



RAISING THE BAR ON BEER

RESPONSIBLY REFRESHING



SUSTAINABLY BREWING



COLLECTIVELY CRAFTED



About This Report

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This year, we decided to take a different approach to our sustainability reporting. This strategic shift includes producing two separate reports on our sustainability activity as well as providing timely updates to our progress. We are releasing Our Beer Print Report to introduce our 2025 Sustainability Strategy, which covers our priorities in depth, while this separate Environmental, Social and Governance (ESG) Report details our complete performance data for – and our approach to – our most material environmental, social and governance issues. It also demonstrates our continued commitment to reporting against best practice international frameworks, such as the Global Reporting Initiative (GRI) Guidelines, the Dow Jones Sustainability Index (DJSI), the CEO Water Mandate, the 10 Principles of the UN Global Compact (UNGC) and our alignment to the United Nations Sustainable Development Goals (UN SDGs).

The reporting scope covers Molson Coors Brewing Company's (MCBC) direct operations: Molson Coors Canada, Molson Coors Europe and Molson Coors International, as well as MillerCoors in the US, which became a fully owned Molson Coors company in October 2016 following the purchase of SABMiller plc's 58% stake in the business.

We report annually on our sustainability progress. This report details our activities in the fiscal year from January 1 to December 31, 2016. Our most recent report was published in August 2016. Unless otherwise noted, data and metrics included in this report cover 100% of MCBC's activities and performance and 42% of MillerCoors' activities and performance based on our equity share prior to October 2016. We will cover 100% of MillerCoors data in our 2018 report, after one full year of ownership. The 2025 goals covered in this report have been set against a 2016 baseline that incorporates the total performance of the newly combined business, including 100% Molson Coors and MillerCoors data.

Our reporting, which also includes Our Beer Print Report, has been prepared in reference to the GRI G4 Guidelines. The [GRI Index](#) can be found at the back of this report. Our work in support of the UNGC and the CEO Water Mandate is detailed in our [Communication on Progress 2017](#). Assurance of the data contained within this report has been carried out by Corporate Citizenship in accordance with ISAE 3000, which can be found in our [2017 Assurance Statement](#).

For full details of Our Beer Print strategy and goals to 2025, key stories and highlights, please see [Our Beer Print Report](#).

Our Beer Print: Raising the Bar on Beer 2025

We believe that wherever we brew and sell our beer, we leave an imprint on our communities, on our environment and on our business. We call it Our Beer Print and by working toward our 2020 goals, we've been making sure it's a positive one.

Part of that is about taking on a leading role in sustainability. We've replaced our 2020 sustainability goals with our even more ambitious 2025 targets, designed to raise the bar on beer. These goals aim to create a new culture throughout our organization and beyond, changing behaviors, broadening perceptions and setting new standards for our industry.

For full details of Our Beer Print strategy and goals to 2025, key stories and highlights, please see [Our Beer Print Report](#).

Prioritizing Key Issues

In early 2017, we updated our materiality assessment to include an integrated view of all our business units, including MillerCoors in the US.

For our most recent assessment, we worked with external consultancy Corporate Citizenship to provide additional rigor and analysis and to pinpoint the environmental, social and economic issues most relevant to our company. Details of the process and results are available on our [website](#).

The assessment identified these priority issues: Alcohol Responsibility, Water Stewardship, Sustainable Packaging and Sustainable Agriculture.

ENGAGING STAKEHOLDERS

To conduct our 2017 materiality assessment, we engaged with multiple stakeholders from across our business units. We identified the stakeholder groups most relevant to Molson Coors, which included regulators, government bodies, industry groups, customers, suppliers, investors and non-governmental organizations (NGOs), and

collected a list of the highest priority stakeholders from all our local markets.

We also continue to collaboratively engage with many of our stakeholders regularly throughout the year in roundtables and meetings. This engagement keeps us current with the changing sustainability landscape and enables us to develop long-term relationships to better understand our stakeholders' evolving expectations of us as a company.

Sustainability Governance

How we do things matters just as much as what we do. We're a global company with local roots. We are committed to brewing extraordinary beers and running a business focused on respect for our employees, communities and drinkers. That means sustainability and accountability right from the start.

The governance of Molson Coors embraces both strong family traditions and performance-based management. Guided by our Board of Directors and leadership team we are ensuring that Molson Coors continues moving forward.

[Meet our Board of Directors and leadership team on our corporate website.](#)

Our Approach to Sustainability

The Corporate Responsibility (CR) Council is responsible for delivering performance in the strategic, operational and commercial areas of the business, while also monitoring and being accountable for our CR performance and our business reputation. The Council acts as a steering group, providing leadership and direction across functions and business units, and aligning our CR agenda behind the business's ambition to be First Choice for Consumers and Customers.

The Council is sponsored by the Chief People & Legal Officer and Chief Supply Chain Officer and chaired by the Corporate Responsibility lead. It reports to the Executive Leadership Team and directly to the Board of Directors.

[Find out more about our approach to governance and ethics on our corporate website.](#)

QUALITY, FOOD SAFETY, ENVIRONMENTAL, HEALTH & SAFETY POLICY

Our commitment to sustainability is formalized in our [Quality, Food Safety, Environmental, Health & Safety \(QFSEHS\) Policy](#), which applies to our operations globally and is reviewed annually. It sets out how we aim to control the risks to the safety of people affected by our business, manage our impact on the environment and ensure our products are safe and of the highest quality.

Our Risk and Materiality Matrix



The Policy is available to all employees on the Company intranet portal, displayed in key communication areas across our sites and promoted to our customers and suppliers. We also maintain a global Environment, Health & Safety Management System (EH&SMS) that ensures we deliver on our commitments.

Audit and Verification

The EH&SMS is modeled on global best practice and international standards such as ISO 14001 and ISO 50001. Each year, we carry out an internal verification audit of the EH&SMS, led by an expert from the Business Unit Compliance Assurance team, qualified to ISO lead auditor standard.

Robust corrective measures are implemented wherever applicable. The closures of any improvement actions raised following the audit are tracked using Intelx, a global software solution implemented worldwide in 2016. This enables us to facilitate timely reporting, consistent investigation and identification of trends. Any overdue actions are reported monthly to the Global Chief Supply Chain Officer.

Remuneration

In 2016, Molson Coors provided monetary reward in performance pay to the Corporate Executive Team; Chief Executive Officer; Chief Operating Officer; and management team, in part, on the basis of:

- Performance against our 2020 Sustainability Targets such as energy used (megajoules) per hectoliter of production (MJ/hl) and water consumption per hl of production (hl/hl)
- Performance in external benchmarking indices (such as the Carbon Disclosure Project and Dow Jones Sustainability Index)
- Responsibility of alcohol products as measured through performance against the CEO Producer Alcohol Commitments

These indicators form part of our company scorecard and are integrated into a larger suite of metrics that drive our business at a global level. The Corporate Executive Team is rewarded based on this entire suite of metrics.

Performance pay is also given to business unit managers; energy managers; environment/sustainability managers; process operation managers; and risk managers on the basis of:

- 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)



With the introduction of our new 2025 Sustainability Strategy and goals, we will be reviewing our approach to remuneration.

Ethics and Integrity

At the heart of our ethical culture is the [Code of Business Conduct: Living Our Brew](#). We believe we have a duty to our employees, 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 Brew” outlines the principles at the foundation of our Code of Business Conduct. It defines who we are and how we will work together to achieve our goals.

