



ESG

**IMPACT
REPORT**

2023

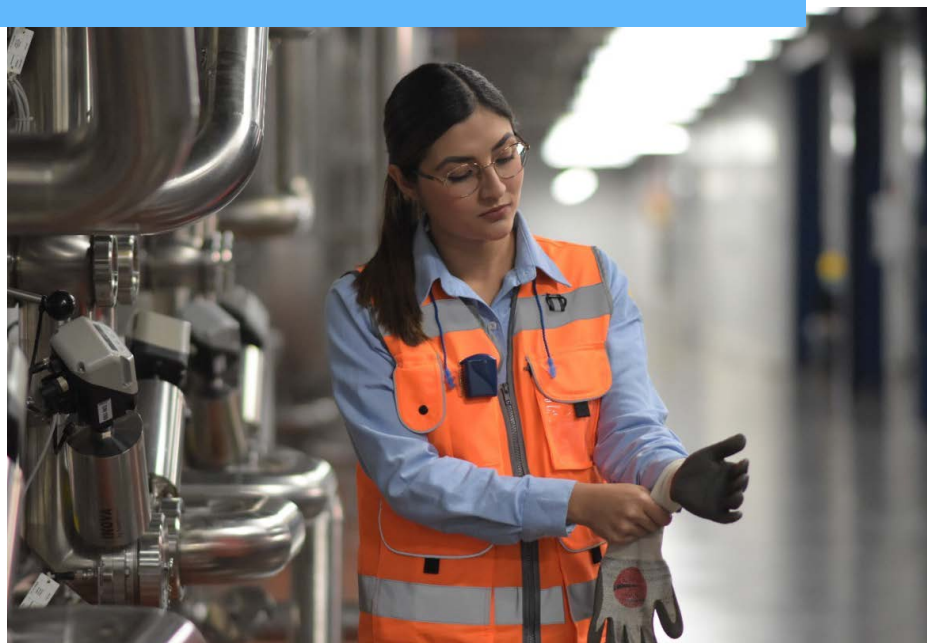


Constellation Brands
WORTH REACHING FOR



ESG Impact Report

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Unless the context otherwise requires, the terms "company," "Constellation," "CBI," "we," "our," or "us" refer to Constellation Brands, Inc. and its subsidiaries. Constellation Brands' fiscal year runs from March 1 to February 28 or 29. In this ESG Impact Report, we use both calendar year data and fiscal year data. Fiscal year 2023, which ended on February 28, 2023, was our last completed fiscal year.

CREATING A FUTURE THAT'S TRULY WORTH REACHING FOR

Our vision as a company is to help elevate human connections and communities, working to create a future for all stakeholders that is truly *Worth Reaching For*. We do this in part by holding steadfast to our commitments:

- To operate in a manner that safeguards our environment and natural resources to help build vibrant and sustainable communities where our facilities are located;
- To help bolster support for underserved members of our surrounding communities, positively impacting their lives, careers, and ability to prosper; and
- To advocate for responsible consumption of beverage alcohol products to help ensure the continued safety and wellbeing of our consumers.

Our more than 10,000 dedicated team members across our company work together each day alongside community allies, government and regulatory authorities, and nongovernmental organization (NGO) partners to develop and execute targeted initiatives that help fulfill our company's promise—to deliver on bold ESG goals that are good for the world and good business.

Working together, we've made meaningful progress against our environmental stewardship goals. Earlier this year, we surpassed our target to restore approximately 1.1 billion gallons of our water withdrawals back to local watersheds near our production facilities between fiscal year 2023 and fiscal year 2025. We also worked with local authorities and community members in multiple cities neighboring our brewery in Nava, Coahuila, Mexico, to build infrastructure that significantly enhanced residents' access to quality water. But we're far from finished, as evidenced by our recently announced new water withdrawal restoration target—to restore a total of 5 billion gallons of our water withdrawals back to local watersheds near our production facilities between fiscal year 2023 and fiscal year 2025.

We also continue to make progress in managing our GHG emissions. This Report highlights a number of initiatives our team has undertaken to manage our Scope 1 and Scope 2 emissions and to enhance our data collection and reporting capabilities. This includes our capabilities for collecting supplier emissions data, which is a meaningful step towards our ambition to align with science-based target initiatives.

And we expanded our environmental commitments beyond water and GHG earlier this year to include two new targets focused on reducing our operational waste and enhancing our company's use of circular packaging.

Shifting gears, we also continued to advance our efforts related to social impact, providing access to beneficial resources and meaningful opportunities for members of underserved communities to seek to create greater equity within our industry, communities, and company. Our commitment starts with our team. Through enhancements to our recruiting and hiring processes, in fiscal year 2023 we increased female and ethnically diverse representation within our U.S. exempt employee base aligned with our goal to cultivate a best-in-class, industry-leading, diverse workforce that reflects the consumers and communities we serve.

From an industry perspective, we made additional progress against our commitment to invest a total of \$200 million to support female- and minority-founded businesses in the beverage alcohol space over a 10-year period. Through August 2023, we've invested more than \$98 million in 12 female- and minority-founded small businesses. In addition to investment funds, we also provide these companies access to Constellation's expertise in areas such as finance, marketing, and distributor and retailer relations.

And within our communities, our efforts in partnership with organizations such as Dress for Success, UnidosUS, and the National Restaurant Association Educational Foundation (NRAEF) have benefitted more than 18,000 individuals and families over the past two calendar years as we work together to enhance economic development and prosperity in underserved communities.

Lastly, in a milestone period for our company, we made significant enhancements to our corporate governance structure, including:

- Transitioning from a dual to a single class, one share, one vote common stock structure;
- Implementing a Board-approved prohibition on any director or executive officer pledging our common stock with a capped carve-out for specified levels of pledging by certain individuals and entities affiliated with the Sands family;
- Initiating a comprehensive Board refreshment process and electing two new Board members with strong financial backgrounds who we believe will benefit the company as we engage in future long-range planning and capital allocation discussions; and
- Engaging in a process to identify a new independent Board Chair.

We invite you to learn more about these efforts and many others that are outlined in this Report.

While we still have much work to do in the years ahead to achieve our long-term ESG aspirations, I'm extremely proud of what our team has accomplished to date. I want to thank our Constellation Brands team members for your passion, hard work, and dedication towards driving continued progress against our ESG goals, as well as our industry, community, and NGO partners for your continued support and collaboration. Working together, we will continue to strive to achieve our aspirations of creating a future that is *Worth Reaching For*.



BILL NEWLANDS, PRESIDENT & CEO



Bill Newlands, President and CEO

We believe our ESG strategy enables us to better meet stakeholder expectations and create and protect value for our business, reflects our company values, and directly addresses pressing environmental and societal needs that are important to our shareholders, communities, consumers, and employees. Specifically, we have focused on areas where we believe we have the greatest opportunities to make meaningful, positive impacts for people and the planet in a manner that strengthens our company, and we dedicate our resources towards the following key areas, which we discuss in this Report:

SERVING AS GOOD STEWARDS OF OUR ENVIRONMENT AND NATURAL RESOURCES

Improving water availability and resilience for our communities where we operate. 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 for future generations.

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

Commitment to waste reduction and circular packaging. We seek to continually improve the ways we manage our waste to reduce the environmental impact of our waste generation, transportation, and disposal. For this reason, we are implementing plans to reduce our operational waste and significantly enhance our use of circular packaging across our portfolio.

ENHANCING SOCIAL EQUITY WITHIN OUR INDUSTRY AND COMMUNITIES

Championing the professional development and advancement of women in the beverage alcohol industry and in 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 workplace 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 us all.

A FUTURE WORTH REACHING FOR

We firmly believe that the actions we take now will help build a stronger tomorrow. For more than 75 years, we have grounded our success in the guiding beliefs that **it's worth our time, energy, and resources to help our communities and our planet thrive** because it's not only good business but also good for the world.

Our story is one of tenacity and growth as courageous brand builders. 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.**

We attribute much of our success to our ability to anticipate market trends and evolving consumer preferences, and we strive with the same foresight to focus on a more sustainable future for generations to come. **We remain committed to delivering more for our consumers, shareholders, employees, and the communities where we live and work.**

As a leader in beverage alcohol with more than 10,000 employees primarily in the United States, Mexico, Italy, and New Zealand, **our mission is to build brands that people love.** We pride ourselves on being consumer-obsessed, and as part of our efforts to drive long-term business growth for both our people and our products, we aspire to **elevate human connections.** More than ever, we believe this requires a unified strategy that engages our global workforce, while supporting vulnerable populations where we live and work.

These aspirations underscore our commitments to protect the environment, model social responsibility, and build trust through transparency. This Report **highlights our goals and the progress** we have made toward pertinent performance targets. We are proud to share the contributions made possible by the work of our employees, partners, and collaborators, who are instrumental in advancing our efforts.

This Report covers certain ESG 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 it references the United Nations Sustainable Development Goals.

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 and will 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, we aspire to foster an environment where everyone feels empowered to bring their true selves and different points of view to the workplace to drive us forward.

Customers

We work relentlessly 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.



Our strategic path forward is to consistently deliver industry-leading total shareholder returns over the long term through a focus on these key strategic pillars:



Continue to build strong brands people love with advantaged routes to market.



Build a culture that is consumer-obsessed and leverages robust innovation capabilities to stay on the forefront of consumer trends.



Deploy capital in line with disciplined and balanced priorities.



Deliver on impactful ESG initiatives that we believe are not only good for business, but also good for 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 which we believe has supported our bottom line while also grounding our aspirations beyond it.

We believe our ESG strategy enables us to better meet stakeholder expectations and create and protect value for our business, embodies our company values, and directly addresses pressing environmental and societal needs for our shareholders, communities, consumers, and employees.

We continue to evolve our ESG strategy and focus our efforts where we believe we can make the most impact and strengthen our business. Informed by leading reporting frameworks such as SASB, market and industry trends, and stakeholder surveys and interviews, in fiscal year 2023, we implemented the following to evolve our ESG strategy:

- Project for Good, an internal continuous improvement project, which is intended to further enhance established processes and controls for monitoring and reporting of ESG metrics and enable reporting in line with established standards or frameworks.
- Enablon ESG software module to assist with data collection and reporting across water conservation and GHG emissions.
- Scope 3 data calculations, using a combination of spend-based method (\$/emissions) and weight-based method (weight/emissions) for relevant Scope 3 GHGs we measure, improving the accuracy of our data.

In addition, in fiscal year 2024, we established two new environmental stewardship commitments for packaging and waste—pursuing a TRUE Certification for Zero Waste in key operating facilities¹ and significantly enhancing our use of circular packaging² across our portfolio, both by fiscal year 2025. We also established an updated water stewardship target after exceeding our original target, and we seek to restore an incremental 4 billion gallons of water withdrawals from local watersheds near our production facilities between fiscal year 2023 and fiscal year 2025, for a total target of 5 billion gallons of water withdrawals restored.

¹Key operating facilities, for the purposes of this target, consist of our major production facilities (i.e., our breweries in Mexico and our U.S. wineries generating the vast majority of waste).

²We consider “circular packaging” to include returnable, recyclable, or renewable packaging.

Serving as good stewards of our environment and natural resources

Improving water availability and resilience for our communities where we operate

- We are targeting to restore 5 billion gallons of water withdrawals from local watersheds near our production facilities between fiscal year 2023 and fiscal year 2025.
- We aim to benefit communities where we operate and that have been challenged with water accessibility through water infrastructure improvement projects.

Reducing GHG emissions through energy conservation and renewable energy initiatives

- We aim 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 GHG emissions

Reducing operational waste and enhancing our use of returnable, recyclable, or renewable packaging

- We are pursuing a TRUE Certification for Zero Waste in key operating facilities.¹
- We are committed to reducing our ratio² of packaging weight to product weight by 10% across our Wine & Spirits portfolio by the end of fiscal year 2025.³
- We are working to ensure that 80% of packaging from our Wine & Spirits portfolio is returnable, recyclable, or renewable.
- We aim to replace hi-cone plastic rings with recyclable paperboard for all applicable 4-pack and 6-pack stock keeping units (SKUs) across our Beer portfolio by the end of fiscal year 2025.

- We have achieved our original target to restore approximately 1.1 billion gallons of water withdrawals from local watersheds ahead of our timeline. As such, we have increased our target, and we seek to restore an incremental 4 billion gallons of water withdrawals from local watersheds near our production facilities between fiscal year 2023 and fiscal year 2025, for a total target of 5 billion gallons of water withdrawals restored.

- We implemented water infrastructure projects in communities in Mexico which are expected to improve water accessibility and quality for approximately 11,150 people.

- We are in the process of installing the infrastructure to convert the Obregon Brewery from fuel oil to more efficient and less GHG emissions-emitting natural gas.

- We installed solar panels at the Pontassieve Winery for our Ruffino wine brand and are in progress with solar panel installation at The Prisoner Wine Company.

- We source wind power for our Woodbridge Winery, which purchased more than 15 million kilowatt hours (kWh) in fiscal year 2022.

- Our Nava and Obregon breweries are in the process of being evaluated for TRUE Certification for Zero Waste.

- We are activating 33 sustainable packaging projects in our Wine & Spirits Division across 17 brands and 186 SKUs in fiscal year 2024 helping to optimize material consumption, reducing transportation weight, and contributing to reduced consumer waste.

