprint for beer.

We engage directly with suppliers on improving Our Beer Print. A number of sustainability criteria are now integrated into our supplier score card process. Along with other key indicators (such as quality) we are tracking the energy, carbon and water savings our suppliers are delivering on the goods and services we purchase. We have prioritized packaging and raw materials (such as malt and barley) for the sustainability scorecard roll out process based on the importance of these categories to both environmental footprint and spend.

See full details in [Our Performance](#). Detailed reporting of our carbon emissions is available on the [Carbon Disclosure Project website](#) through our [Carbon Disclosure submission](#).

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**New Energy Centre to Bolster Efficiency**

A new energy centre was opened at the Burton Brewery in September 2014, as part of a significant five year plan to modernize the site’s infrastructure and technology, which will invest $75 million capital in to the brewery. The new energy centre supports our [2020 Sustainability Strategy](#) to cut energy consumption by 25% and reduce greenhouse gas emissions by 15%. The facility will also play a huge role in contributing to our target of $16 million in annual savings globally.

The £12.4 million energy centre took ten months to build from start to finish and began to produce steam, compressed air and refrigeration for the site from January 2015. Molson Coors is already seeing the benefits in efficiencies, cost savings and environmental impact. See full story, [link](#).
Our Performance

Our performance for the 2014 calendar year is measured based on the intensity of energy and carbon emissions, in other words, per unit of product produced:

- We set-out to achieve 113.6 MJ of total energy use per hectolitre of beer produced (MJ/hl), a reduction of 3%.
- We surpassed our target and achieved 113.1 MJ/hl, a reduction of 3.4%.
- Despite reducing our direct and indirect carbon emissions by 2.4%, emissions per hectolitre of product experienced a more moderate decline of 0.7% to 8.93 kgCO2e. This is due to the carbon savings being primarily from reduced electricity use in areas with very low carbon intensity electrical grids.

The impact on total energy and carbon emissions:

- Total energy use by the company also fell by 3.4% on the year
- We reduced our direct and indirect carbon emissions by over 7,700 tonnes of CO2e, or 2.4%.

Progress towards our 2020 targets:

- We have achieved 26% of our 2020 targeted energy reductions with 6 years remaining and are well-positioned to deliver on our commitment.
- We have achieved 53% of our 2020 targeted carbon reductions with 6 years remaining, putting us on a path to over-deliver on our commitment.

The data in Energy Use and Carbon Emission by Region has been independently reviewed in accordance with ISAE 3000 and disclosed to investors in our 2014 10K as part of the evaluation of climate change risk.

The data tables report energy use and carbon emissions by region for Molson Coors Brewing Company. Data corresponding to our 42% equity share in MillerCoors in the US is no longer consolidated in MCBC data and is reported separately as Scope 3 activity related to ‘Significant Investments’. This is due to a change in the criteria for determining scope from the ‘Equity Share’ method to the ‘Operational Control’ method which was deemed more suitable for providing information to stakeholders that is more comparable with our peers.

Historical data has been re-base-lined to reflect this change and all information going forward will include 42% of MillerCoors activity as Scope 3 related. See Reporting Scope for full details regarding MillerCoors and Economic Impact for details of Molson Coors’ and MillerCoors’ financial performance.

Molson Coors Trends in Total Energy Use and Carbon Emissions

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Use (MJ)</td>
<td>4,762,740,947</td>
<td>4,547,490,313</td>
<td>4,428,254,544</td>
<td>4,276,621,787</td>
</tr>
<tr>
<td>Electricity Purchased (MJ)</td>
<td>1,260,056,623</td>
<td>1,219,061,371</td>
<td>1,205,365,316</td>
<td>1,164,283,799</td>
</tr>
<tr>
<td>Scope 1 (tonnes of CO2)</td>
<td>220,884</td>
<td>206,113</td>
<td>198,097*</td>
<td>194,699</td>
</tr>
<tr>
<td>Scope 2 (tonnes of CO2)</td>
<td>135,861</td>
<td>130,176</td>
<td>123,415</td>
<td>119,047</td>
</tr>
</tbody>
</table>

* 2013 Scope 1 emissions have been revised to account for the following errors in data collection:
- Decrease of 10,550 tCO2 from the Canadian business unit due to an over-reporting of process CO2 emissions resulting from a data entry error.
- Increase of 1,897 tCO2e from fuel combustion in company-owned vehicles in the UK due to calculation error.