Under the Chief Ethics and Compliance Officer and our Executive Ethics and Compliance Committee, we work with our regional partners to promote a consistent global approach to doing things the “right way.” All our employees, up to our Board of Directors, uphold the Code, engaging with it as soon as they join our company, and refreshing their understanding of it roughly every two years.

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 relevant topics, including:

- Accurate books and records
- Alcohol responsibility
- Anti-bribery and corruption
- Conflicts of interest
- Competition
- Data privacy
- Discrimination and harassment
- Social media
- Speaking up

The Code of Conduct is available in print format translated into all of our languages.¹ We provide corresponding Code training on a global basis with emails deployed to all online employees instructing them to take the mandatory training. For those employee groups without online access, we use video in local training programs. The Code training is also part of our new-hire program, which all employees are required to complete as part of their induction and a tool to evaluate employee performance. Refreshed Code training is also being created and will be rolled out in Q4 of 2017 to all employees worldwide.

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, an intranet site with tools and other employee resources, due diligence procedures and standard contract clauses for key business partners, internal/external audits for monitoring and our Ethics and Compliance Helpline. Our anti-bribery and corruption program activities and our broader ethics and compliance program are communicated on a quarterly basis to our Executive Leadership Team and the Audit Committee of our Board.

Ethics and Compliance Helpline

Our employees 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. Questions and issues raised are addressed by the Molson Coors Ethics and Compliance Office.

HUMAN RIGHTS POLICY

Molson Coors is committed to fostering open and inclusive workplaces based on recognized human rights, where all employees are valued, engaged and inspired to be their best. Our current [Employment Principles](#) are guided by international human rights standards, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the United Nations Global Compact.

Our Principles cover:

- Valuing diversity
- Discrimination
- Freedom of association and collective bargaining
- Forced labor
- Child labor
- Safe and healthy workplace
- Work hours and wages
- Workplace security
- Community and stakeholder engagement
- Guidance and reporting for employees

These Principles apply to Molson Coors and all our business units and other entities in which we hold a majority interest. The Company encourages our business partners to uphold these Principles and to adopt similar approaches within their businesses.

We are currently updating these Principles and will publish a more specific Human Rights Policy in accordance with the UN Guiding Principles on Business and Human Rights later this year.

Additionally, our US business has begun developing a transgender bathroom policy and recently updated its parental leave policy to further support employees.

Human Rights Abuses

Molson Coors is committed to providing a workplace where all are treated with respect, differences are valued and employees' actions are consistent with the Company's standards and values. We are dedicated to maintaining workplaces that are free from discrimination or physical or verbal harassment based on race, sex, color, national or social origin, religion, age, disability, sexual orientation or any other status protected by applicable law.

Our basis for recruitment, hiring, placement, training, compensation and advancement is qualifications, performance, skills, experience and behavior. Differences that are protected by law cannot be a factor in recruitment, dismissal or promotion decisions. They also cannot be a factor in terms or conditions of employment, such as work assignments, employee development opportunities, holidays or overtime.

POLITICAL CONTRIBUTIONS

Molson Coors engages in the political environment 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 work on behalf of the Company, and these employees must adhere to registration, ethics and disclosure requirements in their jurisdiction. Guidance on political contributions for employees is covered in our [Code of Business Conduct](#).

Molson Coors Europe, Molson Coors International and Corporate do not make political contributions.

In Canada, our total political donation for 2016 was CAN\$67,068. Further details can be found on the relevant provincial websites: [Alberta](#); [British Columbia](#); [New Brunswick](#); [Newfoundland and Labrador](#); [Ontario](#); [Prince Edward Island](#); and [Saskatchewan](#).

In the US, MillerCoors makes political contributions to support candidates, political parties and committees at the Federal and State levels. During the 2016 calendar year, MillerCoors made contributions totaling \$606,936 to candidates for state office, state political entities and ballot initiatives. Additionally, MillerCoors operates the MillerCoors Political Action Committee, a federal Packaging Association of Canada (PAC). The MillerCoors PAC made contributions to candidates totaling \$113,500 in calendar year 2016, through voluntary contributions from a restricted class of eligible employees.

MillerCoors follows rigorous internal protocols, legal policies and external controls to ensure that all political contributions are made and reported in strict compliance with appropriate state or federal laws and regulations. Contributions to candidates or parties at the state level are largely publicly available on the individual state's website as disclosures on the campaign finance reports required by that jurisdiction. Employee contributions to the MillerCoors PAC over \$200 and expenditures by the PAC are publicly available on the PAC's reports filed with the Federal Election Commission at www.fec.gov.

See our [Political Contributions Principles](#) for more information.

Notes

- 1 English, French Canadian, Chinese, Japanese, Spanish, Czech, Serbian, Montenegrin, Croatian, Romanian, Hungarian and Bulgarian.



Responsibly Refreshing: Enjoying One of Life’s Simple Pleasures

We believe we are successful when our products are marketed and consumed the right way.

Ensuring that our consumers and customers are provided with a quality product and are educated around responsible consumption is a business priority. Maintaining our commitments to product responsibility, our ability to self-regulate, our innovation, and our labeling and education programs gives stakeholders confidence that we are responding to their concerns.

Raising the Bar on Beer: Our 2025 Strategy and Goals

Our priorities	2025 goals
<i>Inspire responsible drinking</i>	<ul style="list-style-type: none"> Implement impactful programs to prevent underage drinking and drunk driving in every market where we sell beer. Partner with global alcohol producers to reduce harmful alcohol use by 10% and encourage consumers to have sociable and responsible drinking occasions.
<i>Ensure responsible marketing and consumer information</i>	<ul style="list-style-type: none"> Make certain 100% of our advertising and marketing programs are in compliance with company, industry and applicable governmental standards. Deliver nutritional information, alcohol serving facts and ingredients to consumers for 100% of our products.
<i>Drive innovation</i>	<ul style="list-style-type: none"> Offer consumers exceptional quality no-alcohol and low-alcohol choices in 100% of the markets where we sell beer.

Find out more about our strategy and goals to 2025 in [Our Beer Print Report](#).

Our Approach

Molson Coors is committed to alcohol responsibility in all our business practices. Through our marketing materials, we inspire our consumers to drink responsibly and, through partnerships, seek to reduce the harmful effects of alcohol abuse. We are also exploring low- and no-alcohol options to provide more moderate options to our consumers. We have led the industry in transparently communicating our health information on our packaging and on the labels of our beer. We hold ourselves to high standards in our advertisements and ensure we are in compliance with all relevant laws and regulations in all the markets where we sell our products.

It’s important to us that we follow the letter and spirit of our industry’s self-regulatory codes, which 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.

Find out more about how we implement our approach in [Our Beer Print Report](#).

RESPONSIBLE MARKETING AND EMPLOYEE TRAINING

We require all our employees to review and comply with the Molson Coors Alcohol Responsibility Policy starting at the time of employment. Our policies are introduced during onboarding to ensure our people understand the important

role they play in modeling responsible behavior within their families and communities. From 2018, we will begin rolling out Molson Coors Alcohol Responsibility training across our newly combined business, replacing the previous training received by MillerCoors employees that, until 2015, took place every three years.

