FORWARD-LOOKING STATEMENT

This Report contains forward-looking statements, within the meaning of the U.S. federal securities laws as amended, regarding the expectations of management with respect to our plans, objectives, outlooks, goals, strategies, future operating results and other future events including revenues and profitability. Forward-looking statements are generally identified through the inclusion of words such as “aim,” “anticipate,” “believe,” “drive,” “estimate,” “expect,” “goal,” “intend,” “may,” “plan,” “project,” “strategy,” “target,” “hope,” and “will” or similar statements or variations of such terms and other similar expressions. These forward-looking statements are based on management’s current knowledge and expectations and are subject to certain risks and uncertainties, many of which are outside of the control of the Company, that could cause actual results and events to differ materially from the statements made herein. For additional information about the risks, uncertainties and other factors that may affect our business, please see our most recent annual report on Form 10-K and any subsequent reports filed with the Securities and Exchange Commission, including quarterly reports on Form 10-Q. Monster Beverage Corporation assumes no responsibility to update any forward-looking statements whether as a result of new information, future events or otherwise.
LETTER FROM THE CO-CEOS

As Monster publishes its first Sustainability Report, we cannot ignore the impact of the COVID-19 pandemic. The pandemic continues to affect our families and communities around the world and, of course, the global economy. Our priorities during this period remain the health and well-being of our employees and our business partners, and to safely maintain our company operations. We took many precautions to ensure our employees’ safety, including providing Personal Protection Equipment for frontline workers, implementing intensified cleaning procedures, enabling remote working and introducing an enhanced employee assistance and support program. During this difficult time, we believe our employees demonstrated true Monster values and came together to support one another and our communities. We are happy to report that despite many challenges, Monster did not experience any significant supply chain issues as of the publishing of this report.

At Monster, we are committed to improving sustainability and giving back to our communities through various philanthropic efforts. We are publishing this report to highlight some of our ongoing efforts and goals around various sustainability topics. Our intent is to provide additional disclosure of our environmental, social and governance (ESG) performance on an annual basis.

We will strive to continue to work toward building a more sustainable future, and we thank our consumers, customers, bottlers, distribution partners, suppliers, employees and stockholders for their continued support.

Hilton H. Schlosberg
Vice Chairman and Co-CEO, Monster

Rodney C. Sacks
Chairman and Co-CEO, Monster
COMPANY AT A GLANCE

Headquarters in Corona, California

31 BRANDS

OVER 3,600 EMPLOYEES IN 66 COUNTRIES

504.8 MILLION CASES SOLD IN 2020 (UP 12.5% FROM 2019)*

PRODUCTS SOLD IN 154 COUNTRIES AND TERRITORIES

$4.598 BILLION TOTAL NET SALES (UP 9.5% FROM 2019)

* SASB FB-NB-000.A
INTRODUCTION

95% of Monster products are packaged in 100% recyclable aluminum cans

Warehouse in Rialto, California, certified LEED Silver

Headquarters in Corona, California, Energy Star certified for four consecutive years (2017-2020) and certified LEED Gold

Matched employee contributions to 63 charities

Launched our equality, diversity and inclusion leadership advisory group

Responded to CDP for climate change and water security, one of the world's most recognized global disclosure systems for investors and companies to manage their environmental impacts

Most retail refrigeration equipment in the United States is Energy Star certified

EcoVadis Silver for our subsidiary, American Fruits & Flavors, LLC

Donated over 4 million cans of beverage products across 40 countries during the COVID-19 pandemic in 2020
We believe in action and finding solutions. This applies to everything we do, including sustainability. 2020 was an important year in Monster’s sustainability journey, and we will strive to continue to make progress in the future.
ABOUT THIS REPORT

THIS 2020 SUSTAINABILITY REPORT IS OUR FIRST REPORT DEDICATED TO OUR SUSTAINABILITY EFFORTS, AND IT ENCOMPASSES OUR ACTIONS TAKEN ACROSS ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ASPECTS.

This report refers to certain requirements of the sustainability and reporting framework, the Sustainability Accounting Standards Board (SASB) for the Non-Alcoholic Beverages industry of the Food and Beverage sector.

Unless otherwise noted, any reported data and activities cover the 2020 calendar year relating to Monster Beverage Corporation and its consolidated subsidiaries (together referred to as Monster).

In late 2020, Monster initiated a pilot assessment of selected bottling and supply partners regarding a broad range of sustainability metrics, goals and performance related to their partnership with Monster. We received responses from bottlers and co-packers serving each of our key geographic markets, representing more than 50% of our finished product volume, as well as a majority of our container and sweetener suppliers. The primary focus was on energy, water and packaging-related use, emissions, goals and innovations. We also requested background on sustainability-related risks, worker health and safety, as well as community involvement. Selected data from this assessment that pertains to Monster production is included throughout this report.
ABOUT MONSTER

Monster is headquartered in Corona, California and is proud to develop and market energy drinks, such as Monster Energy, Reign, NOS, Predator, Relentless and many other beverages around the world.

At Monster, we are committed to improving sustainability and giving back to the community. In 2020, Monster invested time and resources in various initiatives, such as calculating our carbon footprint, undertaking a water-risk assessment, responding to CDP (formerly known as the Carbon Disclosure Project), expanding Monster Energy Cares to include social responsibility and establishing regional Equality, Diversity and Inclusion (EDI) councils.

BUSINESS OPERATIONS

Monster has sales and marketing operations in 66 countries:

› North America (United States, Canada, Puerto Rico)
› 37 countries in EMEA (Europe, Middle East and Africa)
› 16 countries in LATAM (Latin America)
› 11 countries in APAC (Asia Pacific, including Oceania)
We do not operate our own manufacturing facilities for finished goods, but instead outsource the manufacturing process for finished goods to third-party bottlers and contract packers. Our sole manufacturing operation began with the acquisition of our primary flavor supplier, American Fruits & Flavors, LLC (AFF). AFF is a wholly owned subsidiary that manufactures flavors and concentrates for products. We also procure flavors from other flavor suppliers and other raw materials, such as concentrates, sweeteners, sugar, tea, cocoa, juices and other ingredients from other suppliers. We also obtain packaging materials such as aluminum cans, bottles, caps, labels, trays and boxes from large independent suppliers, which are delivered to our various third-party bottlers and co-packers.

In some cases, certain common supplies may be purchased by third-party bottlers and co-packers. Depending on the product, water and other ingredients may be added for the manufacture of the finished products into our approved containers in accordance with our recipes and formulas. Depending on the beverage, carbonation may also be added.

All finished goods are manufactured by third-party bottlers and co-packers throughout the United States and abroad, under separate arrangements with each party. Our products are generally manufactured regionally in domestic and international locations, so they are produced in, or closer to, the markets where they are sold. This strategy reduces freight costs, transportation-related product damages, and ultimately, our carbon footprint.

We also have agreements with bottlers/distributors to distribute our products. All distribution territories in the United States, and substantially all distribution territories internationally have been transitioned to The Coca-Cola Company network of bottlers/distributors.