- All Corona and Modelo 4-pack and 6-pack can packaging has been converted to paperboard as of August 2023.

¹Key operating facilities, for the purposes of this target, consist of our major production facilities (i.e., our breweries in Mexico and our U.S. wineries generating the vast majority of waste).

²Total packaging weight versus weight of wine or spirits liquid.

³From baseline fiscal year 2022 ratio of packaging weight to product weight in Wine & Spirits portfolio.



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 \$85.2 million in female-led or -founded businesses through August 2023.
- As a corporate partner of Dress for Success, we offered virtual and in-person training sessions focused on employability and personal image that benefitted approximately 2,700 women in the U.S. and Mexico. The estimated number of hours volunteered by Constellation employees with Dress for Success increased by more than 15%. We organized several suit drives in Mexico City, Coahuila, and Sonora that reached nearly 1,350 women.

Enhancing economic development and prosperity in disadvantaged communities

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

- We have invested \$22.3 million in minority-owned companies through August 2023.
- Our support of UnidosUS helped more than 5,600 Hispanic families strengthen their financial security through financial coaching and housing counseling programs in calendar year 2022.
- Our multi-year commitment to support the National Restaurant Association Educational Foundation (NRAEF) and the launch of its “Restaurants Advance” campaign helped NRAEF offer programs to prepare high school students for restaurant jobs and careers, provide more than 280 students with scholarships to pursue higher education in the restaurant, food service and hospitality industry, support approximately 200 service members’ transition into the industry, and advance other efforts to build and nurture a sustainable workforce.

Enhancing social equity within our industry and communities

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

- We have established aspirations to enhance female representation and overall ethnic diversity within 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 all employees, including underrepresented groups.

- Our female representation and overall ethnic diversity representation increased to 45% and 24%, respectively in fiscal year 2023 within our U.S. salaried population.
- Collectively, our U.S. Business Resource Groups (BRGs) held over 30 events in fiscal year 2023 to provide engagement, education and awareness, and to increase proximity to the experiences of others to foster our inclusive workplace culture. Additionally, we expanded our BRGs to Mexico and New Zealand, where each of our local teams established BRGs.

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.

- 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, help eliminate drunk driving and work with others to end all impaired driving, and help eliminate underage drinking.
- In fiscal year 2023, we had zero instances of non-compliance with industry or regulatory labeling and/or marketing codes.

SERVING AS GOOD STEWARDS OF OUR ENVIRONMENT AND NATURAL RESOURCES

Caring for Our Planet

A healthy environment is good for the world and the ongoing success of our business as an agricultural-based company, and we believe it is our shared responsibility to care for our planet's precious resources on behalf of future generations.

Lingua Franca, Oregon



WHAT'S A BILLION GALLONS OF WATER WORTH?

When it represents a lifetime supply for thousands of families,¹ it's immeasurable. That's why we approached our original water withdrawal restoration target with so much momentum that we reached our target early, restoring more than 1.1 billion gallons of water withdrawals from local watersheds ahead of our fiscal year 2025 goal. **We now aspire to build on this momentum to restore a total of 5 billion gallons of water withdrawals by the end of fiscal year 2025.** And we've implemented several projects to help improve the accessibility and quality of water for communities where we operate.

Protecting our planet's most precious natural resource?
It's Worth Reaching For.

¹How We Use Water | US EPA

IMPROVING WATER AVAILABILITY & RESILIENCE FOR OUR COMMUNITIES WHERE WE OPERATE

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 help build strong communities and businesses.** It is, therefore, our responsibility to be good stewards of the water we use while working to help ensure the resiliency of water resources for future generations. In our operations, we continue implementing disciplined water management strategies and investing in water efficiency measures.

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 **promote water resiliency where we live and work**—listening, collaborating, and working to treat natural resources with respect while investing in public infrastructure and watershed health for our collective benefit.

Our ambition is to **protect the water resources in the communities where we operate by collaborating with community leaders and organizations** to support local watersheds and enable the restoration of water consumed by our operations. As such, the water accessibility projects and water infrastructure improvements we have supported are expected to help approximately 11,150 people.

In fiscal year 2022, we developed a water restoration target to restore approximately 1.1 billion gallons of water withdrawals from local watersheds between fiscal year 2023 and fiscal year 2025. We have made meaningful progress in our water stewardship efforts, and in fiscal year 2023, we surpassed our initial water withdrawal restoration target ahead of our fiscal year 2025 timeline. Now we have set a more ambitious target, designed to generate greater benefits that we plan to achieve by collaborating with key stakeholders, community leaders, and other organizations that share similar values and goals.

As we work to deliver our near-term goals, we also continue to look ahead. Tackling the root of water challenges faced by our business requires effective, proactive collaboration and action to achieve meaningful, lasting progress. Therefore we remain 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 among our standard business practices. We highlight several of our water stewardship efforts in this Report along with our most recent water efficiency and management metrics.



We are targeting to restore 5 billion gallons of water withdrawals from local watersheds, while improving accessibility and quality of water for communities where we operate between fiscal year 2023 and fiscal year 2025.

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 withdrawal restoration and infrastructure improvement for the communities where we operate.** Projects have been identified collaboratively and through input and guidance from third-party water restoration organizations that aim to benefit the communities and overall watershed health where we operate, while also contributing to our companywide water withdrawal restoration target.

In the state of Sonora, Mexico, where our **Obregon Brewery** is located, we have worked with the Yaqui River Irrigation District to support infrastructure upgrades to improve irrigation efficiency and reduce demand in this agricultural region. These improvements, which were a significant contributor in reaching our initial water withdrawal restoration target, have **increased the efficiency of the irrigation system from 88% to 92%**, reducing the amount of water lost. In addition, 11 pumping wells were modernized, which contributed toward reducing water demand and increasing crop production.

The brewery has also introduced a new water recovery plant designed to recover, treat, and make available 720 cubic meters of water per day, as well as a reverse osmosis module that we expect to save up to 5% of freshwater use.

The **Nava Brewery**, located in the state of Coahuila, Mexico, continues its commitment to engage with the community around ecosystem stewardship while aiming to optimize water use across the brewery. In fiscal year 2023, a project to optimize water in packaging line vacuum pumps was completed, which enabled the reuse of approximately 100,000 cubic meters of water. Importantly, **100% of the wastewater generated during the beer production processes is treated in the brewery's wastewater treatment plants.** Of the wastewater treated, approximately 35% is reused in cooling systems, irrigation, and other uses.

Additionally, the Nava Brewery continued its collaboration with local and state governments and the community to improve access to water in the city of Zaragoza, a community near the brewery. The first phase of the community project, which included the drilling of new water wells, was completed in July 2022. As part of the project, more than 36,000 linear meters of the urban and domestic water supply network have been renovated. In February 2023, the community project launched needed infrastructure improvements for hydraulic work, further improving the water system and access for approximately 11,150 people.

WATER STEWARDSHIP IN ACTION IN OUR WINE & SPIRITS OPERATIONS

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 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. 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.

All our owned and leased vineyards in California routinely adhere to **documented water management plans** as required by certification programs including the California Sustainable Winegrowing Alliance and/or Fish Friendly Farming. We use the guidance of these plans to support the designated beneficial use of the water by developing grape growing goals 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. Irrigating wine grapes is about putting the right amount of water at just the right time, and ongoing improvements in precision irrigation and water conservation practices over that time have led to significant water usage reductions among our owned and leased vineyards in California. The implementation of a system of approximately 90 soil moisture sensors throughout our vineyards provides continuous monitoring of soil moisture down to approximately four feet. Readings are taken every 15 minutes and allow us to see how

irrigation water moves through the various soil profiles in our vineyards. This system allows us to be more efficient with our irrigation by not pushing water below the vine's roots, and by finding the precise intersection of vine health, wine quality, and water efficiency.

As we convert some of our vineyards to organic processes, we've adjusted the management of how we treat algae and weeds in our irrigation reservoirs. Using organic controls, we have started to implement an ultra-sonic system at certain locations that uses sound waves to manage algae without the use of any chemicals.

We also 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 Valley River**. The project impacts approximately 70 parcels and 34 different private entities, including our Oakville Estate and Wappo Hill Vineyards. Through August 2023, 23 project sites 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 New Zealand, in the Hawkes Bay region where the Selaks Winery and Hawkes Bay Vineyards are located, new regulations have been introduced with respect to the management of surface and groundwater quantity and quality. Our teams are working with policymakers and other stakeholders to protect water supplies for the winery and vineyards as well as the local community. In calendar year 2022, Selaks Winery was **among the most water efficient across New Zealand's largest wineries in terms of water usage**, utilizing less than the large-winery average of 1.9 liters of water per liter of wine.¹

¹Source: Sustainable Winegrowers personalized winery water report for the 2021/2022 season (2022 vintage).



PARTNERING FOR IMPACT

Our relationship with The Nature Conservancy is central to our commitment to water stewardship and our strategy to help ensure the resiliency of water resources for future generations. In February 2022, we made our first donation to support the organization's Global Resilient Watersheds program. In April 2022, we made an additional two-year commitment which expanded our support in California's San Joaquin Valley where we operate two wineries (Woodbridge and Mission Bell), a major distribution hub (Lodi Distribution Center), and several vineyards. In March 2023, we made another two-year commitment to support conservation efforts in the Rio Grande Basin. In total, we have committed \$1.1 million to support The Nature Conservancy.

In the Rio Grande Basin, we support a sustainable agriculture program that we believe improves crop, irrigation, and grazing practices and protects groundwater. These nature-based strategies help protect regions in the U.S. and Mexico that are important to our facilities and operations, and they provide volumetric benefits toward our water withdrawal restoration goals while also supporting the communities in which we live and work.

To recognize World Water Day in March 2023, almost 500 employees attended an interactive virtual presentation featuring The Nature Conservancy and Constellation Brands sustainability specialists.

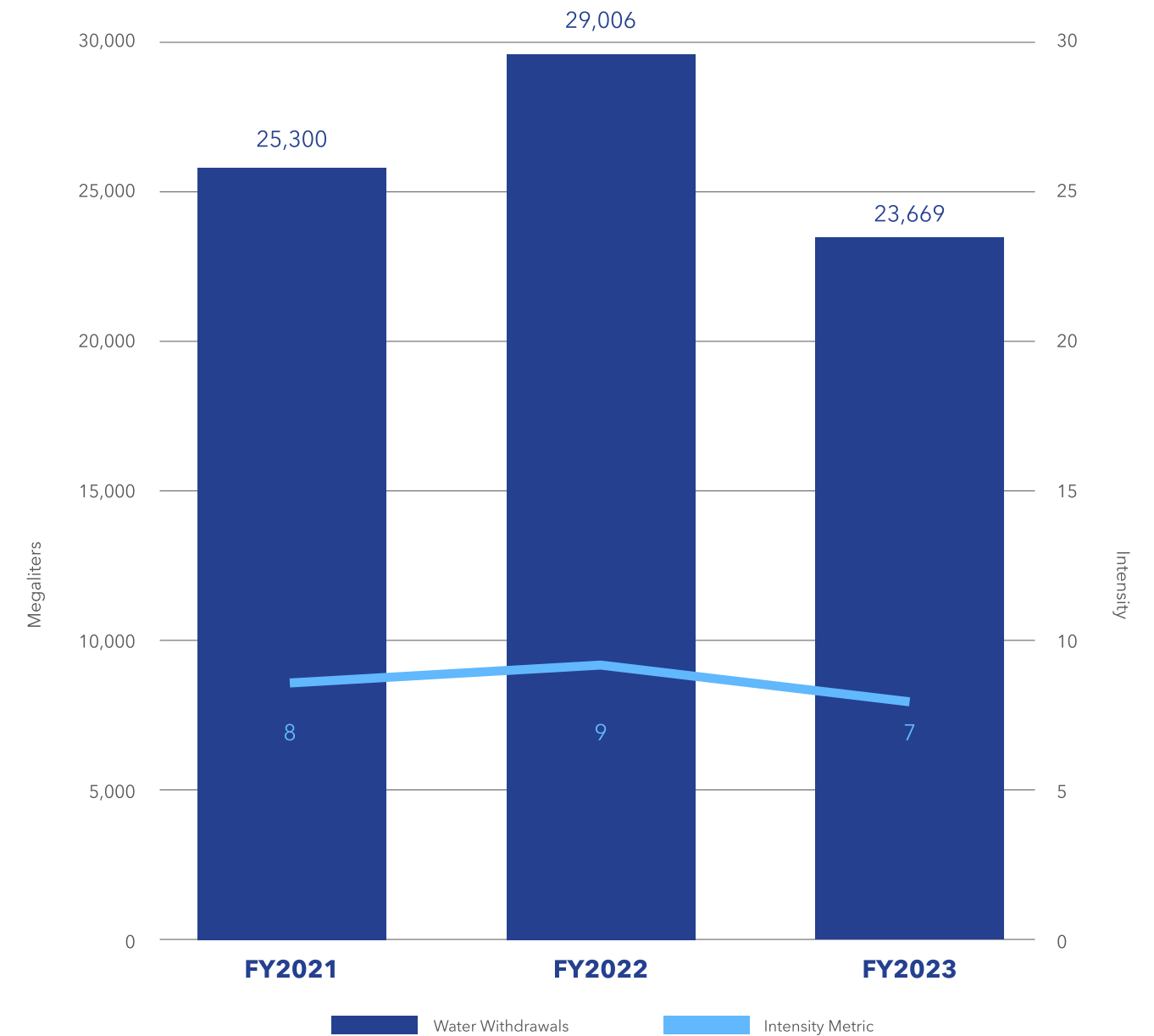
Employees in Chicago, Rochester, and the San Francisco Bay Area also had the opportunity to join in-person volunteer projects led by The Nature Conservancy.