Our commercial employees must also familiarize themselves with our Commercial Responsibility Policy, which gives them detailed guidance on how to develop, package, market and sell our products in a responsible manner. In early 2017, we effectively rolled out the mandatory Commercial Responsibility Policy training for all our global employees working in the commercial business. The training concluded in May 2017 with 80% of commercial employees completing it.

We are committed to responsible advertising and marketing directed primarily to adults of legal drinking age. Every marketing message that we put into the marketplace, regardless of its form, must enhance our reputation as a lawful and responsible corporate citizen. We self-regulate our marketing and advertising to ensure they primarily reach legal-drinking-age audiences and meet our rigorous internal standards. We are deeply concerned about excessive, irresponsible and underage drinking. We want our quality products to be enjoyed responsibly by those old enough to drink.

Find out more about how we promote our products responsibly in our [global Alcohol Responsibility Policy](#).



CEO ALCOHOL COMMITMENTS

In October 2012, we joined with 10 other leading beer, wine and spirits companies to strengthen efforts to reduce harmful drinking around the world in five key areas:

- Reducing under-age drinking
- Strengthening and expanding marketing codes of practice
- Providing consumer information and responsible product innovation
- Reducing drinking and driving
- Enlisting the support of retailers to reduce harmful drinking

These Global Commitments are being implemented over a five-year period, which concludes in 2017. The International Alliance for Responsible Drinking (IARD) partners are already developing the next set of commitments to continue this work. As part of the current commitments, the website ResponsibleDrinking.org was launched in May 2015 to encourage responsible drinking. The website, built by IARD, provides 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 alcohol, and the immediate and long-term health effects of drinking, as well as examples of when drinking is risky and why some people should avoid drinking.

Find more information and progress reports on the [CEO Producers' Commitments site](#).

**PRODUCT AND SERVICE LABELING**

Molson Coors beers are purchased from many retail outlets for on-premise consumption (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, meaning that we typically do not have full 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 that they are not sold to intoxicated consumers.

Trained staff can be the first line of defense against the disruption caused by intoxicated consumers. Responsible serving practices can also help reduce problems, such as making sure water and food are available, safe glassware is supplied and safe-ride home services are provided.

We partner with local governments, nonprofit organizations, such as Responsible Retailing Forum in the US, and our customers to encourage seller and server responsibility. We also provide programs, support training and distribute materials, as permitted by local laws, to help make the enjoyment of our brands a positive experience.

Find out more about our partnerships in [Our Beer Print Report](#).



Sustainably Brewing: From Grain to Glass

We're proud of the way we source and produce our great beers. With centuries of heritage behind our business, we understand the importance of brewing our beers with quality, integrity and respect for the environment in which we operate. Today, this is as important as it has ever been. For Molson Coors it means ensuring that we protect our precious water resources, promote responsible agriculture, eliminate waste and cut energy use and carbon emissions in our breweries.

Raising the Bar on Beer: Our 2025 Strategy and Goals

Our priorities	2025 goals ²
Make the most out of every drop	<ul style="list-style-type: none"> Improve water-use efficiency in our breweries by 22% to achieve a 2.8 hl/hl water-to-beer ratio. Partner with others to protect valuable water resources in our high-risk watersheds where our breweries are located.
Reduce our carbon footprint	<ul style="list-style-type: none"> Reduce absolute carbon emissions from our direct operations by 50%, and achieve an absolute carbon emissions reduction of 20% across our value chain.
Promote a circular philosophy	<ul style="list-style-type: none"> Achieve zero waste to landfill at all of our major manufacturing facilities.³
Grow best practice in agriculture	<ul style="list-style-type: none"> Improve water-use efficiency of our agricultural supply chain and malting operations by 10%, a volume equivalent to the entire water use of all our breweries across the world. Source 100% of our barley and hops from suppliers who grow, produce and deliver in a manner that recognizes and embraces our sustainability standards.

Find out more about our strategy and goals to 2025 in [Our Beer Print Report](#).

Our Approach

We are committed to efficiently manage resources, maintain safe workplaces, deliver exceptional quality and safe products, and meet the employee, customer, investor and regulatory expectations of a responsible business. In particular, our position as one of the world's largest brewers gives us a powerful opportunity to make a real impact on sustainable brewing – from protecting precious water resources and eliminating waste, to reducing packaging and cutting energy use. The way we manage our environment is governed by our [Quality, Food Safety, Environmental, Health & Safety Policy](#), which was introduced over a decade ago.

Find out more about our policy to manage quality, food safety, environment, health and safety.

CHANGES TO ENVIRONMENTAL REPORTING SCOPE

To understand our complete sustainability performance after the acquisition of MillerCoors, Molson Coors launched a project with an external consultant in 2016 to analyze our enterprise-wide carbon and energy footprint. In light of the new audit, adjustments have been made to the scope of our environmental data:

- Burtonwood, UK is included for the first time this year. This inclusion represents 1,810 tCO₂e or 1.19% of Molson Coors' absolute direct emissions.

- Micro-brewery Franciscan Well, Ireland is included for the first time. It was not included in previous years due to data availability and immaterial operations size. It is not significant enough in size to rebaseline.
- In 2016, Indian sites Bhankarpur and Saha joined Patna (which only operated for three months in 2016) as the only Molson Coors breweries outside North America and Europe. This inclusion represents 425 tCO₂e or 0.28% of Molson Coors' absolute direct emissions.
- On-site brewery pubs are included in scope for the first time. They are not significant enough to rebaseline.
- Some of our Canadian-owned warehouses had been incorrectly categorized as operated by third parties. For 2016 data, we integrated fuel consumption from these owned warehouses into scope 1 emissions. The Canadian grid intensity is low and the fuel used was generally natural gas so it has had a limited impact on the GHG numbers.
- MillerCoors is reported as a joint venture in 2016 and data corresponding to our 42% equity share in MillerCoors in the US is reported separately as scope 3 activity related to "Significant Investments." The Eden plant stopped brewing in July 2016 and will end all operations in 2017.



Water Stewardship

Water is a major part of both our product and processes, so understanding and managing it in a sustainable way is critical to our business. Across our global network, our breweries source water directly from ground or surface water as well as from municipal supplies. Our approach is therefore flexible, to accommodate different levels of risk and different levels of stakeholder involvement.

For us, management of water availability is about:

- Improving water efficiency and managing wastewater in our **breweries**
- Leading water conservation, improving soil health and **biodiversity**, and advancing water restoration efforts in our **brewery watersheds**
- Reducing water use in our **agricultural supply chain**

We invest in conducting comprehensive assessments in each of the watersheds we operate in, to understand risks, impacts and opportunities. We also use publicly available tools to engage expert third parties in completing detailed water risk assessments for each brewery.

Our approach ensures that we are investing resources in the most material elements of water management in each site. Water reduction targets are included in the Chief Supply Chain Officer's performance plan and are also tied to environment, health and safety (EHS) employee incentives.

We also work with the communities who share our watersheds and, where we have identified higher-risk sites, we have a more formal outreach in place. At a number of our breweries, we have been instrumental in creating community forums with key stakeholders to protect local watersheds, some of which have been active for many years.

As part of our commitment to collaboration, Molson Coors is a signatory of the CEO Water Mandate and we have highlighted our progress in our [Communication on Progress](#). Molson Coors is also an active member of the [Beverage Industry Environmental Roundtable](#) (BIER), a partnership of leading global companies working to advance environmental stewardship within the beverage industry.

