

# ESG IMPACT REPORT 2022



Constellation Brands  
WORTH REACHING FOR

## ESG IMPACT REPORT

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Unless the context otherwise requires, the terms "company," "Constellation," "Constellation Brands," "CBI," "we," "our," or "us" refer to Constellation Brands, Inc. and its subsidiaries.

Constellation Brands' fiscal year runs from March 1 to February 28. In this ESG Impact Report, we use both calendar year data and fiscal year data. Fiscal year 2022, which ended on February 28, 2022, was our last completed fiscal year.



Simply put, I don't believe that you can manage a good business if you aren't doing good for your employees and your communities. During the course of our 75+ year history, Constellation Brands has been committed to making efforts to safeguard our environment and precious natural resources, making a positive difference in the communities where we operate, and advocating for responsible consumption of beverage alcohol products. Yet we believe the pervasive social, economic, and environmental challenges of today's world require greater accountability and sustained effort to create meaningful progress. This is why we've bolstered our commitments by specifically designating ESG as a core tenet of our long-term business strategy.

As such, we've made efforts to enhance our governance, including establishing ESG oversight at the highest levels of the organization and embedding ESG into our annual business planning processes. We've continued to mature our reporting capabilities and tools to improve our data collection and provide greater transparency in how we plan to achieve our objectives. And we've refined our ESG strategy seeking to better meet stakeholder expectations, reflect our values, and more directly impact our communities and consumers.

Our approach is grounded in goals we can continue to build upon, collaborating with communities, industry partners, and strategic organizations that share our values and longer-term aspirations. In this report, you'll learn more about our ESG strategy and our work focused on the following key areas.

#### **SERVING AS GOOD STEWARDS OF OUR ENVIRONMENT**

**Modeling water stewardship for our industry.** We believe access to clean water is a human right and critical to helping build strong communities. It is our responsibility to be good stewards of the water we use while doing our part to help ensure the resiliency of water resources well into the future.

**Reducing greenhouse gas (GHG) emissions.** We are working to decrease our dependence on non-renewable energy sources through energy conservation and renewable energy initiatives.

#### **ENHANCING SOCIAL EQUITY WITHIN OUR INDUSTRY AND COMMUNITIES**

**Championing the professional development and advancement of women in the beverage alcohol industry and our communities.** Women have historically been underrepresented in our industry. We believe that empowering them to succeed fosters a more balanced perspective that benefits our company, industry, and consumers.

**Enhancing economic development and prosperity in disadvantaged communities.** By leveraging the equities of our iconic brands, and connecting with our communities and consumers, we believe we can serve as a catalyst for positive change.

**Championing an inclusive culture within our organization, characterized by diversity in background and thought, reflective of the consumers we serve.** We believe an inclusive culture enables our employees to shine and our business to make meaningful connections with stakeholders, which contributes to our sustainable competitive advantage.

#### **PROMOTING RESPONSIBLE BEVERAGE ALCOHOL CONSUMPTION**

**Ensuring the responsible promotion and marketing of our products and empowering adults to make responsible choices with alcohol consumption.** We believe the responsible consumption of beverage alcohol is important for the health, safety, and wellbeing of all of us.

We are extremely proud of the progress we've made in these important areas, and we are excited to share it with you. However, we also recognize that there is much more work to be done and we believe it's worth our time, energy, and resources to help our communities and our planet thrive.

I want to sincerely thank our Constellation team members, as well as our non-profit, industry, and community partners, for their continued support and collaboration. Together, we will work to fulfill our aspiration of elevating human connections and our communities and creating a future that is truly Worth Reaching For.



**BILL NEWLANDS, PRESIDENT & CEO**

# CREATING A FUTURE WORTH REACHING FOR



# A FUTURE WORTH REACHING FOR

From our humble beginnings in 1945 as a wine producer in upstate New York, to our position today as a leader in beverage alcohol with more than 10,000 employees across the United States, Mexico, Italy, and New Zealand, our **mission is to build brands that people love.**

We attribute much of our success to our ability to anticipate market trends and take calculated risks to deliver more for our consumers, shareholders, employees, and industry. Our story is one of tenacity and growth as courageous brand builders who endeavor to support the communities where we live and work. Our dedication has driven Constellation Brands to become one of the fastest-growing, large consumer product goods companies in the U.S. at retail.

## CONSTELLATION BRANDS VISION: WORTH REACHING FOR

We're in the business of building brands that people love. We push boundaries with a passion that allows us to provide more for consumers, shareholders, employees, and the communities where we live and work.

These values have fueled our success to date and guide our pursuits going forward:

### People

True strength is achieved when everyone has a voice. That is why we build our culture on a foundation that encourages inclusion and diversity in background and thought and aspire to foster an environment where everyone feels empowered to bring their true selves and different points of view to drive us forward.

### Customers

We relentlessly work to anticipate what consumers want today, tomorrow, and well into the future.

### Entrepreneurship

As an industry leader, we act with a bold, calculated approach to realize our vision and unlock new growth opportunities.

### Quality

Our promise is to pursue quality in our processes and products by continuously seeking to enhance what we do and how we do it.

### Integrity

It is about more than achieving goals. How we achieve them is also important. We aspire to act with high moral and ethical standards and always to do the right thing, even when it is the hard thing.

We pride ourselves on being consumer-obsessed, and as we continue our efforts to drive long-term business growth for both our people and our products, we aspire to **elevate human connections**. We believe this driving force is one of the main reasons consumers continue to reach for our iconic brands—including **Corona Extra, Modelo Especial, Pacifico, The Prisoner Wine Company, Robert Mondavi Winery, Kim Crawford, Meiomi, Casa Noble Tequila, and High West Whiskey.**

These aspirations underscore our commitment to protecting the environment, modeling social responsibility, and building trust through transparency. **We believe it's worth our time, energy, and resources to help our communities and our planet thrive** because we believe it's not only good business, but also good for the world.

Our ESG Impact Report highlights our goals and progress we have made toward pertinent performance targets. We are proud to share our contributions made possible by the work of our employees, partners, and collaborators, who are instrumental in bringing our efforts to fruition.

This report covers certain environmental, social, and governance data and performance metrics for our business and has been **prepared with reference to the SASB Alcoholic Beverages Standard**. This report also **considers the recommendations of the TCFD** in developing and disclosing our approach to managing climate risk and opportunity and references the United Nations Sustainability Development Goals.

## OUR PATH FORWARD IS FOCUSED ON THESE KEY STRATEGIC PILLARS:



### Building the Consumer-Loved Brands of Tomorrow

Build an unrivaled portfolio of consumer-loved brands through next generation, consumer-first marketing and operational capabilities.



### Investing in Our Capabilities to Accelerate Growth

Enhance our end-to-end innovation capabilities and accelerate organic growth.



### Positioning Our Portfolio for Tomorrow

Evolve our portfolio, with an eye on the emerging brands of tomorrow.



### Committing to Bettering Ourselves and Our Communities

Deliver on ESG goals that we believe are good for business and also the world.



# ESG STRATEGY

## OVERVIEW

During the course of our history, Constellation Brands has been committed to safeguarding our environment, making a positive difference in our communities, and advocating for responsible consumption of beverage alcohol products. These commitments ground our aspirations beyond driving the bottom line.

We believe our strategy enables us to better meet stakeholder expectations, reflect our company values, and directly address pressing environmental and societal needs that are important to our communities, consumers, and employees. We have focused on areas where we believe we have the greatest opportunities to make meaningful, positive impacts for people and the planet.

To help ensure our ESG strategy continues to address issues that are most relevant to our stakeholders and business strategy, in calendar year 2022 we conducted an ESG materiality\* assessment facilitated by a third party to gather internal and external stakeholder perspectives on relevant ESG topics. The approach and topic selection was guided by using relevant fields within certain reporting frameworks, such as SASB, and supported by market and industry trends. Prioritization was determined by assessing the importance of topics from stakeholders through survey and interview insights, content about which peers and competitors frequently report, global ESG trends, and subjects that have an impact on the surrounding communities, people, and environment.

\* In this report, we are not using such terms "material" or "materiality" as they are used under the securities or other laws of the U.S. or any other jurisdiction, or as they are used in the context of financial statements and financial reporting. Materiality, for the purposes of this report should not, therefore, be read as equating to any use of the word in other Constellation Brands reporting or filings.



## ESG COMMITMENTS AND TARGETS

### COMMITMENTS OR TARGETS

### NOTABLE PROGRESS

#### ENVIRONMENT

### Serving as good stewards of the environment

Modeling water stewardship for our industry

- Restore approximately 1.1 billion gallons of water withdrawals from local watersheds, while improving accessibility and quality of water for communities where we operate between fiscal year (FY) 2023 and fiscal year 2025.

- We established and are implementing a three-year strategy and operating plans to achieve our target.

Reducing GHG emissions through energy conservation and renewable energy initiatives

- Reduce our Scope 1 and Scope 2 GHG emissions by 15% by fiscal year 2025.\*

*\*From baseline fiscal year 2020 Scope 1 and Scope 2 GHG emissions*

- We established and are implementing a three-year strategy and operating plans to achieve our target.

#### SOCIAL

### Enhancing social equity within our industry and communities

Championing the professional development and advancement of women in the beverage alcohol industry and our communities

- We committed to invest \$100 million in female-led or founded businesses by fiscal year 2029.
- We are committed to providing tools, resources, and access for women in our communities to achieve their career aspirations.

- We have invested approximately \$75 million in female-led or founded businesses through August 2022.
- As a corporate partner of Dress for Success, we helped more than 3,500 women receive services and training to help advance their careers in calendar year 2021.

Enhancing economic development and prosperity in disadvantaged communities

- We committed to invest \$100 million in minority-owned businesses through fiscal year 2031.
- We are working to address systemic issues that prevent a more equitable chance at success for members of Hispanic and Black communities across the United States.
- We plan to help the beverage alcohol and hospitality sectors attract and retain diverse talent.

- We have committed to invest or invested approximately \$15 million in minority-owned businesses through August 2022.
- Our support of UnidosUS helped more than 4,700 Hispanic families strengthen their financial security through financial empowerment and housing counseling programs in calendar year 2021.
- In calendar year 2021, our contribution to the National Restaurant Association Educational Foundation (NRAEF) supported the training of more than 700 restaurant workers, and scholarships for 320 students pursuing higher education in the restaurant, foodservice, and hospitality industry.

#### DEI

Championing an inclusive culture characterized by diversity in background and thought, which reflects our consumers and the communities where we live and work

- We have established goals to enhance female representation and overall ethnic diversity among our U.S. salaried population to 50% and 30%, respectively, by fiscal year 2026, in a manner reflective of our consumers and communities.
- We aim to foster a workplace culture that fully harnesses the benefits of diversity and ensures an equitable employee experience is provided for underrepresented groups.

- In fiscal year 2022, of our U.S. salaried population, 43% self-identified as female and 22% self-identified as ethnically diverse.
- Our nine Business Resource Groups (BRGs) host at least one event for all employees, and over 25 BRG events to provide education and awareness, and to increase proximity to the experiences of others to foster our inclusive workplace culture.

#### RESPONSIBILITY

### Promoting responsible beverage alcohol consumption

We are committed to ensuring the responsible promotion and marketing of our products

- We aim to empower adults to make responsible choices in their alcohol (substance) consumption by supporting fact-based education, engagement programs, and policies.

- In fiscal year 2022, we had zero instances of non-compliance with industry or regulatory labeling and/or marketing codes.
- As a corporate member of Responsibility.org, our contributions support their efforts to empower adults to make a lifetime of responsible alcohol choices as part of a balanced lifestyle and help eliminate drunk driving.



# SERVING AS GOOD STEWARDS OF THE ENVIRONMENT

## CARING FOR OUR PLANET

We aim to act as responsible stewards of our environment, taking steps to operate sustainably and build community relationships that help leave our planet—and our people—in a better place. A healthy environment is good for the world, and we believe it's important to the future success of our business.



# WHAT'S A BILLION GALLONS OF WATER WORTH?

When it represents a lifetime supply for thousands of families,<sup>(1)</sup> it's immeasurable. That's why we are targeting to restore approximately 1.1 billion gallons of water withdrawals from local watersheds between fiscal year 2023 and fiscal year 2025, while improving accessibility and quality of water for communities where we operate. Protecting our planet's most precious natural resource?  
**It's Worth Reaching For.**

(1) [How We Use Water | US EPA](#)



# MODELING WATER STEWARDSHIP FOR OUR INDUSTRY

Water is a vital and finite natural resource that needs protection and advocacy—especially at the local level.

**We recognize access to clean water is a human right and critical to helping build strong communities.** It is, therefore, our responsibility to be good stewards of the water we use while doing our part to help ensure the resiliency of water resources for future generations. As such, in our operations, we continue implementing **disciplined water management strategies** and investing in water efficiency measures, driven by our companywide water restoration target.