WATER WITHDRAWALS

	FY2021	FY2022*	FY2023
Water Withdrawals by Source (megaliters)			
Fresh Surface Water	2,817	2,901	2,146
Brackish Surface Water/Seawater	N/A	N/A	N/A
Rainwater	N/A	N/A	N/A
Groundwater - Renewable	12,637	16,634	8,609
Groundwater - Non-Renewable	6,148	8,990	12,239
Produced/Process Water	N/A	N/A	90
Municipal Supply	3,698	481	586
Wastewater from Another Organization	0	0	0
Total Water Withdrawals by Source (megaliters)	25,300	29,006	23,669
Total Water Withdrawal Normalized to Million Liters of Product Produced (Megaliters/million liters product produced)	8	9	7
Water Withdrawals by Business Unit (megaliters)			
Beer	9,117	11,627	11,357
Wine	16,172	17,354	12,257
Spirits	11	25	38
Corporate/Other	N/A	N/A	16
Water Discharges by Destination (megaliters)			
Fresh Surface Water	3,961	4,114	4,864
Brackish Surface Water/Seawater	N/A	1,294	N/A
Groundwater	1,102	885	1,150
Produced/Process Water	N/A	N/A	N/A
Municipal Treatment Plant	248	122	123
Wastewater from Another Organization	N/A	N/A	N/A
Total Water Discharges by Destination (megaliters)	5,311	6,415	6,137
Total Water Consumption (megaliters)	19,989	22,591	17,532

*Certain water withdrawals figures for FY2022 were restated to correct inaccuracies identified during our recent independent assurance process.

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, warehouses, and offices) during time periods for which we had operational control over the respective facility.

The data presented is based on actual measurements to the extent possible. Where direct measurements are not available, we employ engineering calculations or estimates. We continue to strive to increase the accuracy of the data we report.

During fiscal year 2023, total water consumption decreased by 21% compared to fiscal year 2022. The decrease is partially attributed to some Wine & Spirits locations receiving more rain in fiscal year 2023 than fiscal year 2022 which reduced irrigation needs in those vineyards, fluctuation in production volumes in wineries, and continued use of precision irrigation methods in many vineyards. This decrease is also reflected in our Groundwater - Renewable withdrawal. For our Groundwater - Non-Renewable withdrawal, there was an increase in fiscal year 2023 primarily due to an increase in production at our breweries.

During fiscal year 2023, total water discharge decreased by 4% compared to fiscal year 2022. The decrease in the discharge volume is due to optimization projects at our brewery in Nava, which increased water recycled.

Our water footprint has been verified by a third-party entity 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 Dec. 15, 2015), issued by the International Auditing and Assurance Standards Board.

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.



WHAT'S A BREATH OF FRESH AIR WORTH?

July 2023 marked the hottest month recorded globally since 1880.¹ Manifestations of the changing climate, such as this record event, and their potential impact on our business, are among the reasons why we continue to invest in renewable energy for our facilities and seek innovative solutions to improve our overall energy consumption. We continue to take important steps to reduce our Scope 1 and Scope 2 GHG emissions by 15% by fiscal year 2025.²

Helping to regain ground in the fight for Planet Earth?
It's Worth Reaching For.

¹National Center for Environmental Prediction

²From 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 continue our efforts to **reduce GHG emissions by decreasing dependence on non-renewable energy sources and lowering overall energy consumption**. We monitor certain aspects of our GHG footprint on a per liter of product produced over time basis.

To help us better understand continued opportunities to enhance our efforts, we track our emissions of four major GHGs—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 Report, we are disclosing our energy management metrics for fiscal year 2022. In fiscal year 2022, our total energy consumed increased by 2% compared to fiscal year 2021, primarily due to increased capacity following an expansion project at one of our breweries in Mexico.

METRICS	FY2021**	FY2022
Total energy consumed*	5,456,836 Gigajoules	5,557,401 Gigajoules
Percentage of energy consumed that was supplied from grid electricity	10%	11%
Percentage of energy consumed that is renewable	5%	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 2023 report for more information on our energy management risks and a description of management strategies and practices to mitigate those risks.

We are working to convert our operations to optimize energy efficiency and implement sustainable energy solutions and technologies. Within our Wine & Spirits operations, we are investing in **renewable energy**. We have implemented **solar energy technology** at The Prisoner Wine Company in California and at three Ruffino facilities in Italy to provide **local renewable energy** that advances 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 also recognize that thoughtful **collaboration and alignment across our value chain** is needed to improve our Scope 3 GHG data collection and benchmarking in an effort to enhance data accuracy. We have implemented a Scope 3 data calculation combination of spend-based methodology (\$/emissions) for emission components for which we do not yet have supplier data and weight-based methodology (weight/emissions) for emission components calculated with supplier-provided actual data. We believe this approach improves the accuracy of our Scope 3 data. We're continuing to make progress by improving and expanding our Scope 3 GHG emissions data collection process while working to better understand opportunities to reduce GHG emissions in our value chain through stakeholder assessments, supplier surveys, and sharing of best practices. These activities can help inform a more **comprehensive value chain engagement strategy**.

**Total energy consumed numbers for FY2021 have been updated following improvements and maturation in the collection of our emissions data.



To help reduce the impacts of climate change, our near-term focus is 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

Ruffino Santedame Estate, Italy

GHG STRATEGIES IN ACTION

Nava Brewery

The Nava Brewery is taking numerous steps to reduce emissions. For example, in calendar year 2022, it joined Mexico's Secretariat of Environment and Natural Resources (SEMARNAT) Emissions Trading System pilot program, earning extraordinary compliance status. The program is expected to be formalized this calendar year with operating guidelines established for large companies, at which time it is also expected that company participation will become mandatory.

Obregon Brewery

Since August 2022, the Obregon Brewery has started the transition from fuel oil to natural gas to power its cauldrons, which will help reduce GHG emissions and hazardous waste. This switch is estimated to save approximately 21,500 tons of carbon dioxide emissions per year. In addition, the brewery has been acquiring laser-guided vehicles for use in loading and discharging operations instead of traditional forklifts, preventing additional use of liquefied petroleum gas as fuel. This change is equivalent to avoiding an estimated 1,000 tons of carbon dioxide emissions per year going forward.

Wine & Spirits

To reduce emissions in our Wine & Spirits Division, we purchased six of the first commercially available Monarch tractors. These zero tailpipe-emission tractors are electric, automated, and provide data analysis. The anticipated result in the emissions reduction of using these tractors in our operations is the equivalent of removing approximately 60 passenger vehicles year over year. The addition of the Monarch tractors is part of our effort in working toward building a sustainable tractor fleet across our operations.

At our Woodbridge Winery in California, 99% of the electricity procured is from a renewable energy source, an example of a transition away from fossil fuel-derived energy sources. Woodbridge purchased more than 15 million kWhs of renewable electricity in fiscal year 2022.

GHG EMISSIONS

FY2020 **FY2021*** **FY2022**

GHG Emissions, by Scope [metric tons CO2e]

Scope 1 GHG Emissions, by Region

North America (U.S., Canada & Mexico)	300,626	297,742	306,426
Europe & Asia	1,749	6,894	2,235
New Zealand	2,422	1,962	2,443
Global Total Scope 1 GHG Emissions	304,797	306,598	311,104

Scope 1 GHG Emissions Normalized to Million Liters of Product Produced [metric tons CO2e/million liters product produced]

97 **94** **93**

Scope 1 GHG Emissions, by Business Division

Beer	251,019	262,297	278,736
Corporate	8,937	4,943	7,286
Wine & Spirits	44,841	39,357	25,082

*Certain Scope 1, Scope 2, and Scope 3 emissions numbers for FY2021 have been updated following improvements and maturation in the collection of our emissions data.

GHG EMISSIONS

FY2020 **FY2021*** **FY2022**

Scope 1 GHG Emissions, by GHG type

CO2	301,417	300,870	305,527
CH4	188	212	225
HFCs	1,277	3,385	3,116
N2O	1,916	2,131	2,240

Scope 2 GHG Emissions (Location Based), by Region

North America (U.S., Canada & Mexico)	50,471	53,011	76,250
Europe & Asia	1,169	1,113	1,295
New Zealand	690	741	724

Global Total Scope 2 GHG Emissions

52,330 **54,865** **78,269**

Scope 2 GHG Emissions Normalized to Million Liters of Product Produced [metric tons CO2eq/million liters product produced]

17 **17** **23**

Scope 2 GHG Emissions (Location Based), by Business Division

Beer	30,132	32,621	59,832
Corporate	289	434	480
Wine & Spirits	21,908	21,809	17,957

Scope 2 GHG emissions (Market Based) by Region

North America (U.S., Canada & Mexico)	46,904	45,880	68,311
Europe & Asia	1,541	1,408	914
New Zealand	690	741	724

Scope 2 GHG emissions (Market Based) by Business Division

Beer	25,112	27,110	55,911
Corporate	316	446	487
Wine & Spirits	23,707	20,473	13,551

Global Total Scope 2 GHG Emissions (Market Based)

49,135 **48,029** **69,949**

Scope 2 GHG emissions normalized to million liters of product produced [Metric tons CO2e/million liters product produced]

16 **15** **21**

Global Total Scope 1 & 2 GHG Emissions (Location Based)

357,126 **361,463** **389,373**

Scope 1 & 2 GHG emissions normalized to million liters of product produced [Metric tons CO2e/million liters product produced]

114 **111** **117**

Global Total Scope 1 & 2 GHG Emissions (Market Based)

353,932 **354,627** **381,053**

Scope 1 & 2 GHG emissions normalized to million liters of product produced [Metric tons CO2e/million liters product produced]

113 **109** **114**

*Certain Scope 1, Scope 2, and Scope 3 emissions numbers for FY2021 have been updated following improvements and maturation in the collection of our emissions data.

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.

Scope 1. During fiscal year 2022, total Scope 1 emissions increased by 1% compared to fiscal year 2021. This increase is a result of increase in usage for gasoline and diesel due to increased production and consumption of jet fuel as travel increased.

Scope 2. During fiscal year 2022, total Scope 2 market-based emissions increased by 46% compared to fiscal year 2021. This increase is primarily a result of increased energy consumption due to increased capacity following an expansion project and renewable energy contract that expired at the end of fiscal year 2021 for one of our breweries in Mexico.