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4 Our baseline data for 2011 has been modified to include the new Central European business (acquired in 2012) for purposes of enhancing comparability.
Molson Coors Energy Use and Carbon Emissions by Region

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
<th>Central Europe*</th>
<th>India**</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Use (MJ)</td>
<td>1,526,605,209</td>
<td>1,272,121,004</td>
<td>35,708,600</td>
<td>1,442,186,974</td>
</tr>
<tr>
<td>Electricity Purchased (MJ)</td>
<td>427,850,986</td>
<td>392,996,856</td>
<td>12,660,815</td>
<td>330,875,141</td>
</tr>
<tr>
<td>Scope 1 (tonnes of CO2)</td>
<td>80,185</td>
<td>47,738</td>
<td>355</td>
<td>66,421</td>
</tr>
<tr>
<td>Scope 2 (tonnes of CO2)</td>
<td>7,708</td>
<td>65,120</td>
<td>3,231</td>
<td>44,843</td>
</tr>
</tbody>
</table>

* Central Europe integrated into our reporting systems in 2013
** India integrated into our reporting systems in 2012

SCOPE 3: Significant Investments - MillerCoors

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Use (MJ)</td>
<td>5,927,591,127</td>
<td>5,853,835,885</td>
<td>5,357,748,751</td>
<td>5,165,071,931</td>
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<tr>
<td>Electricity Purchased (MJ)</td>
<td>1,433,317,592</td>
<td>1,396,902,190</td>
<td>1,440,510,789</td>
<td>1,385,845,175</td>
</tr>
<tr>
<td>Direct Emissions (tonnes of CO2)</td>
<td>257,325</td>
<td>220,139</td>
<td>198,232</td>
<td>175,857</td>
</tr>
<tr>
<td>Indirect Emissions (tonnes of CO2)</td>
<td>397,250</td>
<td>409,632</td>
<td>314,495</td>
<td>320,073</td>
</tr>
</tbody>
</table>

Waste

Molson Coors has a strategic commitment to reduce Our Beer Print. This includes minimizing the natural resources we consume, being as efficient as possible with those that we use, and reducing their associated environmental footprint.

One way we can do this is to minimize the waste that we generate in our breweries, distribution centres and offices and dispose of any unavoidable waste streams in a way that captures and maximizes their value. As Bill Coors said over 50 years ago “Waste is just a resource out of place”.

With this in mind in 2014, we set a global waste target for the first time. As part of our 2020 Sustainability Strategy, we commit to all of our operations being landfill-free by 2020. To reach our target, first we need to understand if the waste stream can be eliminated. Second, we need to determine how we can maximize its usefulness though re-use or recycling.

Within Molson Coors our waste reduction target is governed though the Global Governance team and our brewery managers who are incentivized to achieve our waste targets. Looking externally we see that there is great potential to work with our suppliers and customers to find innovative solutions to waste challenges to achieve this goal.
Over the last year we have made progress on our zero landfill target in two main areas:

1. The implementation of the Our Beer Print Pillar. The Pillar is part of our World Class Supply Chain continuous improvement program, and which acts as a robust energy, water, carbon and waste management system is expected to deliver important water savings and risk reduction through better planning, process control and risk management. In 2014, we implemented the Our Beer Print Pillar in all of our breweries. Established plans to align each one with the requirements of the system, and audited them against the standard.

2. Performed detailed gap analysis and waste audits on each site to understand the opportunities and challenges for each site, and created detailed plans of how we will achieve our 2020 targets.

The resource efficiency agenda is also important beyond our landfill reduction target. Currently, our co-products of spent grains and yeast are sold as cattle feed, or to make products such as Marmite. There is great potential to upgrade our co-products into even more valuable materials and this is key area of research of our innovation team. See more details in Case Studies.

We also recognize that our packaging waste is an important part of the life cycle impacts of our products; find out what we are doing to reduce this here.

Our Performance

Currently we dispose of 15.82% of our solid waste streams to landfill. Although our 2020 target focuses on reducing the environmental impact of the waste we generate, though increasing recycling rates, reducing the total waste we generate is also a key focus.

Progress towards our 2020 targets:
- Reduced the amount of waste generated per pint of beer we produced in 2014 by 11.5%.
- Our three main UK breweries have been landfill-free since December 2012.