As a result, Monster relies in large part on The Coca-Cola Company network of bottlers/distributors and other third parties for certain information in this report. We also work with these third parties in their sustainability efforts.
INTRODUCTION

BRANDS AND PRODUCTS

Monster has been committed to innovation in the energy drink industry. We now develop, market, sell and distribute energy drink beverages primarily under the following brand names:

- Monster Energy®
- Monster Energy Ultra®
- Monster Rehab®
- Java Monster®
- Monster Hydro®
- Reign Total Body Fuel®
- NOS®
- Full Throttle®
- Burn®
- Mother®
- Nalu®
- Play® and Power Play® (stylized)
- Relentless®
- BPM®
- BU®
- Gladiator®
- Samurai®
- Live+®
- Predator®
- Fury®

In 2020, we continued to expand our existing portfolio of energy drinks and introduced new products such as:

- Monster Energy® Dragon’s Gold (China)
- Monster Energy Ultra Fiesta®
- Monster Energy Ultra Rosa®
- Monster Energy Ultra® Watermelon
- Juice Monster® Khaotic® Energy + Juice
- Juice Monster® Papillon® Energy + Juice

We look forward to future introductions of new and exciting beverages in 2021 and beyond.
At Monster, we are a team — one that endeavors to work together, growing together and succeeding together. Our team has made Monster what it is, and we are grateful and committed to our employees. Following is a quick snapshot of our employees:

- Employees across 66 countries
- 3,666 employees worldwide
  - 3,013 full-time, 653 part-time
  - 1,185 in corporate and operations, 2,481 in sales and marketing
- North America: 2,535
- LATAM: 228
- APAC: 217
- EMEA: 686

Monster values and strives to foster a strong, healthy culture through our core values. Our values reflect the way we think, act and communicate with each other, our business partners, our vendors and our customers. We have a bias for action and embody resilience. Trust, respect of differences and commitment are what the Monster Family expects.
IN 2021, WE LAUNCHED A CROSS-FUNCTIONAL SUSTAINABILITY TASK FORCE TO ENSURE THAT MONSTER EMBEDS SUSTAINABILITY MEASUREMENTS, KEY PERFORMANCE INDICATORS, TARGETS, PROGRAMS AND REPORTING ACROSS ALL KEY BUSINESS FUNCTIONS. THIS TASK FORCE EMPOWERS US TO BE BOLD AND STRATEGIC, AS WE EVOLVE AND PROGRESS ALONG OUR SUSTAINABILITY JOURNEY.

THROUGH THIS TASK FORCE, WE WILL STRIVE TO:

› PROPOSE ANNUAL AND LONG-TERM SUSTAINABILITY GOALS.
› IDENTIFY KEY SUSTAINABILITY RISKS AND OPPORTUNITIES FOR THE BUSINESS.
› COMMUNICATE A COMMON UNDERSTANDING OF MONSTER’S SUSTAINABILITY INITIATIVES TO EMPLOYEES, INVESTORS, CUSTOMERS, CONSUMERS AND SUPPLIERS, WHILE WORKING TO MEET AND HOPEFULLY EXCEED THEIR SUSTAINABILITY EXPECTATIONS.
› ENHANCE OUR INTERNAL AND EXTERNAL REPORTING ON SUSTAINABILITY.
COVID-19 STATEMENT

The global COVID-19 pandemic has presented substantial public health and economic challenges around the world. It is affecting our employees, our communities and our business operations, as well as the global economy and financial markets. The human and economic consequences of the COVID-19 pandemic, as well as the measures taken or that may be taken in the future by governments, businesses and the public at large to limit the COVID-19 pandemic, have directly and indirectly impacted our business. The duration and severity of the impact of the COVID-19 pandemic will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning the COVID-19 pandemic and its variants, the actions taken to limit its spread and the economic impact on local, regional, national and international markets.

Monster has been addressing the COVID-19 pandemic with a global task force team. We have been working to mitigate the potential impact on our people and business.

HEALTH AND SAFETY OF OUR EMPLOYEES AND BUSINESS PARTNERS

From the beginning of the COVID-19 pandemic, our top priority has been the health, safety and well-being of our employees. Early in March 2020, we implemented global travel restrictions and work-from-home policies for employees who were able to work remotely. Where possible, employees were provided with equipment to facilitate home-based work. For employees who were unable to work remotely, we implemented safety precautions, which were developed and adopted in line with guidance from public health authorities and professional consultants. For example, where it was possible, we provided on-site COVID-19 testing for employees at selected offices and facilities. Currently, several U.S. and international offices and facilities have partially reopened in line with local health and safety rules.

Our field sales teams are working with our bottlers/distributors and retailers to ensure appropriate safety protocols are in place.

During the COVID-19 pandemic, we took steps to support our employees, including:

› Year-end bonuses for essential, hourly employees.
› Increasing our employee communications, including on topics such as mental health and family welfare.
› Weekly and bi-weekly communication from executive leadership.
› Creating wellness hotlines and enhancing employee assistance programs.
› Conducting employee surveys to evaluate employee morale.
› “Beast Your Day” – A resilience training program providing employees with tools and resources to be resilient in the current climate, to stay healthy and to focus on “you.” Monster will continue to provide these workshops throughout 2021.
Hosting a Monster Legend’s Speaker Series accessible to all employees and covering a wide range of important and relevant topics, including motivation, equality, diversity and inclusion, sustainability, wellness and resilience.

We are incredibly proud of the teamwork exhibited by our employees, our co-packers, bottlers and distributors around the world, who are ensuring the integrity of our supply chain.

**CARING FOR OUR COMMUNITY**

Monster Energy Cares, our philanthropic arm, is actively engaged in many activities, including directing the donations of products to individuals on the front lines, such as first responders, health care workers and the National Guard in the United States. We are proud to support our communities. Examples of initiatives include:

- Donating $100,000 to the non-profit organization, Direct Relief, for global personal protective equipment (PPE).
- Donating over 4 million cans of beverage products to first responders in over 40 countries in 2020.
- Engaging our Monster Athletes and talent in video presentations to boost morale for U.S. military troops stationed around the globe.
At Monster, we are investing substantial time, effort and resources to positively impact society. We remain focused on fostering diversity and inclusion in our workforce, promoting high ethical standards company-wide and supporting local communities.
CARING FOR OUR EMPLOYEES

MONSTER IS MORE THAN AN ENERGY DRINK. IT IS A LIFESTYLE, AND WE STRIVE TO CREATE AN IMMERSIVE AND AUTHENTIC EXPERIENCE THAT INSPIRES OUR EMPLOYEES.

EMPLOYEE BENEFITS

We take pride in offering our employees a competitive benefit program as part of a total compensation package. The array of benefit choices is designed to provide our employees with the freedom to choose those benefits that truly match their needs.

UNITED STATES

For eligible employees, Monster pays for the following coverage:

- Medical (including virtual visits),
- Dental,
- Vision,
- Life insurance,
- Accidental death and dismemberment,
- Short- and long-term disability, and
- Employee Assistance Program (EAP).
Monster also shares in the cost of eligible dependents for medical, dental and vision coverage. We offer voluntary benefits, including supplemental life insurance, critical illness insurance, flexible spending accounts, travel insurance, pre-paid legal, healthy rewards programs, identity theft assistance and retirement savings accounts.

Saving for the future is important, and Monster offers eligible employees a 401(k) plan to assist in saving for retirement. Monster currently matches 50% of the first 8% of employee contributions.

**INTERNATIONAL**

Monster offers supplemental benefits to eligible employees to enhance statutory medical benefits, as well as life insurance benefits. In certain countries, Monster also contributes toward supplemental benefits for eligible dependents of employees.

All employees can benefit from Monster’s Employee Crisis program. Through this initiative, we help employees and their families in need due to unforeseen circumstances.

**EMPLOYEE MENTAL WELL-BEING**

At Monster, we care about our employees’ health, including their mental well-being. Monster offers access to mental health assistance for employees and their dependents with confidential support in handling life’s demands, including mental health training and help from medical providers, as well as Employee Assistance Programs (EAPs), which provide behavioral health assistance and guidance on a wide range of personal family and work matters.