GHG EMISSIONS

FY2020 FY2021* FY2022

Scope 3 GHG Emissions (Indirect), by Category

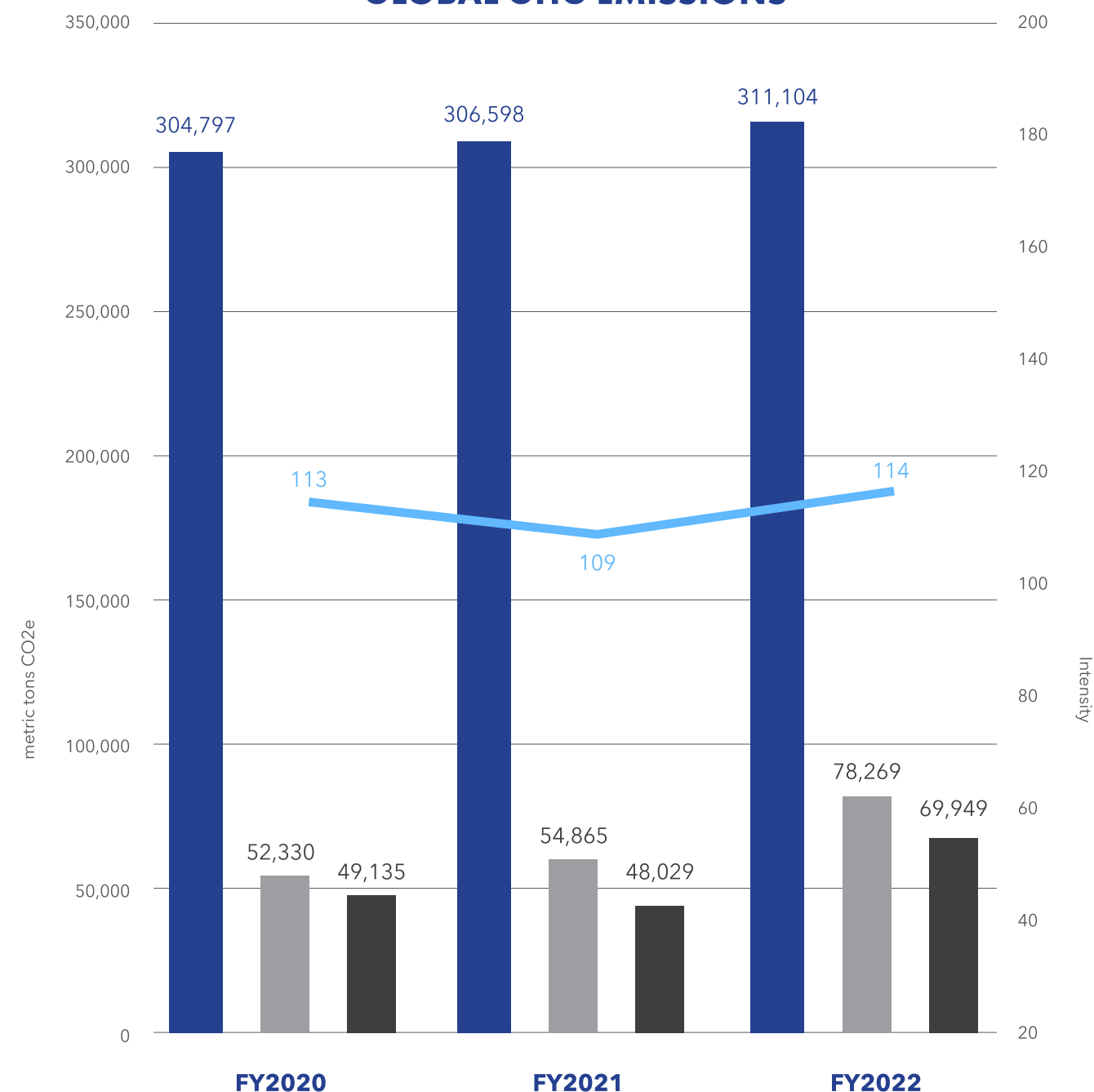
Category	FY2020	FY2021*	FY2022
Purchased Goods and Services**	44,849,445	47,632,520	9,572,977
Capital Goods	Not Relevant	Not Relevant	Not Relevant
Fuel and Energy-Related Activities (Not Included in Scope 1 or 2)	62,872	62,730	82,491
Upstream Transportation and Distribution	493,990	471,161	651,912
Waste Generated in Operations	3,222	3,038	2,729
Business Travel	8,782	1,569	4,574
Employee Commuting	Not Relevant	Not Relevant	Not Relevant
Upstream Leased Assets	Not Relevant	Not Relevant	Not Relevant
Downstream Transportation and Distribution	Not Relevant	Not Relevant	Not Relevant
Processing of Sold Products	Not Relevant	Not Relevant	Not Relevant
Use of Sold Products	Not Relevant	Not Relevant	Not Relevant
End of Life Treatment of Sold Products	Not Relevant	Not Relevant	Not Relevant
Downstream Leased Assets	Not Relevant	Not Relevant	Not Relevant
Franchises	Not Relevant	Not Relevant	Not Relevant
Total Scope 3 GHG Emissions (metric tons CO2e)	45,418,311	48,171,018	10,314,683

*Certain Scope 1, Scope 2, and Scope 3 emissions numbers for FY 2021 have been updated following improvements and maturation in the collection of our emissions data.

**Our fiscal year 2022 Scope 3, Category 1 (Purchased Goods and Services) emissions reflects changes in the nature of the data used to calculate our emissions. In alignment with the GHG Protocol, we regularly seek to improve the sources of data used to prepare our GHG emissions calculations. In making these data source changes, we prioritized the largest emission sources that we had calculated to date. Under this approach, we have targeted Beer Division glass bottle purchases, which are a top contributor to our Scope 3 GHG emissions. Our fiscal year 2021 and fiscal year 2020 Scope 3 Purchased Goods and Services calculations used purchase records (\$ spent) to estimate the weight of glass bottles purchased by us, which resulted in an upper estimate as glass bottle price can vary greatly. For our fiscal year 2022 data collection, we identified the actual quantities and average weight of glass bottles purchased by the Beer Division for fiscal year 2022. In addition, the Wine & Spirits Division also applied the revised calculation methodology to its entire Purchased Goods and Services category in fiscal year 2022. Using this data and revised calculation methodology, we derived what we consider a more accurate total of our Scope 3 Purchased Goods and Services emissions.

Scope 3. Our fiscal year 2022 data reflects changes in the nature of the data used to calculate our Scope 3, Category 1 (Purchased Goods and Services) emissions. In addition, our fiscal year 2022 data shows an increase in our Upstream Transportation and Distribution emissions due to increased production, and it also reflects a more mature data collection process through continuous improvement and a more comprehensive scope 3 reporting. Our Business Travel also increased in fiscal year 2022, which reflects a higher air travel and rental car usage due to return to normal travel activities after COVID-19.

GLOBAL GHG EMISSIONS



█ Scope 1 (metric tons of CO2 equivalent)
 █ Scope 2 - Location Based (metric tons of CO2 equivalent)
 █ Scope 2 - Market Based (metric tons of CO2 equivalent)
 — Intensity Metric (Market Based)

Intensity metric: Total Scope 1 & 2 GHG emissions normalized to million liters of Product Produced [metric tons CO2e/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 relevant categories of Scope 3) have been verified by a third-party entity in accordance with the International Standard on Assurance Engagements (ISAE) 3000 and ISO Standard 14064-3 Greenhouse gases - Part 3: Specification with Guidance for the Validation and Verification of Greenhouse Gas Assertions. The verification was performed using a limited assurance level as described in the standards.

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.



SUSTAINABILITY EFFORTS IN PACKAGING & WASTE REDUCTION

Waste Reduction Efforts

Constellation Brands continually seeks ways to reduce the waste we generate and improve how we manage our waste to **reduce environmental impact**.

In April 2023, we introduced two **new commitments**. By fiscal year 2025, we plan to:

- Pursue a TRUE Certification for Zero Waste in key operating facilities;¹ and
- Significantly enhance the use of circular packaging across our beverage alcohol portfolio.

TRUE Certification for Zero Waste is the first zero waste certification program dedicated to measuring, improving, and recognizing zero waste performance by encouraging the adoption of sustainable materials management and reduction practices, contributing to positive environmental, health, and economic outcomes. To reach this objective, we plan to pursue materials reduction, reuse, substitution, and recycling efforts, as well as composting and diverting waste materials from landfills at our key operating facilities worldwide.

To enhance our use of circular packaging, we intend to execute targeted plans to:

- Replace hi-cone plastic rings with recyclable paperboard for all applicable 4-pack and 6-pack SKUs across our Beer portfolio;
- Reduce our ratio² of packaging weight to product weight by 10% across our Wine & Spirits portfolio; and
- Ensure that 80% of packaging from our Wine & Spirits portfolio is returnable, recyclable, or renewable.

The transition to recyclable paperboard is underway in our Beer Division, as we no longer use hi-cone plastic rings for applicable SKUs and instead ship all such SKUs in the new paperboard packaging. Changes are also underway in our Wine & Spirits Division as we take significant steps forward in packaging and waste reduction across the portfolio. We expect these changes will enable us to reduce our environmental impact without sacrificing quality.

¹Key operating facilities, for the purposes of this target, consist of our major production facilities (i.e., our breweries in Mexico and our U.S. wineries generating the vast majority of waste).

²Total packaging weight versus weight of wine or spirits liquid. ³From baseline fiscal year 2022 ratio of packaging weight to product weight in Wine & Spirits portfolio.

Packaging & Waste Reduction Strategies in Action

We have changes underway for sustainable design acceleration (SDA) across 15 brands in our Wine & Spirits portfolio. As of September 2023, we have completed 26 projects with 83 SKUs in market. As one example, a lighter bottle for Meiomi Pinot Noir 750 milliliter is anticipated to reduce approximately 875 tons of glass used per year,¹ which is equivalent to the weight of approximately 1.2 million empty bottles.² Other material reduction efforts include incorporating lightweight glass bottles for brands including SIMI, Robert Mondavi, and Kim Crawford Illuminate, label and cork optimizations for brands including Cook's and Woodbridge, and capsule removal for Unshackled and Saldo, among others.

The Nava Brewery is continuing its **circular economy project to treat certain wastes, including biosolids and sludge, by converting them to compost.** With the compost, the brewery has **created a garden that grows vegetables served in the facility's general dining room.** Eighty percent of the by-products generated by our Nava operations are valued and marketed for use in the region, including as cattle feed, providing a benefit to nearby communities. **The recycling indicator for fiscal year 2023 was the highest in the history of the Nava Brewery, as 99.5% of waste generated was recycled.**

At the Obregon Brewery, the brewery installed silos to store grits, eliminating the need to use wood, cardboard, or plastic for grits storage and transport. Both breweries recycle more than 99% of waste generated, and most processing byproducts are reused as cattle feed.

Our Beer Division has a reusable pallet program, which eliminates one-way wood pallets, mitigates product damage, and facilitates safer handling and unloading. In addition, the division also has a reusable keg program, which helps reduce the distance empty kegs travel and thereby helps lower the collective carbon footprints of those activities in our supply chain.

¹Based on an approximate 52 gram decrease in bottle weight from the previous bottle.
²Based on an approximate 637 gram weight of each new bottle.



Corona's Focus on Removing Plastic

Corona is committed to removing 1 million pounds of plastic from our beaches by the brand's 100th birthday in calendar year 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 through Earth Day 2023, Corona has removed approximately 863,000 pounds of plastic, which is almost 86% of the overall goal. It has also cleaned 50 beaches as of August 2023.

The brand has eliminated all plastic used in six-packs of Corona Extra 12 oz. cans. This includes the removal of hi-cone rings and secondary packaging shrink wrap. The cans are now packaged in Forest Stewardship Council™ certified cardboard carriers.

Corona continues to launch more beach and community clean-ups and remove plastic from its operations, as it continues to further reduce the company's plastic footprint. We believe the mission is succeeding in building awareness around social and environmental change to help keep the beach—where we gather to relax, refresh, and “live the fine life”—clean for years to come.

SUSTAINABILITY EFFORTS IN LAND PROTECTION AND BIODIVERSITY

Biodiversity is critical for healthy ecosystems that we rely on for the air we breathe, the water we drink, and the food we eat. It is one of our planet's most vital features and perhaps its most complex. At Constellation Brands, we take a collaborative approach informed by expert partners and community advocates to protect lands and conserve waterways, soil, and the variety of life that supports the natural environment and our business.

Obregon Brewery

During calendar years 2021 and 2022, four reforestation efforts were conducted around the Obregon Brewery, where water extraction wells are located, with participation from more than 300 people, including members of the brewery staff and their families.

Staff also participated in the restoration of two local urban parks by helping with waste collection, cleaning and painting of the installations, and maintenance of earthen terraces to help trees capture more water.

To Kalon® Vineyard

Our To Kalon® Vineyard in California has achieved organic certification through California Certified Organic Farmers (CCOF), the first organic certifying organization in the U.S, and its calendar year 2023 harvest will be the first that is certified organic. The vineyard has been farmed organically for the last three years and under the organic certification meets rigorous standards on the use of renewable resources and soil and water conservation. Several other Constellation Brands' vineyards are pursuing organic certification.

Viticultural Boots on the Ground

Constellation Brands believes that our sustainability efforts benefit from involving team members who spend time in wineries and vineyards. To support such efforts, we formed a "Viticultural Boots on the Ground" employee community which meets monthly to plan and implement local-level sustainability projects. The first project identified is to increase and track songbird boxes at vineyards across California. Inviting songbirds can significantly reduce populations of rodents and insects, which in turn mitigates the need for pesticides.



Pacifico Parks Less Traveled

While there are 425 national park sites in the U.S., only 25 sites attract nearly half of the 300 million annual visitors. To protect the most overpopulous national parks and raise awareness about lesser-known parks, Pacifico launched a campaign anchored by a \$250,000 donation and a social media sweepstakes in partnership with the National Park Trust. As a reward for an independent spirit, the winner won a \$10,000 national park visit.

High West Protect the West

High West, our Utah-based whiskey distillery, initiated a \$1 million, three-year commitment in August 2022 to protect important wildlife habitats and their inhabitants by partnering with organizations whose conservation efforts address wildfires, winter protection, and wildland preservation. A \$150,000 inaugural donation was split between three organizations: Wildland Firefighter Foundations; Protect Our Winters; and American Prairie. In August 2023, High West and three-time Olympic gold medalist and professional snowboarder Shaun White teamed up to drive awareness of the Protect the West platform, striving to conserve the natural beauty of the West and all that inhabit it so it can be enjoyed by generations to come.

Wine & Spirits Division

Our Wine & Spirits Division announced in June 2023 a multi-year agreement with Leading Harvest, a nonprofit organization committed to increasing the adoption of sustainability practices in agriculture. Leading Harvest provides assurance programs comprised of standards, audit procedures, training and education, and reporting and claim offerings that are optimized for flexibility, scalability, and impact. We have committed to working with Leading Harvest to advance sustainable farming practices across our entire U.S. wine portfolio, seeking to elevate responsible on-farm practices and outputs with a view to raising standards across the winegrape sector.



RECOGNIZING LEADERSHIP

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

The Leadership Award honors facilities that we believe demonstrate best-in-class environmentally sustainable practices that address our water stewardship commitment and at least two additional sustainability categories.

The Stewardship Award honors facilities that we believe implemented a best-in-class environmental sustainability project which resulted in strong environmental benefits in any of the sustainability categories.