Our waste data below is comprised of solid waste sent to landfill, solid waste incinerated and solid waste recycled. Spent grain and yeast is a co-product of the brewing process, and therefore where we sell these products on for use as animal feed we do not included in consolidated group waste stream reporting, or included in the % disposed in landfill calculation as we treat them as valuable products that are subject to our food safety standards.

The data has been independently reviewed in accordance with ISAE 3000. The data tables below report waste generated by region for Molson Coors Brewing Company. Due to our 42% equity share in MillerCoors in the US, we also report 42% of their environmental impact separately. This was due to a change in the scope of reporting from equity share to operational control in order to render the environmental metrics with financial denominators more comparable. See Reporting Scope for full details regarding MillerCoors and Economic Impact for details of Molson Coors’ and MillerCoors’ financial performance.

**Performance against Zero Landfill Trends and Breakdown by Region**

<table>
<thead>
<tr>
<th>Solid Waste to Landfill (%)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste to Landfill (%)</td>
<td>10.76</td>
<td>13.27</td>
<td>17.43</td>
<td>15.86</td>
</tr>
</tbody>
</table>
Packaging

Packaging plays a critical role to contain, protect, preserve, transport, inform and communicate our brands to our consumers. As part of our ambition to deliver First Choice for Consumers and Customers we are committed to delivering packaging which meets or exceeds expectations for performance, product integrity, consumer safety and environmental sustainability. We see this as part of reducing our negative Beer Print. As stated in our Global Packaging Policy, we are committed to:

- Reduce the amount of packaging used,
- Re-use packaging where possible,
- Collect and recycle all packaging materials or educate the consumer in the recyclability of our packaging, and
- Support Our Beer Print agenda.

<table>
<thead>
<tr>
<th></th>
<th>Molson Coors</th>
<th>MillerCoors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Products (spent grain and yeast)</td>
<td>91,855</td>
<td>206,770</td>
</tr>
<tr>
<td></td>
<td>2,895</td>
<td>150,983</td>
</tr>
<tr>
<td></td>
<td>2,895</td>
<td>150,983</td>
</tr>
<tr>
<td>Waste to Landfill</td>
<td>7,087</td>
<td>564</td>
</tr>
<tr>
<td>Waste Incinerated</td>
<td>905</td>
<td>856</td>
</tr>
<tr>
<td>Waste Recycled (not including spent grain/yeast)</td>
<td>22,625</td>
<td>38,441</td>
</tr>
<tr>
<td></td>
<td>18,932</td>
<td>38,441</td>
</tr>
<tr>
<td></td>
<td>564</td>
<td>38,441</td>
</tr>
</tbody>
</table>

* Waste for Sharps brewery which was out of scope when the original UK target was set. It is now part of the global target and working to become landfill-free.
Targets

In 2012 we set out a target to achieve 4% absolute reduction in primary packaging weight by 2015. The target was based on primary packaging only.

Since this time we have improved our data collection approaches to include secondary packaging which meant that in 2014 we collected both primary and secondary packaging usage data for the first time. We have re-baselined our 2012 and 2013 data to include secondary packaging.

Packaging weight can be affected by light-weighting initiatives, as well as changes in product mix (for example, bottles are heavier than aluminium cans or PET bottles).

In the US, MillerCoors also has a 2015 goal to reduce the overall annual weight of all their packaging throughout the supply chain by 2%. Learn more about their progress here.

Molson Coors Global Packaging Council

A centralized Global Packaging Council oversees and shares best practice in packaging, packaging technology, innovation and sustainability. Increasing focus on customer and consumer needs ensures we deliver a solution fit for purpose.

Part of the Council’s strategic approach is to collaborate with global and regional organizations such as Sustainable Packaging Coalition; Beverage Industry Environmental Roundtable (BIER); The Packaging Association (PAC); and the Brewers Association of Canada (BAC), to ensure we are adopting best practice and technologies. The Council is committed to evaluating alternative materials, down gauging, looking at design modifications and the elimination of components, in an effort to optimize the weight of our packaging without impacting the performance of the package for the consumer.

Sustainable Packaging

The majority of Molson Coors’ packaging materials are recyclable, refillable and/or light-weighted. All of our bottles and cans include recycled materials, and many consist of up to 75 percent recycled content.

