



WORTH REACHING FOR



Constellation Brands

2021 CORPORATE SOCIAL RESPONSIBILITY REPORT



**COMMITTED TO BETTERING
OURSELVES AND OUR COMMUNITIES**



“At Constellation, we strive to foster an inclusive culture that is characterized by diversity in background and thought that reflects our consumers and communities. While this has been a priority for years, the events of 2020 showed that we, like many others, have a long way to go in achieving this goal. It’s more than the right thing to do; it’s also good business. We remain committed to this goal and focused on actions that drive meaningful and positive change.”

— Mike McGrew, Chief Communications, CSR and Diversity Officer



Embracing Diversity for an Inclusive Tomorrow

The events of 2020—from the killing of George Floyd while in police custody, to the disproportionate effect the pandemic has had on Black and Brown communities, to Asian Americans being unfairly attacked and scapegoated as the cause of the virus—have powerfully underscored a need for change. We must do more to break the long pattern of systemic racism, bigotry, and inequality in our country. This critical moment must fuel substantive and lasting change, and all of us—from companies to individuals—have a responsibility in creating that change.





With the understanding that it starts with us, **Constellation continues its journey to better reflect the diverse consumers and communities we serve.** We know we have work to do, and we know that together, and only together, we can make a meaningful difference. Transparency is an important part of driving change, so we are sharing our U.S. workforce demographics here, and will continue to share our diversity progress in the years ahead. To drive change and enhance diverse representation among our U.S. salaried population, we are emphasizing closing our biggest representation gaps among Black/African American, Female, and Latinx/Hispanic employees.

Monitoring human capital metrics is a critical component to ensuring we are executing on our strategy and making progress against our Diversity, Equity, and Inclusion objectives. We measure gender and racial representation to understand diversity at various levels across the organization and assess progress over time to drive continuous improvement. We also assess metrics throughout the human resource lifecycle to identify potential bias and barriers in our processes, including talent acquisition, turnover, engagement scores, or participation in Business Resource Group events.

U.S. workforce demographic⁽¹⁾ information is as follows:

	Female	Male	White	Latinx/ Hispanic	Black/ African American	Asian	Other People Of Color
Board	40%	60%	70%	20%	10%	0%	0%
Executive	30%	70%	73%	11%	2%	9%	5%
Vice President	38%	62%	84%	7%	2%	7%	1%
Director	34%	66%	87%	7%	2%	3%	1%
All Salaried Employees	41%	59%	80%	11%	2%	5%	1%

(1) Diversity data is as of February 28, 2021 and is based on self-disclosed employee information. Board data includes independent, non-management board members (U.S. and international). Executive data includes executive officers and senior vice presidents. Director is the next management level with supervisory authority below vice president. While we present female and male, we acknowledge that this is not fully encompassing of all gender identities. Other people of color includes two or more races, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or categories left blank. Numbers may not sum due to rounding.

To achieve the change we feel is necessary, we accelerated diversity, equity, and inclusion (DE&I) initiatives already in place prior to 2020 and identified new opportunities to foster greater equity.



**Equal Justice
Initiative**

Supporting Equal Treatment to Drive Equal Justice

Constellation has established a multi-year partnership with the Equal Justice Initiative (EJI), an organization committed to challenging racial and economic injustice, advocating for equal treatment in the criminal justice system, and protecting basic human rights for the most vulnerable in American society. We have contributed \$1 million to further EJI's mission and to support training opportunities for Constellation leadership.



A Focus on Minority Founders

To help balance a U.S. venture capital ecosystem that we believe is starkly homogeneous, Constellation Brands Ventures (CBV) has committed to invest \$100 million in Black and minority-owned businesses in the beverage alcohol space and adjacent categories by 2030 through our Focus on Minority Founders program. Beyond the funding, the Focus on Minority Founders initiative will support the growth and development of Black and minority-owned businesses by providing sales, marketing, operations, and finance expertise through the CBV team and Constellation's many subject matter experts.





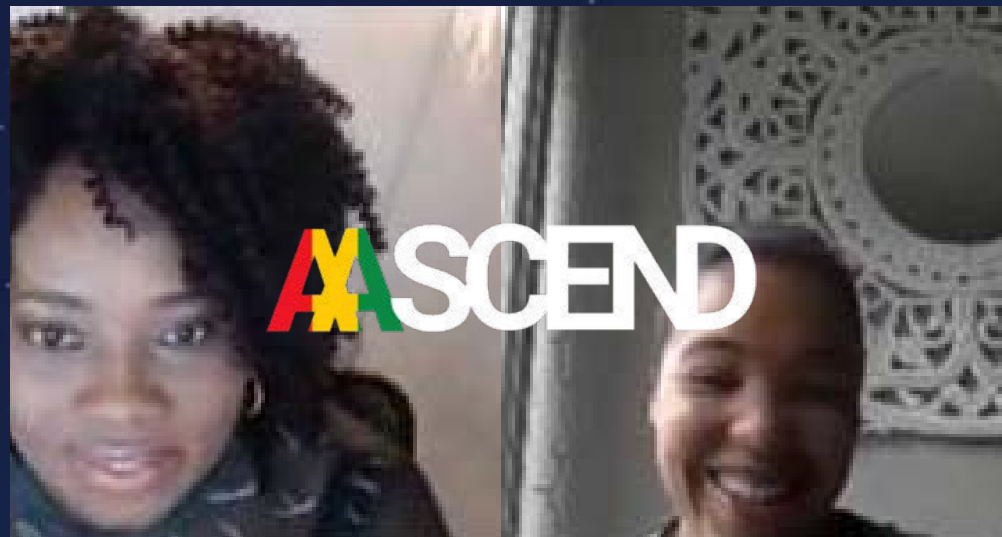
“I’ve always been tremendously proud of our team at Constellation. But this year in particular, our employees truly inspired us in how they led by example and truly lived our values. In a year marked by health and social issues, our team members used their voices and stood up for equity, advocated for change, and supported local communities in need. For these reasons and more, I am proud to work here and am excited to keep doing more to promote diversity, equity, and inclusion.”

