MOLSON COORS AND MOLSON COORS BREWING COMPANY (UK) LIMITED

MODERN SLAVERY STATEMENT (the “Statement”)

This statement is published in accordance with section 54 (1) of the UK Modern Slavery Act 2015 (“MSA”). It sets out the actions that Molson Coors and it’s UK subsidiary, Molson Coors Brewing Company (UK) Limited (collectively, “Molson Coors”) has taken during the financial year ended 31 December 2018 to address modern slavery, and those steps that we will continue to take to identify, prevent and, where found, eliminate modern slavery in our business and supply chains.

“Modern slavery” constitutes slavery, servitude, forced labour and human trafficking.

Introduction

Molson Coors respects the dignity and rights of all people, and we work every day to create the right conditions for our employees and others with whom we engage to flourish and achieve their full potential. Modern slavery is a reality, however, in countries around the world, taking many forms including forced labour, slavery, servitude and human trafficking. Often, victims of modern slavery are in plain sight, as part of seemingly routine activities and interactions.

As a global, respected leader, we want to use our voice and influence to help shape a better world to end all forms of modern slavery. Our ambition is to lead the way, extending and embedding our deep ethical values and corporate governance practices to reinforce a zero-tolerance policy toward modern slavery. We promise to encourage and nurture an open and inclusive workplace that goes beyond safeguarding basic human rights, a workplace where all employees and partners are valued, engaged and respected.

Molson Coors is a signatory to the United Nations Global Compact. This means that we endeavour to align our global values and our approach to doing business with the ten principles of the UN Global Compact, which are derived from the Universal Declaration of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work and other initiatives.

In Summary:

The structure of our organisation

Molson Coors is a global brewer headquartered in Denver, Colorado, U.S.A, employing around 18,000 people, 2,200 of whom are employed by our UK businesses.

Our supply chain:

Our supply chain is of medium complexity. In the UK Molson Coors purchases goods and services from over 2,300 suppliers around the world in more than 12 different categories.

Our due diligence process:

Molson Coors is a member of the Supplier Ethical Data Exchange (“SEDEX”). We use this membership to manage supplier performance around labour rights, health and safety, the environment and business ethics.

Aside from supplier due-diligence, new hires at Molson Coors are also subject to due-diligence checks to verify their identity and right to work.

Risk management:

Possible areas of increased risk for Molson Coors include suppliers of low-skilled labour, agricultural produce, clothing items, or suppliers located in less developed countries. Our global Supplier Standards help us to manage this risk by providing guidance to our suppliers about the minimum standards that we expect.

Effectiveness management:

Questionnaires or scorecards are used to measure our supplier alignment with our values and ways of working.

Internally, we track the completion rate of our employee training which
includes our Code of Business Conduct, which encourages the reporting of violations of this Code or any other company policy.

Training and capacity building:
Molson Coors employees complete Code of Business Conduct training when they first join the business, usually within the first 30 days and then every other year thereafter. This training instils in our employees the value of diversity and inclusion, it condemns harassment and discrimination and it provides guidance around a multitude of ethics and compliance issues.

In 2018, key individuals received specialist external training on the subject of modern slavery.

Our Societal Pledge
With regard to modern slavery, we pledge our commitment to: i) continuously evolve and implement responsible standards and policies to enable us to effectively recognise and drive modern slavery and human trafficking away from our internal operations and our supply chain; ii) develop a meaningful response to our modern slavery legal obligations; and iii) give modern slavery and human trafficking the serious attention that it deserves.

As part of our ongoing commitment to do our part to eradicate modern slavery in the U.K., in 2017 we appointed a dedicated, cross-functional modern slavery working group consisting of representatives from Legal, Corporate Affairs, Procurement, Supply Chain, Internal Audit, and HR, each bringing their insights and ideas to identify and prevent modern slavery. The purpose of the working group is to:
- consider our current approach to modern slavery and human trafficking;
- refine our approach to modern slavery and human trafficking to address areas of most risk in our business and sector;
- raise awareness within the business about modern slavery and human trafficking and give employees the confidence to act where modern slavery is suspected, whether in the workplace or in the wider community;
- create an action plan for continued modern slavery and human trafficking initiatives; and
- work with the wider global Molson Coors organisation to develop our policies and best practices.