But that’s only part of our approach, as we believe water challenges are bigger than any one organization can tackle. Our people and our communities make us who we are,

so we are **promoting water resiliency where we live and work**—listening, collaborating, and treating natural resources with respect while investing in public infrastructure and watershed health for our collective benefit.

Our ambition is to **protect our communities’ water resources where we live and work by collaborating with leaders and organizations** to support local watersheds and enable the restoration of water consumed by our operations.

To achieve our ambitions, we have established and are implementing a three-year strategy and operating plans focused on **water efficiency, watershed restoration, and water accessibility and quality** that considers the needs of local communities, while maintaining focus on operational improvements that align with the unique aspects of each production process.

As we work to deliver our near-term goals, we also continue to look ahead. Tackling the root of water challenges requires effective, proactive collaboration and action to achieve meaningful and lasting progress. We are committed to:

- Cultivating a solutions-oriented culture inside our company
- Convening and engaging our neighbors to team up on local solutions to improve water security
- Advancing and sharing best practices within our industry and among neighboring businesses to influence and accelerate progress

Actively managing water use, seeking to understand our water risks and opportunities, and implementing water savings initiatives have become a regular part of our business. We highlight a number of our water stewardship efforts in this report along with our specific water efficiency and management metrics reported in our CDP Water Security 2022 report.

**Between fiscal year 2023 and fiscal year 2025, we are targeting to restore approximately 1.1 billion gallons of water withdrawals from local watersheds, while improving accessibility and quality of water for communities where we operate.**

Nava Brewery Operations in Coahuila, Mexico



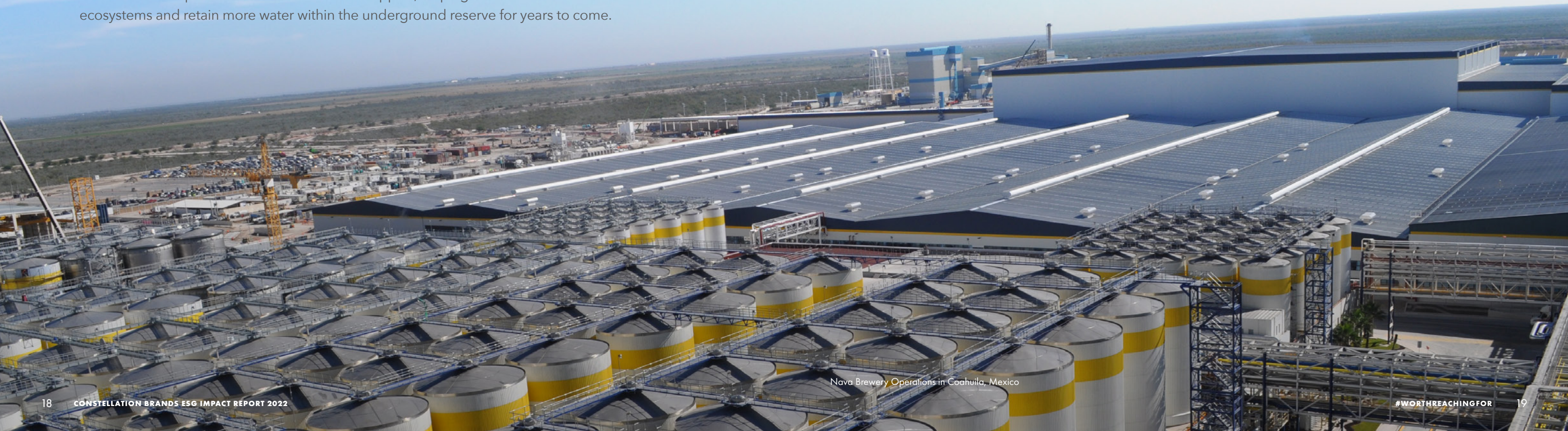
# WATER STEWARDSHIP IN ACTION IN OUR BREWERY OPERATIONS

The strategy for our Mexican beer operations puts an emphasis on **water restoration and infrastructure improvement for the communities where we operate**. Projects have been identified through community collaboration and guidance from third-party water restoration organizations which aim to **benefit the communities and overall watershed health where we operate while also contributing to our companywide water restoration target**.

The Nava Brewery, located in the state of Coahuila, has set an ongoing yearly goal to engage with the community around ecosystem stewardship with a focus on water. In collaboration with Pronatura Noreste, a third-party organization focused on environmental protection, we began efforts to restore water to the Serranía del Burro (a mountain range near our Nava Brewery, from which the aquifer is naturally replenished) following a devastating fire in 2019. In 2021, freezing conditions damaged the growth of trees planted for reforestation in 2020 and 2021, which delayed reforestation of approximately 400 hectares. We have advanced efforts in reinforcing plant production capabilities and infrastructure, which allowed us to reforest 25 hectares in 2021. Moreover, within the next nine years, we plan for more than 2,000 hectares of land to be reforested as part of this initiative with our support, helping to restore water and the local ecosystems and retain more water within the underground reserve for years to come.

And in Sonora where our Obregon Brewery is located, we have worked with the Yaqui River Irrigation District to **build three dams along the Yaqui Valley irrigation canal to help improve water management efficiency, saving approximately 15 million cubic meters of water on average in the last three years** according to the Irrigation District estimates. We continue to work with a third party to certify the volume of water restored and strengthen the execution of our water stewardship strategy in this community. **By fiscal year 2025, we estimate these efforts will represent nearly 70% of our water restoration target of approximately 1.1 billion gallons.**

Additionally, as part of our efforts to **improve access to water**, in August 2021, the Nava Brewery coordinated with the Coahuila state government to begin a project to **improve the water infrastructure in the city of Zaragoza**, a neighboring community near the brewery, which is expected to significantly **improve water availability in the community**. The first phase of the project, which included completing agreements with key stakeholders and partners and the drilling of new water wells, was completed in July 2022.



Nava Brewery Operations in Coahuila, Mexico



# WATER STEWARDSHIP IN ACTION IN OUR WINE AND SPIRITS OPERATIONS

The near-term focus of our Wine and Spirits operations' water stewardship efforts is within California, which represents 70% of our water use within the division. In our California operations, we are working to improve water efficiency by implementing employee education programs and supporting greater adherence to water management best practices to further **reduce our overall water withdrawal and use**. We have invested in expanded sub metering and instrumentation within our facilities that are designed to provide improved monitoring and tracking, helping to optimize the operational management of water.

While we remain committed to efficient operations and employee education within our company, we know that effective water stewardship is not something we can achieve alone, and that the effects are felt widely in areas where we operate.

We believe the most impactful opportunity to **advance our water stewardship is through broader community engagement**. We continue to evaluate affiliations and programs focused on protecting higher-risk watersheds to engage in more nature-based solutions such as **reforestation, waterway rehabilitation, and wetland and groundwater restoration**, and to help protect and ensure the future resiliency and integrity of the watersheds for all.

Our Napa Valley Vineyards represent a uniquely diverse and complex agricultural system comprising more than 164 individual vineyard blocks across seven vineyards and five appellations or American Viticulture Areas (AVAs). More than 3,000 tons of premium quality grapes are harvested on an annual basis from approximately 1,000 active acres of land, encompassing over a dozen grape varieties. The vineyards include **To Kalon Vineyard, Wappo Hill Vineyard, Los Carneros AVA, Borelli Vineyard, and Mount Veeder Winery**.

All our owned and leased vineyards in California routinely adhere to documented water management plans as required by Sustainable Grape Growing Certifications including the California Sustainable Winegrowing Alliance and Fish Friendly Farming. We use the guidance of these plans to identify the designated beneficial use of the water body based on grape growing goals set before the growing season that account for soil types, slopes, irrigation water availability and quality, and energy efficiency.

Since fiscal year 2018, new technologies have been incorporated to help **maximize water efficiency and minimize overwatering**, excess runoff, erosion, and unnecessary depletion of source supply. Ongoing improvements in precision irrigation and water conservation practices over that time have led to significant water usage reductions across our Napa Valley Vineyards, representing a **39% improvement in water efficiency**.

And we seek to help improve water quality and accessibility through our participation in The Napa Valley River Restoration Project, **a collaborative project to restore nine miles of the Napa River**. The project impacts approximately 70 parcels and 34 different private entities, including our Oakville Estate and Wappo Hill Vineyards. Twenty-three restoration projects to date have significantly improved the Napa Valley River's water quality by **reducing erosion and sediment** in the river—the primary source of pollution for the native Chinook salmon, which is federally listed as an Endangered Species.

In addition, the treated process wastewater generated by our Gonzales Winery is **100% recycled for vineyard irrigation and dust control**. In calendar year 2021, 42.3 million gallons of wastewater were recycled for the irrigation of our Windfall Vineyard. This best practice utilizes an important resource in a region of California where droughts happen more frequently relative to most other states. In January 2021, **advancements were made to manage stormwater and reduce soil erosion, stabilize slopes, and reduce negative impacts of stormwater draining** off site into local tributary streams. This initiative included the installation of straw waddles, hydroseeding, drought-resistant vegetation, and river rock.

PARTNERING FOR IMPACT



Our support of our relationship with [The Nature Conservancy](#) is central to our commitment to stewardship and a focus area of our strategy to help ensure the resiliency of water resources for future generations. Drawing on two nature-based opportunities, the dynamic water management program targets the San Joaquin Valley and the Stockton/Sacramento watersheds—both important to our winery facilities and operations. These nature-based solutions are expected to provide volumetric benefits toward our water replenishment goals, while also supporting the communities in which we live and work.

In calendar year 2022, we committed \$700,000 to support [The Nature Conservancy's Global Resilient Watersheds](#) program and innovative dynamic water management programs to benefit watersheds important to our winery operations and communities in California.