— Tom Kane, Chief Human Resources Officer



Business Resource Groups Empower Employees & Advance Our Business

Finding community has never been more important. That comes to life at Constellation through a growing network of Business Resource Groups. These communities advance our DE&I goals; connect and empower employees with common goals, interests, and objectives; create business impact; and help attract a diverse employee base that reflects the communities where we live and do business.



AASCEND

(African Americans Strengthening Constellation's Engagement,
Networking, & Development)

"2020 was a challenging year for the world but exceptionally challenging for BIPOC in America. It's such a pleasure to know that the organization values all and is invested in providing access to those that are most underrepresented. The engagement that has been shown by the organization in all of the AASCEND events from educational panel discussions to hip hop and wine tasting highlights the growing culture of inclusivity at CBI."



Kerri Joy, Director, Sales Learning
& Development, Beer Division



Stellar Pride

(Supporting our LGBTQ Community)

"During the course of a global pandemic, the Stellar Pride BRG worked hard to concentrate its efforts to remain connected to its members through a variety of engaging and creative virtual solutions. We successfully reimaged what was possible and leveraged technology to provide events and programs that allowed our members to come to work as their authentic complete selves."



Jamie Attoma, Talent
Development Partner



WISE

(Win. Inspire. Support. Elevate.)

“The work we do with the BRGs isn’t part of our ‘day’ jobs—we do it because we care, because we want to make Constellation the best place to work and because we believe that change is possible. I find the more I put in, the more I get out, and working with WISE is part of what helps fill my cup.”



Corinn McCarthy Bergeron,
Manager of Commercial Planning



¡SALUD!

(Supporting and Attracting Latinos United for Diversity & Development)

“I’m honored to be part of ¡SALUD! and since launching this BRG, I have had the opportunity to learn more about the company, share my work experience and knowledge, as well as interact with employees in other departments. Most recently through ¡SALUD!, I have supported and consulted with the Innovation and Brand teams on a number of product launches and research projects through quick pulse checks, organized focus groups, and surveys to help our company be consumer-driven.”



Gerardo Talamantes, Sr. Market
Development Manager, Beer Sales



Investing in a Better Tomorrow

Looking ahead keeps us grounded in our purpose today—from anticipating which products our customers will reach for next, to how we can improve the lives and experiences of our employees and those in the communities we proudly serve. We know that our actions today will build a stronger tomorrow, and therefore, for more than 75 years we have grounded our social responsibility efforts in our core values and the guiding belief that you can do good business and do good.

Our overall Corporate Social Responsibility (CSR) strategy focuses on four key areas and aligns with our business goals and stakeholder interests, reflects our company values, and directly addresses pressing societal needs. Those areas are:

1

Being a champion for the professional development and advancement of women

2

Serving as a catalyst for economic development and prosperity for disadvantaged communities

3

Being a culture carrier of responsible consumption within our industry

4

Serving as a model for responsible water stewardship, while continuing to make progress in advancing sustainability efforts around emissions, energy, and waste management



Championing the Professional Development and Advancement of Women

Although women make up more than half of the U.S. population, we believe they remain underrepresented in the beverage alcohol industry and other segments of the business community. We are committed to righting this imbalance by providing resources to support the advancement of women within the company, our communities, and our industry.



Enabling Future Leaders

The Women's Leadership Development Program (WLDP) is an advanced program for senior women leaders at Constellation. The WLDP participants attend [Linkage's](#) Women in Leadership Institute as a kick-off to a series of development activities, such as coaching, mentorship, and more. To date, more than one third of the program graduates have advanced or increased their role at Constellation. In alignment with WLDP, in 2020, we launched the Advancing Women Leaders Academy to equip women leaders in entry and mid-level career positions with actionable steps and practices to hone their development and overcome barriers to advancement.