**WORKPLACE HEALTH & SAFETY**

Monster offers a healthy work environment. We strive to comply with applicable health and safety requirements to minimize the risk of accidents, injury and exposure to health risks. All Monster employees are covered under occupational injury, illness programs or workers’ compensation insurance.
We aim to foster a workplace that is free from violence, harassment, intimidation and other unsafe or disruptive conditions due to internal or external threats. We are committed to providing fair and equitable remediation if circumstances so required.

Our subsidiary, AFF, coordinates with the Occupational Safety and Health Administration (OSHA) on a regular basis to ensure a safe and healthful workplace. AFF also has several training programs in place that promote a safe environment, covering topics such as hearing conservation, confined space entry and proper operation of heavy machinery.

**EMPLOYEE TRAINING**

Monster empowers employees to perform at their highest potential. We offer many opportunities for employees to take their skills and careers to the next level.

The Monster Business Academy provides employees with access to numerous online, self-paced, on-demand courses and training programs, as well as leadership training sessions designed to build management and professional skills.

Monster also offers Beast Mode, a mid-level manager development program for high-potential individuals to learn leadership skills, network with peers and senior executives and tackle critical-change initiatives through task forces.

Monster University is an e-learning platform that focuses on job and career training, business acumen, professional development and technical capabilities.

ToastMonsters is Monster’s public speaking development program that gives employees an opportunity to improve their communication and leadership skills.

Mentorship programs are designed to inspire, motivate and guide talent within the business.

Our EMEA team has their own set of training programs: the 3P – Personal Performance Plan. This is a tailored learning program through three pathways:

- MLP – Monster Leadership Program
- MMA – Monster Management Accelerator
- MU – Monster University

We believe that our training helped us to fill approximately 40% of our open positions across our international operations through internal promotions in 2020.

**RECRUITMENT**

The Monster brand represents being the best at what our team members do, and we always aim to hire the right person for the right job. Our talent acquisition program targets diverse candidates who are the right fit for the Monster team. We post job openings on social media, attend and hold job fairs, work with our employees for referrals and use recruitment specialists.
Monster empowers employees to perform at their highest potential. We offer many opportunities for employees to take their skills and careers to the next level.
Monster has experienced huge growth over the last several years. Over the last decade, we have more than doubled our number of employees across our global operations.

EMPLOYEE TENURE AND GROWTH

While recruiting talent is important, retaining talent is equally critical to the Monster Family. We are proud that nearly a quarter of our staff in the United States has been with Monster for over six years.

Monster has experienced significant growth over the last several years. In the last decade, we have more than doubled our number of employees across our global operations. The United States employee count alone grew by 17% from 2019 to 2020.

In 2010, just over half of our team around the globe were full-time. In 2020, this figure is more than 80%.
DIVERSITY & INCLUSION

Monster is a global company, and wherever we operate, and across every part of the business, we target an inclusive culture in which differences are appreciated and valued.

At Monster, we are committed to diversity and inclusion and have worked together to create a culture where our employees and business partners feel safe, welcome and respected. We pride ourselves on fostering an environment that recognizes the importance of equality. We strive to effect positive change in our communities and are dedicating resources and energy toward helping end the cycle of systemic racism.

We believe that bringing together diverse backgrounds and giving each employee the opportunity to contribute their skills, experience and perspectives develops strong and sustained relationships throughout the organization.

We are committed to improving equality of opportunity, and do not tolerate discrimination or harassment of any kind. Recruitment, hiring, placement, training, compensation and advancement focuses on qualifications, skills, performance, and experience. We seek to capture diversity in our candidates, including diversity of gender, race and ethnicity and veteran status. This applies across the organization, including at the senior management level.
Monster is proud to embrace a diverse workforce. Nearly half of our U.S. employees are from one or more underrepresented groups, including, but not limited to, Black, Latino, Asian, Pacific Islander, Native American and other Indigenous tribes.

Pay Equity

WE ARE COMMITTED TO EQUALITY, INCLUDING PAY EQUITY. MONSTER’S GENDER WAGE GAP AS DEFINED BY THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD) IS 1.9% FOR OUR COMPANY AS A WHOLE, AS OF MAY 2021. THIS GAP IS LOWER THAN ANY OF THE OECD COUNTRY AVERAGES, WHICH RANGE FROM 3.5% TO 32.5%.

We understand that maximizing the business impact of global diversity and inclusion will empower our employees to:

› make good decisions and allow us to optimize resources by eliminating cultural barriers to work together effectively;
› deliver strong performance and growth by attracting, engaging and retaining diverse talent;
› innovate by incorporating the diverse perspectives, skills and experience of our team; and
› adapt and respond effectively to changes, challenges and expectations at a global level.

We also plan to better educate and train our employees on racial justice, diversity, equity and inclusion, as well as unconscious bias.
EDI LEADERSHIP ADVISORY GROUP

In 2020, we established our Equality, Diversity and Inclusion Leadership Advisory Group (EDI Advisory Group), comprised of leaders from across Monster. The EDI Advisory Group was formed to provide insight on our diversity and inclusion efforts, and to further integrate EDI principles into our overall strategy and business objectives. The EDI Advisory Group provides guidance to each of the Company’s three regional EDI Councils.

EDI VISION

An enduring and authentic culture in which equal opportunities exist for everyone; where the strength and performance for our Monster Family, our employees, our partners and our communities are enhanced through diversity and empowered by inclusion.

EDI MISSION

To always strive to create, promote and evolve a culture in which employees are engaged and given ownership to design, drive and deliver the EDI Agenda.

EDI OBJECTIVES

› Establish working councils that fairly represent diversity of gender, geography, ethnicity, sexual orientation, background, age and experience.
› Listen and learn from opinions and proposals on equality, diversity and inclusion to create working groups, initiatives and programs in order to act and deliver Monster’s global EDI vision and mission.
› Create an environment delivering employee engagement and an ongoing dialogue with all employees where the Team is able to offer feedback, comment and make proposals regarding EDI.

› Initiate a review and ongoing assessment of all current policies and processes to attract, hire and retain talent. The objective is to ensure the support and delivery of the Monster equal opportunity, diversity and inclusion mission.

› Plan and implement a continuous program of education and learning opportunities for the Team to embrace EDI.

› Train, mentor and provide EDI enhancement programs for all, specifically programs which address attitudes and behavioral considerations, as well as development.

› Participate in external community-led efforts to improve quality of life and opportunities in our greater communities, providing financial support for underprivileged youth education and ongoing philanthropic efforts to advance the concept of inclusion in everything we do.

HUMAN RIGHTS POLICY

Respect for human rights is one of our core values at Monster, and it is vital to us to always conduct our business in a manner that respects and promotes human rights. Our Human Rights Policy is guided by the international human rights principles set forth by the United Nations in their Universal Declaration of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. Our Human Rights Policy applies company-wide, regardless of location. We also expect our suppliers and distribution partners to uphold these principles and adopt similar policies within their own businesses.

The policy addresses:

› Diversity and Inclusion,
› Forced Labor and Human Trafficking,
› Child Labor,
› Workplace Health and Safety,
› Workplace Security,
› Work Hours, Wages and Benefits,
› Freedom of Association of Collective Bargaining, and
› Employee Reporting.

EMPLOYEE REPORTING

We believe in fostering a workplace in which open and honest communication among our Team is valued and respected, and we strive to respect applicable labor and employment laws wherever we operate. Should we identify adverse human rights issues resulting from or caused by our business activities, we will work to remediate them.

