Procurement: The Molson Coors Way

Our Standards for Suppliers

1st May 2012

Introduction

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. We have a responsibility to ourselves, the communities we live in, the suppliers we work with, the customers we serve and the beer drinkers we seek to delight, to always do the right thing.

Sustainable Procurement is the process whereby economic development, social development and environmental protection are balanced with commercial needs of a business for quality, reliability, innovation and value for money. We see this as an essential and efficient business practice which is integral to the way we work. Our ambition is to strive towards adopting best practice standards and techniques and expect to work with our key suppliers who do the same.

This document sets out our minimum compliance standards. We expect to work with our suppliers towards these minimum standards, and we will strive to consistently improve standards together and achieve excellence.

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

Our Commitment

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.

Our key areas of focus are:

- Environmental Sustainability
- Social and Economic Sustainability, including:
    - Employment standards
    - Community responsibilities
    - Ethical business practices
    - Commercial standards

We are committed to working with our supplier base to ensure:

- They are fully compliant with all applicable foreign, national, regional and local laws, rules, regulations and legislation.
- They are satisfying the needs of our business around quality, reliability, innovation and value for money.
- They are assessing their sustainability risks and identifying opportunities for improvement and innovation.
- We collaborate on continuous improvement.

Environmental Sustainability

We expect our suppliers and all members of our supply chain to make every effort to limit the environmental impact of business operations and to have appropriate programs in place to help achieve this objective. We expect suppliers to have in place effective environmental management systems that are appropriate for the nature and scale of their business and that they identify and mitigate environmental risks.

We expect our suppliers as a minimum requirement to:

- Efficiently use available resources to minimize or mitigate environmental impacts.
- Seek to reduce carbon emissions, discharges, waste and use of water and energy.
- Comply with local and national environmental laws, and show sensitivity to environmental issues that may impact local communities.

Energy

As a minimum we expect our suppliers whenever possible to:

- Fully exploit opportunities for energy optimization and efficiency.
- Use clean and low energy sources.
- Use whole life cycle costing for energy, in categories that influence our energy use.
- Where relevant, this may include products rated in accordance to recognized standards.

Emissions to air

As a minimum we expect our suppliers to:

- Work collaboratively with us to reduce emissions to air.
- Provide information on carbon emissions associated with the manufacture and supply of products and services, including those associated with their production, storage, transportation, use and ultimate disposal or recycling. We may request this information in tender documentation and it may influence decisions made during the procurement process.
- Provide information on the embedded carbon associated with the products and services provided, as necessary and where known.

Natural resources

As a minimum we expect our suppliers to:

- Give priority to secondary materials (reused or recycled) where they offer equal or greater value for money and do not compromise quality or food safety standards.
- Provide information on recycled content and recyclability, and exploit opportunities to increase such levels where appropriate.
- Where it is unavoidable to use products derived from natural resources, we expect suppliers to comply with appropriate national, regional, local and international laws and standards.
- Secure legally and sustainably sourced timber and timber products.
- Support and comply with our Packaging or Agricultural Brewing Ingredients policies where applicable.

Biodiversity

As a minimum we expect our suppliers to:

- Produce biodiversity action plans for high risk first tier categories.
- Demonstrate compliance with good practice in habitat management for those suppliers whose activities significantly impact species or habits.
- Support and comply with our Packaging or Agricultural Brewing Ingredients policies where applicable.

Water

As a minimum we expect our suppliers to:

- Quantify the water consumption of product or services provided to Molson Coors and demonstrate how they will exploit opportunities to reduce this over time, in categories that give rise to water consumption in our operations.
- Have water risk assessments and to be able to demonstrate compliance with any risk mitigation activities specified for categories of supply that are sourced from areas of water stress.

Waste

As a minimum we expect our suppliers to:

- Be fully compliant with applicable national, regional, local and international waste laws, rules and regulations.
- Work with us to reduce the waste arising at our sites, and where wastes cannot be eliminated, work to ensure the waste has alternatives to land fill for disposal.
- Where practicable, all products and their packaging will be able to be reused, recycled or recovered by locally commonly available methods.
- Comply with Molson Coors packaging standards where appropriate.

Pollution

As a minimum we expect our suppliers to:

- Be able to demonstrate legal compliance and good practice in the management of pollution to land, air or water during the operation of their business.

Social and Economic Sustainability

Employment standards

Equal opportunity

Suppliers are expected to ensure that there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, sex, color, national or social origin, religion, age, disability, sexual orientation or any other status protected by applicable laws in the jurisdictions in which supplier operates. A fundamental aim is to ensure a diverse and representative workforce profile through promotion of employment equality. Suppliers will observe applicable national, regional and local laws, rules and regulations relative to discrimination.

Freedom of association

Molson Coors respects our employee's right to join, form or not to join a labor union. Suppliers are expected to respect the same principles and where their employees are represented by a legally recognized union, they should commit to establishing a constructive dialogue and bargaining in good faith with their freely chosen representatives.