Our Molson Coors 2025 sustainability targets, created with the UN Sustainable Development Goals in mind, recognise the value of people. Under the heading of “Collectively Crafted” our goals include ‘being a good global citizen’ and ‘strengthening our supply chain.’ Within these headings our specific targets include:
- investing $100 million in initiatives that aim to improve livelihoods, foster empowerment and build resilient communities; and
- working with suppliers who adopt our ‘Supplier Standards’ to allow us to jointly commit to an ethical and sustainable supply chain. This second target in particular strikes at the heart of combating modern slavery and human trafficking within our supply chain – whether upstream with our supplier partners or downstream with our retail customers and beyond.

Whilst we recognise that there is still a lot of work to be done to ensure that our sustainability strategy and initiatives flow down to all of our country operations, including in the UK, we are dedicated to working towards a coordinated approach so that together we can tackle modern slavery in a comprehensive and consistent way.

Modern Slavery Act Statement in Detail:
The structure of our organisation and our business
Molson Coors is one of the world’s largest global brewers, headquartered in Denver, Colorado, U.S.A. The global company employs around 18,000 employees, operates 29 breweries and a cider house in 32 countries, and sells our beers and other beverages to around 75 countries around the world.

Molson Coors was formed in 2005 as a joint venture of Molson of Canada, and Coors of the United States. Some of our most popular global and national brands include Staropramen, Coors Light, Doom Bar, Carling, Molson Canadian, Miller Lite, Jelen, Bergenbier, Aspall Cyder, Cobra and many more. Molson
Coors also brews and markets beer and other alcohol products through licenced, contracted distributors. Molson Coors UK employs more than 2,000 people comprising around 1,000 sales staff, nearly 800 supply chain employees and over 500 brewery and cider house employees.

Molson Coors Employment Principles (the “Principles”) underpin a number of our people policies and are guided by international human rights standards. They outline our commitment to supporting an open and inclusive workplace where all employees are valued, engaged and inspired to be the best that they can be and refer specifically to modern slavery issues such as forced labour, child labour, work hours and wages. Molson Coors encourages its business partners to uphold these principles and to adopt similar approaches within their business.

Our ‘Code of Business Conduct, a guide to living Our Brew’ (“the Code”) is the compass that guides the way that we work. ‘Our Brew’ is an internal guide for employees which sets out to influence who we are, what we do and how we do it (both culturally and strategically) by working together as a business, within our marketplace, our community and with our investors. The Code applies to all officers, directors and employees of Molson Coors and steps through our guiding principles about how we win in the right way in the market place. Importantly, the Code instils in our employees the value of diversity and inclusion, and it condemns harassment and discrimination. We do acknowledge though, that the Code could explicitly communicate and address human rights issues such as modern slavery further and it is our intention to consider this modification further in 2019.

**Our supply chain**

Molson Coors’s portfolio of products includes a wide range of beers, lager, and cider for which we buy a variety of goods and services. In the UK, we currently buy from over 2,300 suppliers in more than 12 different categories (including brewing, packaging, logistics, dispense, IT, and marketing).

We consider our supply chain to be of medium complexity. Our suppliers and customers are based around the world, with their own suppliers and customers being part of an ongoing chain of customers and suppliers. Some of our suppliers are also our customers and some of our market competitors are also our suppliers. In addition to this, some of our internal departments are outsourced to suppliers of outsourced services. For example, in the UK, our IT services are outsourced.

When we look at our supply chain with modern slavery in mind, historically we have been looking backwards towards the businesses that supply us with goods and services. What we have come to realise is that not only should we be thinking about the businesses that we buy from, but we should also be thinking about the businesses that we sell to. We fully intend to work on the way in which we view and raise awareness of modern slavery within our upstream and downstream supply chain.

**Our due diligence processes**

Due diligence is key to eliminating modern slavery within our business and supply chain. As a result, we believe that due diligence must not start and end at the beginning of the on-boarding process of our suppliers or employees.

Our due diligence process for all new hires includes the undertaking of checks to confirm the identity of the worker and to verify their right to work. Aside from the recruitment process, managers are expected to conduct one-to-one meetings on a monthly basis with their direct reports to foster open and honest communication, including in regard to the employee’s well-being. These conversations foster a trusting environment where employees can feel comfortable sharing personal and professional concerns and enable managers to spot if things are not quite right.