We ask employees who believe there may be a conflict between Monster’s Human Rights Policy and the laws, customs and practices of their location, or who have questions about this policy, or would like to confidentially report a violation or suspected violation of the Human Rights Policy, to raise these concerns, without fear of retaliation or reprisal, through one of the following channels:

› contacting their direct manager or next-level manager,
At Monster we are committed to diversity and inclusion and have worked together to create a culture where our employees and business partners feel safe, welcome and respected.
› contacting their Human Resources business partner, or
› writing to the head of the Human Resources or the Legal Department or contacting the anonymous compliance hotline at (800) 506-4310 (U.S.) or (844) 815-4398 (international).

SLAVERY AND HUMAN TRAFFICKING

We take slavery and human trafficking seriously and are opposed to slavery and human trafficking in all its forms. Our Board of Directors oversees our human rights initiatives and risks. The Nominating and Corporate Governance Committee of our Board of Directors has oversight over the company’s policies related to human rights and annually reviews the company’s efforts on these issues. Managers from quality, procurement and legal work as a team to implement Monster’s Human Rights Policy and initiatives, including oversight of the ongoing refinement of our Supplier Code of Conduct.

THE MONSTER APPROACH

We take a multifaceted approach to address the risk of slavery and human trafficking in our business and in our supply chain. Our efforts include:

› fostering accountability through organizational policies and governance,
› incorporating our Supplier Code of Conduct into supplier contracts,
› conducting due diligence on our suppliers, including verification and audits,
› providing training for our employees, internal auditors and suppliers,
› establishing mechanisms for individuals to raise concerns or identify potential violations of our policies, and
› taking corrective action when necessary.
SUPPLIER CODE OF CONDUCT

Monster is committed to conducting business responsibly and under the highest ethical standards. We hold our directors, officers and employees to these standards, guided by our Code of Business Conduct and Ethics. This commitment also extends to all our suppliers. Our Supplier Code of Conduct outlines our expectations for our suppliers’ operations and their employees and reflects our respect for international human rights. We encourage our suppliers to work toward implementing best practices and to exceed the requirements of our Supplier Code of Conduct.

SUPPLY CHAIN RISK ASSESSMENTS

Monster works closely with our suppliers to assist them in implementing our Supplier Code of Conduct into their strategy, policies and operations.

In partnership with a leading supply chain risk management services provider, we conducted supplier risk assessments using the Slavery and Trafficking Risk Template to identify and address the risk of modern slavery across our supply chain. The result from these risk assessments was used to prioritize suppliers for further due diligence.

Through this data-driven risk assessment process, certain suppliers were identified as being at a higher risk for modern slavery and human trafficking. We communicated our findings to the relevant suppliers and worked with them to address their tailored corrective action plans.

Holding Suppliers Accountable

“KNOWTHECHAIN” IS A RESOURCE FOR COMPANIES AND INVESTORS TO ADDRESS FORCED LABOR IN GLOBAL SUPPLY CHAINS. IT BENCHMARKS CURRENT CORPORATE PRACTICES, DEVELOPS INSIGHTS AND PROVIDES PRACTICAL RESOURCES THAT HELP TO INFORM INVESTOR DECISIONS AND ENABLE COMPANIES TO COMPLY WITH GROWING LEGAL OBLIGATIONS WHILE OPERATING WITH MORE TRANSPARENCY AND RESPONSIBILITY.

IN 2020-2021, MONSTER RANKED 23RD OUT OF 43 IN THE KNOWTHECHAIN RANKING FOR FOOD & BEVERAGE COMPANIES, AND SINCE 2018 OUR RANKING HAS IMPROVED SIGNIFICANTLY.

1,2 SASB FB-NB-430a.1
Insights from our Pilot Assessment of Bottling and Supply Partners: Human and Workplace Rights

Some of our key bottlers and suppliers have implemented sustainable agricultural guidelines for their suppliers and are targeting to source 100% of their key agricultural ingredients in line with guidelines such as The Coca-Cola Company’s Sustainable Agriculture Guiding Principles.

In order to ensure effective implementation, suppliers are required to undergo training to mitigate the risk of modern slavery in their operations and supply chains.

After completing the training, suppliers were asked to implement their corrective action plans within a set time frame. We tracked the progress of these suppliers and required them to provide verification of the implementation of the corrective action plan.

Learnings from the corrective action program have been integrated into Monster’s due diligence process and will be used to improve our Slavery and Human Trafficking program.

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3 SASB FB-NB-430a.1
TRAINING

Providing training enables us to educate ourselves, our Team, internal auditors and our bottlers, manufacturers, co-packers and distributors to recognize and combat forced labor and human trafficking. We have implemented a multifaceted training program on slavery and human trafficking, designed by a specialized third-party provider, as follows:

Employee Training – Employees whose work relates to supply chain management (including those in procurement and the legal department) must attend mandatory training on slavery and human trafficking risks and implementation of Monster’s policies. The training helps to equip these employees with an understanding of slavery and human trafficking issues, how their position can relate to these issues and steps to take if they have any concerns.

Internal Auditor Training – Auditors are also given specialized training designed to help them recognize the risks and signs of slavery and human trafficking in their audits.

Supplier Training – Monster requests that suppliers who are identified as being at medium or high risk complete a training program on slavery and human trafficking from a specialized third-party provider.

In Our Backyard

THROUGHOUT THE COVID-19 PANDEMIC, MONSTER HAS FOUND NEW WAYS TO SUPPORT AND ENDORSE OUR EMPLOYEE CHARITIES. ONE SUCH EXAMPLE IS IN OUR BACKYARD, A NON-PROFIT ORGANIZATION FOCUSED ON AWARENESS OF HUMAN TRAFFICKING. MONSTER WAS PROUD TO SPONSOR THE IN OUR BACKYARD’S COVID-SAFE VIRTUAL 5K RACE.
CARING FOR OUR COMMUNITIES

Action at the local level can be a powerful driving force for positive change. We are supporting these initiatives through many community outreach efforts, examples of which include:

› Providing multiple scholarships each year to local high school students through the American Legion and Soroptimist.
› Participating in National MS Society’s Bike MS: Bay to Bay, a bike ride across California to raise money for programs and services for those affected by multiple sclerosis. We just celebrated our 10th anniversary of support for this charity.
› Running two annual blood drives in partnership with the American Red Cross at our headquarters, although this was suspended in 2020 due to COVID-19.
› Working each year with the University of California, Irvine Cancer Research Institute to raise money for innovative, non-conventional cancer treatments.
› Donated funds to Corona Norco Settlement House, Meals on Wheels and Cowboys For A Cause to provide food, shelter and opportunities for veterans, at-risk youth and economically disadvantaged children and their families with special needs.
GIVING BACK: MONSTER ENERGY CARES FOUNDATION

Monster is proud to support the communities in which we operate. Our philanthropic support is managed by our VP of Philanthropy through our Monster Energy Cares Foundation. Our philanthropic platforms include Social Responsibility and supporting active duty, injured and retired U.S. military personnel, Monster athletes and their charities, our local community and first responders.

EMPLOYEE CHARITIES

We encourage our employees to contribute to the charity of their choice. We match employee donations to qualified charitable organizations. In 2020, we matched donations to 63 different charities, including Los Angeles LGBT center, Autism Speaks and Detroit Dog Rescue. We also give employees one paid volunteer day off a year to work with their chosen charities.

VETERANS AND MILITARY SUPPORT

We have a deep appreciation for those who serve and have served in the U.S. military and work to support them in different ways.