[Find out more about our approach to water stewardship on our website.](#)

DIRECT OPERATIONS

Following detailed watershed risk assessments and completion of our Water Risk Index at each of our breweries, we are able to set targets that drive the right behaviors, track and manage our

progress and reduce risk at each of our breweries and brewery watersheds.

We are also committed to investing in wastewater treatment facilities and generating clean energy from this waste stream. This technology allows us to treat our wastewater and generate biogas that can be used to produce heat and electricity needed in our breweries.

Our Performance

We measure our performance of water by the intensity of water used per unit of beer produced.

- In 2016 Molson Coors Brewing Company achieved a water use ratio of 4.42⁴ hectoliters of water per hectoliter of beer produced against an internal target of 4.33 hl/hl.
- We continue to increase efficiency across our breweries through utilization of our DollarSense utility management system to drive process improvements.
- Through strategic investments in more efficient systems and technology in our breweries, we continue to reduce water usage. Investments, such as a new pasteurizer in St. John's and a closed loop cooling water system in Vancouver, have helped us save nearly 500,000 hl of water last year.

Water Supply by Source (khl)

	2014	2015	2016
Municipal	60,003	57,548	57,549
Ground	66,620	67,057	66,297
Brackish	–	–	–
Surface	9,684	9,280	9,225
Total water usage	136,307	133,885	133,071
Rain water harvested	–	–	–
Water restored to source	448	359	359

Breakdown by Region in 2016 (khl)

	TOTAL	Molson Coors Europe (MCE)	Molson Coors Canada (MCC)	Molson Coors International (MCI)
Municipal	57,549	16,409	41,140	–
Ground	66,297	64,424	140	1,733
Brackish	–	–	–	–
Surface	9,225	9,225	–	–
Total water usage	133,071	90,058	41,280	1,733
Rain water harvested	–	–	–	–
Water restored to source	359	359	–	–

Significant investment – MillerCoors Water Use (khl)

	2014	2015	2016
Municipal	43,828	40,313	35,161
Ground	49,977	48,501	47,024
Brackish	–	–	–
Surface	91,145	90,038	89,369
Total water usage	184,950	178,852	171,554
Rain water harvested	–	11,633	–
Water restored to source	78,204	80,630	–

Water Intensity (hl/hl)⁵

hl of water used per hl of beer produced

2014	4.49
2015	4.44
2016	4.42

The 2016 absolute data in water use has been independently reviewed in accordance with ISAE 3000, see our [Assurance Statement](#) for more details.

PROTECTING OUR WATERSHEDS

For Molson Coors, long-term water availability and the potential of climate change trends are key factors that we consider. In particular, we are committed to protecting and preserving the watersheds located around our breweries and reducing water use in our agricultural supply chain. For example, we work with UK-based agricultural charity LEAF, to support the development of their water management tool for farmers. We have developed a Grower Direct Portal in the US that offers barley farmers valuable data to help them manage water usage more efficiently.

[Find out more about our water restoration efforts in brewery watersheds and work with farmers in Our Beer Print Report.](#)

Energy and Carbon Emissions

To drive change across our business, engage employees and meet our goals, we have a number of long-running global programs to make that step change. Our work with an external consultant in late 2016 to analyze our enterprise-wide carbon and energy footprint will allow us to identify our key sources of emissions and opportunities where we can focus our efforts to meaningfully reduce our impacts.

We have set out a plan to achieve the necessary reductions as part of an enterprise-wide sustainability strategy. The principal strategies relating to carbon emissions and energy reductions are:

- **Energy and emissions performance tracking:** In 2016, we rolled out DollarSense, energy management software that supports greater accountability and visibility of energy use within our sites. It gives employees the tools to act with greater autonomy to solve problems and more agility to implement energy-saving opportunities.

- **Renewable energy solutions:** We are exploring renewable energy sources, such as solar and biogas recovery, to include more efficient, carbon-neutral use of natural resources.

Beyond our breweries, we are also investing in initiatives that will reduce our indirect emissions in our value chain, from reimagining our packaging materials to improving our transportation and logistics network. We aim to make improvements in our transportation and logistics network by increasing fuel efficiency in our transportation system, taking the number of trucks off the road by improving our overall average truck load rate and expanding our use of intermodal freight to shorten transportation times.

Our Performance

We measure our performance in energy and carbon on the intensity of energy used and carbon emissions per unit of beer produced.

Energy

- In 2016, we set ourselves an annual target of 110.30 MJ⁶ total energy use per hectoliter of beer produced (MJ/hl), and achieved 111.90 MJ/hl, a decrease of 1.1% from 2015.
- As a result of including additional owned warehouses in Canada into our 2016 scope 1 energy data, absolute energy use and purchased electricity increased slightly from 2015.
- Despite this adjustment, performance across our breweries continues to progress due to continued process improvements from

increased utilization of our DollarSense utility management system.

- In addition to DollarSense, we deliver savings and reduce energy consumption through our strategic investments in optimization projects, such as refrigeration and compressed air improvements and lighting upgrades.

Carbon

- In 2016, we set ourselves a GHG reduction target of 8.37 kgCO₂e⁷ per hectoliter of beer produced (kgCO₂e/hl), and achieved 8.10 kgCO₂e per hectoliter, coming in 3.2% better than our target.
- We continued to focus on increasing our utilization of renewable heat within our operations and to see improvements driven by DollarSense, which resulted in our 2016 carbon intensity being 5.8% below our 2015 values.⁸

Energy Use (MJ)

2014	3,763,200,309
2015	3,498,103,792
2016 ⁹	Total 3,592,660,496
MCE	2,187,112,324
MCC	1,362,391,133
MCI	43,157,039

Energy Use (MJ): Significant Investments – MillerCoors (42%)

2014	5,165,071,931
2015	4,507,719,996
2016	4,648,735,866

Total Electricity Purchased (MJ)

2014	1,083,394,406
2015	1,022,460,377
2016 ¹⁰	Total 1,046,860,306
MCE	625,908,043
MCC	404,485,468
MCI	16,466,795

Electricity Purchased (MJ): Significant Investments – MillerCoors (42%)

2014	1,385,845,175
2015	1,314,124,576
2016	1,333,085,563

Renewable Heat Generated (MJ)

2014	40,844,869
2015	42,656,058
2016 ¹¹	Total 46,358,099
MCE	21,074,828
MCC	25,283,271

We did not generate any renewable electricity during 2016.

Energy Intensity (MJ/hl)¹²

2014	116.6
2015	113.1
2016 ¹³	111.9

Scope 1 Emissions (tonnes CO₂e)

2014	169,896
2015	159,988
2016 ¹⁴	Total 152,042
MCE	83,897
MCC	67,658
MCI	486

Scope 1 Emissions (tonnes CO₂e): Significant Investments – MillerCoors (42%)

2014	175,857
2015	131,569
2016	119,873

Scope 2 Emissions (tonnes CO₂e): Location-Based

2014	108,346
2015	94,768
2016 ¹⁵	Total 88,896
MCE	81,856
MCC	3,300
MCI	3,740



Scope 2 Emissions (tonnes CO₂e): Location-Based Significant Investments – MillerCoors (42%)

2014	320,073
2015	303,413
2016	309,960

Scope 2 Emissions (tonnes CO₂e): Market-Based¹⁶2014 **N/A**2015 **N/A**

2016 ¹⁷	Total	102,382	
MCE	95,136	MCC	3,506
MCI	3,740		

Scope 2 Emissions (tonnes CO₂e): Market-Based Significant Investments – MillerCoors (42%)2014 **N/A**2015 **N/A**

2016	322,836
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Scope 3 Emissions (tonnes CO₂e)¹⁸2014 **N/A**2015 **N/A**

2016 ^{19, 20}	Total	98,914	
MCE	66,482	MCC	30,600
MCI	1,831		

Carbon Intensity (kgCO₂e/hl)²¹

2014	9.2
2015	8.6
2016 ²²	8.1

The 2016 absolute data in energy use and carbon emission has been independently reviewed in accordance with ISAE 3000 and risks related to emissions and energy use have been discussed with investors in our 2016 Annual Report on Form 10K as part of the evaluation of climate change risk.