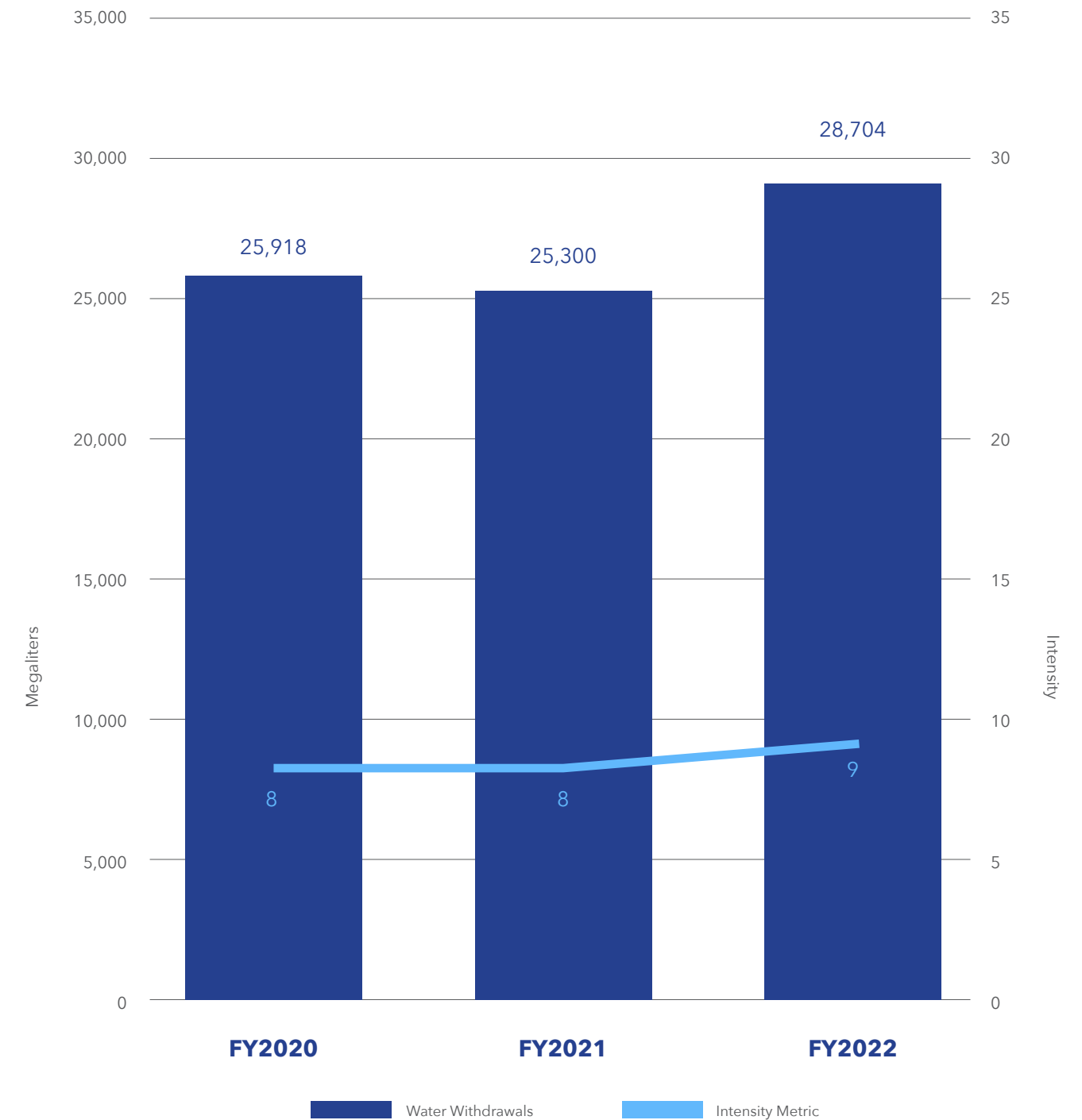
## WATER WITHDRAWALS

	FY2020	FY2021	FY2022
<b>Water Withdrawals by Source (megaliters)</b>			
Fresh Surface Water	2,851	2,817	2,901
Brackish Surface Water/Seawater	N/A	N/A	N/A
Rainwater	N/A	N/A	N/A
Groundwater - Renewable	10,459	12,637	16,332
Groundwater - Non Renewable	8,013	6,148	8,990
Produced/Process Water	N/A	N/A	N/A
Municipal Supply	4,596	3,698	481
Wastewater from Another Organization	0	0	0
<b>Total Water Withdrawals by Source (megaliters)</b>	<b>25,918</b>	<b>25,300</b>	<b>28,704</b>
<b>Water Intensity Normalized to Million Liters of Product Produced [megaliters/million liters product produced]</b>	<b>8</b>	<b>8</b>	<b>9</b>
<b>Water Withdrawals by Business Unit (megaliters)</b>			
Beer	8,569	9,117	11,627
Wine	17,038	16,172	17,052
Spirits	311	11	25
<b>Water Discharges by Destination (megaliters)</b>			
Fresh Surface Water	3,524	3,961	4,114
Brackish Surface Water/Seawater	N/A	N/A	1,294
Groundwater	1,739	1,102	885
Produced/Process Water	N/A	N/A	N/A
Municipal Treatment Plant	714	248	122
Wastewater from Another Organization	N/A	N/A	N/A
<b>Total Water Discharges by Destination (megaliters)</b>	<b>5,976</b>	<b>5,311</b>	<b>6,415</b>
<b>Total Water Consumption (megaliters)</b>	<b>19,942</b>	<b>19,989</b>	<b>22,289</b>

During fiscal year 2022, total water consumption increased by 12% compared to fiscal year 2021 mainly because of increased production and capacity expansion at our Mexico breweries and recovery from a COVID-19 production slowdown at our Mexico breweries in fiscal year 2021.

Numbers are commonly rounded when presented in tables. As a result, the sum of the individual numbers throughout this table may not add up precisely to the totals provided.

## WATER WITHDRAWALS



Intensity Metric: Total Water Withdrawal Normalized to Million Liters of Product Produced [megaliters/million liters product produced]

The data presented is associated with water withdrawals from our facilities (breweries, wineries, vineyards, distilleries, and warehouses) 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 Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

# WHAT'S A BREATH OF FRESH AIR WORTH?

With the seven warmest years on record occurring since 2015 due to climate change,<sup>(1)</sup> it's incalculable. That's why we continue to invest in renewable energy for our facilities and seek innovative solutions to improve our overall energy consumption in an effort to reduce our Scope 1 and Scope 2 GHG emissions by 15% by fiscal year 2025.<sup>(2)</sup> Helping to regain ground in the fight for Planet Earth?

**It's Worth Reaching For.**

(1) Source: United Nations

(2) From baseline fiscal year 2020 Scope 1 and Scope 2 emissions



# REDUCING GHG EMISSIONS

As part of our commitment to protect the environment and the communities where we operate and live, we are working to **decrease our dependence on non-renewable energy sources and our overall energy consumption, in order to reduce our GHG emissions**. We monitor certain aspects of our GHG footprint and work to reduce our emissions per liter of product produced over time.

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

In this ESG Impact Report, we are disclosing our energy management metrics for fiscal year 2021. In fiscal year 2021, our total energy consumed decreased by 4% compared to fiscal year 2020, with most of the energy savings coming from a decrease in the use of natural gas, gasoline, and jet fuel.

METRICS	FY2020	FY2021
Total energy consumed (Gigajoules)*	5,456,850 Gigajoules	5,229,568 Gigajoules
Energy consumed that was supplied from grid electricity (%)	10%	11%
Energy consumed that was from renewable (%) sources	4%	5%

\*Includes fuel purchased, electricity purchased, and consumption of self-generated non-fuel renewable energy (i.e., on-site solar)

Refer to our [CDP Climate Change 2022](#) report for more information on our energy management risks and a description of management strategies and practices to mitigate those risks.

As we seek to innovate our business, we are working to convert our operations to optimize energy efficiency and implement sustainable energy solutions and technologies. Within our Wine and Spirits operations, we are investing in **renewable energy**. Over the next three years, we plan to implement **solar energy technology** across several of our California locations and at an additional location in Italy to provide **local renewable energy** that helps our ongoing transition away from fossil fuel-derived energy sources. Meanwhile, we plan to convert a portion of our Beer operations to natural gas and invest in wind farms. **We anticipate these collective efforts will represent approximately half of our target GHG emission reductions by fiscal year 2025.**

Similar to our water stewardship plans, we recognize that the opportunity to deliver a more positive impact requires thoughtful **collaboration and alignment across our value chain**. We've made progress by improving and expanding our Scope 3 GHG emissions data collection process and we continue to strive to increase the accuracy of the data we report while working to better understand our opportunities to help reduce GHG emissions in our value chain through stakeholder assessments, supplier surveys, and sharing of best practices to inform a more **comprehensive value chain engagement strategy**.

**Our near-term focus to help reduce the impacts of climate change is a target to reduce our Scope 1 and Scope 2 GHG emissions by 15% by fiscal year 2025.\***

\*From baseline fiscal year 2020 Scope 1 and Scope 2 emissions

Drylands Vineyard, New Zealand, Source of Kim Crawford's Sauvignon Blanc Grapes



# GHG STRATEGIES IN ACTION

## Nava Brewery

The Secretariat of Environment and Natural Resources in Mexico promotes the use of the biogas generated in wastewater treatment plants, which is less GHG-intensive than natural gas. At the Nava Brewery, **99% of the biogas generated at the brewery is used in its boilers, which significantly reduces methane emissions**, one of the main GHGs. In addition, **4% of the total energy consumed at the Nava Brewery is produced by biogas.**

## Woodbridge Winery

Woodbridge Winery can directly acquire electricity and has entered into an agreement with a third-party commodities procurer specifically for renewable wind energy. As a result, **100% of the electricity procured at Woodbridge Winery is from a renewable source.** This procurement also has locked in a multi-year pricing structure that we believe will **deliver cost-savings, while eliminating the need for fossil fuels to generate electricity.**

## GHG EMISSIONS

	FY2019	FY2020	FY2021
<b>GHG Emissions, by Scope [metric tons CO2eq]</b>			
<b>Scope 1 GHG Emissions, by Region</b>			
North America (U.S., Canada & Mexico)	294,019	300,626	282,825
Europe & Asia	1,674	1,749	6,894
New Zealand	1,287	2,422	1,962
<b>Global Total Scope 1 GHG Emissions</b>	<b>296,979</b>	<b>304,797</b>	<b>291,681</b>
<b>Scope 1 GHG Emissions Normalized to Million Liters of Product Produced [metric tons CO2eq/million liters product produced]</b>	<b>100</b>	<b>97</b>	<b>90</b>
<b>Scope 1 GHG Emissions, by Business Division</b>			
Beer	233,562	251,019	262,297
Corporate	9,616	8,937	4,943
Wine & Spirits	53,801	44,841	24,440
<b>Scope 1 GHG Emissions, by GHG type</b>			
CO2	289,355	301,417	285,970
CH4	170	188	205
HFCs	2,504	1,277	3,385
N2O	4,951	1,916	2,121
<b>Scope 2 GHG Emissions (Location Based), by Region</b>			
North America (U.S., Canada & Mexico)	49,277	50,471	53,939
Europe & Asia	970	1,169	1,113
New Zealand	686	690	741
<b>Global Total Scope 2 GHG Emissions</b>	<b>50,933</b>	<b>52,330</b>	<b>55,793</b>
<b>Scope 2 GHG Emissions Normalized to Million Liters of Product Produced [metric tons CO2eq/million liters product produced]</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Scope 2 GHG Emissions (Location Based), by Business Division</b>			
Beer	23,579	30,132	32,621
Corporate	315	289	434
Wine & Spirits	27,039	21,908	22,737
<b>Global Total Scope 1 &amp; 2 GHG Emissions</b>	<b>347,912</b>	<b>357,126</b>	<b>347,473</b>
<b>Scope 1 &amp; 2 GHG Emissions Normalized to Million Liters of Product Produced [metric tons CO2eq/million liters product produced]</b>	<b>117</b>	<b>114</b>	<b>107</b>

Scope 1 GHG Emissions: natural gas, fuel, biomethane, refrigerants, fertilizer.

Scope 2 GHG Emissions: electricity.

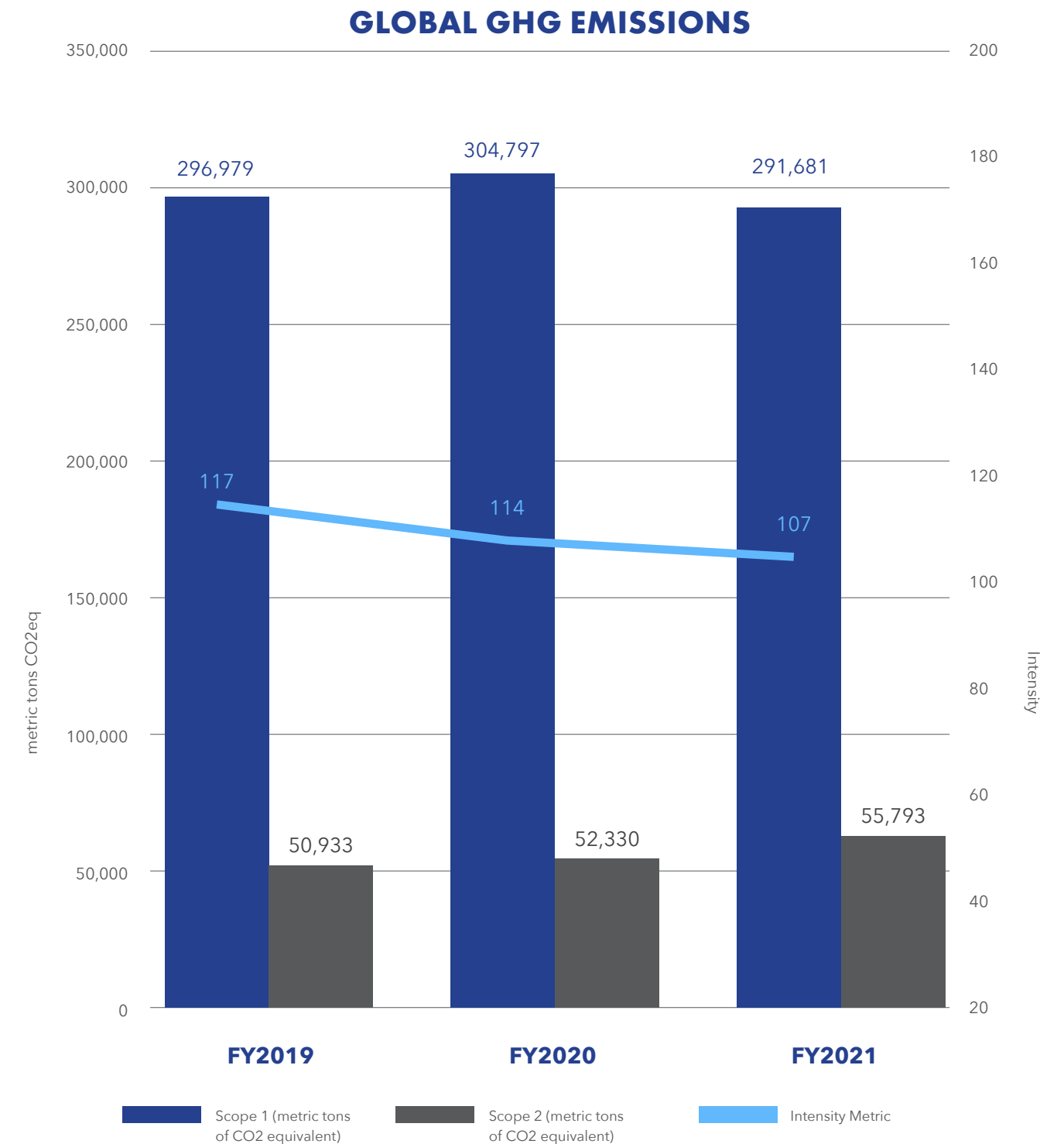
Numbers are commonly rounded when presented in tables. As a result, the sum of the individual numbers throughout this table may not add up precisely to the totals provided.