USO PARTNERSHIP

For 13 years, Monster Energy Cares has proudly supported the United Services Organization (USO), which provides programs, services and live entertainment to U.S. service members and their families. To date, our company has been represented in seven USO tours and accompanied Monster athletes and celebrities in support of our troops. In recognition of our involvement with the nation’s largest USO chapter, we received the “Legacy of Hope” award in 2016, the highest honor the USO gives to commercial organizations.

OTHER ENGAGEMENTS

Through Thanks USA, an organization providing need-based college, technical and vocational school scholarships, we provided seven scholarships to children of U.S. military personnel. We also provide scholarships for Chapman University’s Veteran program.
In recognition of our involvement with USO, we received the “Legacy of Hope” award in 2016, the highest honor USO gives to organizations for work done in connection with the military.
We also support Warrior Built, an organization in Lake Elsinore, Calif. that helps combat veterans transition back to civilian life through vocational training, recreational therapy and mental health services. For over five years, we have directly funded a facility, with a full-time instructor, that offers veterans training in general auto mechanics and welding. The facility also contains a gym, a music room and computer room available for use by its members. Warrior Built members also race in the Baja SCORE International off-road races each year as part of their recreational therapy.

American Humane Society’s Pups for Patriots program rescues qualified shelter dogs and trains them to offer the best possible assistance to veterans with Post-Traumatic Stress (PTS) and Traumatic Brain Injury (TBI).

We believe that one of the most valuable ways to support active-duty military personnel is organizing events to boost morale. In connection with such efforts, we have traveled all over the globe, including to Kuwait, Afghanistan, Korea, Japan, Iraq, Qatar, Italy, Greece, Diego Garcia, Spain, Kosovo, Germany and Africa. In the past, we have visited military bases with public figures, such as Wee Man, Rob Gronkowski, Ken Block, former UFC champion Dominick Cruz and many other Monster Energy athletes and ambassadors.

**ATHLETE CHARITIES**

We are proud to sponsor some of the most talented athletes on the planet. While these athletes have won numerous championships in their respective sports, we are equally impressed with their commitment to helping those in need.

Paul Thacker is a Monster athlete who was paralyzed in a snowmobile accident in 2010. After surviving this accident, he started the Paul Dean Thacker Spinal Cord Recovery Foundation to help others with spinal cord injuries by funding research to find cures for such injuries. Paul also runs a program for veterans that hosts our heroes at snowmobiling and fishing events to aid in their battlefield recovery. We donate to his foundation each year and are proud to work with someone as resilient as Paul.
First responders are some of the bravest people we know. They work day in and day out to ensure our communities are safe and protected. 2020 was an especially challenging year for our first responders around the globe due to the COVID-19 pandemic. To support hospitals, frontline workers and first responders battling the pandemic, Monster donated 4 million cans of our beverage products across over 40 countries in 2020.

Expanding Monster Energy Cares

In 2020, we formalized Social Responsibility as a platform of Monster Energy Cares. We are excited to grow this initiative and support charities that promote social responsibility.

We are also expanding our existing programs and initiatives around the globe. We look forward to working with more charities as we grow our philanthropic efforts. Monster’s outreach efforts include:

- 15 and the Mahomies Foundation
- Living Lands & Waters
- Team Rubicon
To support our first responders battling the pandemic on the front lines, Monster donated 4 million cans of our products across over 40 countries in 2020.
THREE

PRODUCT RESPONSIBILITY

Our beverage portfolio provides a wide range of options that allow our consumers to choose the best energy drink suited to their lifestyle.
MONSTER’S PORTFOLIO COMPRISÉS A NUMBER OF DIFFERENT ENERGY DRINK PRODUCTS.

We offer a wide range of options that allow our consumers to choose the best energy drink suited to their lifestyle. Many of our energy drinks are offered in zero or low-calorie options, and we continue to expand our reduced calorie portfolio of products.

As an example, Monster Energy Zero Ultra is now our second bestselling product.

In 2020, we introduced three new zero calorie products, Monster Energy Ultra Fiesta®, Monster Energy Ultra Rosa® and Monster Energy Ultra® Watermelon.

Our Reign brand is another example of a zero-sugar product line designed to expand customer options in the performance energy space. We added four new products to our Reign portfolio.

We launched a select number of products in 12-ounce cans. We continue to evaluate and introduce additional products to complement our existing product lines.

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4 SASB FB-NB-260a.2
5 SASB FB-NB-260a.1
UNCOMPROMISING ON QUALITY

At Monster, we are relentless in our pursuit of quality. We aim to follow the standards on drinking water set by the World Health Organization and the U.S. Environmental Protection Agency. Reverse osmosis systems are used for ingredient water for the vast majority of our beverages.

Our subsidiary company AFF holds certifications to ensure we meet or exceed industry-specific standards. AFF sites operate under the U.S. Food and Drug Administration’s Hazard Analysis and Critical Control Points system, through which we evaluate and improve our food safety practices. As of 2020, AFF is certified to the following standards and accreditation programs:
RESPONSIBLE MARKETING AND LABELING

As a member of the American Beverage Association, we follow its guidance for the responsible labeling and marketing of energy drinks. We do not specifically market products to children under 12 years of age, as established by the International Council of Beverages Associations’ Global Policy on Marketing to Children. We also provide the caffeine content of our products on both the product label and on our website.

PACKAGING

At Monster, we use a variety of package types and sizes, although we primarily use aluminum cans. Minimizing waste is important to us and our industry. As we think about our role in the circular economy, we support the principles of reduce, reuse and recycle.

In EMEA, we are also looking at ways to increase our use of Forest Stewardship Council (FSC) certified paperboard, and we are evaluating our stretch wrap and shrink film to increase their levels of recycled content.

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6 SASB FB-NB-270a.1
7 SASB FB-NB-410a.2
Our packaging choices reflect our commitment to minimizing our environmental impact. Our preferred packaging is aluminum, which can be repeatedly recycled.

In 2019, our plastic bottles were light-weighted resulting in a reduction in the amount of plastic used in our bottles. By way of example:

› 750mL bottles = 13% decrease by weight
› 550mL bottles = 16% decrease by weight

Our packaging choices reflect our commitment to minimizing our environmental impact. Our preferred packaging is aluminum, which can be repeatedly recycled.

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› 750mL bottles = 13% decrease by weight
› 550mL bottles = 16% decrease by weight

### TOTAL PACKAGING PORTFOLIO, BY WEIGHT*

<table>
<thead>
<tr>
<th>Material</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>93.2%</td>
</tr>
<tr>
<td>Paper/cardboard</td>
<td>5.6%</td>
</tr>
<tr>
<td>Polyethylene terephthalate (PET)</td>
<td>.9%</td>
</tr>
<tr>
<td>High density polyethylene (HDPE)</td>
<td>.3%</td>
</tr>
</tbody>
</table>

* SASB FB-NB-410a.1

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**Insights from our Pilot Assessment of Bottling and Supply Partners: Packaging**

**SEVERAL OF OUR BOTTLERS USE CARDBOARD AND PAPERBOARD THAT ARE CERTIFIED BY FOREST STEWARDSHIP COUNCIL (FSC) OR PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION (PEFC). SOME BOTTLERS HAVE GOALS FOR 100% OF THEIR PRIMARY PACKAGING TO BE REUSABLE OR RECYCLABLE AND HAVE COMMITTED TO HAVING 100% RECYCLABLE CONSUMER PACKAGING BY 2025*.**

* SASB FB-NB-410a.2

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*S SASB FB-NB-410a.2
RECYCLABILITY

We believe in doing our part to divert waste from landfills. For example:

› In 2020, 95% of Monster products were packaged in 100% recyclable aluminum cans.
› In 2020, 60-73% of each can was sourced from recycled aluminum. A beverage made of recycled aluminum requires 90% less energy to make than one using new, or primary aluminum.