Detailed reporting of our carbon footprint across the value chain (including Operations, Packaging, Transportation, Agricultural, Refrigeration), our scope 1 and 2 emissions and our carbon intensity is available on the Carbon Disclosure Project website through our [Carbon Disclosure submission](#).

[Read about our changes to environmental reporting scope.](#)

Waste Reduction

How waste is created, recycled or disposed of, both in our breweries and across our product life cycles, is an important driver of our products' environmental impact and of the total cost of goods. We are fully committed to see all of our major manufacturing facilities zero waste to landfill by 2025. Already 13 major manufacturing facilities, including MillerCoors, are zero waste to landfill, while our other production sites strive toward that goal.

At a brewery level, the business processes to support progress toward this goal are governed through our Environment, Health & Safety Management System (EH&SMS), as part of our World Class Supply Chain Program. All of our sites have characterized and quantified their waste streams, including those currently disposed to landfill. The information has been used to build an understanding of why each waste is generated and we are actively seeking solutions to reduce, re-use or recycle each waste stream, or even to eliminate it entirely. Each site has developed its own portfolio of initiatives (a "glidepath" of planned waste reduction activities) that will enable it to achieve zero waste to landfill.

Our waste reduction target is governed by the Global EHS Team and our brewery managers who are incentivized to achieve our waste targets. Externally, we see that there is great potential to work with our suppliers and customers to find innovative solutions to waste challenges.

The resource efficiency agenda is also important beyond our zero waste to landfill target. Currently, our co-products of spent grains and yeast are sold as cattle feed, or to make products such as Marmite and pet food. There is great potential to upcycle our co-products into even more materials and this is a key area of development for our Innovation Team.

[Find out more about our circular philosophy in Our Beer Print Report.](#)

Our Performance

Increasing recycling rates and reducing the total waste we generate is a key focus. By the end of 2016:

- We disposed of 5.5% of the solid waste we generated in breweries, offices and distribution in landfill
- We reduced the amount of waste disposed in landfill by 56%, 126 grams less per hectoliter of beer than in 2015
- We reduced the amount of total waste generated per hectoliter of beer we produced by 2% from 2015 levels

- We had 13 major manufacturing facilities that are zero waste to landfill – nine in the US, two in Europe and two in Canada

Our waste data comprises solid waste sent to landfill, solid waste incinerated, solid waste to Anaerobic Digestion (AD), compost and solid waste recycled. Spent grain and yeast is a co-product of the brewing process. Where we sell these products for use as animal feed, we do not currently include the data in consolidated group waste stream reporting or the percentage of waste disposed in landfill calculation; we treat them as valuable products and subject to our food safety standards.

Solid Waste to Landfill (%)

2014	17.4
2015	15.8
2016	5.5

Solid Waste Disposed in Landfill Intensity (g/hl)

2014	322.2
2015	226.1
2016	100.5

Solid Waste Intensity (g/hl)

2014	2,019.1
2015	1,866.4
2016	1,827.9

Resource Efficiency (tonnes) by Region 2016

	TOTAL	MCE	MCC	MCI
Landfill	2,989	1,426	1,563	0
Solid waste to incineration	3,434	1,364	2,070	0
Solid waste to AD	0	0	0	0
Compost	3,325	2,142	204	978
Waste recycled	44,601	18,869	21,886	3,845
Total solid waste	54,349	23,802	25,723	4,824
Co-products	408,938	319,485	85,254	4,198

The 2016 absolute total solid waste and co-products data for Molson Coors has been independently reviewed in accordance with ISAE 3000. See our [Assurance Statement](#) for more details.

Packaging

The packaging materials we use in our products are essential to the delivery and enjoyment of our products, but they can account for up to 50% of an individual product's footprint.

Packaging plays a critical role to contain, protect, preserve, transport, inform and communicate our brands to our consumers. We are committed

to delivering packaging that meets or exceeds expectations for performance, product integrity, consumer safety and environmental sustainability.

As stated in our [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
- Support Our Beer Print agenda

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

The Council’s strategic approach includes collaborating with global and regional organizations such as the [Sustainable Packaging Coalition](#); [Beverage Industry Environmental Roundtable](#) (BIER); the [Packaging Association of Canada](#) (PAC); and the [Brewers Association of Canada](#) (BAC), to ensure we continue to adopt best practice and leading 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 negatively impacting its performance.

Our Molson Coors [Standards for Suppliers](#) outline our commitment to source from suppliers who grow, convert, produce and deliver packaging materials in line with our sustainability standards.

Our Performance

Total Packaging Sold Globally (tonnes)²³

2015	585,137
2016	518,985

11% change against 2015 baseline

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% recycled content. We continue to explore carbon reduction in our packaging – from concept design to packaging finalization – and systematically consider the following metrics:

- Greenhouse gas emissions (tonnes CO₂e per unit of production)
- Distance to transport
- Recycle content
- Recovery value



Environmental Compliance

We are proud of our strong environmental performance and have robust protocols in place to manage critical environmental incident should it occur. In the event we are made aware of a violation, we take immediate steps to restore compliance, including investigations with senior leadership and environmental experts and, if necessary, stopping production. We implement all corrective actions wherever they are applicable.

As part of our EH&SMS, Molson Coors tracks the number of Environmental Incidents (an internally defined measure) as a Key Performance Indicator. We set annual targets that strive for continuous reduction in Significant Environmental Incidents. Performance is reviewed monthly by the Global Chief Supply Chain Officer.

At Molson Coors, our threshold for recording an Environmental Incident is if there is “a direct or indirect discharge of a pollutant to the natural environment (air, land or water) that causes a material adverse effect to the environment or breach of a permit, license or regulation condition.” In 2016, there were three events that exceeded this internal threshold, but which did not result in legal action or fines (compared with seven in 2015, and 19 in both 2014 and 2013).

Environmental Violations

Environmental Violations of Legal Obligations/Regulations²⁴ (number)

2014	0
2015	0
2016	1

Environmental Incidents²⁵ (number)

2014	19
2015	7
2016	3

Notes

- 2 Set against a 2016 baseline incorporating 100% Molson Coors and MillerCoors data.
- 3 Our major manufacturing sites consist of facilities with over 75 employees.
- 4 Data is for Molson Coors only, and excludes MillerCoors. Data will be combined in future reports.
- 5 As per footnote 4.
- 6 As per footnote 4.
- 7 As per footnote 4.
- 8 Molson Coors only.
- 9 Owned warehouses in Canada included that had previously been excluded, consumed electricity, natural gas and Liquid Petroleum Gas.
- 10 As per footnote 9.
- 11 As per footnote 9.
- 12 As per footnote 4.
- 13 As per footnote 9.
- 14 As per footnote 9.
- 15 As per footnote 9.
- 16 This is the first year we have reported our market-based scope 2 emissions.
- 17 As per footnote 9.
- 18 MillerCoors is reported as a joint venture in 2016 and data corresponding to our 42% equity share in MillerCoors in the US is reported separately as scope 3 activity related to “Significant Investments.”
- 19 As per footnote 9.
- 20 This is our first year reporting scope 3 data: transport data and energy consumption at third-party warehouses.
- 21 As per footnote 4.
- 22 As per footnote 9.
- 23 Data covers all production, including co-packed volume for export.
- 24 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) 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.
- 25 We use an internal definition of Severe Environmental Incidents which exceeds the legal reporting requirements in our areas of operation.