2023 Environmental Sustainability Awards The Nava Brewery, Leadership Award Winner

The Nava Brewery consistently implements environmental sustainability initiatives that improve the resiliency of its supply chain while helping to reduce its water and energy usage. In addition, in 2022, the brewery piloted an emissions trading system and enhanced recycling efforts.

"This achievement reinforces our commitment to continue strengthening our strategy and promote new initiatives that contribute to sustainable operations, in alignment with the commitment we have to the communities where we live and work."



- Juan Manuel Flores Estrada, Vice President, Nava Brewery

Obregon Brewery and Selaks Winery and Hawkes Bay Vineyards, Stewardship Award Winners

The Obregon Brewery took several steps to conserve water, including implementing a biodiversity project that increased the efficiency of a regional irrigation system and improving water efficiency at the brewery.

"We are proud of the innovative and creative solutions we have implemented to operate sustainably. This award is a great achievement for the entire Obregon team."

- Ignacio Burgos Noriz, Vice President, Obregon Brewery



The Selaks Winery and Hawkes Bay Vineyards implemented initiatives to help reduce water use and improve quality, optimize waste management, and enhance soil health.

"We understand that our impact today lasts longer than a lifetime. Bringing our people on the sustainability journey is critical because it's the small things our people do every day that make the difference."



-Sergei Davis, Manager, National Health, Safety and Environment, New Zealand

INDUSTRY CERTIFICATIONS AND PROGRAMS



Industry certifications are a tool we use to help guide and measure our environmental impact and progress. They also facilitate industry partnerships and consumer understanding about our sustainability practices. Our certifications include:



INDUSTRY PARTNERSHIPS

We believe partnerships and collaborations reinforce our position in the industry and create a community of thought leadership and learning. These important relationships help us accelerate internal change and stay abreast of best practices and standards.



Serranía del Burro y Compost



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 business **with partners and advocates to positively contribute to the world around us.**

PROFESSIONAL DEVELOPMENT OF WOMEN

We believe that empowering women to succeed fosters equity and a balanced perspective in our industry and beyond. 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.



Despite recent advancements in post-COVID-19 pandemic corporate policies, workplace inequities for women persist. These can contribute to a loss of confidence and a sense of loneliness that can compound challenges with work-life balance and contribute to burnout at a higher rate than men.¹

We remain committed to providing resources to **support the professional advancement of women at Constellation Brands, within our industry, and within our communities.** We are inspired by the belief that when a woman has access to education and employment resources, her contributions can increase organizational effectiveness and business outputs, grow economies, and strengthen communities. Year over year, we believe that our advocacy efforts create a positive ripple effect.

At Constellation Brands, we have dedicated leadership development programs for women, as well as leadership programs for all employees. In calendar year 2022, approximately 100 women completed our Advancing Women Leaders Digital Academy program, and in calendar year 2023, approximately 60 women will complete the program. In addition, more than 160 women completed other Constellation leadership development programs in the past two years.

In fiscal year 2023, we continued our national partnership with **Dress for Success Worldwide**, an organization which has supported 1.3 million women since starting operations—most of whom are people of color. Our support goes beyond dollars donated. Over the last two calendar years (2021 and 2022), we've supported clients at affiliates in our major office locations (Rochester, Chicago, San Francisco, and Mexico City) through mentorship, digital workforce training, leadership coaching, board membership, and more. Constellation Brands employees demonstrate their commitment to making a positive impact in the communities where they live and work by volunteering with Dress for Success. Year over year, our employees increased the number of hours they volunteered with Dress for Success by more than 15%. Through their dedication and hard work, they helped Dress for Success provide support and resources to empower women in need, enabling them to thrive in both their professional and personal lives.

WOMEN SUPPORTING WOMEN

In the past few years, we have supported the Dress for Success "Lean In" Circles Program that brings together women from all walks of life to give and receive mentorship and create a place to be unapologetically ambitious. These are intended to be safe spaces to share struggles, give and get advice, and celebrate each other's wins.

In June 2023, we completed our third cohort of the program and have more than doubled the number of female employees at Constellation Brands who serve as mentors to Dress for Success Chicago clients. Just as valuable as the skills participants receive is the experience our employees gain by volunteering.

"Dress for Success has impacted my career by allowing me to participate in and attend various programs while interacting with women from all walks of life. These interactions have inspired me to want to be and do better personally and professionally. At work, I have taken on more opportunities that are beneficial to me and to my organization. I have volunteered to participate in professional development programs where I can work on projects and give presentations, which I was not comfortable doing in the past."

- **Tiisha, Dress for Success Chicago, Lean In Circles Cohort 2 Participant**

"At this point in my career, I have become restless to give back. Enabling women to learn from other women, and at the same time bolster each other, was where I desired to lean in. At the start of the COVID-19 pandemic, when I had more time to reflect, this became even clearer to me."

- **Andrea Sanrocco, Senior Product Manager & Dress for Success Rochester, Lean In Circles Mentor**



Since calendar year 2020, Constellation Brands has donated more than \$700,000 to Dress for Success Worldwide and the local affiliates that provide direct programming to women in the communities where we live and work.



¹Morgan Smith, March 14, 2023. "Burnout is on the rise worldwide—and Gen Z, young millennials, and women are the most stressed," CNBC

Meanwhile, our expanded support in Mexico reached thousands of women both virtually and in-person. In calendar year 2022, we contributed financial support to Dress for Success Mexico City for its nationwide online services and in-person programs in Mexico City, Queretaro, Guanajuato, Guadalajara, and Estado de Mexico.

A primary focus area was **employability**, including a 16-hour training program on all steps to secure and maintain formal employment—from developing a resume to generating a professional LinkedIn profile, networking, and interview role-play. Over 1,000 women benefitted from 12 virtual and in-person training sessions.

Additionally, a 10-hour workshop on **personal image**—focused on self-esteem, corporate protocols, and verbal communication—benefitted nearly 500 women. Workshops for **entrepreneurial development**, in partnership with Escala, encompassed four months of training, including basic English language.

Meanwhile, a **Professional Women’s Group** totaling nearly 1,200 clients hosted monthly virtual sessions as well as three in-person sessions for personal finance, self-esteem, and health and wellness. And **three suit drives** organized by Constellation Brands in Mexico City, Coahuila, and Sonora reached nearly 1,350 women.

“I would like to express my sincere thanks for the training and the wardrobe that was provided for me to attend interviews. Because of your dedication and support, I have gained more self-confidence, which has helped me to achieve my goals and find a job, allowing me to be self-sufficient for myself and my son.”

- **Marian A., Dress for Success Mexico client**

“The feeling of seeing people smile and thank us for the help is hard to explain. We touched people from entire families to young people looking for clothes for work, we helped them find what they asked for and advised them on what to wear for different occasions. In the end, seeing the result and seeing so many happy people filled my heart.”

- **Wenyi Chong Estrada - Specialist, Internal Control, Constellation Brands**



FOCUS ON FEMALE FOUNDERS

Women make up roughly half of the population globally¹ and influence over 85% of consumer spending.² In addition, women in the U.S. control more than \$10 trillion in assets.² Yet women have historically been and remain an underrepresented demographic in some segments of the business community, including the beverage alcohol industry. As part of our effort to champion the professional development and advancement of women in the beverage alcohol industry and our communities, we have teamed up with several visionary companies and their passionate leaders to collaborate on creating the next generation of brands.

Launched in late calendar year 2018, our Focus on Female Founders initiative committed to invest \$100 million in female-led or -founded companies by fiscal year 2029. Less than halfway through the initiative, we have already invested 85% of that commitment. In April 2022, we fully acquired Austin Cocktails, which was our first investment in the Focus on Female Founders initiative. The acquisition of the premium canned craft cocktails brand is a demonstration of our commitment to meeting evolving consumer preferences. Since the acquisition, sales volume has increased 53%³ and sales revenue has increased 71%.⁴



¹World Bank
²"Finding Alpha: The Trillion Dollar Female Economy," Cake Ventures
³IRI volume data: 52 weeks ending 09-10-23 compared to 52 weeks ending 03-27-22
⁴IRI revenue data: 52 weeks ending 09-10-23 compared to 52 weeks ending 03-27-22





ECONOMIC DEVELOPMENT OF DISADVANTAGED COMMUNITIES

We strive to make a positive difference by providing valuable **training, new job skills, and opportunities** to those in need and advocating for disadvantaged and vulnerable members of our communities.

HELPING TO UPLIFT HISPANIC COMMUNITIES

As an industry leader with a portfolio of powerful brands driven by an increasingly diverse workforce and consumer base, we believe we have an obligation to deliver more for our communities. Constellation Brands, including support from our Modelo brand, has **committed \$1.6 million over the last three calendar years to a national partnership with UnidosUS, the largest Hispanic civil rights and advocacy organization in the United States**, focused on providing resources like housing counseling and financial coaching programs for Hispanic families.

For over three decades, UnidosUS has made important contributions to the fields of housing, homeownership, and overall wealth-building among Latinos in the U.S. They lead the largest network of community-based nonprofit organizations dedicated to creating new Latino homeowners, while also advocating for policies that allow more Latinos to afford to buy a home. Over the last two calendar years (2021 and 2022), our support has benefitted thousands of individuals and families, helping renters avoid eviction, first-time homebuyers to receive pre-purchase counseling, and assisting homeowners through financial coaching to manage their budget and keep their homes.



We are inspired by our employees' passion to uplift one another, and we remain committed to matching and amplifying their efforts. In February 2023, Constellation Brands' ¡SALUD! BRG once again partnered with UnidosUS to host informational sessions for winery employees to understand the various housing and financial coaching benefits available to them through the company and UnidosUS. Sessions were conducted in English and Spanish.

"What better way to **invest in tomorrow** than to invest in our employees and their families. Being able to meet with fellow employees and offer assistance and awareness to resources they might not know about both internally and externally has been incredible. When we can see them face to face during these events, hear their stories, and share our stories with them, it is extremely powerful. I am very grateful to have the support of our senior leaders to allow ¡SALUD! the opportunity to collaborate with UnidosUS and carry out this mission we have set before us. *Juntos podemos! (Together we can!)*"

- Rachel Briceño, ¡SALUD! Global Co-Lead, Manager and Executive Assistant, Wine & Spirits

"The event with UnidosUS was an absolute hit. The information and way that it was presented created an inclusive environment that helped to relay critically helpful content to our team members. General feedback from our team was very positive with many team members grabbing the information, using the QR codes immediately, and waiting afterward for more one-on-one interaction."

- Tony Sanfillipo, General Manager, Woodbridge Winery

In all locations where we operate, we are committed to the present and future of the communities in which we work. The results of a survey in Coahuila and Sonora, Mexico—where we operate our breweries—demonstrated the importance of education in the communities. In response to the communities' expressed needs, Constellation Brands created "El Valor de Educar," a program to promote community development by supporting the efforts of children, youth, parents, and teachers through different education programs.

As part of the program in fiscal year 2023, our Mexico team presented 1,500 scholarships split equally between the communities in Sonora, Coahuila, and Veracruz, where we are building a brewery. The annual scholarships aim to help people continue their education, with a focus on promoting STEM subjects (science, technology, engineering, and mathematics). We also helped more than 1,600 students by enhancing school infrastructure and providing tools that seek to offer better educational opportunities to their students.

Other elements of the program include the "Constellation Brands Contigo" (With You) workshops and "Constellation Brands Semillero de Talento" (Talent Booster) initiative. Constellation Brands Contigo is designed for students, teachers, and parents and aims to promote human development. In fiscal year 2023, more than 640 people participated in the Constellation Brands Contigo workshops. The Semillero de Talento program complements training with practical courses for employability, social-emotional, and relational skills for the scholarship students.

"I am grateful for the opportunity to represent the upcoming generation of future chefs and hospitality leaders. Because of your help and the opportunity to continue learning from our industry's finest, someday I can join them at the table and welcome those who will follow behind. This scholarship is more than money to pay for my education; it funds the growth of my imagination so that I can contribute things to our industry that we have not seen before."



– **Victoria W.,**
Johnson
& Wales
University,
Culinary Arts

"Constellation Brands is a true partner in our work to help people from all backgrounds build a future in the restaurant and hospitality industry. Together, we're seeking to address today's workforce needs and championing tomorrow's restaurant workers with the training, education, and engagement to succeed."

– **Rob Gifford,**
President of
the NRAEF



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

The National Restaurant Association Educational Foundation (NRAEF) is on a mission to empower people from all backgrounds with training, education, and engagement to take advantage of the opportunity in the restaurant and hospitality industry. Thanks to its programs, including Restaurant Ready and Hospitality Opportunities for People (Re)Entering Society (HOPES), the NRAEF is transforming lives and ensuring that everyone who wants to can find a home in the industry.

In calendar year 2022, Constellation Brands, along with the Corona brand family, SVEDKA Vodka, and Meiom, continued our multi-year collaboration with the NRAEF and our collective commitment of \$1.75 million over five years (from fiscal year 2021 to 2025) to support its "Restaurants Advance" campaign, which is telling stories of success, advancement, and opportunity that are abundant in the restaurant and hospitality industry.

The NRAEF's Restaurant Ready program is engaging 1,500 individuals from a variety of backgrounds—including people with disabilities—through its job skills training program that focuses on six work-ready competencies. After completing the curriculum, participants can emerge with the skills, discipline, and confidence to start a job and stay employed. Community-based organizations then link individuals to local employers and provide wrap-around services to eliminate barriers to success.