In 2016, Monster was the recipient of Waste Management’s Recycling All Stars Award for the City of Corona. As part of our commitment to sustainability, we started an electronic waste collection drive at our corporate headquarters in Corona, Calif.

Outside of our corporate headquarters, Monster encourages recycling and takes part in recycling programs with consumers. As an example, we partnered with Pocono Raceway and NASCAR Green for several years for the “Monster Energy NASCAR Free Friday” program. At this event, fans can receive free access to a day of on-track events by bringing an empty can of Monster Energy for recycling. We have run similar promotions for many AMA Supercross events. Even though these events in 2020 had few fans in attendance due to the COVID-19 pandemic, we recycled over 78,000 cans at sponsored Supercross events that occurred across five U.S. states.

Recycling Done Monster-style

TO ENCOURAGE RECYCLING OF OUR CANS AND BOTTLES, IN 2020, WE DEVELOPED OUR VERY OWN RECYCLING SYMBOL FOR MONSTER ENERGY PRODUCTS AND STRATEGIC BRAND PRODUCTS. THE SYMBOL HAS BEEN ADDED TO ALL NEW PRODUCTS AND WILL BE INTEGRATED INTO EXISTING PRODUCTS GLOBALLY ON A ROLLING BASIS.

9, 10 SASB FB-NB-410a.2
At Monster, we are committed to minimizing our environmental footprint. By tracking and assessing our impacts, we strive to identify environmental opportunities for improvement. We will continue on our sustainability journey with purpose.
APPROACH

WE DO NOT OPERATE OUR OWN MANUFACTURING FACILITIES FOR FINISHED GOODS, BUT INSTEAD OUTSOURCE THE MANUFACTURING PROCESS FOR FINISHED GOODS TO THIRD-PARTY BOTTLERS AND CONTRACT PACKERS.

This Environmental Section includes metrics and initiatives from our key bottling and supply partners, as determined from our pilot assessment.

ENERGY USE AND MANAGEMENT

We believe that we can reduce our environmental impact with energy efficiency initiatives in our operations and by working to identify areas for improvement.

GREEN BUILDING CERTIFICATIONS

The largest building at our corporate headquarters in Corona, Calif., is LEED Gold and ENERGY STAR certified. The second largest building, which is part of the corporate headquarters, is currently pursuing ENERGY STAR certification. Our Southern California warehouse and distribution center in Rialto, Calif., is certified LEED Silver.

Our new AFF production facility, currently under construction in San Fernando, Calif., will seek LEED certification and be equipped with rooftop solar panels.

As part of our benchmarking efforts for ENERGY STAR certification of our facilities, we installed energy-efficient lighting and control systems, upgraded our HVAC systems and installed commercial window film shades.

In line with our vision to minimize our environmental impact, we have taken steps to incorporate the use of renewable energy. With the increase in use of electric vehicles, we began operating electric vehicle charging stations at both our corporate facilities.
headquarters and our warehouse in Rialto, Calif. We have also ensured that most of our cold drink equipment utilized in the United States is ENERGY STAR certified.

Researching and implementing innovative ways to reduce energy use is an essential part of our future sustainability efforts. We recognize that we still have a tremendous opportunity to make an even bigger impact within our company and will continue our energy conservation efforts in the coming years.

Energy consumption from direct and indirect sources was calculated for our global operations for 2020. Electricity and natural gas consumption were extracted from utility invoices, and fuel consumption came from transactional records. For some locations, invoices were not available, therefore estimates were made based on the square footage of the facility. About 7.4% of indirect energy was estimated. About 14.9% of direct energy from natural gas was estimated.

### Insights from Our Pilot Assessment of Bottling and Supply Partners: Renewable Energy

**MANY OF THE BOTTLING LOCATIONS IN OUR PILOT ASSESSMENT WERE SUPPLIED BY 100% RENEWABLE ELECTRICITY IN 2020.**

**ONE OF THE BOTTLERS IN OUR PILOT ASSESSMENT HAS JOINED THE CLIMATE GROUP’S EV100 INITIATIVE TO ACCELERATE THEIR TRANSITION.**

#### 2020 Global Energy Consumption*

<table>
<thead>
<tr>
<th>Source</th>
<th>MWH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Indirect Energy</td>
<td>14,032.52</td>
</tr>
<tr>
<td>Electricity</td>
<td>14,032.52</td>
</tr>
<tr>
<td>Total Direct Energy</td>
<td>21,442.95</td>
</tr>
<tr>
<td>Diesel</td>
<td>6,312.18</td>
</tr>
<tr>
<td>Ethanol</td>
<td>602.69</td>
</tr>
<tr>
<td>Gasoline/Petrol</td>
<td>97.01</td>
</tr>
<tr>
<td>Heating Oil</td>
<td>69.77</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>12,824.51</td>
</tr>
<tr>
<td>Propane</td>
<td>1,536.79</td>
</tr>
<tr>
<td>Total (Indirect + Direct)</td>
<td>35,475.47</td>
</tr>
</tbody>
</table>

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* SASB FB-NB-110a.1, SASB FB-NB-130a.1

#### Global Energy Usage by Source

- **Electricity**: 18%
- **Natural Gas**: 36%
- **Diesel**: 40%
- **Propane**: 4%
- **Gasoline/Petrol**: 0.19%
- **Heating Oil**: 0.27%
GOING GREEN: OUR NEW BUILDING FOR AFF

AT OUR NEW, STATE-OF-THE-ART AFF PRODUCTION FACILITY IN SAN FERNANDO, CALIF., WE ARE AIMING FOR LEED CERTIFICATION WITH FEATURES SUCH AS:

› PHOTOVOLTAIC SOLAR ARRAYS FOR ELECTRICITY
› OUTSIDE LED LIGHTING TO REDUCE LIGHT POLLUTION
› HIGH-EFFICIENCY INDOOR LIGHTING WITH MOTION SENSORS IN OFFICES
› MAXIMUM USE OF NATURAL LIGHT
› LOW-FLOW TOILETS
ECOVADIS AND AFF

In 2021, AFF completed its first EcoVadis sustainability assessment. Founded in 2007, EcoVadis has grown to be one of the most trusted providers of business sustainability ratings with over 75,000 rated companies.

AFF earned a Silver EcoVadis medal, ranking in the top 30% of companies assessed. AFF also outperformed the industry average for all themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement.

![Image of EcoVadis Scorecard]

**OVERALL SCORE**

55 / 100

73rd percentile

**ENVIRONMENT**

50 / 100

**LABOR & HUMAN RIGHTS**

60 / 100

**ETHICS**

50 / 100

**SUSTAINABLE PROCUREMENT**

50 / 100
GREENHOUSE GAS EMISSIONS

In 2020, Monster completed its first greenhouse gas (GHG) emissions inventory for the 2019 calendar year. We followed the GHG Protocol Corporate Standard, one of the most widely used greenhouse gas accounting standards for businesses. A GHG inventory serves as a key tool for Monster to measure, develop, implement and track energy efficiency and emissions reduction activities.

By collecting data for 2019 and 2020 GHG emissions, Monster has established an initial baseline to understand and track future GHG emissions reduction progress. Through this analysis, we have outlined the relevant sources for our direct and indirect emissions.