	FY2019	FY2020	FY2021
<b>Scope 3 GHG Emissions (Indirect), by Category</b>			
Purchased Goods and Services	11,332,202	44,849,445	47,632,520
Capital Goods	Not Relevant	Not Relevant	Not Relevant
Fuel-and-Energy-Related Activities (Not Included in Scope 1 or 2)	61,047	62,872	61,109
Upstream Transportation and Distribution	Not Relevant	Not Relevant	Not Relevant
Waste Generated in Operations	3,724	3,222	3,038
Business Travel	10,980	8,782	1,569
Employee Commuting	Not Relevant	Not Relevant	Not Relevant
Upstream Leased Assets	Not Relevant	Not Relevant	Not Relevant
Downstream Transportation and Distribution	469,428	493,990	471,161
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
<b>Total Scope 3 GHG Emissions (metric tons CO2)</b>	<b>11,877,381</b>	<b>45,418,311</b>	<b>48,169,397</b>

Overall, total Scope 1 and Scope 2 GHG emissions decreased by 3% from fiscal year 2020 to fiscal year 2021. Constellation Brands achieved Scope 1 and Scope 2 GHG emission reductions as a result of sustainability initiatives implemented by our operations teams, including those described in this ESG Impact Report.

Numbers are commonly rounded when presented in tables. As a result, the sum of the individual numbers throughout this table may not add up precisely to the totals provided.



Intensity Metric: Total Scope 1 & 2 GHG Emissions Normalized to Million Liters of Product Produced [metric tons CO2eq/million liters product produced]

The data presented is associated with 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 as defined by the GHG protocol.

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 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 GHG - 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.

# SUSTAINABILITY EFFORTS IN WASTE REDUCTION & BIODIVERSITY

## WASTE REDUCTION EFFORTS

Waste is a part of any production process, and we are continually seeking to improve the ways we manage our waste to reduce the environmental impact of our waste generation, transportation, and disposition. At our sites across the globe, our mitigating actions involve **materials reduction, reuse, substitution, and recycling**, as well as composting and diverting waste materials from landfills.

Our Nava and Obregon Breweries in Mexico each **diverted 99% of the waste produced** in fiscal year 2022. In the last two fiscal years, more than 670,000 tons of byproducts generated during production at the Nava Brewery have been used by others in the region as feed for cattle, sheep, and pigs.

### CASA NOBLE TEQUILA

Casa Noble transforms waste from multiple stages of the farming and production process through its 100% organic agave compost program. The composting process takes approximately eight months to complete, beginning with agave extraction, during which agave plant fiber is separated from the juice (mosto). The fiber is rinsed and sent to a compost field. The heads and tails of the agave are sent to special pools for pH neutralization, after which they are mixed with the fiber and returned to the fields as compost.

Starting in October 2021, the Nava Brewery began **replacing single-use wooden pallets with multi-use plastic pallets**. Cardboard boards, which are used during shipping and discarded on arrival to their destination, are being replaced with reusable plastic boards.

In February 2022, the Nava Brewery started a **circular economy project to treat wastes**, including biosolids and sludge, and convert them to compost. With the compost, the brewery plans to create a garden to grow vegetables to be served in the facility's general dining room. The brewery also has recycling efforts to reduce the amount of waste sent to landfill, and in the past two fiscal years, has recycled more than 46,000 tons of waste.

### Corona's Focus on Removing Plastic

The Beer Division worked with a major retailer on a project to eliminate all plastic used in six-packs of Corona Extra 12 oz. cans, which included the removal of high-cone rings, and secondary packaging shrink wrap. Going forward, the cans will now be packaged in Forest Stewardship Council certified cardboard carriers. This initiative, implemented in March 2022, is expected to result in an estimated total plastic reduction of 18,000 pounds (9.0 tons) of plastic by the end of calendar year 2022.

Furthering their efforts, Corona is committed to **removing one million pounds of plastic from our beaches by the brand's 100th birthday in 2025**.

The Protect our Beaches campaign is composed of three initiatives: high-impact beach clean-ups, internal plastic reduction, and community clean-ups.

Since the launch of the campaign in 2020, Corona has eliminated more than 570,000 pounds of plastic, which is more than 50% of the overall goal. This year, the brand continues to launch more beach and community clean-ups and remove plastic from its operations, further reducing the company's plastic footprint. We believe the mission is succeeding in building awareness around social and environmental change to help keep Corona's place—the beach—clean for years to come.







# LAND PROTECTION AND BIODIVERSITY

Biodiversity loss is a sustainability challenge for many industries. We take a long-term approach to conservation of waterways, the soil, and the ecosystem to reduce our impact on the natural environment, and we are committed to serving as good stewards to support a clean and biodiverse natural environment.

## Nava Brewery

Our Nava Brewery has implemented a Flora and Fauna Conservancy program which has rescued and relocated protected species of flora and fauna since fiscal year 2018. By fiscal year 2021, individuals from a number of snake and reptile species and 100 flora species have been relocated. Relocation has been done to a protected three-hectare area on the brewery property that has been specially designed for relocation of rescued flora and fauna.

## Ruffino Group

All Ruffino’s agricultural centers have been Biodiversity Friend certified by the World Biodiversity Association since calendar year 2018. By subscribing to the association program, we strive to respect and implement processes and projects that aim to manage water responsibly, help ensure checks of weeds and parasites using low environmental impact methods, encourage the growth of hedges and woodland, as well as adopt rotation processes of cultivated land from the standpoint of conserving and increasing biodiversity on our estates and surrounding areas.

## Napa Valley Vineyards

Our Napa Valley Vineyards routinely monitor and record observed species, habitat type, and certain indicators of plant and animal diversity in and around each vineyard property, with measures taken to promote biodiversity on an ongoing basis, as described below. Site-specific efforts have been made to help minimize negative impacts on pertinent watersheds and banks of water courses are populated with vegetated buffer strips adjacent to waterways.

Ongoing Hedge Row planting promotes beneficial insects, protects bird populations, and limits spray drift to nearby aquatic environments, while native tree planting programs support protection of surrounding wetlands. Native vegetative cover along delta waterways is managed to help control invasive vegetation species, and goats and sheep herds are used for grazing overgrown brush.

Also, our Napa Valley Vineyards were the first properties in the Napa Valley region to formally adopt a natural farming approach to the cultivation of estate vineyards, which extends beyond rules and structures of organic farming and considers overall wine quality and the impact on the greater environment.

The To Kalon Vineyard, originally planted in 1868, is recognized as one of the finest first-growth vineyards in the world. The world-renowned vineyard is working in compliance with the California Certified Organic Farming framework. In early calendar year 2020, the Constellation Brands Grape Management Team commenced a three-year journey to convert farming practices on the To Kalon Vineyard to meet the requirements of the United States Certified Organic Farm Program. Organic standards address many factors, such as: soil quality, animal raising, pest and weed control, and use of input materials. Organic conversion is expected to take three full years of practice with the first organic harvest planned to be commercially available in fiscal year 2025.

### RECOGNIZING LEADERSHIP

We recognize impactful progress each year through our **Environmental Sustainability Awards**, which honor **extraordinary Constellation initiatives that drive business value and demonstrate meaningful commitment to enhancing our environmental stewardship**.

**The Leadership Award** honors the CBI facility that demonstrates best-in-class environmentally sustainable practices implemented in the last two fiscal years, including business/operational efficiencies, cost savings, community engagement, and innovation. To be considered, the facility must address the water stewardship category and at least two additional sustainability categories (energy, waste management, ecosystems, and supply chain).

**The Stewardship Award** honors the CBI facility that has implemented one or more best-in-class environmental sustainability projects in the last two fiscal years, resulting in strong environmental benefits in any of the sustainability categories.

### 2021 Environmental Sustainability Award Winners

#### The Nava Brewery, Leadership Award Recipient

The Nava Brewery’s comprehensive environmental sustainability initiatives spanned all our sustainability categories, and we believe the state-of-the-art brewery is an industry benchmark in technology, efficiency, and quality.

“This award is recognition of the daily work that team members in all areas of the Nava Brewery do to take care of the resources in the community where we not only work, but also live. We have an obligation to our families, our neighbors, and our communities to operate sustainably.”



- **Juan Manuel Flores Estrada, Vice President & General Manager, Nava Brewery**

#### Awatere Hills Vineyard, Stewardship Award Recipient

The Awatere Hills Vineyard implemented an ecosystem project to eradicate Chilean Needle Grass, a highly invasive pest plant that negatively impacts animal welfare in the Marlborough region of New Zealand.

“To be a sustainable business into the future, we strive to ensure that everything we do has that longevity in mind – whether that’s looking after the environment for future generations, our communities, or our people.”



- **Sergai Davis, Health, Safety, Environment, Sustainability & Wellness Manager, New Zealand**



# INDUSTRY CERTIFICATIONS AND PROGRAMS

Industry certifications serve as a tool we use to help guide and measure our environmental impact and progress. They also facilitate industry-wide and consumer understanding about our sustainability practices.



We believe partnerships and collaborations can strengthen and reinforce our position in the industry and create a community of thought leadership and learning. We participate in various forums and programs along with our peers to share our views and knowledge, help accelerate change, and stay abreast of best practices and standards.





# ENHANCING SOCIAL EQUITY WITHIN OUR INDUSTRY AND COMMUNITIES

## STRATEGIES THAT RESTORE AND UPLIFT

Corporate social responsibility is an essential aspect of our business and company culture, connecting our brands and our business with people and the world around us in positive, impactful ways. As our industry and the world have evolved, so too has our approach to making a positive impact on society. We pour our time, resources, and passion into select partnerships to be true force-multipliers for good.



# WHAT'S DIVERSE LEADERSHIP WORTH?

When it means more representation among decision-makers, it's immeasurable. That's why we've doubled our investment in Dress For Success and why we've committed to invest \$200 million in minority- and female-founded companies over 10 years. **It's Worth Reaching For.**



# PROFESSIONAL DEVELOPMENT OF WOMEN

Women make up over half of the population and account for more than \$6.4 trillion in spending in the United States alone (\$31.8 trillion in U.S. dollars globally).<sup>(1)</sup> Yet women have historically been and remain an underrepresented demographic in the beverage alcohol industry and other segments of the business community. We believe that **empowering women to succeed fosters equity and a balanced perspective in our industry and beyond**, and we are committed to doing our part by providing resources to **support the professional advancement and development of women at Constellation Brands, within our industry, and in the communities where we live and work.**

## WOMEN SUPPORTING WOMEN

We believe that empowered women empower other women to succeed. **Dress for Success Chicago's "Lean In" Circles Program** helps women advance and grow leadership skills by bringing together women from all walks of life to give and receive mentorship and create a place to be unapologetically ambitious.

From March through December 2021, seven Constellation Brands female colleagues served as mentors to 10 DFS Chicago clients. Initiatives like the "Lean In" Circles Program and organizations like DFS offer our employees the valuable and rewarding experience of volunteerism year-round.

"Working with DFS has not only been a rewarding experience from a philanthropic standpoint, but it has also allowed me to engage in mutually beneficial conversations about how to function in the corporate world as a woman, mother, caregiver, etc. Participating has given me a more holistic view of our company culture and how DFS is such an incredible partner. The value of this partnership is immeasurable."

- Constellation Brands employee volunteer

We are honored to support the **Dress for Success Worldwide organization** and their mission to help **women thrive in work and in life** by empowering them to achieve economic independence through a network of support, development tools, and professional attire. As a global corporate partner of Dress for Success (DFS), we have strengthened our advocacy efforts and helped create a positive ripple effect in our communities. In calendar year 2021, our dollar contributions and more than 210 employee volunteer hours donated to DFS services and programs, touched the lives of more than 3,500 women.

Communities around the globe have been and continue to be impacted in unimaginable ways by the COVID-19 pandemic, and for the women DFS serves, the risks are especially high as many are among the most economically vulnerable. According to the World Economic Forum and United Nations Population Fund, women are bearing the brunt of the pandemic.<sup>(2)</sup> Compared to males, studies show that females were disproportionately impacted negatively by a global economic recession due to COVID-19. Per Deloitte Global, about half of women in full time middle-management and non-managerial roles say their careers are not progressing as quickly as they would like,<sup>(3)</sup> and the U.S. Chamber of Commerce reported that one million women are missing from the labor force compared to pre-pandemic.<sup>(4)</sup> We therefore believe our support for DFS is especially critical given these current economic developments.