As part of our supplier due-diligence process for direct material suppliers, those that are considered to be a high risk from a labour, health and safety, or an environmental perspective must, before Molson Coors agrees to engage with them, complete a scorecard questionnaire and
provide evidence of their policies in an effort to replicate Molson Coors supply chain standards, and further demonstrate their compliance with human rights, labour rights and working conditions laws and regulations.

In 2017 we started to explore the viability of using the Supplier Ethical Data Exchange ("SEDEX") tool as part of our supplier due diligence process in the UK, to assess the risk profiles of our suppliers in the context of modern slavery and human trafficking. SEDEX, which is one of the world’s largest collaborative platforms for sharing responsible sourcing data on supply chains, is used by more than 47,000 members in over 150 countries to manage performance around labour rights, health & safety, the environment and business ethics. Molson Coors is an existing member of SEDEX, using SEDEX to rate our prime brewing and packaging materials suppliers in the US/Canada. As a global company, we recognise that we have a wide and diverse range of suppliers, and that achieving these standards presents unique challenges in different parts of the world. We further understand that different industries and companies pose different levels of modern slavery risk and that a higher level of risk does not necessarily flow from our biggest suppliers. In fact, modern slavery is probably more likely to be taking place within smaller, less sophisticated businesses. As a result, we will continue to explore ways to conduct meaningful due diligence with these companies.

Looking ahead, we intend to:

• give further thought to how we can make our due—diligence process more robust;
• review and refine the steps that we take as part of our due-diligence process;
• keep our due-diligence processes under regular review as we learn more about the issues surrounding modern slavery and human trafficking.

Risk management
Identifying and managing modern slavery risk is paramount to its elimination.

We believe that there is a more likely danger of modern slavery existing within our supply chains than within our own business. Possible increased risk areas for Molson Coors include suppliers of agricultural produce, clothing items, suppliers of low-skilled labour, or suppliers located in less developed or recently industrialised parts of the world.

In an attempt to combat these higher risk areas and increase our knowledge of modern slavery issues in the UK, this year we had external experts train some of our core functional employees on modern slavery in order to increase knowledge and awareness on how to spot and take action when modern slavery is suspected.

Our global Supplier Standards provide our suppliers with guidance on the minimum standards we expect our suppliers and our supplier’s suppliers to abide by. The Supplier Standards provide guidance regarding business conduct, working conditions, forced employment, child labour, wages, diversity, freedom of association and environmental issues. In 2017, we updated our Supplier Standards to strengthen its modern slavery and human trafficking provisions, in a bid to clearly set out to our suppliers, our high standards and expectations. In 2018 we started to roll out these updated Supplier Standards to new suppliers. Our Supplier Standards can be located via a link contained within our terms and conditions of purchase or via the following link to the Molson Coors website:


As an integral part of supplier’s contracts, Molson Coors in the UK includes an Anti-Slavery clause which sets out key anti-slavery requirements.

Our ‘global Code of Business Conduct, a guide to living Our Brew’ ("the Code") encourages employees to ‘Speak Up’ when they see something that could cause damage to themselves; their co-workers; the environment; the public; the company’s business or reputation and to stockholders. Employees can use an ethics and compliance hotline to report anything that they believe is a violation of the Code or any other
company policy. This hot-line provides a means for employees to voice their concerns regarding ethics and compliance issues or potential violations. The hotline is confidential (if requested by the employee and to the extent permitted by local law) and is hosted by an independent third-party provider, ‘EthicsPoint’. The hotline is available via telephone or internet to make the resource as convenient as possible for our employees. In addition to the ethics and compliance helpline, in the UK Molson Coors has a second 24-hour employee helpline, the ‘Employee Assistance Program hotline’ (the “EAP hotline”). Like the ethics and compliance helpline, the EAP hotline is confidential and run by a third party. The EAP hotline provides a support service for employees to use on a non-specific basis, regardless of whether the support they need is personal or work-related.

Our 'Speak Up' policy says that staying silent about potential problems is never the right choice and only by having employees raising issues can the company put them right. Molson Coors is committed to investigating, addressing and responding to the concerns of its employees and to taking appropriate corrective action in response to any violation.