We calculated our Scope 1 and 2 GHG emissions for our global direct operations. Our Scope 1 (direct) GHG emission sources were natural gas and heating oil; diesel from semi tractors; propane from forklifts; and diesel, ethanol and gasoline from our owned fleet. Our Scope 2 (indirect) GHG emissions were from electricity. Scope 2 was calculated by using the location-based method, which reflects the average emission intensity of grids on which energy consumption occurs.

We calculated our inventory following the Greenhouse Gas Protocol and using emission factors from The Climate Registry, U.S. Environmental Protection Agency eGRID, International Energy Agency, and Defra Greenhouse Gas Reporting. For some locations, electricity and natural gas invoices were not available, so estimates were made. About 6.9% and 12.2% of Scope 1 and 2, respectively, were estimated.

We hope to expand our tracking efforts in the future by accounting for additional sources and Scope 3 value chain emissions.

Annual updates to the inventory are an important step forward for our business transparency efforts. We again completed a GHG inventory in 2021 for the 2020 calendar year.
2020 GREENHOUSE GAS EMISSIONS KEY PERFORMANCE INDICATORS (SCOPE 1 AND 2)

Reference Data

KPI

3,666 employees 2.35 tCO₂e/employee
504.8 million cases sold 17.04 tCO₂e/million cases sold
$4,598 million net sales 1.87 tCO₂e/million net sales

2020 GROSS GREENHOUSE GAS EMISSIONS

METRIC TONNES CO₂E (TCO₂E)

Scope 1 emissions (direct) 4,203.63
Scope 2, location-based emissions (indirect) 4,396.06
Total emissions (Scope 1 and 2) 8,599.69

GHG BY REGION: SCOPE 1 AND SCOPE 2

- North America: 62%
- EMEA: 33%
- APAC: 4%
- LATAM: <1%
CLIMATE CHANGE RISK

Monster identifies, assesses and manages corporate-level risks through assessment and business continuity plans. Each business division assesses risk relative to its own range of business activities and has its own definition of what may be considered a substantive risk in their specific area. Generally, climate-related risks are assessed in the same way that business-level risks are identified and managed.

As climate change becomes a pressing issue for many stakeholders and communities worldwide, Monster will also conduct a climate-related scenario analysis within the coming years to have a better gauge on how climate change affects our direct and indirect operations. We hope to share more on this topic in future reports.

Insights from Our Pilot Assessment of Key Bottling and Supply Partners: Climate Change Targets

SOME OF OUR MAJOR BOTTLING PARTNERS HAVE SET SCIENCE-BASED TARGETS (SBT) TO REDUCE GHG. SBTS ARE AMBITIOUS GOALS IN LINE WITH THE 2015 PARIS AGREEMENT TO LIMIT GLOBAL TEMPERATURE RISE.
MONSTER’S INGREDIENTS AND PRODUCTS OFTEN TRAVEL LONG DISTANCES, AS OUR DISTRIBUTION PARTNERS TRANSPORT THEM FROM PROCUREMENT SITES TO SEPARATE MANUFACTURING, CO-PACKING, BOTTLING OR DISTRIBUTION SITES. LONGER MILES SPENT ON THE ROAD CAN EQUATE TO HIGHER COSTS AND NEGATIVE ENVIRONMENTAL IMPACTS.

OUR SOLUTION?

LOCALIZE MANUFACTURING OPERATIONS ON A REGIONAL BASIS TO REDUCE COST AND THE NUMBER OF MILES TRAVELED. THIS WAY, WE CUT COSTS, TRAVEL LESS AND REMAIN CLOSE TO OUR CUSTOMERS, WHILE OFFERING THE SAME HIGH-QUALITY PRODUCTS IN A MORE ENVIRONMENTALLY EFFICIENT MANNER.

RECENT LOCALIZATION EFFORTS:

› MOST PRODUCT SOLD IN CHILE WERE PREVIOUSLY SOURCED FROM MEXICO. NOW, ABOUT 60-70% OF VOLUME IS PRODUCED IN CHILE WITH A GOAL OF 90%.

› WE REALLOCATED PRODUCTION FOR SOUTHEAST ASIA TO MALAYSIA FROM EMEA AND NORTH AMERICA.

› WE TRANSITIONED TO LOCAL PRODUCTION FOR PRODUCTS IN SOUTH AFRICA, DRAMATICALLY REDUCING SHIPPING DISTANCES FOR FINISHED PRODUCTS.
At Monster, water is more than just a valuable natural resource; it is at the very core of our business.

Our key bottling partners measure and report water use as a ratio of all water used within a bottling facility divided by liters of product produced on an annual basis. This is represented as the “water-use ratio,” or the number of liters of water used to produce a liter of product.

To expand water conservation efforts in a manner that positively affects our surrounding community, we participate in various water conservation programs sponsored by the City of Corona. These programs include initiatives such as flush upgrades and minimizing the use of water for landscape irrigation. We are continually assessing the risks due to water scarcity in the state of California, and water optimization and conservation will continue to be a key component of our sustainability strategy and goals. Monster will work to include water risk information in its financial reporting in the future.

Since moving to our current corporate headquarters in 2013, we have improved our ability to monitor water consumption and have implemented technologies to reduce on-site water usage. In 2016, we installed water efficiency technologies, which save approximately 200,000 gallons of water annually. Our buildings also use high-efficiency irrigation systems, xeriscaping principles, low-flow hand sinks and optimized restroom fixtures.

At our subsidiary, AFF, water use is tracked for total volume consumption and is broken down into three usages: (i) finished product usage, (ii) effluent water, and (iii) process equipment water consumable for boilers, cooling towers and refrigeration condensers. Due to the nature of AFF’s business, they do not use recycled water in their facilities and instead use 100% source municipal water from the City of Los Angeles. Water quality is checked through both in-house testing and use of Annual Water Quality Reports for the Los Angeles County Waterworks District; additionally, AFF monitors effluent parameters such as pH and total discharge.

11, 12 SASB FB-NB-140a.2
Water is a crucial ingredient in our products, and we take careful measures to ensure its responsible stewardship. To better understand our water impacts, we are conducting a water-risk assessment covering our direct operations. This assessment will be an important step in identifying water-risk sources within our operations, so that Monster can better mitigate and manage our water footprint\(^{13}\).

Monster outsources its manufacturing process to third-party bottlers and contract packers. A substantial component of our water footprint comes from indirect water use consumed in the manufacturing of our products. We manage these risks through our Supplier Code of Conduct and investment in water-efficient equipment for AFF\(^{14}\).

Insights from Our Pilot Assessment of Bottling and Supply Partners: Water Risk and Targets

Some of our bottlers have conducted water-risk assessments of their production facilities and have a target to reduce water use by 20% by 2025 from a 2010 baseline. Most of them met and exceeded their goals to replenish 100% of the water used in areas of water stress by 2020.

Some of our bottlers are certified to the standards of the Alliance for Water Stewardship or the European Water Stewardship, and by 2025, they commit to a 20% water reduction in plants located in water risk areas, and to help secure water availability in all communities in water risk areas*.

* SASB FB-NB-140a.2

\(^{13}\) SASB FB-NB-140a.2

\(^{14}\) SASB FB-NB-140a.2
CDP Disclosure

CDP (formerly known as the Carbon Disclosure Project) is one of the premier frameworks for companies to disclose information on climate change, water security, and forest-related metrics, impacts, risks and opportunities.

In 2020, Monster completed its first CDP disclosures for both the Climate Change and Water programs. Our score of Awareness for both programs represents knowledge of our impact on, and of, climate change and water issues. We recognize these efforts as a significant step in our sustainability journey and disclosed this information again in 2021.