Collectively Crafted: For Our People and Communities

“We are all members of a larger community which depends on everyone playing a part.” John Molson, Founder of Molson Brewing Company, 1786

While our company has expanded around the world, our roots and character have remained local. We’re made up of dozens of local breweries and offices where our employees and our iconic brands are a part of the fabric of the community. These are the places where we live, work and connect. That’s why our integrity and responsibility are at the heart of our approach to working together.

Raising the Bar on Beer: Our 2025 Strategy and Goals

Our priorities	2025 goals ²⁶
Be known as a great place to work for our people	<ul style="list-style-type: none"> Achieve recognition on the Great Places to Work Index. Demonstrate Caring in Action by achieving 40% reduction in Lost Time Accident (LTA) rate.
Be a good global citizen	<ul style="list-style-type: none"> Invest \$100 million in initiatives that aim to improve livelihoods, foster empowerment and build resilient communities.
Strengthen our supply chain	<ul style="list-style-type: none"> Work with suppliers who adopt our supplier standards and allow us to jointly commit to an ethical and sustainable supply chain. Promote diversity across our supply chain and actively engage with women-owned or minority-owned businesses as suppliers.

[Find out more about our strategy and goals to 2025 in Our Beer Print Report.](#)

Our Approach

We know that attracting, developing and retaining the best and the most diverse talent 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 their views, and look to continuously improve our programs based on their feedback, particularly through our annual People Survey, because we know that highly engaged teams deliver the best business results.

OUR GLOBAL EMPLOYEES

Employment Profile by Region

	Approx. no. of employees	% under union agreement
Corporate Center (US)	222	0%
Canada	2,139	54%
Central Europe	3,832	N/A ²⁷
UK & Ireland	2,017	4%
International	342	0%
Total	8,552	15%
MillerCoors	7,845	27%

EMPLOYEE ENGAGEMENT

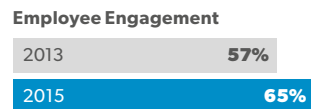
Attracting, developing and retaining the best talent is our single most important challenge. That is why we put tremendous energy into listening to and acting on the views of our employees. We know that employee engagement has a direct link to our business performance. More engaged employees have better 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 several ethical, social and environmental questions strongly related to employee engagement.

The biennial survey helps teams focus efforts on action planning against survey indicators. We completed our most recent survey in 2015, where we saw a participation rate of 84% and a global engagement score of 65%, an eight point improvement from 2013. Our 2017 global survey is currently underway, and we will include its results in our 2018 report.

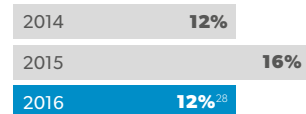
Global People Survey results



Believe Company is Socially and Environmentally Responsible



Employee Turnover Rate (%)



DEVELOPMENT AND REWARDS

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.

PEOPLE TRAINING AND PERFORMANCE MANAGEMENT²⁹

18 hours of training and development per full-time employee (FTE) on average in 2016.

In 2016, over 4,000 employees participated in online learning programs, a 17% increase over 2015.

Over 1,000 live classes were delivered globally supporting our leadership, commercial and supply chain initiatives.

Depending upon job role and location, an employee may receive up to 40 hours of training annually.

We encourage employees to continue to learn and develop their career at Molson Coors through our Performance Management process and our First Choice Learning Center. We're committed to offering our employees in-person and online training programs to build competencies, share best practices and advance leadership capabilities.

Employee performance is assessed at year-end, evaluating performance against goals (the "What") and Molson Coors' cultural values (the "How"). Managers calibrate employee self-evaluations across functions to give a consistent,

global method for getting the right people with the right skills in the right roles, at the right time.

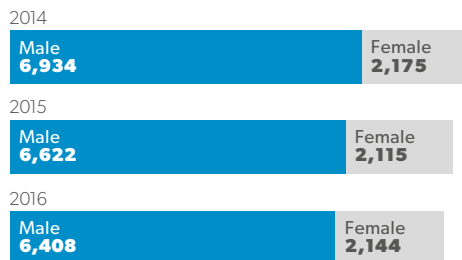
Our Talent Management Planning process reviews the current performance and future potential of all management employees throughout the Company. We believe we offer an outstanding total compensation package with a competitive salary, a results-based bonus program and flexible benefits so our people can choose what's important for them.

DIVERSITY AND INCLUSION

We know that attracting, developing and retaining the best talent – talent that reflects the diversity of our marketplace – is key to our success. In the last employee survey, our employees believe we are doing well in the area of Diversity and Inclusion, scoring 84% in 2015. To ensure we continue to embed diversity and inclusion into our culture, Molson Coors created a dedicated Diversity and Talent Management team in 2016 and changed the language in "Our Brew" – our company's shared value system – to include the statement "We are people who embrace diversity and inclusion" as part of "Who We Are."

Gender Breakdown

(number of total employees)



The Executive Leadership Team and the Global HR team work to ensure that a diverse candidate pool exists for executive and key roles throughout the Company. In 2016, two new females were selected to the Executive Leadership Team (Michelle Nettles, appointed as Chief People and Diversity Officer, and Tracey Joubert, appointed as Chief Financial Officer). Presently, 31% of top management (including executives and senior management) is female.

Female Employees

(%)

All management that is female



Top management that is female³⁰



EMPLOYEE WELLNESS

We emphasize health and wellness, as well as a work-life balance, through flexible scheduling. We offer employees numerous health benefits tailored by business unit and work location. In many locations, employees can select the medical plans, dental coverage, vision coverage, short-term disability and long-term insurance that work for them. Some work sites have onsite medical care available, providing biometric screenings, seasonal flu shots and an onsite nurse. In the US, we have a primary care medical center, where employees and their dependents can receive quality, affordable healthcare.

Most employees can also participate in various aspects of our wellness program, which helps inform and, when possible, incentivize healthy habits and lifestyles in fun and exciting ways. Our Employee Assistance Programs (EAP) provide free and confidential assistance in areas such as family and personal relationships, personal crises, depression, anxiety, family care, financial and legal concerns, as well as health and well-being issues.

All of Molson Coors' business units comply with minimum required maternity leave laws and go further to take care of new parents. Our US operating units now provide a total of 16 weeks of fully paid maternity benefits. New fathers will also receive four weeks of fully paid leave.

HEALTH AND SAFETY

Health and safety at work is part of our global commitment to doing business the right way. The safety and wellness of our people is



fundamental to their engagement and we actively work to build a workplace culture that embraces wellness and safety.