To create sustainable packaging – from concept design to packaging finalization – we systematically consider metrics including:

- Greenhouse Gas Emissions (tonnes CO2e per unit of production)
- Distance to Transport
- Recycle Content
- Recovery Value

Recent redesign and product introductions include:

- The Cobra 660ml bottle was light weighted in the UK as a result of a new supplier negotiation. A 10g reduction per bottle was achieved giving an annualized weight saving of 173 tonnes. This change was implemented at the end of March 2013, providing a 135 tonne saving for 2013.
- We invested £6.3 million in state-of-the-art packaging technology in the UK, packaged the UK’s leading brand Carling in film instead of cardboard from June 2011 onwards, reducing the weight of secondary packaging by 63% and reducing carbon emissions by 4. Learn more.
- We eliminated 5g of PET from each bottle, overall reduction of 120 tonnes in Central Europe with a cost savings of $175,000 annually. Through a series of line testing and quality control testing we also reduced the overall steel gauge thickness of our bottle crowns, a reduction of 130 tons of steel annually and a savings of $70,000. Learn more.
Sourcing Standards for Packaging

Our Molson Coors Standards for Suppliers outline our commitment to source from suppliers who grow, convert, produce and deliver bio based packaging materials in line with our sustainability standards. In 2014 we implemented a Supplier Scorecard with a sustainability review including packaging. Developed in Canada, this was rolled out across Central Europe later in 2014. Suppliers are targeted according to their spend profile. Learn more about how we are working with suppliers on innovative packaging.

Our Performance

We have seen considerable consumer habits changes in the past three years. A shift in consumer preferences away from heavy glass packaging to much lighter aluminium can and PET bottle formats, and larger pack sizes has been a key trend. As a result of this we achieved a 21% (141,028 tonnes) total packaging weight reduction against our 2012 baseline by the end of 2014. Whilst the shift in packaging mix and consumer trends have given opportunities to exceed our target we have continued to delivered many weight reduction savings through light weighting initiatives and changing the materials for a number of our formats.

Total Primary Packaging Sold Globally (tonnes)\(^5\)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>% Change in Weight (against 2012 baseline)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total packaging*</td>
<td>682,185</td>
<td>643,828</td>
<td>541,158</td>
<td>21%</td>
</tr>
</tbody>
</table>

* Excluding keg volumes.

As we progress through 2015 we are reviewing our packaging target with a view to launching a new target at the end of this year in line with our 2020 Sustainability Strategy and considering other elements other than simply a weight based metric.

Packaging Innovations in Europe

We are always looking for opportunities to partner with our suppliers to minimize our environmental impact and reduce the cost of our packaging. In 2014, we partnered with our PET supplier in Bulgaria to reduce the weight of our bottles. This down weighting meant we used 6% (46 tons) less material and saved the company $70,000 annually.

We had a similar partnership in the Czech Republic in 2013, which reduced the weight of our bottles by 10%, saving the company $175,000 annually.

As we reduce our packaging material we also reduce our environmental impact, improve Our Beer Print and save money.

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\(^5\) Currently we do not include Molson Coors International (MCI) in this data. The volumes are still small, <2%.
Employees and Community

We care about the people around us; whether they're within our walls or our communities.

Our Employees

At Molson Coors, our business aspirations are on the audacious side. We dream big and work hard. That means we need people on board who want to do the same. We know that attracting, developing and retaining the best talent that reflects the diversity of our marketplace – is key to our success. Both culturally and as a business strategy, we pay attention to the development, engagement and wellness of our employees. We actively listen to and act on their views particularly through our People Survey, knowing that highly engaged teams deliver the best business results. We strive to create a workplace where people who are passionate about the beer business can thrive.

Employment profile as of Dec 2014

<table>
<thead>
<tr>
<th>Area</th>
<th>Approx No. of Employees</th>
<th>% Under Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Center (US)</td>
<td>180</td>
<td>0%</td>
</tr>
<tr>
<td>Canada</td>
<td>2,459</td>
<td>61%</td>
</tr>
<tr>
<td>Central Europe</td>
<td>4,094</td>
<td>42%</td>
</tr>
<tr>
<td>UK</td>
<td>1,943</td>
<td>28%</td>
</tr>
<tr>
<td>International</td>
<td>435</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,111</td>
<td>41%</td>
</tr>
<tr>
<td>MillerCoors (joint venture with SABMiller)</td>
<td>7,927</td>
<td>34%</td>
</tr>
</tbody>
</table>
Demographic data as of Dec 2014

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee turnover rate (total)</td>
<td>12.8%</td>
<td>16.9%</td>
<td>11.5%</td>
</tr>
<tr>
<td>Total - Male</td>
<td>7,122</td>
<td>7,053</td>
<td>6,934</td>
</tr>
<tr>
<td>Total - Female</td>
<td>2,281</td>
<td>2,244</td>
<td>2,175</td>
</tr>
<tr>
<td>Company employees that are female</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Fatalities (including contractors)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of all management that is female</td>
<td>29%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>Percentage of top* management that is female</td>
<td>30%</td>
<td>27%</td>
<td>27%</td>
</tr>
</tbody>
</table>

* Includes Executives and Senior Management.