(1) World Data Lab, "MarketPro" (2020)

(2) McKinsey & Company (2021)

(3) Women @ Work 2022: A Global Outlook by Deloitte Global

(4) Data Deep Dive: A Decline of Women in the Workforce, US Chamber of Commerce (2022)

Metric data provided by Dress for Success Worldwide.

We have doubled our commitment to Dress for Success in calendar year 2022 to \$200,000 to continue supporting local affiliate programs. An additional \$16,200 of employee and company funding was raised through our Your Hour Her Power® event during Women's History Month in March 2022.



## BUILDING WOMEN'S DIGITAL PROFICIENCY

To meet the growing professional demands and requirements for proficiency in digital tools, DFS Rochester has launched an initiative that will focus on training women in digital skills. The digital skills training and career development workshops, coupled with Dress for Success' additional services, help empower women to achieve economic independence and thrive. In support of digital tools proficiency for women, we donated 200 refurbished laptops, and Constellation Brands employees provided clients with coaching and mentorship in IT help desk support, project management, user experience design, and more.

"Our success is directly attributed to the amazing beneficence of Constellation Brands with the in-kind provision of laptops and laptop bags. In today's work world, a laptop computer is a necessity, not a luxury. The interest and gratitude our clients show manifests quickly into motivation, increased confidence, and intrinsic rewards with each course, résumé, or job application completed."



- Bivette Stodghill, Executive Director, Dress for Success Rochester

Since starting operations in 1997, Dress for Success has expanded to more than 140 cities in 23 countries and has helped more than 1.3 million women work towards self-sufficiency. Photo provided by Dress for Success Worldwide.





Austin Cocktails Founders, Kelly Gasink and Jill Burns. Austin Cocktails was fully acquired by Constellation Brands, Inc. in 2022 following a minority investment in 2018 through the Focus on Female Founders initiative.

## FOCUS ON FEMALE FOUNDERS

Since its launch in late calendar year 2018, our Focus on Female Founders initiative has **shifted our mix of Ventures portfolio brands from 20% female-led or founded to nearly 50% female-led or founded**. Through our **commitment to invest \$100 million** in female-led or founded businesses by fiscal year 2029, we have teamed up with several visionary companies and their passionate leaders to collaborate on creating the next generation of brands.







# WHAT'S A DREAM WORTH?

When it envisions a brighter economic future for all, it's immeasurable. That's why we're partnering with UnidosUS and investing over \$2.5 million in career development and financial security programs for disadvantaged communities where we live and work. Helping every American to achieve their dream of homeownership?

**It's Worth Reaching For.**



# ECONOMIC DEVELOPMENT OF DISADVANTAGED COMMUNITIES

Through **collaborations and financial support**, we are making a positive difference by providing valuable **training, new job skills, and opportunities** to those in need, and advocating for economically disadvantaged and vulnerable members of our communities.



Participants from HOPES took part in a two-day "Industry Skills Tour" to learn more about opportunities in the restaurant industry and careers at MOD Pizza. Participants were joined by industry guests from MOD Pizza for a day of learning and visited a local MOD Pizza location for a behind-the-scenes tour. Photos provided by NRAEF.



# HELPING TO REMOVE BARRIERS AND REBUILD THE RESTAURANT, BAR, AND HOSPITALITY INDUSTRIES

In April 2021, Constellation Brands, along with support from the Corona brand family and Meiom, made a collective **commitment of \$1.75 million to support a multi-year national collaboration** with **National Restaurant Association Education Foundation (NRAEF)** and the launch of their “Restaurants Advance” campaign. Our commitment helps rebuild the restaurant industry’s workforce following the impact of COVID-19 and create much-needed opportunities for restaurant workers from all backgrounds. Our donations to the campaign specifically support Restaurants Advance Futures which includes critical programs such as Restaurant Ready and HOPES.

## NRAEF PARTNER TESTIMONIAL:

“Constellation Brands stepped up in a powerful way to support restaurant workers at the onset of the pandemic with its commitment to our [Restaurant Employee Relief Fund](#). We are incredibly grateful for how they have continued to champion our work to open new doors of opportunity across our industry through Restaurants Advance Futures. Together, we are rebuilding the restaurant workforce and helping people from all backgrounds find a home in our industry.”



**- Rob Gifford, President of National Restaurant Association Educational Foundation**

Restaurant Ready is a national program to **attract diverse talent to the restaurant industry**. Community-based organizations provide training in six work-ready competency areas defined by the restaurant industry. The competencies are designed to help participants acquire the skills, discipline, and confidence to start a job and stay employed. The community-based organizations link individuals to local employers and provide wrap-around services to help eliminate any barriers to success.

Among the NRAEF training scholarship recipients:

- 70% are women
- 59% self-identify as black, indigenous, and people of color
- 50% are first-generation college students

### Hospitality Opportunities for People (Re)Entering Society (HOPES)

HOPES partners utilize the NRAEF Restaurant Ready training framework to connect adults of all ages with current or previous justice involvement to career opportunities in the restaurant, foodservice, and hospitality industries. Once a participant completes work-readiness and industry-specific training, HOPES helps them gain employment in a local restaurant and/or foodservice establishment. NRAEF works with employers and partnering organizations to help further the professional training and education of HOPES participants through connections to credentials and apprenticeship programs.

Metric data provided by NRAEF.

In the calendar year **2021**, our contribution to NRAEF supported the training of more than **700 restaurant workers** and scholarships for **320 students pursuing higher education in the restaurant, food service, and hospitality industry.**

“I am 100% for HOPES. If it wasn’t for them prepping me for work and interviews, I wouldn’t have been able to get this job. All of this is just confirmation that if you keep a positive attitude and work hard, there are good things out there for you. HOPES is helping people like me make it past our mistakes and do better.”

**- Ernest G., HOPES youth participant from Chicago, hired by MOD Pizza. Member of the MOD Squad, named All-Star, Team Leader, Asst. Manager (two promotions in six months).**





Photo provided by ¡SALUD!

# HELPING TO UPLIFT HISPANIC COMMUNITIES

Supporting the Hispanic community is a central component of our corporate social responsibility strategy, as the Hispanic consumer is core to our business, accounting for over 45% of Constellation Brands total beer sales\*. And we believe that business impact will continue to grow as the Hispanic population in the U.S. does in the years to come. Constellation Brands along with Modelo has committed \$1 million in total over the last two calendar years to a national partnership with **UnidosUS** (formerly National Council of La Raza), the nation’s largest Hispanic civil rights and advocacy organization, focused on providing resources to strengthen Hispanic families’ financial security through financial empowerment and homeownership programs.

\*IRI Panel Total US–All Outlets, 52 w/e 09/04/2022

Our support has helped make the following impact in the communities where we live and work:

## UnidosUS Financial Empowerment and Housing Counseling Programs (Calendar Year 2021)

Renters who were helped to avoid eviction	1,034
People who received pre-purchase counseling before purchasing their first home	1,274
Homeowners assisted in managing their budget and keeping their homes	1,647
Homeowners who avoided foreclosure	140
Families assisted with financial capacity services to achieve financial goals	640
<b>Total:</b>	<b>4,735</b>

We are inspired by our employees’ passion to uplift one another and remain committed to matching and amplifying their efforts. In May 2022, our ¡SALUD! Business Resource Group partnered with UnidosUS to host informational sessions to help our Spanish-speaking winery employees better understand the various housing and financial counseling benefits available to them through Constellation and UnidosUS. These “¡GRACIAS!” events were held at Robert Mondavi Winery and The Prisoner Wine Company locations and were attended by more than 80 employees.

“Everyone there helping to facilitate the event made sure that the participants felt welcomed and most importantly heard. You could feel the passion everyone brought when explaining all the benefits and resources CBI had to offer their employees. This event was special to me as I kept thinking about my own family members and specifically my father. He struggled a lot not knowing where to turn for support so us kids had to carry the responsibility of navigating information for him, which at 10 years old is a very difficult task to complete without understanding the complicated words needed to translate. To have someone speaking the same language and explaining the process is invaluable.”

**- Lizena Zambrano, Program Manager, Counseling Connection, UnidosUS**



## FOCUS ON MINORITY FOUNDERS

Startups with at least one Black founder have received 1.9% of deal counts and 1.2% of overall venture dollars invested in the U.S. so far this calendar year.<sup>(1)</sup> Similarly, funding for Latinx startups has been limited to around 2% of dollars invested.<sup>(2)</sup> To help balance a U.S. venture capital ecosystem that we believe is starkly homogeneous, we're proud to **play a role in creating progress through our Focus on Minority Founders program.**

In addition to funding, the Focus on Minority Founders initiative supports the growth and development of Black/African American and Latinx minority-owned businesses by providing sales, marketing, operations, and finance expertise through our subject matter experts.



(1) [VC Funding To Black-Founded Startups Slows Dramatically As Venture Investors Pull Back](#) (crunchbase.com)

(2) [VC Funding To Early-Stage Latinx-Founded Startups In The US Has Stalled. Here's Why That Matters](#) (crunchbase.com)



Inspired by the success of our Focus on Female Founders program, Constellation committed to investing \$100 million in Black/African American, Latinx minority-owned businesses through fiscal year 2031.

La Fête du Rosé Founder, Donae Burston



# DIVERSITY, EQUITY, & INCLUSION

Our company’s legacy is **rooted in diversity of thought and equitable opportunity**. We champion a sense of belonging and celebrate individuality, striving to foster a culture where everyone feels valued, heard, and respected and that empowers our employees to bring their true selves to work every day. This empowers us to reach our highest potential, individually and collectively. **True strength is achieved when everyone has a voice. That’s Worth Reaching For.**

Simply put, we believe the only way to **authentically connect with the diverse consumers we serve** is by having those **perspectives and voices widely represented within our business**.

We’ve taken significant steps in recent years to enhance DEI in our workforce, industry, and the communities in which we live and work. Since creating the Chief Diversity Officer role in 2018, we have established a team dedicated to advancing our efforts, and nine BRGs to provide support that we believe enhances the work experience for all employees at Constellation Brands.

## OUR DEI MISSION AND VISION

Our DEI mission is to **foster an inclusive culture characterized by diversity in background and thought** that reflects our consumers and the communities where we live and work, and where all employees feel welcomed as their authentic selves. We believe this culture enables our employees to shine and our business to connect in a meaningful way with our stakeholders, leading to continued mutual success.

Our DEI vision is to cultivate a workforce and culture that enables successful execution of our business strategy, which enhances our reputation as a **destination for top diverse talent, and that creates sustainable competitive advantage**.

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

**Mike McGrew**

**Executive Vice President, Chief Communications, Corporate Social Responsibility, and Diversity Officer  
Constellation Brands, Inc.**



# OUR DEI STRATEGIC PRIORITIES

## Cultivate a Best-in-Class, Diverse, and Equitable Workforce

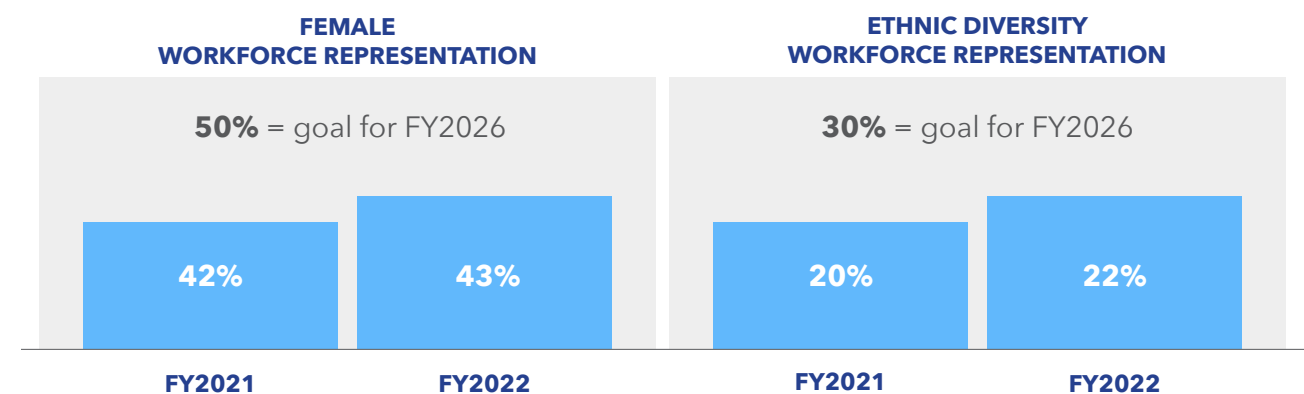
We aim to create a diverse workforce that reflects the consumers we serve and communities in which we live and operate. While we’ve made some progress in enhancing diverse representation across our business, we recognize we still have room for improvement. Our teams in Mexico, Italy, and New Zealand are working on similar and locally relevant goals.