DRESS FOR SUCCESS

Paving a Path to Financial Security with Dress for Success

Beyond our walls, we strive to support the advancement of women in our communities. Since the onset of the pandemic, nearly 2 million women have left the labor force.⁽¹⁾ Many have lost their jobs or needed to leave the workforce to care for children. Services such as those provided by Dress for Success—an organization whose mission is to empower women to achieve economic independence—are needed more than ever. We are proud to be a corporate Dress for Success (DFS) partner, and provide support to a number of local affiliates through ongoing activations by WISE (Win. Inspire. Support. Elevate.), our Business Resource Group (BRG) that offers networking and development opportunities for women of all levels at Constellation. WISE partnered with another of our BRGs—¡SALUD!, which stands for Supporting and Attracting Latinos United for Diversity & Development—in a collaboration with DFS chapters in San Francisco and Rochester, N.Y., to conduct a Spanish-language workshop focused on virtual job interview tips to help bring women into, or back to, the workforce.

(1) Source: National Women's Law Center



“When Dress for Success Worldwide and its affiliates pivoted to virtual services, Constellation Brands’ support and collaboration was right there every step of the way through their dedication to providing programming and mentoring to women who have had to overcome the challenges brought on by COVID-19. Dress for Success and Constellation share similar values, and we appreciate the work that each volunteer has done in their community. We are excited about the prospects of our collaboration.”

— Jenny Lai, VP Development, Dress for Success Worldwide



Lifting the Industry by Uplifting Female Founders

With the firm belief that our industry improves with greater representation of women, we have made a commitment to invest \$100 million in female-led companies through 2028, through our Constellation Brands Ventures Focus on Female Founders initiative. For more information, see [Focus on Female Founders](#).

Photo:
Austin Cocktails founders
Kelly Gasink and Jill Burns



Women OF THE VINE & SPIRITS®

Growing with Women of the Vine and Spirits

At Constellation, we are a Platinum sponsor of Women of the Vine and Spirits (WOTVS), a worldwide organization dedicated to “pushing the wine, beer, and spirits industry toward a more diverse, equitable, and inclusive era that empowers all to succeed”—because we share that same dedication. Constellation’s executives are regular contributors on WOTVS panels, live chats, and symposiums.



Serving as a Catalyst for Economic Development and Prosperity for Disadvantaged Communities

Constellation Brands has long been committed to addressing the needs of disadvantaged communities in areas where we live and work, including Hispanic/Latinx and African American/Black communities. The Hispanic/Latinx population is the fastest growing demographic in the U.S.,⁽¹⁾ and our authentic Mexican beer brands have been an integral part of special moments with family and friends for members of this community for many years. During the economic downturn brought on by the COVID-19 pandemic in 2020, Hispanic/Latinx and African American/Black communities have been disproportionately impacted, and we accelerated our efforts to help offset it.

(1) U.S. Census Bureau



Photo: Janet Murguía,
President and CEO of UnidosUS

Partnering in Economic Development with UnidosUS

To determine the best organization to work with to achieve our goals, we tapped into our ¡SALUD! BRG and Consumer Insights group. With the insight that homeownership is a key indicator toward financial mobility, the ¡SALUD! team helped to identify financial literacy and housing empowerment as areas of support that could truly make long-term impact in the economic development and prosperity of the Hispanic/Latinx community, and played a role in vetting organizations that could best deliver impact in these areas. As a result, Constellation, in partnership with our Modelo brand, made a \$500,000 contribution to UnidosUS, the nation's largest Hispanic civil rights and advocacy organization, focused on providing resources to strengthen Hispanic families' financial security through financial literacy and homeownership programs.



Raising Minority Representation Through the Clear Vision Impact Fund

We understand that minority-owned businesses are underrepresented in our industry, and many others, as pervasive and systemic barriers have existed for these companies and their leaders for far too long. That led to our commitment to invest \$10 million in the [Clear Vision Impact Fund, LP](#), which focuses on making investments in minority-owned businesses, with an emphasis on African American/ Black- and Latinx-owned businesses. For more information, see [Embracing Diversity for an Inclusive Tomorrow](#).



Supporting Black-Owned Restaurants: 30,000 Called to Action

Since the onset of the COVID-19 crisis, Black-owned restaurants, disproportionately affected, needed our support. That is why during National Black Business Month in August, Constellation proudly partnered with the team behind The Great American Takeout and sponsored [the Employees in Action](#) initiative. Constellation Brands called on its employees and our business networks of retailers, distributors, and vendors to participate by ordering meals—plus drinks from the Constellation Brands portfolio—from Black-owned restaurants and bars. With the backing of distributors like Republic National Distributing Company and Southern Glazer Wine & Spirits, Focus on Female Founders partners Austin Cocktails, and businesses big and small, more than 30,000 people were empowered to [#SupportBlackOwnedRestaurants](#).



Investing in the Recovery of the Restaurant Industry

Many of our retailers, particularly local restaurants, were hit hard by the effects of the pandemic. To support the industry's rebuilding efforts, in March 2020 Constellation and several of our flagship brands contributed more than \$1 million to the National Restaurant Association Educational Foundation's (NRAEF) Restaurant Employee Relief Fund, which has raised more than \$21.5 million and helped more than 43,000 restaurant workers financially affected by the pandemic. As the crisis stretched on, we again partnered with a number of our iconic beer, wine, and spirits brands in a collective commitment of \$1.75 million to support the NRAEF and the launch of their Restaurants Advance campaign. The commitment represents a multi-year collaboration with the NRAEF to rebuild the restaurant industry and create opportunities for restaurant workers from all backgrounds.