Several of our bottling and distribution partners including Asahi, The Coca-Cola Company, Coca-Cola Amatil, Coca-Cola European Partners, Coca-Cola Hellenic, Coca-Cola FEMSA and Coca-Cola İçecek all disclosed climate and water data to CDP in 2020. Most achieved leadership or management level scores for their performance.
WASTE

Committed to the principles of reduce, reuse and recycle, Monster encourages all employees to participate in recycling. At our corporate headquarters, recycling bins are available throughout our offices to ensure easy, proper disposal of recyclable materials. Additionally, we have specialized bins to allow for battery recycling and have hosted annual Recycle Days since 2013 to encourage all forms of recycling.

Our kitchens have switched from polystyrene to recyclable containers, and all single-use tableware is eco-friendly. To reduce our potential environmental impact from the use of plastic water bottles, Monster is in the process of providing refillable water bottles to employees and installing filtered water refill stations at the offices.

Most of our offices had reduced occupancy during the COVID-19 pandemic. Recycling statistics for our Rialto warehouse for January – October 2020 were as follows:

- Low Grade Corrugated Boxes: 354,174 lbs
- Plastic Pallet Wrap: 39,740 lbs
- Scrap Aluminum: 2,018 lbs
- Scrap Metal: 60,173 lbs

Insights from our Pilot Assessment of Bottling / Co-Packing Partners: ESG (Environmental, Social and Governance) Ratings

OUR PILOT ASSESSMENT SHOWS THAT CERTAIN OF OUR BOTTLERS/CO-PACKERS HAVE ACHIEVED HIGH ESG MARKS, INCLUDING:

- CDP A LIST FOR CLIMATE CHANGE
- CDP A LIST FOR WATER SECURITY
- AAA MSCI (FORMERLY MORGAN STANLEY CAPITAL INTERNATIONAL) ESG RATING
- ECOCADIS PLATINUM
- LISTED ON DOW JONES SUSTAINABILITY INDEX (DJSI) EUROPE AND DJSI WORLD
- INSTITUTIONAL SHAREHOLDER SERVICES (ISS) ESG PRIME
GOING GREEN: MONSTER HOUSE IN THE UK

OUR MONSTER COLLEagues in EMEA are investigating and incorporating a wide range of sustainability measures at Monster House in Uxbridge, UK, including:

› Installed 12 electric vehicle charging stations,
› Upgraded lighting to LED and installed motion sensors,
› Evaluating electricity and power suppliers to potentially increase the use of renewable energy,
› Working with service and office supply providers to increase the use of recycled materials,
› Assessing options for taxi, courier and transport service providers that use electric and hybrid electric vehicles, and
› Installing new recycling bins with Monster logos and instructions for acceptable materials to make recycling at work more convenient.
With guidance from our Board of Directors, Monster’s corporate governance structure helps us (i) follow through on our ESG commitments, (ii) uphold our company values and ethics and (iii) effectively manage and assess risks.
OVERVIEW

MONSTER BEVERAGE CORPORATION IS A PUBLIC COMPANY LISTED ON THE NASDAQ MARKET (NASDAQ) UNDER THE TICKER SYMBOL “MNST.”

The company is subject to rules and regulations promulgated by the United States Securities and Exchange Commission (SEC) and Nasdaq, each of which requires the company to comply with rigorous corporate governance practices.

Monster’s public filings made with the SEC can be found on the SEC’s website at www.sec.gov or in the financial information section of our website at investors.monsterbevcorp.com. Our most recent proxy statement is available on our website and describes in detail the company’s corporate governance practices, including those relating to executive and director compensation.

The Board of Directors has an Audit Committee, a Nominating and Corporate Governance Committee and a Compensation Committee. Each Committee is composed entirely of independent directors and is guided by a written, publicly disclosed charter.

Monster’s Board and its Executive Committee regularly review the company’s results, performance, operations, competitive position, business strategy, liquidity, capital resources, product distribution and development, material contingencies and senior personnel, and ESG, as well as the risks associated with each of these matters.

BOARD OF DIRECTOR’S TENURE
(AS OF APRIL 2021)

Less than 4 years: 33%
4-10 years: 45%
More than 10 years: 22%

BOARD OF DIRECTORS

Monster is governed by a Board of Directors, a majority of whom are “independent,” as defined by SEC rules. We are guided by a written, publicly disclosed set of corporate governance guidelines and a code of business conduct and ethics.
EXECUTIVE COMPENSATION

Our executive compensation program is designed to reinforce ownership and overall entrepreneurialism, and to link rewards to measurable corporate and qualitative individual performance. The program’s primary objectives are to:

› Motivate and retain executive talent,
› Reward executives fairly over time for performance relative to business plan goals, and
› Create sustainable stockholder value through continued profitable growth.

The program is overseen by the Board of Directors’ Compensation Committee, which is comprised entirely of independent directors.

Significant changes were made in 2020 to align the executive compensation program with market practice and make it more objective in nature. One such change was the redesign of our annual incentive program. Previously, annual incentive payouts were determined on an entirely discretionary basis. Starting in the 2020 fiscal year, we transitioned to a formulaic approach, whereby each named executive officer has a pre-established target bonus opportunity which will be earned based on pre-established financial and individual performance.
ETHICS

At Monster, we strive to conduct business honestly and ethically, and to comply with all applicable governmental laws, rules, and regulations. Every employee is required to acknowledge our Code of Business Conduct and Ethics, which explains these expectations.

Monster competes fairly and with integrity. Employees should not take any anti-competitive actions which may violate antitrust or competition laws, such as entering into an agreement or understanding with a competitor to set prices, coordinate bids, divide markets or obtain competitive information in an illegitimate way.

We strive to comply with all national and local anti-bribery and anti-corruption laws. The company prohibits its employees from paying, giving, offering, promising or authorizing the payment or giving of money or anything of value to government officials in order to assist in obtaining, retaining or directing business. Monster’s anti-bribery and anti-corruption policy and procedures are overseen by the company’s Compliance Officer.

CPG Specialist, a publication focusing on consumer-packaged goods organizations, analyzed and ranked 21 of the largest U.S. food and beverage companies by the perceived trustworthiness of fellow employees. As of June 2021, Monster had the highest trust score among employees surveyed – 15% higher than the average score for the 21 ranked companies.

EMPLOYEE HOTLINE

Employees are encouraged to talk to their supervisors or managers should they observe illegal or unethical behavior. Any employee may submit their concerns in writing on a confidential and anonymous basis to:

Monster Beverage Corporation
ATTN: Senior Vice President and Deputy General Counsel
1 Monster Way
Corona, CA 92879

In addition, any employee may report concerns to the Compliance/Ethics Hotline at (800) 506-4310 (United States) or (844) 815-4398 (international).

DATA PRIVACY

As part of our business, we collect certain personal information regarding our employees, directors, officers, customers, suppliers, contractors, consumers and others. All employees, officers and directors are expected to protect and preserve the privacy and confidentiality of all personal information. Specifically, any employee, officer and/or director who accesses personal information, or Monster systems, networks or backup devices that contain personal information, must comply with all applicable laws governing the collection, processing and use of such information; and only collect personal information for a legitimate business reason.

Monster’s objective is to comply with the applicable privacy laws in all countries in which it conducts business.
Thank you for taking the time to read our vision for a sustainable future. For all current news, please visit our website at www.monsterbevcorp.com.

Published by:

1 Monster Way
Corona, CA 92879

LEGAL NOTICE

The product names designated with ™ and ® are trademarks of Monster Beverage Corporation, its Affiliates or its distribution partners and are registered trademarks in many countries.