Engagement

Attracting, developing and retaining the best talent is our single most important challenge. That is why we put tremendous energy into listening to and acting on the views of our employees. We know that employee engagement has a direct link to our business performance. More engaged employees have better safety records, higher performance, and less absenteeism.

Global People Survey

Employee engagement is measured through our Global People Survey, conducted by an independent party. The survey asks employees a number of ethical, social, and environmental questions strongly related to employee engagement. We look to the survey results to help identify both areas for improvement, as well as areas of strength on which to build.

In 2013, we took the decision to deploy the survey every other year vs. every year to allow for the teams to focus efforts on action planning against the survey indicators. We have implemented a global process where we focus on top drivers across the entire business. We are currently preparing for our next employee survey at the end of 2015, while addressing the issues and applying the lessons learned from our 2013 survey results such as increased visibility of senior leaders across the business through face to face meetings and video blogs, and investing in our facilities, upgrading break areas and showcasing our brands more effectively in these locations.

Previous Results

Our employees believe we are socially and environmentally responsible, 77% in our last survey. Through Our Beer Print we continue to educate, raise awareness and promote environmentally and socially responsible habits and opportunities for our employees and Company in areas including environmental conservation, community volunteerism and alcohol-responsibility.
Our Beer Print Engagement and Training

All employees are educated on our corporate responsibility strategy Our Beer Print. It is incorporated into all new employee induction programs. Existing employees are engaged in different aspects of the strategy throughout the year, such as Alcohol Responsibility Training, Business Performance Updates, Code of Conduct refresh etc. Every year we hold an Our Beer Print Month; the month focuses on key strategic areas of the company’s corporate responsibility program, including our 2020 Sustainability Strategy. It is an opportunity to build recognition and pride in Our Beer Print achievements and inspire our people to come together and take action across all our regions. Activities include fundraising events, community engagement and volunteer activities as well as an opportunity to celebrate and recognize success and raise awareness.

In our World Class Supply Chain, the Our Beer Print Pillar is the enterprise-wide strategy cascaded throughout the company to all breweries. The strategy has set ambitious goals to reduce energy use by 25%, reduce water use by 15% and send zero waste to landfill by 2020. Engaging employees is a key component of the strategy. Individual training workshops are held at every brewery with the teams involved to share the message, get full understanding and engagement.

Development

Engaging and developing our people is a top priority at Molson Coors and listed as one of four focus areas for the company in our strategic plan. Career paths and developmental opportunities are a cornerstone of employee engagement. Our Talent Management Planning process, reviews the current performance and future potential of all management employees throughout the company and focuses on development plans. The process gives us a consistent, global method for getting the right people with the right skills in the right roles, at the right time. The review is closely aligned with our values and our Performance Management System, using these frameworks to assess talent, potential and performance.

Our on-going employee training and continued development includes:

- Offering core training programs such as our Brilliant Conversations, Career Development Program, Brilliant Execution, and are designing a new program around Brilliant Coaching. We are also assessing our high potential programs – which include Global Leadership Development and General Manager programs.
- Engaging all employees in different aspects of Our Beer Print strategy throughout the year, such as Alcohol Responsibility Training, Business Performance Updates, Code of Conduct refresh.
- Setting new competency requirements for our sales organization and have also completed the first module of our Commercial Academy training for our Field Sales Management teams where we will train more than 2,500 sales employees globally.
Diversity & Inclusion

Our Brew describes our culture and who we are, “…a company of diverse backgrounds, cultures and ideas, but our common set of values unites us and helps guide our decisions and actions.” We know that to win as a responsible business, we must create and support a culture of inclusion among our employees, suppliers, and consumers.