Fostering a Culture of Responsible Consumption **Within Our Company and Industry**

Bringing great brands to our customers, and promoting safe and responsible enjoyment of them, is foundational to who we are as a company—within our communities and as a leader in the beverage alcohol industry.



A Contemporary Mindset of Responsible Consumption

We are evolving our approach to responsible consumption by embracing a contemporary mindset that aligns with consumer betterment trends. With the understanding that it starts with us, we've partnered with our Wellness and Brand teams to create engaging opportunities for employees to learn more about responsible consumption and how our portfolio of brands can play a role. We share resources with the understanding that with deeper knowledge, we will further a culture inspired by shared values and responsible consumption in support of a more balanced lifestyle.

This concept is well represented in our product portfolio as many additions have been inspired by rising consumer interest in moderation, individual betterment, and well-being. As consumers reach for brands with lower calories and lower alcohol, how they are thinking about responsible drinking is evolving beyond knowing alcohol limits and warning against drunk driving; they are increasingly embracing a more balanced approach to alcohol consumption as part of a lifestyle choice.



Joining Forces to Keep Our Fans and Communities Safe

In our communities, we promote responsible consumption through established partnerships, like our membership in [Techniques for Effective Alcohol Management \(TEAM\) Coalition](#), which promotes responsible drinking and positive fan behavior through employee training, fan education and alcohol service policy creation at sports and entertainment facilities. Through TEAM, we work with concessionaires, who train their employees to support responsible consumption at events and venues where our brands are enjoyed. TEAM also works to bring alcohol training to collegiate sports management degree programs to educate professors and students (future facility managers) and prevent underage access to alcohol. We also partner with [WRAP, the Washington Regional Alcohol Program](#)—which is a coalition of diverse interests using effective education, innovative programs and targeted advocacy to end alcohol-impaired driving and underage drinking in the greater Washington area—on [SoberRide®](#), which provides codes for Lyft rides around the holidays, including Cinco de Mayo.

Sticking to Our Code and Working with Our Industry Associations

Industry leadership also means that we rigorously ensure our messages are directed at legal, drinking-age consumers. As a fundamental framework, we have developed our [Global Code of Responsible Practices for Beverage Alcohol Advertising and Marketing](#), which must be adhered to as part of the approval process for all advertising and marketing materials. This comprehensive code includes firm guidance on media placements and events used for marketing, product placements, and more.

Our advocacy for responsible consumption of alcohol spans our internal teams, from Public Affairs to Government Relations, who work in partnership with government counterparts to advance responsible alcohol policy. It also comes to life in our memberships in the [Beer Institute](#), where we hold a seat on the Board of Directors and are part of the Brewers' Voluntary Disclosure Initiative that provides consumers key information so adults of legal drinking age can be better informed about the alcohol beverages they choose to enjoy; the [Wine Institute](#), where we hold two at-large seats on the organization's Board of Directors and support the organization's ongoing social responsibility program that promotes moderate consumption; and The [Distilled Spirits Council of the United States \(DISCUS\)](#), where one of our top executives serves as Vice Chair, and we support the organization's promotion of the moderate and responsible consumption of alcohol and anti-drunk driving measures.





Modeling Responsible Water Stewardship for Our Industry

We recognize the human right to water and sanitation, and given the nature of our business, water is an essential resource. Therefore, Constellation has made water conservation and stewardship the focus of our sustainability initiatives. To maximize our impact on the industry and communities in which we operate, we must join forces locally with business and community relationships and work together. For us, this means increasing site water efficiency, maintaining source availability and quality, using our partnerships to advance conservation efforts, and always reporting transparently.



We support United Nations Sustainable Development Goal 6 by focusing on longer-term targets, including reducing pollution to improve water quality, increasing efficient use of water and ensuring sustainable withdrawals and supply of freshwater to address water scarcity, and supporting and strengthening the participation of local communities in improving water and sanitation management.



We support United Nations Sustainable Development Goal 12 by promoting sustainable management and efficient use of natural resources.



We support United Nations Sustainable Development Goal 14 by preventing and significantly reducing marine pollution through our Pacifico Preserves and Corona's Protect Our Beaches initiatives.



We support United Nations Sustainable Development Goal 15 through our Lodi Rules certification and our Fish Friendly Farming certification by restoring fish and wildlife habitat and improving water quality in Napa and Sonoma counties in California.

Learn More: <https://sdgs.un.org/goals>



Conservation Efforts Across Our Facilities

Water is an essential resource for our industry and our communities, and it's important that we all work together in contributing to conservation efforts. There are exciting and effective water stewardship projects happening across our manufacturing facilities and vineyards, which also partner with local groups to enhance our efforts in protecting water resources in the communities where we operate.