HOPES helps to train individuals re-entering society in partnerships with community-based organizations, Departments of Corrections, and state restaurant associations. Launched in 2019 through a grant from the U.S. Department of Labor, HOPES has enrolled 750 justice-involved individuals, connecting them with career opportunities and a road to independence in the industry.

We're proud to support NRAEF's work to build and nurture a sustainable workforce—changing lives, developing the industry's future leaders, and improving the communities where we live and work.



In calendar year 2022, our contribution to NRAEF supported job skills training for more than 1,500 people and scholarships for 280 students pursuing higher education in the restaurant, foodservice, and hospitality industry.



FOCUS ON MINORITY FOUNDERS

In fiscal year 2021, we made a commitment to invest \$100 million in minority-founded companies through fiscal year 2031, and so far, we have invested 22% of that commitment. Venture capital investments in both female-founded and minority-founded companies within the beverage industry are still severely underfunded, and we are committed to changing that paradigm.

Entrepreneurs from underrepresented groups face significant barriers to obtaining funding, with only 1% of venture capital going to U.S. Black founders and approximately 2% directed to Latinx founders.¹ Constellation Brands is proud to help drive progress through our Focus on Minority Founders initiative, which aims to support the growth and development of Black/African American and Latinx minority-owned businesses by providing funding as well as sales, marketing, operations, and financial expertise through our subject matter experts. Our corporate venture capital function continues to proactively explore the beverage alcohol space to find additional innovative brands with dynamic female founders and minority founders to help us fill opportunities within our portfolio that are aligned with consumer preferences.

¹VC Funding To Early-Stage Latinx-Founded Startups In The US Has Stalled. Here's Why That Matters and Black founders still raised just 1% of all VC funds in calendar year 2022 (TechCrunch)

OUR DEI MISSION AND VISION

Our DEI mission is to nurture an inclusive workplace 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 to our stakeholders and consumers in an authentic way, leading to continued mutual success.

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

DIVERSITY, EQUITY, & INCLUSION

By honoring one of our core company values—our people—we strive to foster a culture where everyone feels valued, heard, and respected so that we can authentically connect with the diverse consumers we serve and sustain a competitive advantage as an employer of choice.

Expanding Our Global DEI Strategy

In fiscal year 2023, we expanded our corporate DEI strategy beyond the U.S. to further develop a best-in-class, diverse, and equitable workforce that aims to create global alignment by supporting and respecting local and regional cultures. Our network of BRGs—which continues efforts to foster inclusion and provide education, which we believe can enhance the work experience for our employees—now includes BRGs outside of the U.S., having established four groups in Mexico and three groups in New Zealand.

In **Mexico**, a DEI committee comprised of cross-functional leaders and with executive sponsorship oversees initiatives and programming to drive local DEI priorities. Our facilities in Mexico hold annual in-person and virtual culture fairs intended to foster an inclusive space where all team members can embrace the company's vision and values. The culture fairs aim to provide equal opportunities to participate, and during fiscal years 2022 and 2023 combined, almost 2,100 participants attended in person across our locations in Mexico, while virtually we had more than 2,000 connections.

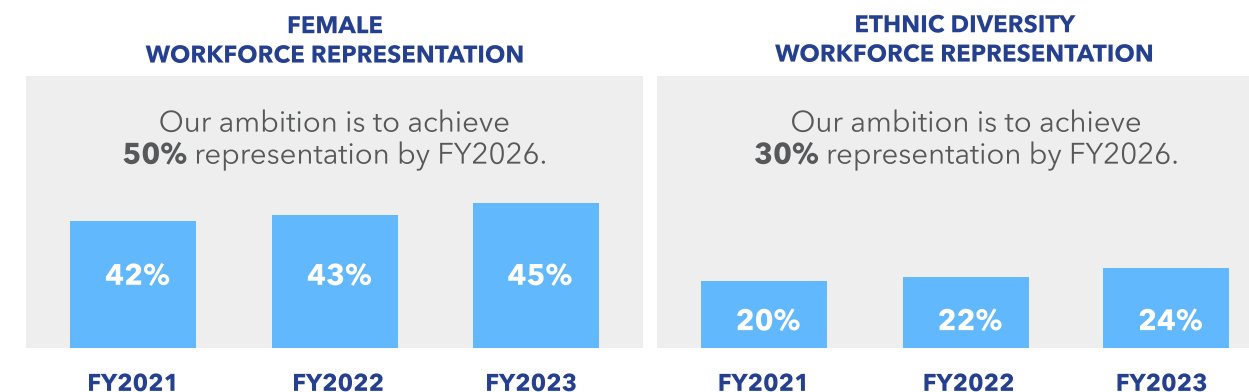
Our strategic approach in **Italy** began with a qualitative and quantitative analysis of the Ruffino Group leveraging a review of metrics and hosting focus groups and direct interviews with employees to identify focus areas for DEI initiatives. Based on the analysis, local initiatives are being developed in an open and collaborative way, with employees playing an active role in building action plans. One initiative led to earning the Italian Gender Equality Certification in June 2023. The certification, introduced by The Italian National Recovery and Resilience Plan, is based on the definition of guidelines for the certification of gender equality and related incentives for companies that successfully conclude the certification process.

In **New Zealand**, the local Inclusion Committee has developed a recruitment project designed to ensure the process promotes equity and inclusion. The project will include researching best practices in this area, such as how to attract more diverse candidates, reviewing our job postings to ensure inclusive language, providing unconscious bias training to hiring managers across the business, and more. In recognition of the work done to build a strong culture and increase gender diversity, particularly its efforts in progressing women into leadership roles and pay equality, Constellation Brands New Zealand received a “Highly Commended” recognition in the 2023 Diversity Awards NZ Diverse Talent category. This is the most significant awards program in the country to celebrate excellence in workplace DEI.

We continue to make meaningful growth towards our ambitions to enhance both gender representation and overall ethnic diversity among our U.S. salaried population to 50% and 30%, respectively, by fiscal year 2026.

Fiscal Year 2023 U.S. Workforce Demographic Information¹

	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	25%	75%	79%	8%	4%	6%	4%	21%
Vice President	39%	61%	82%	10%	3%	4%	-	17%
Director	37%	63%	79%	9%	2%	6%	1%	19%
All Salaried Employees	45%	55%	74%	13%	3%	6%	2%	24%



The U.S. Equal Employment Opportunity Commission requires U.S.-based companies that have at least 100 employees to provide U.S.-based workforce data through the EEO-1 survey. The EEO-1 survey requires specific company employee demographics categories, which may be different than the charts above. To view our EEO-1 disclosure reflecting self-disclosed employee demographic information as of December 31, 2021, please refer to <https://www.cbrands.com/pages/reports>.

¹Diversity data is as of February 28, 2023, and is based on self-disclosed employee information. Board data includes independent and non-management board members, which excludes Constellation Brands' 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 include two or more races, American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, or categories left blank. 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.

DEI COLLABORATIONS AND KEY INITIATIVES

We are committed to extending our influence to enhance equity within our supply chain, in the beverage alcohol industry, and in the communities where we live and operate. We plan to continue to cultivate our partnerships with organizations such as the Equal Justice Initiative, Dress for Success, and UnidosUS that seek to strengthen and reinforce our commitment to creating more diverse, equitable communities. In addition to supporting shared goals, these important relationships help us to accelerate change, create new opportunities, and increase access.

Global Inclusion Summit and Inaugural Global DEI Award

In celebration of Global Diversity Awareness month in October 2022, Constellation Brands hosted our first Virtual Global Inclusion Summit, centered on the theme “Activating Everyday Inclusion.” The multi-day event featured Constellation Brands team members and expert DEI facilitators who came together and provided awareness, education, and tools we believe are needed to champion the diversity in background and thought that reflects our increasingly diverse workforce and the consumers we serve.

During the Summit, we introduced the Global DEI Award to recognize DEI champions across our business. The award also recognizes the best practices and level of commitment we believe are needed to advance our DEI ambitions. Individuals were nominated for demonstrating their commitment and progress towards one or more of our DEI strategic pillars and for providing examples of a replicable action that could contribute to our DEI aspirations. In February 2023, six honorees were announced, including employees from Italy, Mexico, New Zealand, and the U.S., and Constellation Brands has committed to making a \$1,000 contribution to an eligible non-profit of each award winner’s choice.

Global Inclusion Council

In summer 2023, we restructured our Inclusion Council to form a Global Inclusion Council, which is comprised of employees and supported by Executive Sponsors from our international locations. The council aims to educate, engage, and empower our global workforce to promote an inclusive workplace culture that leverages diverse perspectives to meet our business goals. The group will work to elevate the DEI strategy and drive inclusion with a focus on ensuring global programming is locally relevant.

STRENGTHENING OUR COMMUNITIES

In calendar year 2020, Constellation Brands entered in a multi-year engagement with the Equal Justice Initiative (EJI), an organization committed to challenging racial and economic injustice, advocating for equal treatment in the criminal justice system, and protecting basic human rights for the most vulnerable in American society. Our support includes a contribution of \$1 million to further EJI’s mission and training and education opportunities for our employees. In November 2022, our senior leadership team held a quarterly meeting at the EJI offices, and participants in our executive development program visited EJI and its Legacy Museum, which explores the history of racial inequality and its relationship to a range of contemporary issues.



OUR DEI STRATEGIC PRIORITIES

Cultivate a Best-in-Class Diverse and Equitable Workforce

We aim to recruit diverse talent to reflect the richness of the communities in which we live and work and engage their insights and perspectives to create a sustainable competitive advantage, benefitting Constellation Brands’ stakeholders.

Foster a Winning, Inclusive Workplace Culture

We seek to foster an inclusive and equitable work culture that drives connection through proximity—to our work and each other—and actively promotes the sharing and leveraging of diverse perspectives, backgrounds, and experiences in relevant and meaningful ways.

Enhance Social Equity Within Our Industry and Communities

We endeavor to extend CBI’s influence to enhance social equity within the beverage alcohol industry and our surrounding communities by creating globally consistent and locally relevant opportunities that support our ESG goals and initiatives.

BUSINESS RESOURCE GROUPS (BRGs)

We believe that by building teams as diverse as the communities we serve, we will create better products and experiences for our customers, consumers, and employees. That's why we empower our employees to unite around common interests, identities, perspectives, and shared experiences through a growing community of BRGs. Each group aims to support the unique populations it serves, enhance cultural awareness, develop leadership skills, and forge relationships among colleagues seeking to ensure alignment around our business and DEI mission and vision. Our BRGs in the U.S. also partner with our Insights Team to develop richer spotlights of our diverse consumers. Meanwhile, as they seek to enhance the work experience within Constellation Brands, our BRGs have strategic support from our executive leadership team. Our network of BRGs helps to provide education and opportunities for engagement by hosting events throughout the year.

For example, during Black History Month in February 2023, the **AASCEND** (African Americans Strengthening Constellation's Engagement, Networking & Development) BRG, whose mission is to build a sense of community that yields inspiration, motivation, and professional development and advancement for Black/African American talent at all levels of the organization, marked the inaugural release of "Corrections," a limited-edition wine series by The Prisoner Wine Company, by hosting a virtual panel discussion for AASCEND members and the Wine & Spirits sales team. Corrections was created to bring awareness to the systemic issues within the U.S. prison system and uses art as a medium to emotionally connect with communities, inspiring them to take a stand.

For the second year, the **WISE** (Win. Inspire. Support. Elevate.) BRG, whose mission is to create impactful change in our business and communities by elevating and advancing women, launched a multi-session professional development series in partnership with Gild Collective, aligned to their fiscal year 2024 theme, "Activate Your Power through Allyship." Each event in the series includes a facilitated exercise with an external speaker and a panel discussion featuring Constellation leaders to discuss how to apply the learnings to build an inclusive workplace culture at Constellation Brands. WISE Mexico and WISE New Zealand each held events and awareness campaigns during International Women's Month in March 2023.

The **Constellation Parent Network (CPN)** in Mexico, whose mission is to support Constellation Brands' employees throughout their entire parenthood journey, conducted an assessment throughout the breweries to better understand the priorities of their members and allies. The findings highlighted an interest in investing in education within their local communities. In collaboration with Human Resources, the CPN team selected a local elementary school to help make infrastructure improvements, training for teachers, and a donation of computers. This collaboration is a testament to our commitment to contributing to social equity within our local communities.

The **PRIDE BRG** in Mexico, whose mission is to advocate for employees of diverse sexual orientations and gender identities, launched its first ever LGBTQ+ Ally Recognition award with the goal of acknowledging an ally's commitment to fostering and promoting equality, acceptance, and understanding for LGBTQ+ people, challenging discrimination, and encouraging an inclusive culture and environment for employees within the breweries and corporate office.

To learn more about some of our BRGs—including AASCEND, ASIAA (Accelerating Support and Inclusion for Asians and Allies), CPN, ECP (Early Career Professionals), ¡SALUD! (Supporting and Attracting Latinos United for Diversity and Development), SAGE (Setting A Great Example), Stellar Pride, Valor, and WISE—and the work they are doing, visit cbrands.com.