Grievance procedures

Suppliers are expected to have fully documented grievance procedures and to have communicated their existence and availability to their staff.

Working hours and Remuneration

Suppliers are expected to have working hours comply with applicable laws and to benchmark industry standards, whichever affords greater protection to their employees. Suppliers must also compensate all employees fairly with wages, overtime premiums, and benefits relative to industry and country laws.

Freedom of movement by employees

- Suppliers' staff and workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.
- Suppliers are expected to publicly disclose the locations of all manufacturing and processing sites globally.

Child labor

- Suppliers are expected to ensure that no child labor is recruited and that children or young persons outside of legal working age will not be employed at night or in hazardous conditions.
- These policies and procedures will conform to the provisions of the relevant International Labor Organization ("ILO") standards.

Bullying and harassment

We consider all aspects of harassment and bullying unacceptable and expect all our suppliers to remove any such actions or attitudes in their workplace.

Healthy and safe working conditions

- Suppliers are expected to have, and comply with, internal health and safety policies and procedures and applicable foreign, national, regional and local laws, rules and regulations to ensure a safe working environment. This process involves the effective application of environmental, health and safety management and monitoring systems.
- Suppliers are expected to work continuously to maximize the physical security of their employees wherever they are employed.
- Suppliers are expected to ensure that their standards and policies are understood and training will be provided so that all employees understand the health, safety and security issues and requirements concerning their job/position.

Community responsibilities

Economic sustainability

We value the economic sustainability of our supply chain from grain to glass and we will not knowingly award contracts that undermine the economic viability of our suppliers. We expect our suppliers to share in that philosophy when dealing with their supply chain. At a minimum we expect our suppliers to deploy a consistent and ethical standard by which contracts are awarded with respect to products and services for Molson Coors, taking into consideration a wide array of social, environmental and economic impacts on the communities in which they operate or source from. We expect our suppliers working at or near our operations to have plans in place to minimize any disruption to their local communities caused by their activities and to demonstrate compliance with those plans.

Alcohol responsibility

Molson Coors is committed to alcohol responsibility in all of our business practices. We brew the highest quality beer, package and label them in accordance with applicable laws and regulations, and market them responsibly. We promote responsible sales practices throughout our business. We promote responsible drinking by legally-aged adults and strive to reduce excessive, irresponsible or underage drinking. Molson Coors encourages its suppliers to educate their employees on responsible drinking principles and will be supportive in sharing our information and experience in this area. Suppliers involved in the creation of marketing and sales collateral are required to adhere to these principles at all times.

Ethical business practices

Molson Coors Brewing Company expects the highest standard of conduct. Our standards set forth fundamental principles and policies to which all of our suppliers are expected to adhere. Molson Coors will always strive to treat our suppliers ethically, honestly and fairly. We strongly encourage any supplier who has a question, or feels pressured by a Molson Coors company employee or another representative of our company to violate these standards, to contact Molson Coors Ethics and Compliance Helpline at **1-866-294-9302** or www.ethicspoint.com The Helpline is run by a third party service and can be completely anonymous if requested. Every caller is provided a code number and can call back to receive an answer to their question or find out how the matter was resolved.

Commercial standards

Payments, loans, entertainment and gifts

Our policy on gifts and entertainment is clear – no gift, favor or entertainment is required to conduct business with Molson Coors. Suppliers are expected to refrain from providing any payments, loan, service, gratuity, gift, personal travel or other favors of more than nominal value to any Molson Coors representative.

Commercial bribes, political donations, charitable contributions

Our suppliers are expected to follow applicable anti-bribery and corruption laws, including, for example, the United States Foreign Corrupt Practices Act or the United Kingdom Bribery Act. These laws prohibit promising, offering or making any payment of money, products or services to anyone in exchange for favorable treatment. Additionally, no supplier is allowed to make any such payments for, or on behalf of Molson Coors Brewing Company.

Conflict of interest

Any supplier may be ineligible to do business with Molson Coors if any of our employees own a substantial interest in the supplier's organization or has a close personal relationship with a key person in the supplier organization. Prompt disclosure of any such relationship is required by all suppliers.

Use and protection of Molson Coors assets

Molson Coors looks to our suppliers to safeguard both our tangible (i.e. money, physical assets) and intangible assets (i.e. intellectual property, information). We expect our suppliers to keep our confidential information secure and avoid discussions of confidential information in public places. The obligation to retain and preserve confidential information may be ongoing and span beyond the years of contractual agreement with the supplier. Our contracts provide clear guidelines related to submission of business related expenses. All business expenses must be reasonable and supported by valid receipts where required under the agreement. Suppliers may be asked to sign a Non-Disclosure Agreement as part of our contractual relationship.