Water Efficiency—A Continuous Improvement Approach

Our breweries in Mexico continue to invest in technology that drives the efficient use and recycling of water. For example, in our Obregon brewery, equipment was updated in the Water Recovery Plant, two new reverse osmosis units were installed for the treatment of well water, major maintenance was carried out at the Wastewater Treatment Plant, and other changes were made to lower water consumption and increase operational efficiency. That is reflected in the reduced ratio of water consumption per hectoliter of beer produced from fiscal 2017 through fiscal 2020 in both our Obregon brewery (18% reduction) and the Nava brewery (13% reduction).

Our winery and vineyard operation teams also have implemented new processes. For example, our Napa Valley vineyards use new technologies to maximize water conservation and to ensure that vines only receive what they need, when they need it. This includes minimizing overwatering, excess run off, erosion, and unnecessary depletion of source supply, which we achieve through instrumentation such as soil monitoring devices and weather stations. These ongoing improvements in water management over time have led to the realization of significant water reductions across the Napa Valley vineyard complex. Compared to fiscal 2018, the collective Napa Valley vineyards used 51% less water than three years ago. This represents over 100 million gallons of water.





The Obregon brewery's wastewater treatment plant treats 100% of water from industrial and sanitary drainage. This avoids pollution to the soil and aquifer, and is aligned directly to our commitment to comply with local water legislation. In addition, to improve water quality in the Obregon area, we are working closely with [Pronatura Noreste](#) on a 10-year project that will help restore the Bravo Conchos basin in the Serranía del Burro. We have also committed to create three dams along the Yaqui Valley canal that will improve water management efficiency and help recover—approximately 25 million cubic meters of water annually—volumes of water that play an important role in the sustainability of the region.

The Napa Valley vineyards have collaborated with local partners, including [Fish Friendly Farming](#), [Napa County](#), and [Napa County Flood Control and Water Conservation District](#) on the Napa Valley River Restoration Project. The project, almost 15 years in the making, has included extensive biological, geotechnical, cultural, and geomorphic studies, and has dramatically improved water quality by reducing erosion and sediment in the river. This has had a positive impact on the Chinook Salmon population that is native to the river and considered an endangered species.





BEVERAGE INDUSTRY ENVIRONMENTAL ROUNDTABLE



Beverage Industry Environmental Roundtable

Constellation Brands is a member of the [Beverage Industry Environmental Roundtable \(BIER\)](#), a technical coalition of leading global beverage companies working together to advance environmental sustainability within the beverage sector. Through BIER, we work with other members to monitor and inform the development of climate change policy initiatives and work to ensure policy compliance through common guidance for calculating, tracking, and reporting sustainability impacts such as water security within the beverage sector. Our participation enables us to provide our industry's unique perspective on water stewardship and climate change issues, while working collaboratively to develop best practices and industry guidance.



Advancing Sustainability Efforts Beyond Our Focus on Water Stewardship

Being in an agriculture-based industry, water is a predominant resource, but Constellation is also deeply committed to implementing sustainability efforts across our entire business. More broadly, that means grounding our commitment to also promoting energy efficiency, waste minimization, pollution prevention, recycling, resource conservation, and more.



Doing Our Part to Limit Global Warming

As part of our commitment to protect the environment and the communities where we operate, we are decreasing our dependence on non-renewable energy sources whenever possible and reducing greenhouse gas emissions and energy consumption. We continuously monitor our carbon footprint and have worked to effectively reduce emissions per liter of product produced.

To help us track progress and understand continued opportunities, we track four major Greenhouse Gases (GHGs): carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs) in accordance with the international guidelines of the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). We express our carbon footprint in terms of carbon dioxide equivalents (CO₂e).

Additionally, we support goals set by well-established entities such as the United Nations to guide our sustainability efforts and ensure we are keeping up with the latest priorities.

Learn More: <https://sdgs.un.org/goals>



We support United Nations Sustainable Development Goal 2 by partnering with key raw material suppliers to develop and implement sustainable farming/agriculture initiatives to reduce GHG emissions.



We support United Nations Sustainable Development Goal 7 by decreasing our dependence on non-renewable energy sources whenever possible, reducing greenhouse gas emissions and energy consumption.



We support United Nations Sustainable Development Goal 12 by promoting sustainable management and efficient use of natural resources.

Our vineyards actively work to reduce their footprint every day. Our Ruffino Group in Italy, which for the second straight year received our Environmental Sustainability Award, installed two solar panel systems in the Tuscan estates of Gretole and La Solatia. Initial estimates show that the solar panels will supply 75% of the electric energy in La Solatia estates. The Pontassieve winery also received certification from A2A Energia for its use of renewable energy sources.

As part of our ongoing efforts to reduce GHGs and to comply with changing environmental standards, our Gonzales Winery invested in a refrigeration system that is more energy efficient and does not deplete the ozone layer. With the change, the system will use ammonia refrigerant, which requires less electricity and is safer for the environment than the previously used R-22 refrigerant; ammonia has an Ozone Depletion Potential (ODP) rating of 0 and a Global Warming Potential (GWP) rating of 0.



Commitment to Reducing Waste

Across the company, we engage in a variety of activities to reduce waste, including composting, recycling, and diverting materials. Waste is a part of any production process, and we pride ourselves on creatively innovating ways to reduce environmental impacts from our waste generation, transportation, and disposition at our sites and in the countries and communities where we operate.