At Molson Coors, our emphasis is not just on diversity of race, ethnicity and gender but on diversity of perspectives, experience and background. We believe that the inclusion of differing perspectives, experience and background, is fundamental to our success. We hold true that diversity & inclusion, when unified with common values and mutual respect, powers greater innovation and that diverse teams will outperform. With the continued integration of the Central European business we have worked to incorporate not only the businesses together but also promote leaders from Central Europe into global roles where they can influence the business and bring new practices and experiences to the organization as a whole.

We are delighted that recently, one of our female Czech senior leaders was the focus of a high profile interview. As Head of Legal and Corporate Affairs she showcases Molson Coors' ability to support women, provide flexibility and diversity within the workplace. She credits the company’s flexible working arrangements for allowing her to manage her return to work following the birth of her two children and grow a career in what may have been considered a male dominated sector.

See Our Employees for our diversity demographic data.

Benefits

We offer an outstanding total compensation package because, simply put, we want the best talent out there. We offer a competitive salary and bonus program based on getting results, and we offer flexible benefits so our people choose what's important for them. Our benefits packages are designed to promote healthy lifestyles and work-life balance.

We promote healthy lifestyles across our global enterprise by offering our employees numerous health benefits that are tailored to the employee's needs and culture by business unit and work location. Health and wellness, as well as healthy work-life balances through Flexible Work Scheduling, are emphasized and a key part of the Company culture. This benefits our employees with improved health, more energy, less pain and suffering and financially, with reduced medical premiums. Of course, this also benefits the Company with less attending work while sick and absenteeism, while our Company-paid medicals costs decrease, too.

Employees are offered a full range of health benefits dependent on their business/region as each business crafts the benefits according to their employee population. In some locations, this means employees choose between multiple medical plans, dental coverage, vision coverage, short-term disability and long-term insurance.
Our Employee Assistance Programs (EAP) across the enterprise provide free and confidential assistance such as family & personal relationships, personal crises, depression, anxiety, family care, financial & legal concerns, as well as health and well-being issues.

**Wellness and Safety**

Molson Coors has a global commitment to doing business the right way. Health and safety at work is firmly part of this commitment. So much so safety engagement is called out in the framework of how we will deliver on our company goal to be first choice for customers and consumers. The safety and wellness of our people is fundamental to their engagement and we are actively working to build a workplace culture that embraces wellness and safety.

Since the introduction of our **Quality, Environmental, Health & Safety Policy** over a decade ago we have improved our performance in this important area significantly by developing and executing country specific programs and initiatives to improve safety at work. In 2011, the introduction of ‘Safety the Molson Coors Way’ formalized our commitment to drive the right behaviours and highlight the importance of creating a culture of safety across our global network. It encompasses effective communication about safety through structured team meetings, hazard spotting and management in the workplace, behavioural safety, robust investigation when things go wrong and a world class approach to occupational health. Safety the Molson Coors Way has now been deployed in all of our breweries, offices and distribution centres.

**Targets and Management**

We also set a long-term target to deliver a 10% improvement in the Health & Safety performance of our employees and contractors year over year out to 2020, where we hope to have achieved our vision of ‘zero harm to our people’. Delivery of our safety programs is executed though our Global Governance teams. Our global Director of Environment, Health and Safety (EHS) & Sustainability (working for our Vice President of Global Technical Governance) works to drive enterprise wide alignment of processes, standards and audit programs so that every part of the Molson Coors business runs EHS compliance to the same high standard. The Chief Supply Chain Officer holds ultimate accountability for our Health and Safety performance.

A key foundational element of ‘Safety the Molson Coors Way’ is our EHS Pillar. This is part of our World Class Supply Chain program & sets out the technical and organizational requirements every facility has to implement to comply with MCBC EHS standards. All our locations worldwide undergo a thorough, week long audit of the implementation of the EHS Pillar using internal experts who are all qualified to ISO Lead Auditor standards every year. The closure of identified improvement actions from these audits are tracked monthly and reported to the Global Chief Supply Chain officer, and we take a zero tolerance approach to overdue corrective actions.
Our Performance

<table>
<thead>
<tr>
<th>Lost-Time Injuries Frequency Rate (LTIFR per 200,000 hrs)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Illness Frequency Rate (OIFR per 200,000 hrs)**</td>
<td>-</td>
<td>-</td>
<td>0.09</td>
<td>0.07</td>
</tr>
<tr>
<td>Work Related Fatalities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Previous to 2013 we used an alternative methodology to calculating OIFR. We tracked (and continue to track) severity rates.