## Foster a Winning, Inclusive Work Culture

In seeking to cultivate a more equitable experience for underrepresented groups, we aim to create an inclusive work culture that allows a highly talented, high-performing, diverse workforce to thrive. This includes offering various forms of education, engagement training, and development across our business.

### FY2022 U.S. Workforce Demographic Information<sup>(1)</sup>

	FEMALE	MALE	WHITE	LATINX/ HISPANIC	BLACK/ AFRICAN AMERICAN	ASIAN	OTHER PEOPLE OF COLOR	TOTAL ETHNIC DIVERSITY REPRESENTATION
Board	33%	67%	75%	17%	8%	-	-	25%
Executive	28%	72%	77%	6%	4%	9%	4%	23%
Vice President	41%	59%	83%	8%	3%	5%	-	16%
Director	37%	63%	84%	6%	2%	4%	1%	14%
All Salaried Employees	43%	57%	77%	12%	2%	5%	2%	22%



(1) Diversity data is as of February 28, 2022 and is based on self-disclosed employee information. Board data includes independent and management board members, excluding Constellation’s CEO who is represented in the Executive data (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. Numbers are commonly rounded when presented in tables. As a result, the sum of the individual numbers throughout this table may not add up precisely to the totals provided.



# BUSINESS RESOURCE GROUPS (BRGs)

We believe that celebrating our differences makes us stronger. By building a team as diverse as the communities we serve, we will create better products and experiences for our customers and employees. That’s why we provide opportunities for employees to **advance our DEI strategic priorities** through a growing community of BRGs that **bring employees together around common interests, identities, perspectives, and shared experiences.**

**As of July 2022, approximately 62% of our United States salaried employees are members of one or more BRGs.**

**Our nine BRGs** were each created to **support the unique populations they serve, enhance cultural awareness, develop leadership skills, and forge relationships** among colleagues. They are a manifestation of our supportive and purposeful approach to helping employees succeed and ensuring alignment around our business and DEI objectives.

BRGs are **supported from the highest level with sponsorships from our executives** to enhance the work experience within our Constellation family and broaden our impact in the communities we serve.



**AASCEND** (African Americans Strengthening Constellation’s Engagement, Networking & Development)

AASCEND’s mission is to build a sense of community that yields inspiration, motivation, and professional development/advancement for African American/Black talent at all levels of the organization.

**Outdoor Afro** is a national not-for-profit organization with leadership networks that connect Black Americans to the outdoors. With 56 networks around the U.S., Outdoor Afro aims to reimagine Blackness outdoors while advocating for the protection of it. Established in 2018, our **Pacifico Preserves** initiative reflects our commitment to protect the outdoors and promotes better access to adventure for all. In honor of Juneteenth 2021, Pacifico partnered with Outdoor Afro and the **AASCEND BRG** to commemorate the 2.5 years following the Emancipation Proclamation that enslaved people in Texas were delayed their freedoms, by inviting employees and their friends and families to go outdoors for 2.5 hours to reflect on the history of Juneteenth.



**ECP** (Early Career Professionals)

ECP’s mission is to provide development opportunities and a network for those at earlier stages in their careers, while encouraging enthusiasm for Constellation Brands.

One way that BRGs impact our business is by making strategic recommendations as part of an annual **Case Competition** hosted by the **ECP BRG**. The Case Competition brings together cross-functional teams to examine a real-world business challenge or opportunity in alignment with both Constellation’s business strategy and DEI strategy. It gives early career professionals a chance to showcase their creativity, practice structured problem solving, and develop presentation skills to leaders from across the organization. This event embraces the entrepreneurial spirit and consumer obsession to think beyond today and impact the way that Constellation invests in tomorrow. In January 2022, an idea from a previous case competition was implemented when Constellation Brands officially launched a six-month mentorship pilot program in partnership with MentorcliQ platform. An **intentional, formal mentoring program** is one of the ways we intend to deliver best-in-class people development. A companywide program launched in September of 2022.



**ASIAA**

(Accelerating Support & Inclusiveness for Asians & Allies)

ASIAA’s mission is to serve as a diverse and inclusive resource group that enhances the professional and personal development of its members and strengthens Constellation Brands’ commercial and consumer connections with the Asian American Pacific Islander community and its allies.



**CPN** (Constellation Parents Network)

CPN’s mission is to support Constellation employees throughout their entire parenthood journey, from becoming a parent to thriving professionally as a working parent or caretaker.





**SAGE** (Setting A Great Example)

SAGE’s mission is to bring expertise to our work, our profession, and our communities and inspire ongoing development of late-career stage employees and others throughout the organization –forging a path and reigniting a sense of purpose.



**WISE** (Win. Inspire. Support. Elevate.)

WISE’s mission is to create impactful change in our business and communities by elevating and advancing women. WISE works to achieve its goals through engaging with the workforce, developing relevant programming, and forming partnerships with allies.



**¡SALUD!** (Supporting and Attracting Latinos United for Diversity and Development)

¡SALUD! ’s mission is to connect with, attract, and support the Hispanic/Latinx community within Constellation Brands.

In honor of our efforts in environmental stewardship and to **recognize Earth Day**, which is celebrated annually around the world on April 22, Constellation’s Corporate Social Responsibility (CSR) team, and the **CPN** and **SAGE BRGs** organized an informative and interactive virtual presentation by **The Nature Conservancy** for our employees. Discussion topics included global water challenges, water security strategies, how companies can lead in the water space, and how each of us can preserve our planet.

**The ¡SALUD! BRG collaborated with UnidosUS** in May 2022 to host the ¡GRACIAS! events at Robert Mondavi Winery and The Prisoner Wine Company in California. The event was in alignment with the Constellation Brands CSR team’s focus on promoting economic development and prosperity for disadvantaged communities. UnidosUS shared information regarding housing and financial coaching benefits available to eligible employees through our collaboration, such as Path to Home Purchase counseling for California residents. Sessions were conducted in English and Spanish with more than 80 employees participating.

“It was an honor to be able to reach Constellation employees at all levels, sharing the amazing benefits available. Seeing the engagement and appreciation from our California team will continue to push the ¡SALUD! BRG in our future efforts towards financial coaching and economic achievement for both our Hispanic and non-Hispanic employees.”

**- Reyna Motton, Administrative Assistant, Corona Brand, Chicago, and Business Impact Pillar Committee Member of ¡SALUD!**



**Stellar Pride** (LGBTQ+)

Stellar Pride’s mission is to advocate for employees of diverse sexual orientations and gender identities through inclusive policies and practices and by conducting education and engagement activities internally and externally.

“Words can’t fully describe the huge team effort and collaboration we all witnessed while working on the ¡GRACIAS! Project. I was thrilled to see our CBI teammates’ engagement and received multiple comments of appreciation for our bilingual in-person presentation. It brought to mind a saying by Lao Tse...‘El agradecimiento es la memoria del corazón...Gratitude is the heart’s memory.’”

**- Gerardo Talamantes, Senior Marketing Manager, Southern California, and Business Impact Pillar Committee Member of ¡SALUD!**



**Valor** (Veterans, Service Members, and First Responders)

Valor’s mission is to foster a workplace that recognizes, connects, and empowers Constellation’s community of veterans, service members, and first responders and to create a collective experience to facilitate professional development, work productivity, and a sense of belonging.





Members of the ¡SALUD! BRG with Chrissy Wittman (right, Senior Director, Winemaking) at The Prisoner Wine Company

# DEI COLLABORATIONS AND KEY INITIATIVES

We are committed to extending our influence to enhance social equity within the beverage alcohol industry and the communities in which we live and work. This will require continued execution of existing programs such as our **Focus on Female Founders** and **Focus on Minority Founders** initiatives. We also plan to continue to leverage our relationships with community based organizations such as, Dress for Success Worldwide and UnidosUS. Further, through our **Supplier Diversity Program** we plan to track and grow dollars spent with diverse suppliers which will help ensure we're supporting women and minority-owned businesses through our day-to-day operations.

We believe collaborations can strengthen and reinforce our commitment to creating a more diverse, equitable, and inclusive beverage alcohol industry. In addition to supporting shared goals, these important relationships help us to scale our influence to accelerate change and create new opportunities and access.

## Seramount Employee Resource Groups Impact Awards

In calendar year 2022 the **¡SALUD! BRG** was selected as an **Honorable Mention honoree in the Community Impact category of the Seramount Impact Awards**. Groups nominated in this extremely competitive category have made a significant contribution to the communities in which their organization does business. The impactful work ¡SALUD! is doing in partnership with UnidosUS, the nation's largest Hispanic civil rights and advocacy organization, was featured in a presentation at Seramount's EmERGe Leader Summit in September 2022.

## Pronghorn Initiative

As a member of Distilled Spirits Council of the United States (DISCUS), we support our peers in their efforts to foster positive change. DISCUS' Pronghorn initiative was created to **develop a pipeline of talent from the Black community that is intended to fill 1,800 roles within the spirits industry over the next 10 years**, from internships to executive level positions. This industry-wide initiative is the first of its kind and is focused on granting access and removing barriers that have put Black people and other communities of color at a disadvantage when it comes to working, owning, and investing in the spirits industry. This is an exciting resource that has tremendous potential to help us along our journey of building and maintaining a best-in-class diverse and equitable workforce.

## Women of the Vine & Spirits (WOTVS)

WOTVS is an all-encompassing global membership organization, dedicated to boldly pushing the beverage alcohol industry toward a more diverse, equitable, and inclusive era that supports business development and innovation, empowering all to thrive. As part of our membership with WOTVS, we participated in **"Women Raising the Bar,"**<sup>(1)</sup> an industry-specific survey, created in partnership with Deloitte, that measures company performance against DEI benchmarks, which allows companies to **evaluate leading practices and facilitates accountability for building more diverse, equitable, and inclusive workplaces**. The 2022 survey highlighted that 52%<sup>(2)</sup> of women surveyed in the beverage alcohol industry believe there has been some positive changes for women in the last five years across the beverage alcohol industry.

(1) Deloitte, Women Raising the Bar

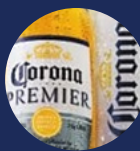
(2) Q32. To what extent have you seen positive changes in the beverage alcohol industry's attitude toward women in the last 5 years? Sample size: n=258.




**Lower ABV to 0% Portfolio Options**

As consumers reach for brands with lower calories and alcohol, our portfolio can play a role in responsible consumption by providing consumers with options. Examples include:


**Constellation Brands**

 **Corona Premier:** 90 calories, low carb

 **Corona Hard Seltzer:** 90 calories, gluten free, zero carbs and zero sugars


 **Kim Crawford Illuminate Sauvignon Blanc and Rosé:** 70 calories, 7% ABV per 5 fl. oz.

**Ruffino wine spritzers:** 6% ABV, made with Ruffino Prosecco and Sparkling Rosé, with Limonata Lemon and Arancia Rossa Blood Orange to combine sparkling water and natural flavors

 **Woodbridge Wine Sodas:** 7% ABV per 8.5 fl. oz.

**Constellation Ventures**

**HOP WTR:** A non-alcoholic, calorie-free sparkling water infused with adaptogens and nootropics

 **Karma Water:** A wellness water that delivers 6x the active ingredients than premixed vitamin waters with its patented Push Cap to assure optimal potency

# PROMOTING RESPONSIBLE BEVERAGE ALCOHOL CONSUMPTION

We believe the responsible consumption of beverage alcohol is important for the health, safety, and wellbeing of all of us. We are committed to promoting a culture that considers the welfare of all members of our communities.

While we celebrate the power of our brands to build connections, **promoting the safe and responsible enjoyment of them is foundational to who we are as a company.** As a leader in the beverage alcohol industry, we seek to ensure the responsible promotion and marketing of our products to empower adults to make responsible choices in their alcohol consumption, while fostering a culture centered around respecting the choice not to consume alcohol. Our strategy focuses on supporting fact-based education, engagement programs, and policies.

# RESPONSIBLE CONSUMPTION COLLABORATIONS AND KEY INITIATIVES

Our advocacy for responsible consumption of alcohol spans our internal teams, from Corporate Social Responsibility to Government Relations, who work 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 alcoholic 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 **DISCUS**, where, as members, we support the organization's promotion of the moderate and responsible consumption of alcohol and anti-drunk driving measures, in addition to our employees' service on various committees to support the DISCUS Code of Advertising, MyPlate and Standard Drinks education efforts, and DEI initiatives.

We also hold seats at the Executive Directors Committee and Board of Directors levels of **Responsibility.org**, a national not-for-profit that aims to eliminate drunk driving and underage drinking, while empowering adults to make a lifetime of responsible alcohol choices as part of a balanced lifestyle.