Our Nava and Obregon breweries in Mexico each diverted 99% of their waste produced in fiscal 2020

and our Ruffino Group applies the principle of Continuous Improvement to their waste management by reviewing their contracts with waste management companies annually. This exercise helps uncover further recycling opportunities and identify new ways to engage with dry goods suppliers (glass, corks, labels and cardboard) on waste reduction initiatives.





In the last two years, over 640,000 tons of by-products generated during production at Nava have been used by others in the region as feed for cattle, sheep, and pigs.

The brewery also used alcohol residue generated during production of seltzers to make disinfectant gel that helped keep employees safe during the pandemic. The sanitizer was provided to more than 4,000 team members at Nava, Obregon, and the Mexico City office.



Across our wineries, similar creative approaches to managing waste are in place. The Gonzales Winery recycles approximately 560 tons of oak wood staves used in its operations by repurposing them as mulch in its landscaping. The winery also annually recycles 25 million pounds of pomace—the residue from grape material not used during the wine-making process—by having a vendor convert it into compost. The Ruffino Group participates in the [ETICO Project](#), a program launched by Amorim Cork Italia, which gathers used corks and repurposes them in green building. Ruffino donated approximately 20,000 corks from its bottling operation in Pontassieve, accounting for a total of 602 lbs (273 kilos) of material that would have instead been disposed of as waste.



We support United Nations Sustainable Development Goal 12 “to substantially reduce waste generation through prevention, reduction, recycling and reuse, and to achieve the sustainable management and efficient use of natural resources.”





Organic Viticulture and Production

The benefits of organic viticulture and production are far-reaching, good for the environment and good for business. Switching to organic viticulture stimulates biodiversity in addition to sustainability, and our wineries are making strides.



Across Italy, our Ruffino Group estates are making a shift to organic production and all production at Poderi Ducali is organic. In Tuscany, at the Poggio Casciano and Greppone Mazzi Estates, 2020 was the third year of their organic conversions, and in September 2020, part of the Santedame Estate began the first year of its organic conversion.



In early 2020 in the United States, a team at Constellation began what will be a three-year journey to converting farming practices at the world-renowned To Kalon Vineyard. The first organic harvest is expected to be commercially available in 2025. The vineyard is working in compliance with the [California Certified Organic Farming \(CCOF\)](#) framework, which helps support the CCOF Foundation to give grants to teachers and students studying organic farming practices, provide financial assistance to organic farmers in need, develop education programs for organic professionals, and promote consumer education about the benefits of organic products.

REPORT ADDENDUM

Commitment to Water Stewardship

Water—an essential resource for both our business and our communities—is consumed in our production facilities and vineyards, and is sourced from groundwater and onsite wells. As demand for our products continues to grow, and recognizing that we operate in some water-stressed areas, we are focused on maintaining our leading water intensity levels and improving water-use efficiency across our manufacturing base.

We are committed to transparency in reporting, and in fiscal 2020, our total withdrawals increased slightly, up 9% from fiscal 2019. This increase is attributed to the amount of water needed to support vineyard operations in New Zealand, where we added several sites from fiscal 2019, and in areas that required additional irrigation to maintain the health of the vineyards under drought conditions. In addition, our production increased at our breweries in Mexico to keep pace with the strong consumer demand for our iconic beer brands.

WATER WITHDRAWALS



Intensity metric: Total Water Withdrawal normalized to million liters of Product Produced [Megaliters/million liters product produced]

Water Withdrawals	FY2018	FY2019	FY2020
Water Withdrawals by Source (megaliters)			
Fresh Surface Water	1,355	901	2,851
Brackish Surface Water/Seawater	N/A	N/A	N/A
Rainwater	N/A	N/A	N/A
Groundwater (Renewable)	27,001	13,248	10,459
Groundwater (Non-Renewable)	N/A	6,062	8,013
Produced/Process Water	N/A	N/A	N/A
Municipal Supply	1,443	3,522	4,596
Wastewater from Another Organization	0	0	0
Total Water Withdrawals by Source (megaliters)	29,799	23,734	25,918
Total Water Withdrawal normalized to million liters of Product Produced (Megaliters/million liters product produced)	11	8	8

Water Withdrawals by Business Unit (megaliters)	FY2018	FY2019	FY2020
Beer	7,234	7,583	8,569
Wine	22,223	15,785	17,038
Spirits	342	366	311

Water Discharges by Destination (megaliters)	FY2018	FY2019	FY2020
Fresh Surface Water	3,080	3,050	3,524
Brackish Water/Seawater	N/A	N/A	N/A
Groundwater	1,929	1,844	1,739
Produced/Process Water	N/A	N/A	N/A
Municipal Treatment Plant	769	740	714
Wastewater from Another Organization	N/A	N/A	N/A
Total Water Discharges by Destination (megaliters)	5,778	5,634	5,976

- The data presented is associated with water withdrawals from our facilities (breweries, wineries, vineyards, distilleries, warehouses, and offices) during time periods for which we had operational control over the respective facility.
- The data presented is based on actual measurements to the extent possible. Where direct measurements are not available, we employ engineering calculations or estimates. We continue to strive to increase the accuracy of the data we report.
- Our water footprint has been verified by a third-party verification/assurance company in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and ISO Standard 14064-3 Greenhouse gases - Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions. The verification was using a limited assurance level as described in the standards.