Our approach to managing health and safety is guided by our [Quality, Food Safety, Environmental, Health & Safety Policy \(QFSEHS\)](#) and our [Environment, Health & Safety Management System \(EH&SMS\)](#). Safety the Molson Coors Way formalizes our commitment to driving the right behaviors. It highlights the importance of creating a global culture of safety and encompasses effective communication about safety through structured team meetings, workplace hazard spotting and management, behavioral safety, robust investigation when things go wrong and a world-class approach to occupational health.

[Find out more about our Quality, Food Safety, Environmental, Health & Safety \(QFSEHS\) Policy and our Environment, Health & Safety Management System \(EH&SMS\).](#)

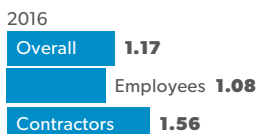
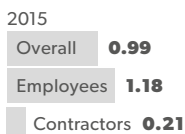
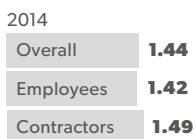
Our Performance

In 2016, we continued to focus on safety, with a lost time injury rate for employees of 1.08, representing a 9% reduction from 2015. The rate for contractors, however, returned to approximately the same level as 2014, showing a drop in performance of 18% in 2016 from 2015.

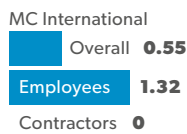
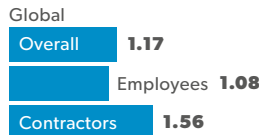
We recognize that unlocking further performance improvements will involve deeper behavior and culture change, which takes time and resources. To that end, we are developing “EHS the Molson Coors Way” this year to leverage change in both EHS culture and tactics as we aspire to raise the bar on our performance.

We're proud to have achieved a 9% reduction in Lost Time Incidents for employees in 2016.

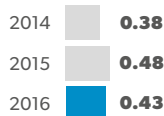
Lost-Time Injury Frequency Rate (LTIFR)
(number/million hours worked)



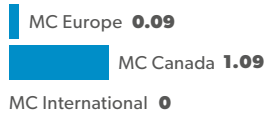
2016 Lost-Time Injury Frequency Rate (LTIFR) by Region
(number/million hours worked)



Occupational Illness Frequency Rate (OIFR)
(number/million hours worked)



2016 Occupational Illness Frequency Rate (OIFR) by Region
(number/million hours worked)



Community Engagement

Around the world, Molson Coors Brewing Company has a long history of investing in the regions where we do business, supporting initiatives that improve our communities. To be effective community partners, Molson Coors adopts standards, ethics and sponsorship practices that represent the Company as an active and valued member of our communities, all aligned to [Our Beer Print](#) and chosen at a regional level. Toward 2025, we aim to invest \$100 million in cash and in-kind donations that aim to improve livelihoods, foster empowerment and build resilient communities to make the places where we work better places to live.

[Read about some of our work with communities in 2016 in Our Beer Print Report.](#)

\$12.1 million cash and in-kind donations to community organizations by Molson Coors and MillerCoors in 2016.³¹

EMPLOYEE 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. While volunteering efforts differ from market to market, we have a [Global Volunteer Policy](#) to align our regional best practices. We support each employee (hourly and salaried) volunteering up to one work day of time at company-sponsored events that aligns with our strategy or other events that receive management approval.

[Find out about our employees’ achievements globally during Our Beer Print Month in Our Beer Print Report.](#)

Community Contributions

2016 Cash Contributions (\$ million)³²



2016 In-Kind Giving (\$)³³



2016 Time: Employee Volunteering During Paid Working Hours³⁴



Procurement Practices

SUSTAINABLE PROCUREMENT STRATEGY

Doing business the right way is 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 that is sustainable for our business, for our communities and for the environment. For instance, we actively monitor regulations regarding Genetically Modified Organism (GMO) ingredients in all our markets and are committed to full compliance with health, food, safety, labeling and ingredients regulations.

Our ambition is to adopt best practice sourcing standards and techniques, and to work with suppliers who do the same. This allows 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

Molson Coors is committed to an ethical and sustainable supply chain, and to managing the

supply of goods and services in a responsible way, by adopting a risk-and-opportunities-based approach to identifying our priorities. Our key areas of focus are: Environmental Sustainability, Social and Economic Sustainability, including Employment Standards, Community Responsibilities, Ethical Business Practices and Commercial Standards.

Our [Standards for Suppliers](#) set out our minimum compliance standards. We expect to work with our suppliers toward these standards, and strive to consistently improve standards together to achieve excellence. Where the use of sub-contractors or other third-party organizations is permitted, we also expect our suppliers to implement the Molson Coors Standards for Suppliers throughout their supply chains. Our standards are communicated as an ongoing requirement to 100% of our global supply base through our standard terms and conditions.

We also work with our suppliers and producers to encourage 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. To support this, we include sustainability metrics, such as CO₂, energy and water key performance attributes within our quarterly Supplier Quality Scorecards for our high-priority suppliers.

This enables us to track the progress of our suppliers' impact on the environment and drive continuous improvement.

SUPPLIER MONITORING

As a global company with a wide and diverse range of suppliers, we recognize that achieving these standards presents unique challenges in different parts of the world.

Within our supply chain, we have identified a major opportunity to create a more robust and standardized environment for companies to share information about their sustainability practices.

We have assessed a new approach to driving improved risk management through a new Supplier Information Management (SIM) solution and will begin to implement it in 2018. It will require all new suppliers to register and agree to our Supplier Standards before being considered. Supplier profiles can contain sustainability information, including Supplier Ethical Data Exchange (SEDEX) membership status. SEDEX provides a standardized format, based on internationally recognized protocols, for companies to voluntarily report on their sustainability practices.

[Find out more about how we're partnering with suppliers to create innovative solutions to packaging in *Our Beer* Print Report.](#)

Notes

- 26** Set against a 2016 baseline incorporating 100% Molson Coors and MillerCoors data.
- 27** While we still have unionized employees within our Central Europe business, our new employee data system does not allow us to identify union employees within this region.
- 28** This figure is for Molson Coors only and does not include MillerCoors.
- 29** As per footnote 28.
- 30** Includes executives and senior management.
- 31** Includes 100% of MillerCoors and Molson Coors.
- 32** We report 42% of MillerCoors community contributions. They will be fully consolidated into Molson Coors reporting next year.
- 33** As per footnote 32.
- 34** As per footnote 32.



GRI Content Index

This report has been prepared in reference to the Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines. For a detailed explanation of the indicators, visit the GRI website <https://g4.globalreporting.org>.