Furthering our responsibility efforts in Europe, in May 2022, Ruffino hosted the annual **Wine in Moderation (WiM) Association** conference at our Poggio Casciano and Montemasso estates in Italy. Led by Sandro Sartor, Constellation's Managing Director for Europe, Middle East, Africa, as WiM's president, WiM is a European program aimed at promoting a **culture of informed consumption and responsible drinking**, with membership that includes the main European wine trade associations.



**TEAM Training at CMAC**

Through our relationship with **TEAM**, we work with concessionaires who train their employees to support responsible consumption at events and venues where our brands are enjoyed. This calendar year, Constellation worked with TEAM to provide **Alcohol Training Certification for more than 40 Constellation employee volunteers** returning to serve at Constellation Brands Marvin Sands Performing Arts Center (CMAC). Training focuses on **blood alcohol levels, checking IDs, and serving guidelines.**



# RESPONSIBLE MARKETING

## Monitoring of Advertising Impressions

When we advertise our products to end-consumers, we use a combination of methods to forecast the number of advertising impressions made on individuals at or above the legal drinking age. Through our media placement agencies, we leverage recognized audience measurement services such as Nielsen and ComScore to measure audience composition data on a regular and frequent basis. This data helps us to ensure that our advertising placements are purchased in media outlets and audience buying platforms (i.e., programmatic digital buys) that are primarily targeted toward legal drinking age consumers and, when appropriate, specifically targeted to audiences that are age-verified as of the legal drinking age. Our **Global Code of Responsible Practices for Beverage Alcohol Advertising and Marketing** provides the fundamental framework for responsible brand advertising and marketing that helps ensure our messages are directed at legal drinking age consumers.

## Number of incidents of non-compliance with industry or regulatory labeling and/or marketing code:

In fiscal year 2022, we had zero instances of non-compliance with industry or regulatory labeling and/or marketing codes.

## Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practice:

In fiscal year 2022, we had zero monetary losses as a result of legal proceedings associated with marketing and/or labeling practice.





# GOVERNANCE

## PRINCIPLES WORTH REACHING FOR

We believe that building and maintaining trust between our business and all our stakeholders is an important aspect of our success. Throughout our history, Constellation has been committed to upholding the highest standards of ethical and legal conduct, and we are also committed to transparency in reporting regarding our operations. We see these commitments as similarly important both to living our values and to our sustained growth. The decisions we make, our policies, and our conduct seek to mitigate risk and protect people and the environment.



# CODE OF BUSINESS CONDUCT AND ETHICS

The core values instilled by our founder Marvin Sands—**centered around people, customers, entrepreneurship, quality, and integrity**—have remained constant and help define our culture. These values help ensure we keep consumers at the forefront of our decision-making; we remain flexible and agile in addressing the needs of our people, consumers, and communities; and we continue to think big, looking beyond today to deliver what’s next. **Fairness, honesty, and integrity** have been at the heart of our dealings with employees, shareholders, customers, suppliers, government agencies, and our communities for more than 75 years.

Our commitment to adhering to these principles has never wavered. **We strive to hold all employees, officers, and members of our Board of Directors (Board) accountable to the highest standards of business conduct.** As a premier producer of beverage alcohol products, it is our responsibility to exemplify the right behaviors within our own organization and our industry.



## ETHICS COMPLIANCE TRAINING

Our employees must complete ethics compliance training courses and/or acknowledge that they have read our various relevant company policies. **The Code of Business Conduct and Ethics** provides guidance to assist our employees, officers, and members of our Board when making decisions related to company values, policies, procedures, and governing laws. While the Code of Business Conduct and Ethics covers many topics, it cannot address every situation, therefore we provide an **ethical decision-making guide** that poses questions for individuals to ask themselves before acting on behalf of the company to provide guidance when making decisions.



# ANTI-BRIBERY AND ANTI-CORRUPTION

Constellation is committed to earning its business based on superior products and services, not through improper, unethical, or questionable business practices. Constellation expects its employees to strictly comply with all applicable provisions of anti-corruption laws.

Our Global Anti-Bribery & Anti-Corruption Policy prohibits bribery and other improper payments in the conduct of company business operations and describes employee responsibilities designed to ensure the implementation of the policy.

# OVERSIGHT OF RISK MANAGEMENT BY THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

## Accountability at the Highest Levels

The Board oversees the management of risks inherent in the operation of our business, with a focus on the most significant risks that we face. The Board performs this oversight role at multiple levels. In connection with its oversight of our strategic direction, as well as operations of our Beer and Wine and Spirits Divisions and corporate functions, the Board considers and addresses the primary risks associated with those strategic plans, divisions, and functions on a macro level. In addition, each Board committee addresses risks specific to the function of that committee on a micro level, including the following risk areas:

- **The Audit Committee** performs the Board’s oversight responsibilities as they relate to our accounting and enterprise risk management policies, internal controls, and financial reporting practices, and reviews and assesses our major enterprise risk exposures and the manner in which such risks are being monitored and controlled. The Audit Committee also monitors the company’s compliance with legal and regulatory requirements.
- **The Human Resources Committee** reviews our executive and non-executive compensation programs and practices as they relate to risk management practices and risk-taking incentives. The Human Resources Committee also reviews the company’s human capital matters.
- **The Corporate Governance and Responsibility Committee**, formerly named the Corporate Governance Committee prior to October 2021, oversees risks related to our governance structure and processes and our environmental, sustainability, and social responsibility programs. It administers our related person transactions policy, and as part of that administration process, oversees our processes for mitigating any risks in such transactions. It also annually reviews the pledging of company stock, if any, by executive officers and directors, and oversees risks related to any such pledging. This committee also reviews shareholder proposals and makes recommendations to the Board regarding any such proposal.



Constellation Brands, Inc., New Zealand Office

# ENTERPRISE RISK MANAGEMENT

Beyond the Board level, our **Enterprise Risk Management Committee** is comprised of members of management whose job functions relate to a wide variety of risk-sensitive areas, including **operations, internal audit, finance, accounting, legal, and information technology**. The committee meets periodically for the purposes of identifying and assessing risks that we face and developing and implementing processes and procedures to manage, mitigate, or otherwise address identified risks. To facilitate the Board’s and the Board committees’ oversight functions as they relate to risk issues, the Enterprise Risk Management Committee periodically reports to, and receives comments from, the Board and the Audit Committee.

Constellation has also established an Enterprise Risk Management Department that has worked across the organization to create an Enterprise Risk Management architecture for the company. The Enterprise Risk Management Department oversees all operational risk management activities of the organization, monitors and analyzes risks within the company’s business units, helps ensure alignment with organizational objectives, and provides input to the Enterprise Risk Management Committee and the Board on a regularly scheduled basis.

We disclose operational, strategic, financial, and other general risks which could materially affect our business, liquidity, financial condition, and/or results of operations in present and/or future periods in our Annual Report on Form 10-K. These include, among others, ESG-related risks, such as the supply of quality water, agricultural, and other raw materials; climate change-related concerns; conditions surrounding the COVID-19 pandemic; and risks related to our ESG and DEI strategies, initiatives, and targets. More information about such risks can be found in our **Form 10-K**.



# EMPLOYEE COMMITMENTS

## CULTURE WORTH REACHING FOR

We believe our strong employer leadership provides our employees with the inspiration and performance aspirations necessary to win in the marketplace and succeed as individuals. Our commitments to employee development, training, engagement, health and safety, wellbeing, and belonging help create a culture of mutual trust and shared values.



# BUILDING A BEST-IN-CLASS ORGANIZATION

## Professional Development and Training

Building diverse talent pipelines, delivering best-in-class people development, and championing professional advancement are key components of our human capital strategy, which is designed to position our business for long-term growth. We are committed to offering programs, resources, and experiences that empower employees to grow their careers and keep reaching for what's next, both personally and professionally.

In June 2022, LinkedIn recognized our commitment to our employees by ranking Constellation Brands as one of the **Top Companies in 2022 in Consumer Goods** to grow a career in the industry. One way we support our employees in the growth of their careers is through the University of Constellation Brands (UCB). UCB is built with our team members in mind. Whether a current employee, new employee, individual contributor, or manager and above, team members can find opportunities to grow, develop, gain new skills and insights, explore and expand interests, and even help make a difference in someone's life through UCB.

## Employee Engagement

We assess employee engagement through targeted pulse surveys, which provide feedback on a variety of topics, such as company direction and strategy, resources, support, work environment preferences, and wellbeing. During calendar year 2021, we had a **response rate of 76% to our survey** and an **engagement measurement of 86%** across our surveyed population, which is above benchmarking for comparable organizations.



In fiscal year 2022, we spent approximately **\$17 million in development and training costs, including the delivery of four leadership development programs and three women-focused development programs through the UCB, our learning and development center.**



**LEADERSHIP WORTH REACHING FOR**

To guide our longer-term plans, we have introduced a 10-year strategic view and aspiration for our business, and a new Leadership Standard that states what leadership looks like at our company.

The Leadership Standard includes a set of eight tenets that leaders are accountable for demonstrating. In addition, team members at all levels in the organization can adopt and reference the Leadership Standard as they develop and demonstrate leadership in their roles.

**The Leadership Standard tenets include:**

-  **1. We live the Vision**
-  **2. We make decisions like owners**
-  **3. We are consumer-obsessed**
-  **4. We create and nurture inclusive teams**
-  **5. We earn trust (and re-earn it every day)**
-  **6. We communicate clearly and candidly, debate and decide**
-  **7. We are accountable**
-  **8. We are here to win**

# OUR LEADERSHIP STANDARD

Successful leaders at Constellation Brands **shape the future through a bold vision for the company, delivered by committed teams we are privileged to lead.** Our leaders are expected to create the cultural conditions necessary to win in the marketplace and succeed as individuals. We seek to accomplish this by living our values and inspiring mutual trust throughout the organization that only comes through communicating honestly with each other, supporting our teammates, and setting standards of performance to reach for. This is what we stand for.



# HEALTH, SAFETY, AND WELLBEING

We are committed to providing a safe and healthy working environment. Our **Global Environment, Health, and Safety Policy** defines our dedication to providing a safe and healthy working environment and developing and maintaining a culture where all employees take responsibility for their own safety as well as the safety of others while minimizing our impact on the environment in the communities where we live and work.

Our goal is to protect our people and send everybody home safely from work every day. To that end, our management team and employees work together with a sense of shared responsibility as we constantly strive to observe and comply with all laws, regulations, and applicable safety rules and practices.

**Work-related injuries resulting from the production of our beer, wine, and spirits products are well below industry average.**

Our recordable incident rate as compared to the industry average are as follows:

	FY2022	FY2021	Percent Change
<b>Recordable Incident Rate <sup>(1)</sup></b>	0.79	0.95	(17%)
<b>Industry Average <sup>(2)</sup></b>	3.45	3.50	

(1) Defined as total number of worldwide Constellation work-related injuries (cases beyond first aid) per 100 full-time employees.  
 (2) Calculated by taking the weighted average of the most recent (2020) U.S. Bureau of Labor Statistics data for wineries, breweries, and distilleries based on our portfolio mix on February 2022 and February 2021 for the years ended February 28, 2022, and February 28, 2021, respectively.

Lost time work-related injuries resulting from the production of our beer, wine, and spirits products are also well below industry average. Our days away from work rates as compared to the industry average are as follows:

	FY2022	FY2021
<b>Days Away from Work Rate <sup>(1)</sup></b>	0.28	0.27
<b>Industry Average <sup>(2)</sup></b>	1.18	1.08

(1) Defined as total number of worldwide Constellation work-related injuries (cases beyond first aid) that had at least one lost day per 100 full-time employees.  
 (2) Calculated by taking the weighted average of the most recent (2020) U.S. Bureau of Labor Statistics data for wineries, breweries, and distilleries based on our 2020 portfolio mix on February 2022 and February 2021 for the years ended February 28, 2022, and February 28, 2021, respectively.



## Mental Health and Wellbeing

Employee mental health and wellbeing is a priority for our organization. In addition to resources implemented over the past year to support active mental health—including Whil (a platform for Emotional IQ, meditation, and yoga sessions designed for reducing stress, anxiety and depression) and Talkspace (which allows face to face messaging with an in-network therapist anytime 24/7 at no cost)—we also partner with our BRGs to provide focused support to employees on a variety of timely topics, including parenting through trauma, supporting mental health at work, and improving sleep in the COVID-19 era. We continued our relationship with Whil’s experts and hosted the first event of a new round of our Mental Health and Wellbeing Speaker Series in June 2022. We plan to host future sessions on topics such as sleep, burnout, and continued discussions on stress management. **Our Wellness team shares a quarterly newsletter, “Building a Better You,” focused on helping employees to prioritize physical and mental wellbeing,** minimize stress, and ensure they have the right resources to be effective.