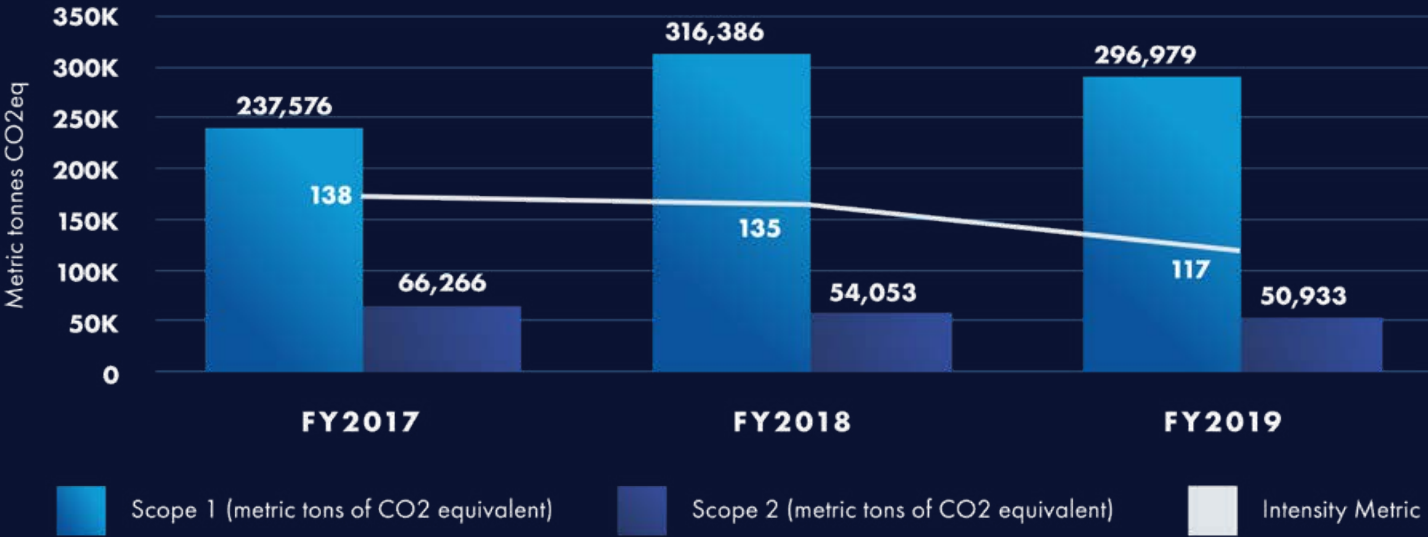
Commitment to Reducing Greenhouse Gas Emissions

In fiscal 2019, Constellation’s greenhouse gas (GHG) emissions (Scopes 1 & 2) totaled 347,912 metric tons of CO2e, which is a 6% decrease from fiscal 2018. The decrease in emissions is due to implementation of energy and GHG emission reduction activities such as replacement of LED luminaires and the combustion of biomethane generated from the wastewater treatment plant at our Nava brewery.

About 85% of our emissions were direct emissions from the combustion of natural gas, gasoline, and diesel fuel. The remaining 15% of the GHG emissions total were indirect emissions from purchased electricity.

Recognizing that the entire supply chain plays a critical role in the collective effort to reduce the impact of climate change, we continue to expand our efforts in tracking GHG Scope 3 (indirect) emissions. We currently track Scope 3 emissions from purchased goods and services, fuel and energy related activities, business travel, downstream transportation and distribution, and waste generated in operations as these are the most relevant categories for our business.

GLOBAL GHG EMISSIONS



Intensity metric: Total Scope 1 & 2 GHG emissions normalized to million liters of Product Produced [Metric tonnes CO2eq/million liters product produced]

Greenhouse Gas Emission (GHG)	FY2017	FY2018	FY2019
GHG emissions, by Scope (Metric tonnes CO2eq)			
Scope 1 GHG emissions, by region			
North America (U.S., Canada & Mexico)	232,224	313,674	294,019
Europe & Asia	1,118	1,236	1,674
New Zealand	4,234	1,476	1,287
Global Total Scope 1 GHG emissions	237,576	316,386	296,979
Scope 1 GHG emissions normalized to million liters of Product Produced (Metric tonnes CO2eq/million liters product produced)	108	115	100
Scope 1 GHG emissions, by business division	FY2017	FY2018	FY2019
Beer Division	157,084	239,523	229,642
Craft Beer Business Division	6,546	3,233	3,920
Corporate Division	322	14,868	9,616
Wine & Spirits Division	73,624	58,762	53,801
Scope 1 GHG emissions, by greenhouse gas type	FY2017	FY2018	FY2019
CO2	189,852	302,795	289,355
CH4	37,818	9,858	170
HFCs	936	230	2,504
N2O	8,970	3,503	4,951
Scope 2 GHG emissions (location based), by region	FY2017	FY2018	FY2019
North America (U.S., Canada and Mexico)	64,052	52,419	49,277
Europe & Asia	985	982	970
New Zealand	1,229	652	686
Global Total Scope 2 GHG emissions	66,266	54,053	50,933
Scope 2 GHG emissions normalized to million liters of Product Produced (Metric tonnes CO2eq/million liters product produced)	30	20	17

