

WHEREAS: According to the Intergovernmental Panel on Climate Change, the window for limiting global warming to 1.5 degree Celsius (“1.5°C”) is quickly narrowing. Therefore, immediate and significant emissions reduction is required of all market sectors.¹

Investor demand for science-aligned greenhouse gas emission reductions reflects the reality that climate change poses a systemic risk to investor portfolios. Failure to reach Net Zero by 2050 is projected to have disastrous economic consequences.²

Constellation Brands identifies numerous climate-related risks in its 10-K, including climate change’s negative effects on agricultural productivity and contribution to the degradation of product quality.³ Some of these risks have already manifested: the Company notes that fiscal year 2021 inventory levels for its beer and wine and spirits segments were “negatively impacted by climate-related events.”⁴ Constellation Brands also identifies regulatory compliance costs associated with climate change as a risk factor.⁵ By reducing the emissions from its full value chain, Constellation Brands can do its part to mitigate operational risks posed by climate change, while also preparing itself to comply with anticipated heightened climate laws and regulations.

While Constellation Brands has committed to reduce its Scope 1 and 2 emissions by 15% by 2025,⁶ these targets are not aligned with the global 1.5°C Paris goal. Furthermore, according to the Company’s disclosures, over 99% of its emissions fall under Scope 3, meaning that its current climate targets cover less than one percent of its total climate footprint.⁷ Constellation Brands can make effective progress in mitigating its climate impact by expeditiously setting 1.5 °C-aligned emissions reduction targets for its Scope 1, 2, and 3 emissions.

Constellation Brands lags other major alcoholic beverage companies in addressing climate risk. Molson Coors, Heineken, Carlsberg, Diageo, AB InBev, and Rémy Cointreau

¹ https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_FullReport.pdf

² <https://www.nytimes.com/2021/04/22/climate/climate-change-economy.html>

³ <https://ir.cbrands.com/sec-filings/annual-reports/content/0000016918-22-000069/0000016918-22-000069.pdf>

⁴ <https://ir.cbrands.com/sec-filings/annual-reports/content/0000016918-22-000069/0000016918-22-000069.pdf>, p. 46

⁵ <https://ir.cbrands.com/sec-filings/annual-reports/content/0000016918-22-000069/0000016918-22-000069.pdf>

⁶ <https://dlus3r1ggbdns.cloudfront.net/uploads/downloads/2022-ESG-Impact-Report-2.pdf?mtime=20221221140814&focal=none>, p. 10

⁷ <https://dlus3r1ggbdns.cloudfront.net/uploads/downloads/2022-ESG-Impact-Report-2.pdf?mtime=20221221140814&focal=none>, p. 29-30



have all set 1.5°C-aligned reduction targets for their Scope 1, 2, and 3 emissions and validated these targets through the Science Based Targets initiative.⁸

By setting science-based reduction targets covering its full value chain and disclosing a decarbonization plan, Constellation Brands can align with peers and provide investors with assurance that it is addressing the operational and regulatory risks associated with climate change.

BE IT RESOLVED: Shareholders request that Constellation Brands issue a report, at reasonable expense and excluding confidential information, disclosing how our Company intends to reduce the full range of its Scope 1 through 3 greenhouse gas emissions in alignment with the Paris Agreement's 1.5 degree Celsius goal requiring Net Zero emissions by 2050.

SUPPORTING STATEMENT: Proponents recommend, at Company discretion, that the report include:

- A timeline for setting a 1.5°C-aligned Net Zero by 2050 GHG reduction target for the Company's Scope 1-3 greenhouse gas emissions, and 1.5°C -aligned interim goals;
- A climate transition plan to achieve emissions reduction goals across all relevant emissions scopes.

⁸ <https://sciencebasedtargets.org/companies-taking-action>