We recognise the necessity of conducting a deeper risk assessment of our supply chain and will utilise our membership of SEDEX to identify risks. High risk suppliers will be asked to complete the SEDEX self-assessment questionnaire, responses will be analysed and risks mitigated where required.

Our company takes a number of measures to help reduce the risk of modern slavery:

In the UK in 2018, most of our recruitment operations were brought in-house. One of the primary benefits of having our recruitment managed by an in-house team is our ability to control candidate sourcing, selection and due diligence.

It's not always possible, however, to source every candidate internally and occasionally, predominantly for temporary resource requirements, we enlist the help of specialist recruitment agencies.

All recruitment agencies that supply candidates to our UK businesses are members of The Recruitment & Employment Confederation (“REC”) and are UK-based. The REC Code of professional Practice is binding on all corporate members. Adherence to the REC Code demonstrates a commitment to ethical recruitment, something which all REC members are compliance tested against every two years to prove their conformance to the highest of standards.

All Molson Coors employees are issued with a written contract of employment that complies with all applicable labour laws, including wages; benefits; working hours; minimum wage; and no unauthorised deductions. All UK employees at Molson Coors have their salary benchmarked against like-for-like roles within our industry on an annual basis. Our contracts of employment contain reasonable notice provisions to allow our employees to terminate their employment with us should they wish to do so.

Effectiveness measurement

On a monthly basis, our Global Ethics & Compliance team together with each country’s Legal teams follow up on a completion of all assigned employee e-trainings including training on the Code of Business Conduct. The overall completion rate of the Code of Business Conduct is currently in excess of 90% throughout our global operations.

When measuring the alignment of our values and ways of working with our supplier base, where necessary, throughout Molson Coors we use dedicated questionnaires and scorecards evaluating a number of qualitative criteria. Our questionnaires cover topics such as social responsibility, environmental and sustainability practices using SEDEX or based on SEDEX. We intend to further expand the qualitative measurement of our supplier base.

Furthermore, we initiated the introduction of a Right-to-Audit clauses to some of our supplier contracts. With a number of business activities carried out by third parties outside direct control of the company, the Right-to-Audit has increasing importance and
represents a powerful tool for risk control and mitigation.

Through continuous contact with our business partners and our increasing knowledge and awareness of modern slavery issues, we continue to develop effective measurement of our modern slavery initiatives.

**Training and capacity building**

We know that training and capacity building is integral to successful Modern Slavery initiatives. For this reason, in 2018, we sought and obtained expert external training for key individuals within Molson Coors to deeper understand modern slavery issues, to help us to identify areas of risk within our operational and internal processes, and to help us to develop wider internal training to allow our employees to identify and report modern slavery and human trafficking.

In 2018 the UK and Ireland Molson Coors Country Leadership Team (“CLT”) attended an internal meeting which focused on the issues surrounding modern slavery and identifying their role in preventing modern slavery from occurring within the Molson Coors business and its supply chain.

In an attempt to raise further awareness about modern slavery: what it is; how to spot it; and how to report it, an article was written and distributed internally to around 2000 employees in recognition of Anti-slavery Day on 18th October 2018.

Molson Coors employees all complete our Code of Business Conduct training when they first join the business, usually within the first 30 days and then every other year thereafter. The purpose of this training is to educate and make our employees responsible for engaging in legal, ethical and responsible business practices. This training is predominantly web-based, however a limited number of our employees receive face to face training. The overall completion rate for our Code of Business Conduct training currently exceeds 90%. Employees must affirm their review of and their compliance with our Code and carry out further Code of Business Conduct training every two years.

We review our employee Code of Business Conduct training every two years to evolve it and ensure it is fit for purpose. The Code was last updated in 2017 and our intention is that it will next be reviewed in 2019.

**Final word**

Molson Coors commits to raising awareness of modern slavery, human trafficking and human rights within our global organisation over its next financial year. We see this not only as a moral imperative, but as an opportunity to make a real difference in all the communities we serve.

This statement covers 1st January 2018 to 31st December 2018 and has been considered and approved by the Board of Molson Coors.

Mark Hunter
Chief Executive Officer,
Molson Coors

Phil Whitehead
Managing Director,
Molson Coors UK & Ireland