GENERAL STANDARD DISCLOSURES		
INDICATOR	DESCRIPTION	LOCATION AND NOTES
STRATEGY AND ANALYSIS		
G4-1	CEO statement.	OBP Report (pg. 3)
ORGANIZATIONAL PROFILE		
G4-3	Name of the organization.	OBP Report (pg. 6-7) ; ESG Report (pg. 1)
G4-4	Primary brands, products, and/or services.	OBP Report (pg. 6-7) ; 2016 Annual Report on Form 10-K
G4-5	Location of organization's headquarters.	OBP Report (pg. 6-7) ; 2016 Annual Report on Form 10-K
G4-6	Number of countries where the organization operates, and countries with major operations or relevant to sustainability issues.	OBP Report (pg. 6-7) ; 2016 Annual Report on Form 10-K
G4-7	Nature of ownership and legal form.	2016 Annual Report on Form 10-K
G4-8	Markets served.	OBP Report (pg. 6-7) ; 2016 Annual Report on Form 10-K
G4-9	Scale of the reporting organization.	OBP Report (pg. 6-7) ; 2016 Annual Report on Form 10-K
G4-10	Employees by employment contract and gender.	Breakdown by gender in ESG Report (pg. 14)
G4-11	Percentage of employees covered by collective bargaining agreements.	ESG Report (pg. 13)
G4-12	Description of supply chain.	Our supply chain starts from the barley and hops field where our farmers supply our agricultural brewing ingredients. Our packaging, such as bottles and cans, also make up a large portion of our carbon footprint, which is why we work closely with our packaging suppliers to reduce their carbon emissions. We also work with transportation suppliers to drive efficiencies in our transportation and logistics network.
G4-13	Significant changes to size, structure, or ownership.	OBP Report (pg. 2) ; ESG Report (pg. 1) ; 2016 Annual Report on Form 10-K
G4-14	Whether and how the precautionary approach or principle is addressed.	ESG Report (pg. 12)
G4-15	Externally developed economic, environmental, and social charters, principles, or initiatives the organization subscribes or endorses and association memberships.	OBP Report (pg. 2, 4, 12, 19) ; ESG Report (pg. 1, 6, 8)
G4-16	Externally developed economic, environmental, and social charters, principles, or initiatives the organization subscribes or endorses and association memberships.	OBP Report (pg. 2, 4, 12, 19) ; ESG Report (pg. 1, 6, 8)
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Entities included in consolidated financial statements and if any are not in report.	OBP Report (pg. 2) ; 2016 Annual Report on Form 10-K
G4-18	Process to define report content and aspect boundaries. How implemented Defining Report Content principles.	OBP Report (pg. 2)
G4-19	Material aspects identified.	OBP Report (pg. 5) ; ESG Report (pg. 2)
G4-22	Effect of restatements.	N/A
G4-23	Significant changes from previous reporting period.	OBP Report (pg. 2) ; ESG Report (pg. 1)
STAKEHOLDER ENGAGEMENT		
G4-24	Stakeholder groups engaged by the organization.	ESG Report (pg. 2) ; Molson Coors corporate website
G4-25	How stakeholders are identified and selected.	ESG Report (pg. 2) ; Molson Coors corporate website
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	ESG Report (pg. 2) ; Molson Coors corporate website
G4-27	Key concerns raised through stakeholder engagement, and how the organization responded.	ESG Report (pg. 2) ; Molson Coors corporate website
REPORT PROFILE		
G4-28	Reporting period.	OBP Report (pg. 2) ; ESG Report (pg. 1)

GENERAL STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION AND NOTES
G4-29	Most recent report.	OBP Report (pg. 2); ESG Report (pg. 1)
G4-30	Reporting cycle.	OBP Report (pg. 2); ESG Report (pg. 1)
G4-31	Contact for sustainability report.	For questions and comments, please email corporate_responsibility@molsoncoors.com
G4-32	Table with Standard Disclosure locations.	ESG Report (pg. 16); Molson Coors corporate website
G4-33	External assurance statement.	Molson Coors corporate website

GOVERNANCE

G4-34	Governance structure.	ESG Report (pg. 2); Molson Coors corporate website
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ETHICS AND INTEGRITY

G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	ESG Report (pg. 3); Molson Coors corporate website
G4-37	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	ESG Report (pg. 3); Molson Coors corporate website

SPECIFIC STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION AND NOTES
CATEGORY: ECONOMIC		
MATERIAL ASPECT: ECONOMIC PERFORMANCE		
G4-EC1	Direct economic value generated and distributed	OBP Report (pg. 6-7); 2016 Annual Report on Form 10-K
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	2017 CDP submission
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: ENERGY		
G4-EN3	Energy consumption within the organizations	ESG Report (pg. 8-10)
G4-EN5	Energy intensity	ESG Report (pg. 9)
G4-EN6	Reduction of energy consumption	ESG Report (pg. 8-10)
MATERIAL ASPECT: WATER		
G4-EN8	Total water withdrawal by source	ESG Report (pg. 8)
MATERIAL ASPECT: EMISSIONS		
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	ESG Report (pg. 10)
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	ESG Report (pg. 10)
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	ESG Report (pg. 10)
G4-EN18	Greenhouse gas (GHG) emissions intensity	ESG Report (pg. 10)
G4-EN19	Reduction of greenhouse gas (GHG) emissions	ESG Report (pg. 10)
MATERIAL ASPECT: EFFLUENTS AND WASTE		
G4-EN23	Total weight of waste by type and disposal method	ESG Report (pg. 10-11)
MATERIAL ASPECT: COMPLIANCE		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	ESG Report (pg. 11)
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT		
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	OBP Report (pg. 19, 25)
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
MATERIAL ASPECT: EMPLOYMENT		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Total turnover in ESG Report (pg. 13)

SPECIFIC STANDARD DISCLOSURES

INDICATOR	DESCRIPTION	LOCATION AND NOTES
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	LTIFR and OIFR reported in ESG Report (pg. 15)
MATERIAL ASPECT: TRAINING AND EDUCATION		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Average training hours in ESG Report (pg. 14)
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	ESG Report (pg. 14)
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Breakdown of employees by gender can be found in ESG Report (pg. 13-14)
SUB-CATEGORY: SOCIETY		
MATERIAL ASPECT: LOCAL COMMUNITIES		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	100 percent of our direct operations implement local community engagement. More information can be found in OBP Report (pg. 31-34) and ESG Report (pg. 15).
MATERIAL ASPECT: ANTI-CORRUPTION		
G4-SO4	Communication and training on anti-corruption policies and procedures	ESG Report (pg. 3)
MATERIAL ASPECT: PUBLIC POLICY		
G4-SO6	Total value of political contributions by country	ESG Report (pg. 4)
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	All of our products address alcohol responsibility and drunk driving issues with audiences above the legal drinking age. More information can be found in OBP Report (pg. 8-16) and ESG Report (pg. 5-6).
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING		
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements	OBP Report (pg. 15); ESG Report (pg. 6)



MOLSON *Coors*

This Sustainability Report contains “forward-looking statements” within the meaning of the US federal securities laws. Generally, the words “believe,” “expect,” “intend,” “anticipate,” “project,” “will” and similar expressions identify forward-looking statements, which generally are not historic in nature. Forward-looking statements include those relating to the Company’s investments in socioeconomic programs; water management and other environmental efforts; re-use and recycling measures; and sourcing of raw materials. Although the Company believes that the assumptions upon which its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Important factors that could cause actual results to differ materially from the Company’s present projections and expectations are disclosed in the Company’s filings with the Securities and Exchange Commission (“SEC”). These factors include, among others, health of the beer industry and our brands in our markets; economic conditions in our markets; stock market and commodities performance; crop yields; consumer demand; global economic conditions; changes in laws and regulations; development of new technology; costs of resources and raw materials; force majeure events; changes in our supply chain system; availability or increase in the cost of packaging materials; success of our joint ventures; risks relating to operations in developing and emerging markets; the impact of climate change and the availability and quality of water; the ability to attract, hire and retain qualified personnel; future financial and operating performance within and related to the industry; and other risks discussed in our filings with the SEC. All forward-looking statements in this Sustainability Report are expressly qualified by such cautionary statements and by reference to the underlying assumptions. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We do not undertake to update forward-looking statements, whether as a result of new information, future events or otherwise.