Both the quality of the ‘Safety the Molson Coors Way’ program and the EHS Pillar, along with the high standard of their implementation, has helped us achieve significant safety incident reductions. In 2012 we beat our LTIFR target by delivering a 21% LTIFR reduction. 2013 saw an incremental reduction in LTFIR of 38% worldwide and in 2014 a further 44% reduction was achieved.

The data from our European, Canadian and International businesses are verified through internal audits. This year our Environment Health & Safety data has been externally verified by a third party, see our Assurance Statement.

Community Investment

"We are all members of a larger community which depends on everyone playing a part."

- John Molson
Around the world, Molson Coors Brewing Company invests in the communities where we do business, supporting activities that engage people in active and healthy activities that improve their communities. Our global target is to invest 1% of pretax profits to our corporate citizenship contributions. In 2014, we contributed 1.45%, $8.5M. This figure is made up of cash contributions, in-kind employee volunteering during paid working hours, and product and service donations.

<table>
<thead>
<tr>
<th>2014 CONTRIBUTIONS (USD)</th>
<th>MOLSON COORS</th>
<th>MILLERCOORS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash contributions</td>
<td>2.4M</td>
<td>4.9M</td>
</tr>
<tr>
<td>Time: employee volunteering during paid working hours</td>
<td>127,408</td>
<td>43,519</td>
</tr>
<tr>
<td>In-kind giving</td>
<td>599,984</td>
<td>39,416</td>
</tr>
</tbody>
</table>

* Due to our 42% equity share in MillerCoors we report 42% of their community contributions. In the past, MillerCoors was included in Molson Coors’ consolidated results. To better align with our financial reporting, we now report 42% of their data separately.

To be effective community investors, Molson Coors adopts standards, ethics and sponsorship practices that represent the company as an active and valued member of the communities where it does business. Our community investment program is aligned to our corporate responsibility business strategy called Our Beer Print. Every time you pick up and beer and put it down, you leave a mark on the coaster/table – a beer print. Just like that mark, Molson Coors leaves a “print” on communities where we work and do business. Through Our Beer Print, Molson Coors will grow its positive beer print through community investments, the sociability of our product and economic impacts we have in our communities. Additionally, Molson Coors will shrink its negative beer print by educating stakeholders about alcohol responsibility and the importance of water sustainability.

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6 In July 2008, Molson Coors and SAB Miller plc combined their US and Puerto Rico operations to form a joint venture called MillerCoors LLC. For financial reporting under US accounting standards, MillerCoors LLC (MillerCoors) is accounted for by Molson Coors under the equity method. Therefore, MillerCoors’ revenues and expenses are not reported in Molson Coors’ consolidated results. Molson Coors does receive and report 42% of the net profits of MillerCoors. See Economic Impact section for details of our & MillerCoors’ financial performance.
Alcohol Responsibility - Watershed Sustainability - Community Cheer

Molson Coors investments are made locally, reflecting the different needs and practices in our markets and communities. See Case Studies for examples of how we are making strategic community investments. We ensure these investments are chosen to directly relate to our business objectives. Molson Coors promotes active and healthy lifestyles with beer in moderation as part of that. Our resources extend far beyond corporate donation. Much of this investment happens in the course of doing business, through our employment practices, our purchase of materials and services within communities, and our investment in sports, music and other activities that promote our brands.

Learn more about our Community Investment Principles.

Volunteering

Volunteering has become a part of our employees’ lives around the world. Quite unlike a company-mandated charitable program, volunteering here is employee-driven; we just look for ways to support and enhance their efforts. Our Volunteer Policy aligns our regional best practices.

For example, the idea of teambuilding used to involve a group of employees heading off-site for a bowling game and a beer. Today, our employees request that their teambuilding activities are for the benefit of the community, and groups work with our community investment professionals to identify and select needed projects and worthy organizations wherever we operate. Serving our community together is how we improve our working relationships on the job, and this is true from our leadership team to every employee.

Hundreds of employees across the company increased our positive Beer Print during September for our second “Our Beer Print Month”, learn more here.
Responsible Sourcing

Doing business the right way has always been the Molson Coors way. It’s part of our heritage and guides our collective journey to becoming a top performing global brewer.

An integral part of doing business the right way is ensuring that we procure in a manner which is sustainable for our business, for our communities and for the environment. Our ambition is to adopt best practice standards and techniques and to work with suppliers who do the same allowing us to jointly:

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

Sustainable Procurement Strategy

We are committed to an ethical and sustainable supply chain and to manage the supply of goods and services in a responsible way by adopting a risk and opportunities based approach to identify our priorities. Thus, Molson Coors places its key focus areas on environmental, social and economic sustainability improvements. Our employees are trained to incorporate these areas into supplier selection and the procurement of materials for our business.