SUPPLIER DIVERSITY

At Constellation Brands, our commitment to DEI is not limited to our workforce. We are creating processes and strategies to enhance our supplier diversity initiative and to seek diverse and small suppliers. We are committed to providing enterprise-wide sourcing opportunities and plan to continue to identify, source, nurture, and empower a supply chain that reflects our workforce, customers, and global markets where we work and serve. We hold active memberships with the National Minority Supplier Development Council, Women's Business Enterprise National Council, National LGBT Chamber of Commerce, and WeConnect.

We also use a tool known as Supplier.io that powers and streamlines the program to help build a diverse supplier network that we regard as more resilient, productive, and innovative. As we continue to expand the program, Supplier.io will include a searchable repository of diverse suppliers, mechanisms to ensure supplier accountability, and a registration portal to attract new, diverse suppliers. Recently, Constellation's Marketing and Supplier Diversity teams partnered to identify and select a certified Women's Business Enterprise, Hispanic-focused activation agency to develop a portfolio strategy and create and execute programming across our high-end Mexican beer brands.



MONITORING OUR PROGRESS WITH EXTERNAL BENCHMARKS AND RECOGNITIONS

We are proud of the work we've done to advance DEI in the workplace across our global operations. For our efforts in Italy and Mexico, we obtained recognition in **Seramount's 2022 Global Inclusion Index**. Placement on the Index recognizes our commitment to the three Index focus areas: Transparency and Demographics; Best Practices in Recruitment, Retention & Advancement; and Corporate Culture and Accountability. Seramount launched its first Global Inclusion Index in calendar year 2020 to assess corporate efforts outside the U.S. In addition, in recognition of our efforts to advance inclusive, equitable practices in Mexico, we obtained a placement on HRC Equidad MX: Global Workplace Equality Program and earned top ratings in the **2023 HRC Equidad MX report**, which is the leading workplace assessment designed to grow LGBTQ+ inclusion and equality across businesses and corporations in Mexico.



Lower Alcohol by Volume (ABV) to 0% ABV Portfolio Options

As consumers reach for brands with lower calories and alcohol, our diverse portfolio of brands can play a role in responsible consumption by providing customers with lighter options.

Examples include:

Constellation Brands

Corona Non-Alcoholic:

contains less than 0.5% ABV, 60 calories & 17.5g carbs per 12 fl. oz.

Corona Hard Seltzer: 100 calories, gluten free

Corona Premier: low carb & with 90 calories per 12 fl. oz.



Modelo Oro: light beer with 90 calories, 3g carbs & 4% ABV per 12 fl. oz.

Meiomi Bright: lower-alcohol, full-bodied Pinot Noir with 90 calories and 8% ABV per 5 fl. oz.

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



Woodbridge Sessions Sauvignon Blanc & Red Blend: lower-alcohol wine with 80 calories and 8% ABV per 5 fl. oz. and 0 gluten

Constellation Ventures

TÖST: A flavor-forward and alcohol- and gluten-free sparkling beverage brand with 40-45 calories per 250ML

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

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

Our strategy focuses on **fact-based education, engagement programs, and policies.** We seek to ensure the **responsible promotion and marketing** of our products to empower adults to make responsible choices in their beverage alcohol consumption.

To execute on our strategy to support both our consumers and employees, we **partner with [Responsibility.org](https://www.responsibility.org),** a national not-for-profit that aims to empower adults to make a lifetime of responsible alcohol choices.

During Alcohol Responsibility Month in the U.S., which is observed each April, we collaborated with [Responsibility.org](https://www.responsibility.org) to invite our employees to participate in the Mindful Mixology Webinar: A Conversation with Derek Brown, author and seasoned mixologist, exploring alcohol responsibility topics while preparing no- and low-alcohol cocktails.

We also sought to promote conscious consumption in pursuit of a well-balanced lifestyle on our social media platforms during cultural celebrations and holidays, such as New Year's Eve, the Super Bowl, and more. For example, we collaborated with the Corona Brand Team to share Alcohol Responsibility Month messaging in conjunction with the launch of Corona Non-Alcoholic to our employees at our office locations in the U.S.; and with Uber to provide employees with a ride voucher when celebrating Cinco de Mayo.

Meanwhile, we look to advocate for a **culture that respects the choice to not consume alcohol**, thereby creating a more inclusive workplace where everyone feels valued, heard, and respected—and one that reflects our increasingly diverse portfolio.

In May 2023, we celebrated two additions to our portfolio that align with evolving consumer preferences:

- We introduced **Corona Non-Alcoholic**, a non-alcoholic brew with the same crisp, refreshing flavor as the classic Corona beer that drinkers know and love. As more people approach drinking with increased mindfulness and moderation, Corona is excited to add a non-alcoholic option to its product family.
- We announced a **minority stake in TÖST**, a non-alcoholic, flavor-forward sparkling beverage brand. This investment responds to consumer demand for an elegant and sophisticated beverage that is also alcohol free. As the non-alcoholic segment of the beverage industry continues to grow, we plan to continue to invest in this category to deliver on evolving preferences.



RESPONSIBLE CONSUMPTION PARTNERSHIPS & KEY INITIATIVES

Our advocacy for the responsible consumption of alcohol spans our internal teams—from Public Affairs to Government Relations—who work in partnership with government counterparts to advance responsible alcohol policy.

Collaborating nationally with organizations aligned with our responsible consumption strategy, such as **Responsibility.org**, allows us to leverage their expertise and broad reach into the communities where we live and work. We are proud members of TEAM (Techniques for Effective Alcohol Management) Coalition, an alliance of professional and collegiate sports, entertainment facilities, concessionaires, stadium service providers, the beer industry, and others working together to promote responsible drinking and positive fan behavior at sports and entertainment facilities.

Industry cohorts help us provide consumers key information so that adults of legal drinking age can be better informed about the alcohol beverages they choose to enjoy. We are members of the **Beer Institute**, where we hold a seat on the Board of Directors and are part of the Brewers' Voluntary Disclosure Initiative; the **Wine Institute**, where we hold two at-large seats on the organization's Board of Directors and support its ongoing social responsibility program that promotes moderate consumption; and **The Distilled Spirits Council of the United States (DISCUS)**, where one of our executives serves as Vice Chair, and we support the organization's promotion of the moderate and responsible consumption of alcohol and anti-drunk driving measures.

We also partner with **WRAP, the Washington Regional Alcohol Program**—a coalition of diverse interests using effective education, innovative programs, and targeted advocacy striving to end alcohol-impaired driving and underage drinking in the greater Washington area—on SoberRide®, which provides codes for Lyft rides around the holidays, including Cinco de Mayo.





RESPONSIBLE MARKETING

Reaching Legal Drinking Age Consumers

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. We leverage recognized audience measurement services such as Nielsen and ComScore for audience composition data on a regular and frequent basis. This data helps us ensure that 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.

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

In fiscal year 2023, 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 2023, 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 Brands 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 critically important both to living out 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.

CORPORATE GOVERNANCE CHANGES

In November 2022, we completed the reclassification, exchange, and conversion of the company's common stock to eliminate our Class B Convertible Common Stock.

Upon completion of the reclassification, Robert and Richard Sands, who previously served as Executive Chairman of the Board and Executive Vice Chairman of the Board, respectively, retired from their executive positions with Constellation. A number of corporate governance changes were also implemented in connection with the completion of the reclassification, including:

- Holders of our Class A Common Stock are entitled to vote to elect all directors at all future Annual Meetings of Shareholders, beginning with the 2023 Annual Meeting of Shareholders;
- Our By-Laws were amended to transition to a majority vote standard for uncontested director elections; and
- Our Board implemented a prohibition on any director or executive officer pledging our common stock with a capped carve-out for specified levels of pledging by certain individuals and entities affiliated with the Sands family.



Following the transition from a dual to a single class share structure, we launched a comprehensive Board refreshment and governance enhancement process. In connection with this process:

- James A. Locke III and Jeremy S. G. Fowden retired from our Board after years of dedicated service;
- Robert Sands retired from his role as Chair of the Board and did not stand for re-election as Board Chair following the 2023 Annual Meeting of Shareholders while continuing in his capacity as a Board member for the company;
- José Manuel Madero was appointed interim independent Board Chair;
- The Corporate Governance, Nominating, and Responsibility Committee of our Board and the full Board commenced a search for an independent Board Chair and engaged an external advisor to assist them in that search;
- Luca Zaramella and William T. Giles were elected to the Board, each of whom brings strong financial expertise among other qualities.

Additionally, WildStar Partners LLC (WildStar) delivered an irrevocable waiver of its right under the Reclassification Agreement to have one individual designated by WildStar as a nominee to the Board serve as a non-voting member of any committee of the Board.

We understand the importance of sound governance to our stakeholders, and we believe that these changes represent an initial phase in the evolution of our governance practices as a non-controlled company. We will continue to evaluate our governance practices in response to the expressed views and policies of our shareholders and other stakeholders and evolve those practices as appropriate.



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 approach to 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 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.

To ensure that our team members and our key stakeholders are aware of our commitment, the many international, federal, state, and local rules and regulations that govern our industry, as well as Constellation Brands’ own policies, we publish our **Code of Business Conduct and Ethics**. All team members are accountable to act in accordance with these guidelines.

ETHICS COMPLIANCE TRAINING

Our employees must complete ethics compliance training courses and/or acknowledge that they have read our various relevant company policies. **Our 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 deciding or acting on behalf of the company. We also maintain an Ethics and Compliance Helpline, an independent reporting service. Employees can confidentially report any violation or suspected violation of the Code of Business Conduct and Ethics, any other Company policy, procedure, or governing law through the helpline.

ANTI-BRIBERY AND ANTI-CORRUPTION

Constellation Brands is committed to **earning its business based on superior products and services**, not through improper, unethical, or questionable business practices. Constellation Brands 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 & 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 & 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 it 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 and oversees cyber security, including privacy and information security, and receives regular updates from our Chief Information Security Officer.
- 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, Nominating, and Responsibility Committee** oversees risks related to our governance structure and processes as well as 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 ensures compliance with the Company's stated policy prohibiting pledging and monitors any continued pledging by permitted persons to ensure that there are no violations of such permitted pledging. This committee reviews shareholder proposals and makes recommendations to the Board regarding any such proposal.



ENTERPRISE RISK MANAGEMENT (ERM)

It is important to note that all of our risk management functions (Board, Audit Committee, ERM Department, Business Units, etc.) are focused on threats/risks not just from a loss prevention perspective, but also as either an impediment or a lever to the satisfaction of our strategic goals and objectives. Beyond the Board level, our ERM 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 overall**. The committee meets periodically for the purpose 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 ERM Committee periodically reports to, and receives comments from, the Board and the Audit Committee.

The ERM 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 ERM 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, and other filings with the Securities and Exchange Commission. These include, among others, ESG-related risks, such as the supply of quality water, agricultural, and other raw materials; climate change-related concerns; and risks related to our ESG and DEI strategies, initiatives, and targets as well as associated reporting regulations, standards, frameworks, and ratings. More information about such risks can be found in our **Form 10-K** and other filings with the Securities and Exchange Commission.



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. We believe 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.

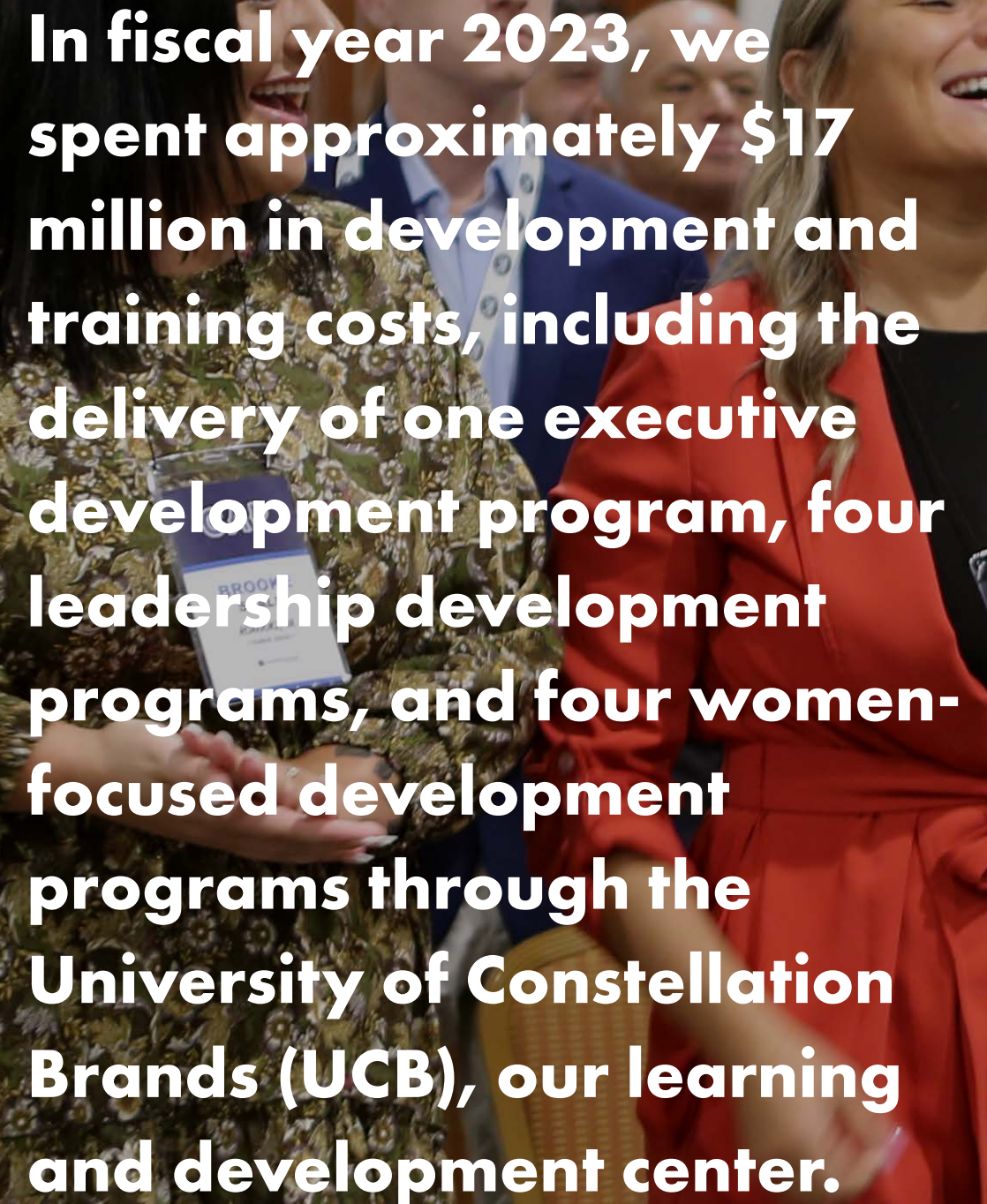
In fiscal year 2023, we spent approximately \$17 million in development and training costs, including the delivery of one executive development program, four leadership development programs, and four women-focused development programs through the University of Constellation Brands (UCB), our learning and development center.