Insider trading

Our suppliers are prohibited from purchasing, selling or otherwise trading Molson Coors Brewing Company securities while in possession of material, non-public information. Additionally, suppliers may not provide material, non-public information directly or indirectly to anyone. Any such disclosure would be a breach of supplier's confidentiality obligations to Molson Coors Brewing Company and may, depending on the facts and circumstances, subject supplier to liability under certain U.S. securities laws.

Use of software

Our suppliers are expected to refrain from engaging in unauthorized duplication of any software owned or licensed by Molson Coors.

Communication

Our suppliers are expected to communicate these standards to their employees, contractors and business partners in writing and ensure that they are followed.

Molson Coors Packaging Sourcing Policy

Molson Coors Brewing Company is committed to sourcing from suppliers, who grow, convert, produce and deliver our packaging materials in a manner that embraces our sustainability and quality standards. We have a wide and diverse range of suppliers, and achieving these standards presents unique challenges in different parts of the world. However, we are committed to engaging with our suppliers and to work with them to recognize and adopt the following six pillars:

- Comply with Molson Coors Quality Specifications.
- Adopt mining and forestry practices that will strive to maintain soil fertility, water resources, air quality and biodiversity.
- Manage natural resources in an efficient manner throughout the lifecycle of the products, based on the 5R's - Reduce, Reuse, Recycle, Repurpose, and Rethink.
- Recognize the importance of supplier accreditation and where established, adopt accreditation to appropriate assurance programs.
- Meet food safety guidelines and traceability specifications.

- Understand and address any future guidelines, best practice, and legislative changes that may arise.

While some of these pillars are not in place in all regions, Molson Coors will work to continually improve across our global operation.

Molson Coors Agricultural Brewing Ingredients Policy

Agricultural materials are essential ingredients in our products. We are committed to sourcing from suppliers or producers who grow, produce and deliver our agricultural brewing ingredients in a manner that recognizes & embraces our sustainability standards. We will support our suppliers and producers in achieving this by working with them to recognize and adopt the six pillars of our policy:

- Comply with Molson Coors-quality specifications.
- Adopt agricultural practices that will strive to maintain soil fertility, water resources, air quality and biodiversity.
- Manage natural resources in an efficient manner.
- Recognize the importance of accreditation and where established adopt accreditation to appropriate farm assurance programs.
- Meet food safety guidelines and traceability specifications
- Understand and address any future guidelines, best practice, and legislative changes that may arise.

Where these pillars are not in place, we will work continually across our global operations with our supplier partners to establish these standards that recognize local practices.

How We Work With Our Suppliers

As a global company, we recognize that we have a wide and diverse range of suppliers, and that achieving these standards presents unique challenges in different parts of the world. With this in mind we have developed a comprehensive but flexible 4 stage process for identifying assessing and managing risk as it relates to Sustainable Procurement.

Stage 1 - Screening

- We will conduct an initial screening of our current supplier base by considering risk, opportunity for change, and magnitude of impact, segmenting by supply category. Screening will focus on: energy use, emissions to air, natural resources, biodiversity, water, waste, pollution, and labor practices, ethics and regulatory compliance.

Stage 2 - Qualification

- During the tendering process, suppliers will be requested to provide data and comments on those areas of concern for that specific category area, as raised in Stage 1.

Stage 3 – Supplier development

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

Stage 4 - Audit

- Suppliers who are identified to represent the highest potential risk may be audited to ensure that the minimum expectations contained within this document are being applied to their business operations and supply chains, and that risks are being mitigated.
- All suppliers and members of the supply chain are expected to provide information to us about a product or service's social, environmental and ethical credentials. If we consider that any information provided warrants

further investigation, the preferred course of action would be to commission an independent auditor to examine the information provided, at the expense of the supplier or supply chain member.

Management systems

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

- **Commitment to accountability**: Suppliers must demonstrate commitment to the concepts described in this document by allocating appropriate resources and defining appropriate policies and standards.
- **Legal and customer requirement**: Suppliers will perform all contracted services in a reasonably safe and professional manner and will identify and comply with applicable laws, regulations, standards and relevant customer requirements, as such laws, regulations, standards or requirements are amended from time to time.
- **Risk management**: Suppliers must have mechanisms to determine and manage risks in all areas addressed by this document.
- **Documentation**: Suppliers must maintain documentation necessary to demonstrate conformance with these expectations and compliance with applicable regulations.
- **Training and competency**: Suppliers will have training programs that achieve appropriate levels of knowledge, skills, and abilities in management and workers to address these expectations.
- **Continual improvement**: Suppliers are expected to continually improve by setting performance objectives, executing implementation plans and taking necessary corrective actions for deficiencies identified by internal or external assessments, inspections and management reviews.

Modifications to these Policies

These brewing policies were adopted on 1st May 2012. Molson Coors Brewing Company reserves the right to modify these policies from time to time and suppliers will be expected to comply with these policies as revised.