## COVID-19 Response and Policies

Since the onset of the COVID-19 pandemic, we have implemented various measures aimed at reducing the spread of the virus including working from home, restricting visitors to our production locations, screening workers before they enter facilities, enforcing social distancing, and encouraging employees to adhere to prevention measures recommended by the Centers for Disease Control and Prevention and the World Health Organization.

Additionally, our Chief Medical Officer provides ongoing health-related advice and expertise to our executive officers, Crisis Management Committee, and human resources leadership teams as they make decisions designed to **protect the health and safety of our workforce.**

Learning from our experiences, Constellation has taken a number of decisive actions in the past two-plus years to respond to the ongoing disruption caused by the pandemic. We continue to implement policies and practices related to our people and our business that allow us to focus on protecting the health and safety of our employees, consumers, and the communities we serve. Some of those actions include:

- Provided personal protection equipment at all locations, no-touch devices, sanitizing stations, signage, and other supporting measures.
- Provided a COVID-19 sick leave program with 100% pay replacement in the event of exposure.
- Reopened access to our offices while maintaining social distancing, and with face covering requirements based on local conditions.

# FLEXABILITY

We believe that many of our employees can meet the demands of their roles without being at the same location as their peers or managers and that work can flex, in many cases, to allow for employees to manage personal needs, while still delivering results. **“FlexAbility” was launched in calendar year 2018 to facilitate discussions and agreements between employees and managers about flexible work arrangements.** To support our team members’ ongoing desire for flexible work arrangements, including remote work, during the past two-plus years of the pandemic, we expanded and updated our FlexAbility program. Today, flexible work arrangements, and remote work in particular, remain important to our team members and to the company as we work to meet our ambitious goals moving forward. Under the FlexAbility program, team members may consider working in the office every day or explore part-time or full-time remote work.





# INDICES



# OUR COMMITMENT TO GLOBAL STANDARDS

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The SDGs are a collection of 17 global goals established in 2015 by the United Nations General Assembly. SDGs are designed to serve as a blueprint for achieving a better and more sustainable future for all. Our **sustainability targets are aligned with six SDGs** that we believe provide our industry and our business with the **greatest opportunities to make meaningful, positive impacts for people and the planet.**

<p><b>SDG 2</b> Zero Hunger</p>	<p><b>SDG 6</b> Clean Water and Sanitation</p>	<p><b>SDG 7</b> Affordable and Clean Energy</p>
<p>We support this goal by partnering with key raw material suppliers to develop and implement sustainable farming and agriculture initiatives.</p>	<p>We support this goal by focusing on longer-term initiatives, including efforts to reduce pollution to improve water quality, improve water use efficiency, ensure sustainable withdrawals and supply of freshwater to address water scarcity, and support the participation of local communities in improving water and sanitation management.</p>	<p>We support this goal by working to decrease our dependence on non-renewable energy sources, reduce greenhouse emissions, and reduce energy consumption.</p>
<p><b>SDG 12</b> Promoting Responsible Consumption and Production</p>	<p><b>SDG 14</b> Life Below Water</p>	<p><b>SDG 15</b> Life on Land</p>
<p>We support this goal by promoting sustainable management and efficient use of natural resources within our own operations.</p>	<p>We support this goal by preventing and reducing marine pollution through our Pacifico Preserves and Corona's Protect Our Beaches initiatives.</p>	<p>We support this goal through our involvement with California Sustainable Winegrowing Alliance and Fish Friendly Farming in the U.S. and with Sustainable Wine-Growing New Zealand. We also support this goal through our SQNPI–Italy Lodi Rules certification and our Fish Friendly Farming certification by restoring fish and wildlife habitat and working to improve water quality in Napa and Sonoma counties in California.</p>





The Sustainability Accounting Standards Board (SASB) Standards guide the disclosure of financially material sustainability information by companies to their investors. The Standards identify the subset of ESG issues most relevant to financial performance in each industry. Constellation Brands is reporting against the SASB Standard for the Alcoholic Beverage industry. For this, we report both accounting metrics and activity metrics as defined by SASB. Accounting metrics are a set of quantitative and/or qualitative accounting metrics intended to measure performance on each topic. Activity metrics are a set of metrics that quantify the scale of a company's business and are intended for use in conjunction with accounting metrics to normalize data and facilitate comparison.

**SASB ACCOUNTING METRICS**

ACCOUNTING METRIC	UNIT OF MEASURE	LOCATION
<p><b>ENERGY MANAGEMENT</b></p> <p>Total energy consumed, percentage grid electricity, percentage renewable</p>	Gigajoules (GJ), Percentage (%)	ESG Impact Report 2022 - Reducing GHG Emissions (pg. 26)
<p><b>WATER MANAGEMENT</b></p> <p>(1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</p> <p>Discussion of water management risks and description of management strategies and practices to mitigate those risks</p>	Megaliters (Ml), Percentage (%)	ESG Impact Report 2022 - Water Withdrawals (pg. 22)
	N/A	CDP Water Security 2022 Report - W1.2b/d
		ESG Impact Report 2022 - Modeling Water Stewardship for Our Industry (pg. 16); Water Stewardship in Action in Our Brewery Operations (pg. 18); Water Stewardship in Action in Our Wine and Spirits Operations (pg. 20)
		CDP Water Security 2021 Report - W4
		CBI is taking steps to disclose more detailed information on this metric in the future.
<p><b>RESPONSIBLE DRINKING &amp; MARKETING</b></p> <p>Percentage of total advertising impressions made on individuals at or above the legal drinking age</p> <p>Notices of violations received for non-conformance with industry and regulatory marketing and/or labeling codes</p> <p>Amount of legal and regulatory fines and settlements associated with labeling and/or marketing practices</p> <p>Description of efforts to promote responsible consumption of alcohol</p>	Percentage (%)	ESG Impact Report 2022 - Responsible Marketing (pg. 66)
	Number	ESG Impact Report 2022 - Responsible Marketing (pg. 66)
	U.S. Dollars (\$)	ESG Impact Report 2022 - Responsible Marketing (pg. 66)
	N/A	ESG Impact Report 2022 - Promoting Responsible Consumption of Beverage Alcohol (pg. 64); Business Resource Groups (pg. 65); Responsible Marketing (pg. 66)
		CBI Global Advertising Code of Responsible Practices

ACCOUNTING METRIC	UNIT OF MEASURE	LOCATION
<p><b>PACKAGING LIFECYCLE MANAGEMENT</b></p> <p>(1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable and/or compostable</p> <p>Description of strategies to reduce the environmental impact of packaging throughout its lifecycle</p>	Metric tons (t), Percentage (%)	CBI is taking steps to be able to disclose this information in the future.
	N/A	CBI is taking steps to be able to disclose this information in the future.
<p><b>ENVIRONMENTAL &amp; SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAINS</b></p> <p>Suppliers' social and environmental responsibility audit conformance:</p> <p>(1) major non-conformance rate and associated corrective action rate and</p> <p>(2) minor non-conformance rate and associated corrective action rate</p>	Rate	CBI is taking steps to be able to disclose this information in the future.
<p><b>INGREDIENT SOURCING</b></p> <p>Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress</p> <p>List of priority beverage ingredients and discussion of sourcing risks due to environmental and social considerations</p>	Percentage (%) by spend	CDP Water Security 2022 Report - W-FB1.2e/f/g
	N/A	CDP Water Security 2022 Report - W-FB1.2e/f/g

**SASB ACTIVITY METRICS**

ACTIVITY METRIC	UNIT OF MEASURE	FY2020	FY2021	FY2022	NOTES
Volume of products sold	Millions of hectoliters (Mhl)	365,500,000	379,600,000	394,100,000	
Number of production facilities		41 Facilities:	28 Facilities:	28 Facilities:	The number of breweries decreased in fiscal year 2021 as we closed 3 craft breweries.
		12 Breweries	5 Breweries	5 Breweries	
		3 Distilleries	4 Distilleries	4 Distilleries	
		26 Wineries	19 Wineries	19 Wineries	The number of wineries decreased in fiscal year 2021 as we divested several wineries.
Total fleet road miles traveled	Miles	15,637,076	10,831,919	12,548,312	The total fleet road miles traveled decreased in FY2021 due to COVID-19 related reduced travel. This data represents U.S. only.



# TCFD

The recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) are designed to solicit decision-useful, forward-looking information that can be included in annual disclosures. The recommendations are structured around four thematic areas that represent core elements of how organizations operate: governance, strategy, risk management, and metrics and targets. See the table below for more information on how Constellation Brands' disclosures align to the recommendations of the TCFD.

TOPIC AND DISCLOSURE	LOCATION
<p><b>GOVERNANCE:</b></p> <p>A. Describe the board's oversight of climate-related risks and opportunities.</p> <p>B. Describe management's role in assessing and managing risks and opportunities.</p>	<p>CDP Climate Change 2022 Report - C1 Governance</p> <p>CDP Climate Change 2022 Report - C1 Governance</p>
<p><b>STRATEGY:</b></p> <p>A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p> <p>B. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p> <p>C. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>ESG Impact Report 2022 - Reducing GHG Emissions (pg. 26); GHG Strategies in Action (pg. 28)</p> <p>CDP Climate Change 2022 Report - C2 Risks and Opportunities</p> <p>CDP Climate Change 2022 Report - C2 Risks and Opportunities</p> <p>CDP Climate Change 2022 Report - C3 Business Strategy</p> <p>CBI anticipates using qualitative and/or quantitative climate scenario analysis in the next two years.</p>
<p><b>RISK MANAGEMENT:</b></p> <p>A. Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>B. Describe management's role in assessing and managing risks and opportunities.</p> <p>C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>CDP Climate Change 2022 Report - C2 Risks and Opportunities</p> <p>CDP Climate Change 2022 Report - C1 Governance; C2 Risks and Opportunities</p> <p>CDP Climate Change 2022 Report - C1 Governance; C2 Risks and Opportunities</p>
<p><b>METRICS &amp; TARGETS:</b></p> <p>A. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.</p> <p>C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>ESG Impact Report 2022 - Reducing GHG Emissions (pg. 26); GHG Strategies in Action (pg. 28)</p> <p>CDP Climate Change 2022 Report - C2 Risks and Opportunities; C4 Targets and Performance</p> <p>ESG Impact Report 2022 - GHG Strategies in Action (pg. 28)</p> <p>CDP Climate Change 2022 Report - C6 Emissions Data</p> <p>CDP Climate Change 2022 Report - C4 Targets and Performance</p>

# INFORMATION REGARDING FORWARD-LOOKING STATEMENTS, DISCLAIMERS, AND CAUTION REGARDING OUTDATED MATERIAL

The data and information in this ESG Impact Report (Report), which has been prepared by us, are presented for informational purposes only.

This Report may contain forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. All statements other than statements of historical fact included in this Report are forward-looking statements, including without limitation statements relating to our business and ESG strategy, future plans, events, performance, targets, goals, or objectives, future operations, future environmental, financial, or social metrics, or expected actions of third parties. When used in this Report, the words "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. All forward-looking statements speak only as of the date of this Report, October 13, 2022. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. In addition to the risks and uncertainties of ordinary business operations and conditions in the general economy and markets in which we compete, the forward-looking statements contained in this Report are also subject to the risk, uncertainty, and possible variance from our current expectations regarding: 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; beer operations activities taking place on expected scope, terms, costs and timetables; health epidemics or pandemics; and other factors and uncertainties disclosed from time to time in our filings with the U.S. Securities and Exchange Commission. Any projections of future results of operations should not be construed in any manner as a guarantee that such results will in fact occur, and investors should not place undue reliance on forward-looking statements as a prediction of actual results or actual performance.

Certain information contained herein relating to any goals, targets, intentions, or expectations, including with respect to water stewardship and climate change-related targets and goals and related timelines, is subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met.

Similarly, there can be no assurance that our ESG policies and procedures as described in this Report will continue; such policies and procedures could change, even materially. We are permitted to determine in our discretion that it is not feasible or practical to implement or complete certain of our ESG initiatives, policies, and procedures based on cost, timing, or other considerations.

Certain information contained herein has been obtained from third parties, and in certain cases have not been updated through the date hereof. We have not independently verified the data from these third-party sources. While these third-party sources are believed to be reliable, we make no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness, or completeness of any of the information contained herein, and we expressly disclaim any responsibility or liability therefor.

Unless otherwise indicated, the information presented is as of October 13, 2022. Thereafter, it should be considered historical and not subject to further update by us.

Nothing contained herein constitutes investment, legal, tax, or other advice nor is it to be relied on in making an investment or other decision. The notes offered under our commercial paper program have not been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the U.S. absent registration or an applicable exemption from registration requirements. This Report should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities, including the notes under our commercial paper program.





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