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.** We intend for UCB's curricula to be regularly updated to reflect what is happening in our business, our industry, and our communities.

In October 2022, we launched the **first wave of a formal career development mentoring program.** More than 900 employees from across the organization enrolled, and we kicked off the program with more than 400 matched relationships. Our learning partners included the University of North Carolina Business School; Harvard Business Publishing; Linkage, a global leadership development firm committed to advancing women and accelerating inclusion in leaders and organizations; and MentorcliQ, a mentoring platform that leverages an award-winning smart match algorithm and process, a training lab, and resources for both mentees and mentors.

Employee Engagement

We assess employee engagement through a global engagement survey and targeted pulse surveys, which provide feedback on a variety of topics, such as company direction and strategy, resources, support, enablement, empowerment, and wellbeing.



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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 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 & 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 can help **shape the future through a bold vision for the company, delivered by committed teams we are privileged to lead.** We aim to build brands people love. We face special challenges that demand from each of us, at every level, a singular focus to demonstrate and elevate the courage, imagination, and work ethic that got us here.

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 for our teammates to reach for. This is what we stand for.



Succession Planning

To maintain a strong leadership pipeline, we have a comprehensive succession planning process, led by our Human Resources team and overseen by the Human Resources Committee of our Board. In addition to the Human Resources Committee's enhanced focus on executive, senior leader, and high-potential employee succession, our full Board is also involved in Chief Executive Officer succession planning as well as succession and people development for the broader employee population. As part of the succession planning process, we review and discuss potential successors to key roles and examine backgrounds, capabilities, and appropriate developmental opportunities.

EMPLOYEE HEALTH & SAFETY

Safety Data and Incident Rates, Human Rights, and Labor Rights

We are committed to ensuring the safety of our employees. Our **Global Environment, Health, Safety & Sustainability Policy Statement** 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.

With a focus on continuous improvement, we are developing more robust environmental, health, and safety management systems, strengthening employee awareness and training, and ensuring senior leadership engagement on safety.

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 is as follows:

	FY2023	FY2022	FY2021
Recordable Incident Rate⁽¹⁾	0.73	0.79	0.95
Industry Average⁽²⁾	2.47	3.45	3.50

(1) Defined as total number of worldwide Constellation Brands' work-related injuries (cases beyond first aid) per 100 full-time employees.

(2) Calculated by taking the weighted average of the most recent (2021) U.S. Bureau of Labor Statistics data for wineries, breweries, and distilleries based on our portfolio mix in February 2023, February 2022, and February 2021 for the years ended February 28, 2023, 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:

	FY2023	FY2022	FY2021
Days Away from Work Rate⁽¹⁾	0.15	0.28	0.27
Industry Average⁽²⁾	0.88	1.18	1.08

(1) Defined as total number of worldwide Constellation Brands' 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 (2021) U.S. Bureau of Labor Statistics data for wineries, breweries, and distilleries based on our portfolio mix in February 2023, February 2022, and February 2021 for the years ended February 28, 2023, February 28, 2022, and February 28, 2021, respectively.

Mental Health and Wellbeing

Employee mental health and wellbeing is a priority for our organization. We offer employees a number of resources to support their mental health, including ReThinkCare (a platform for Emotional IQ, meditation, and yoga sessions designed for reducing stress, anxiety, and depression), Talkspace (which allows face-to-face messaging with an in-network therapist anytime 24/7 at no cost), and our Employee Assistance Program (which offers up to six counseling sessions per person per issue such as anger, grief, loss, anxiety, depression, and stress).

We 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 and overall health and vitality. We also offer **quarterly Mental Health and Wellbeing Speaker sessions with experts in mental and physical health** to address a variety of topics specific to our employee populations and their families' needs. Topics have included sleep, burnout, mindfulness, and continued discussions on stress management. Our Wellness Team shares a quarterly newsletter, "Building a Better You," focused on helping employees prioritize physical and mental wellbeing, minimize stress, and ensure they have the right resources to be effective.

Caregiving

We know how stressful it can be to find the right care for loved ones. Through our partnership with Care.com, a leading provider of childcare and other personal support resources, **employees are provided premium access** to connect with the largest network of vetted caregivers, tutors, home support providers, and pet sitters. This benefit also includes options for five days of subsidized backup childcare every school year when normal care is unavailable, using the Care.com network or an employee's own personal network.

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. Even before the onset of the COVID-19 pandemic in calendar year 2020, we launched "FlexAbility" 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, we expanded and updated our FlexAbility program.

Today, flexible work arrangements 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 Sustainable Development Goals (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>SDG 2 Zero Hunger</p>	<p>SDG 6 Clean Water and Sanitation</p>	<p>SDG 7 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 GHG emissions, and reduce energy consumption.</p>
<p>SDG 12 Promoting Responsible Consumption and Production</p>	<p>SDG 14 Life Below Water</p>	<p>SDG 15 Life on Land</p>
<p>We support this goal by promoting sustainable management and efficient use of natural resources within our own operations, and substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p>	<p>We support this goal by preventing and reducing marine pollution through our Fish Friendly Farming, Pacifico Preserves, and Corona’s Protect Our Beaches initiatives.</p>	<p>We support this goal through our involvement with CSWA (California Sustainable Winegrowing Alliance) in the U.S. and through our involvement with Sustainable Wine-Growing New Zealand (SWNZ), 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 aim to guide the disclosure of financially material¹ 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 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
ENERGY MANAGEMENT Total energy consumed, percentage grid electricity, percentage renewable	Gigajoules (GJ), Percentage (%)	ESG Impact Report 2023 - Reducing GHG Emissions (pg. 30)
WATER MANAGEMENT (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress Discussion of water management risks and description of management strategies and practices to mitigate those risks	Megaliters (MI), Percentage (%) N/A	ESG Impact Report 2023 - Water Withdrawals (pg. 26-27) CDP Water Security 2023 - W1.2d ESG Impact Report 2023 - ESG Commitments and Targets (pg. 12-13, 18-26, 40, 82-83, 94-95) CDP Water Security 2023 - W4 CBI is taking steps to be able to disclose more detailed information on this metric in the future.
RESPONSIBLE DRINKING & MARKETING Percentage of total advertising impressions made on individuals at or above the legal drinking age Number of incidents 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 practices Description of efforts to promote responsible consumption of alcohol	Percentage (%) Number U.S. Dollars (\$) N/A	ESG Impact Report 2023 - Responsible Marketing (pg. 75) ESG Impact Report 2023 - Responsible Marketing (pg. 75) ESG Impact Report 2023 - Responsible Marketing (pg. 75) ESG Impact Report 2023 - Promoting responsible beverage alcohol consumption (pg. 14, 70-71), Responsible Consumption Partners & Key Initiatives (pg. 72), Responsible Marketing (pg. 75)

ACCOUNTING METRIC	UNIT OF MEASURE	LOCATION
PACKAGING LIFECYCLE MANAGEMENT (1) Total weight of packaging, (2) percentage made from recycled or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	Metric tons (t), Percentage (%) N/A	CBI is taking steps to be able to disclose this information in the future. ESG Impact Report 2023 - ESG Commitments and Targets (pg. 12-13); Sustainability Efforts in Packaging and Waste Reduction (pg. 36-39) CDP Climate Change 2023 - C2.4
ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN Suppliers' social and environmental responsibility audit conformance: (1) major non-conformance rate and associated corrective action rate and (2) minor non-conformance rate and associated corrective action rate	Rate	CBI is taking steps to be able to disclose this information in the future.
INGREDIENT SOURCING Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress List of priority beverage ingredients and discussion of sourcing risks due to environmental and social considerations	Percentage (%) by spend N/A	CDP Water Security 2023 - W-FB1.2e-g ESG Impact Report 2023 - ESG Commitments and Targets (pg. 12-13, 18-26, 40, 82-83, 94-95) CDP Water Security 2023 - W4 CBI is taking steps to be able to disclose more detailed information on this metric in the future.

SASB ACTIVITY METRICS

ACTIVITY METRIC	UNIT OF MEASURE	FY2021	FY2022	FY2023	NOTES
Volume of products sold	Millions of hectoliters (Mhl)	32.55	33.71	35.59	Volume of product sold for FY2021 and FY2022 have been restated this year to correct inaccuracies identified.
Number of production facilities		28 Facilities: 5 Breweries 4 Distilleries 19 Wineries	28 Facilities: 5 Breweries 4 Distilleries 19 Wineries	29 Facilities: 5 Breweries 5 Distilleries 19 Wineries	In June 2023, we completed the sale of the Funky Buddha Brewery LLC and Four Corners Brewing Company LLC businesses and related production facilities.
Total fleet road miles traveled	Miles	10,831,919	13,918,399	14,941,174	The total fleet road miles traveled decreased in fiscal year 2021 due to COVID-19 related reduced travel. This data represents U.S. only. Miles traveled for FY2022 have been restated this year to correct inaccuracies identified.

In this Report, we are not using such terms as "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 purposes of this report should not, therefore, be read as equating to any use of the word in other company reporting or statements.



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>GOVERNANCE:</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 2023 - C1</p> <p>CDP Climate Change 2023 - C1</p>
<p>STRATEGY:</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>CDP Climate Change 2023 - C2</p> <p>CDP Climate Change 2023 - C1, C3</p> <p>CDP Climate Change 2023 - C3.1-3.3</p>
<p>RISK MANAGEMENT:</p> <p>A. Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>B. Describe the organization's processes for managing climate-related risks.</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 2023 - C1, C3</p> <p>CDP Climate Change 2023 - C1</p> <p>CDP Climate Change 2023 - C1, C3</p>
<p>METRICS & TARGETS:</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 greenhouse gas (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>CDP Climate Change 2023 - C1, C3</p> <p>ESG Impact Report 2023 - Reducing GHG Emissions (pg. 30-31), GHG Strategies In Action (pg. 32-35)</p> <p>CDP Climate Change 2023 - C6</p> <p>ESG Impact Report - ESG Commitments and Targets (pg. 12-13)</p> <p>CDP Climate Change 2023 - C4</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, promises, or expected actions of third parties. When used in this Report, the words "anticipate," "intend," "expect," "plan," "continue," "estimate," "exceed," "may," "will," "project," "predict," "propose," "potential," "targeting," "exploring," "scheduled," "implementing," "could," "might," "should," "believe," "vision," and similar words or 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 19, 2023. 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, preferences, and behaviors; operating activities taking place on expected scope, terms, costs and timetables; communicable diseases outbreaks, pandemics, or other widespread public health crises or; impacts of wildfires and severe weather events; general economic, geopolitical, domestic, international, and regulatory conditions, 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, expectations, or timelines, including with respect to climate change, water stewardship, GHG emissions, waste reduction, circular packaging, social equity, DEI, responsible beverage alcohol consumption, and governance is subject to change, and no assurance can be given that such goals, targets, intentions, expectations, or timelines will be met. The SDGs are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to the SDGs is inherently subjective and dependent on a number of factors. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG. Accordingly, investors should not place undue reliance on the company's application of the SDGs, as such application is subject to change at any time and in the company's sole discretion. Further, statistics and metrics, including water use and GHG emissions metrics, relating to ESG matters may be estimates and based on estimates or assumptions (which may prove to be inaccurate) or developing standards (including the company's internal standards and policies). The accuracy of such statistic and metrics are subject to variance.

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. Therefore, there can be no assurance that the company's ESG policies and procedures as described in this Report will continue; such policies and procedures could change. Further, the receipt of any awards by the company is no assurance that our business objectives, including our ESG objectives, have been achieved or successful.

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 19, 2023. 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.



ESG IMPACT REPORT 2023