Scope 2 GHG emissions, by business division	FY2017	FY2018	FY2019
Beer Division	— — — —	25,832	18,813
Craft Beer Business Division	— — — —	677	4,767
Corporate Division	— — — —	366	315
Wine & Spirits Division	— — — —	27,178	27,039
Global Total Scope 1 & 2 GHG emissions	303,842	370,439	347,912
Scope 1 & 2 GHG emissions normalized to million liters of Product Produced (Metric tonnes CO2eq/ million liters product produced)	138	135	117
Scope 3 GHG emissions (indirect), by category	FY2017	FY2018	FY2019
Purchased goods and services	Not Relevant	Not Relevant	11,332,202
Capital goods	Not Relevant	Not Relevant	Not Relevant
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Not Relevant	Not Relevant	61,047
Upstream transportation and distribution	Not Relevant	Not Relevant	Not Relevant
Waste generated in operations	32,293	4,103	3,724
Business travel	13,759	14,888	10,980
Employee commuting	Not Relevant	Not Relevant	Not Relevant
Upstream leased assets	Not Relevant	Not Relevant	Not Relevant
Downstream transportation and distribution	551,700	773,177	469,428
Processing of sold products	Not Relevant	Not Relevant	Not Relevant
Use of sold products	Not Relevant	Not Relevant	Not Relevant
End of life treatment of sold products	Not Relevant	Not Relevant	Not Relevant
Downstream leased assets	Not Relevant	Not Relevant	Not Relevant
Franchises	Not Relevant	Not Relevant	Not Relevant
Total Scope 3 GHG Emissions (metric tons of CO2 equivalent)	597,752	792,168	11,877,381

- The data presented is associated with water withdrawals from our facilities (breweries, wineries, vineyards, distilleries, warehouses, and offices) during time periods for which we had operational control over the respective facility.
- In accordance with the Greenhouse Gas Protocol and to make annual data comparable, we adjust the energy data each year as a result of the opening and closing of facilities and use of more appropriate emission factors that are available.
- The data presented is based on actual measurements to the extent possible. Where direct measurements are not available, we employ engineering calculations or estimates. We continue to strive to increase the accuracy of the data we report.
- The data presented is associated with greenhouse gas [GHG] emissions from our facilities (breweries, wineries, vineyards, distilleries, warehouses, and offices) during time periods for which we had operational control over the respective facility.
- Our greenhouse gas (GHG) emissions (Scope 1, Scope 2 and Scope 3 GHG emissions) have been verified by a third-party verification/assurance company in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and ISO Standard 14064-3 Greenhouse gases - Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions. The verification was using a limited assurance level as described in the standards.

FORWARD-LOOKING STATEMENTS:

This company profile may contain forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by use of statements containing words such as “expect”, “plan”, “targeting”, “believe” and similar words or expressions, although not all forward-looking statements contain such identifying words. Statements which are not historical facts and relate to business strategy, future plans, events, performance, targets, goals, or objectives, future operations, future environmental, financial or social metrics, or expected actions of third parties are forward-looking statements that are based on management’s current expectations. The actual impact of COVID-19 and its associated operating environment may be materially different than management’s expectations. Forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These include, but are not limited to, the duration and impact of the COVID-19 pandemic, including but not limited to, the efficacy of the vaccine roll-out, the closure of non-essential businesses which might include our manufacturing facilities, and other associated governmental containment actions, and the increase in cyber-security attacks that have occurred while non-production employees work remotely; future global economic conditions; market conditions; regulatory conditions; unanticipated environmental liabilities and costs; changes to governmental rules and regulations; the actions of competitors; consumer expectations and preferences; the accuracy of projections associated with market opportunities or with previously announced acquisitions, investments and divestitures; beer operations activities take place on expected scope, terms, costs and timetables; the accuracy of supply projections, including those relating to wine and spirits operations, beer operations, glass sourcing, and raw materials and water supply expectations; results of discussions with governmental officials; receipt of any necessary regulatory approvals; accuracy of forecasts relating to joint venture businesses; and other factors and uncertainties disclosed from time to time in the Company’s filings with the U.S. Securities and Exchange Commission. Many of these factors are beyond the control of the Company. Any projections of future results of operations should not be construed in any manner as a guarantee that such results will in fact occur. The Company does not undertake to update any of these forward-looking statements. Unless otherwise indicated, the information presented is as of June 1, 2021. Thereafter, it should be considered historical and not subject to further update by the Company.



2021 CORPORATE SOCIAL RESPONSIBILITY REPORT

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