Supplier Standards

In 2012, we established our Supplier Standards which set out the minimum expectations of suppliers around environmental, social and economic sustainability. Our Standards also cite our global Packaging and Agricultural Brewing Ingredients policies and the expectations therein.

We expect suppliers to make every effort to limit the environmental impact of their business operations and to have appropriate programs in place to help achieve this objective. Suppliers are required to demonstrate compliance against the applicable environmental expectations of Energy, Emissions to Air, Natural Resources, Biodiversity, Water, Waste, and Pollution. Our Supplier Standards also set out the minimum compliance standards for social and economic sustainability, including: ethical business practices, commercial standards, employment standards and community responsibilities. Suppliers are required to comply with all social and economic expectations.

In 2014 our Supplier Standards were communicated as an on-going requirement to 100% of our global supply base through our Standard Terms and Conditions. Additionally, we incorporated sustainability metrics into our Supplier Quality Scorecard. The scorecard now tracks environmental performance data (Carbon, Energy & Water) on a quarterly basis with our Tier 1 suppliers. This allows Molson Coors to track the progress of our suppliers’ impact on the environment and reward those who achieve positive results.

Molson Coors is committed to sourcing from suppliers, who grow, produce and deliver agricultural brewing ingredients in a manner that recognizes and embraces our quality, safety and sustainability standards. We support our suppliers and producers in achieving this by working with them to recognize and adopt the six principles of our Agricultural Brewing Ingredients Policy. The policy covers (as a minimum) barley, wheat, corn and hops. The implementation and governance of this policy is supported by our wider sustainable procurement program, and is also included in our Supplier Standards.
Managing Risk

Our Supplier Risk Dashboard and Heat Map serve as the Company tool to facilitate the early detection of sustainability risks in the supply chain. The Supplier Risk Dashboard identifies sustainability risks for each category against 8 focus areas: energy, emissions to air, natural resources, biodiversity, water, waste, pollution, and labor & ethics, and provides an overall category risk rating. If a category is found to constitute a high overall risk, or contains high risks in relation to the focus areas, category managers will incorporate questions into tender documentation and performance scorecards. The intent is to investigate, mitigate and address these potential risks.

The risks of our top 100 suppliers by spend in Canada and the UK have been assessed. If supplier practices do not meet our Standards, we will work with them to achieve compliance. Where compliance is not possible, and progress cannot be made, we may be forced to seek alternative supply. Molson Coors may also request further verification from suppliers in the form of self-assessments via Sedex or site audits. In 2014:

- Audited 45% of Tier 1 suppliers and 35% of high risk suppliers.
- 71% of assessed Tier 1 suppliers have a corrective action plan.
- 94% of suppliers with corrective action plans have improved their ESG performance since the plan was launched.

Supplier Ethical Data Exchange (SEDEX)

One of the major opportunities we see within our supply chain is to create a more robust and standardized environment for companies to share information about their sustainability practices. Just as we report on our goals and progress so that others can evaluate our sustainability, we benefit from similar data about the sustainability of our suppliers.

The Supplier Ethical Data Exchange (SEDEX) provides a standardized format, based on internationally recognized protocols, for companies to voluntarily report on their sustainability practices. Sedex houses these reports on its database, and a supplier gives permission to customers and other companies to view the reports.

In 2014, Molson Coors assessed 120 suppliers through the SEDEX tool to ensure ethical compliance among some of our top tier suppliers. In 2015, Molson Coors will assess another 120 suppliers through the SEDEX tool along with one-third, or 6,000 of Molson Coors’ suppliers through the use of the Dun & Bradstreet tool. This additional third-party management assessment tool allows Molson Coors to ensure financial sustainability risks are mitigated on an ongoing basis by working with suppliers that have a strong financial foundation and future.
Contact Us

*We would love to hear from you.*

Please contact us with any questions or suggestions regarding Our Beer Print, our Corporate Responsibility strategy, programs or reporting.

You can reach us by emailing [corporate.responsibility@molsoncoors.com](mailto:corporate.responsibility@molsoncoors.com) or by visiting [www.OurBeerPrint.com](http://www.OurBeerPrint.com).

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