

## **Monster Beverage Corporation**

### **Modern Slavery Transparency Statement**

Our commitment to human rights continues to be a key priority for Monster Beverage Corporation (the reporting entity) and our international business (“Monster” or “we”) as we strive to ensure that we source responsibly and work to prevent modern slavery, forced labor, child labor, and human trafficking (collectively, “Modern Slavery”) throughout our organization and in our supply chain. We take this commitment seriously and are opposed to Modern Slavery in all its forms.

Modern Slavery can be found in almost every country in the world. Vulnerable persons such as children, women, workers who have traditionally been discriminated against, migrant workers, workers with uncertain immigration status, and rural workers are the most at risk of being exploited by Modern Slavery.

Some examples of Modern Slavery include, but are not limited to:

- human trafficking;
- debt bondage and exploitive labor contracts;
- sale or exploitation of people;
- debt-induced forced labor; and
- forced labor in prisons.

We recognize that Modern Slavery is a critical global issue, and we continue to engage with our stakeholders and suppliers to provide support and maintain the safety and well-being of our employees and partners.

This Monster Beverage Corporation Modern Slavery Transparency Statement (this “Statement”) is made pursuant to the United Kingdom Modern Slavery Act 2015, the Australian Modern Slavery Act 2018 (Cth), Canada’s Fighting Against Forced Labour and Child Labour in Supply Chain Act, and the California Transparency in Supply Chains Act of 2010. Monster, as the reporting entity, is disclosing, on behalf of ourselves and our applicable subsidiaries (including, but not limited to, Monster Energy Europe Limited, Monster Energy AU Pty Ltd, and Monster Energy Canada ULC), our efforts taken during the last financial year ending December 31, 2023, to ensure that Modern Slavery does not occur in our supply chain or in any part of our business. Monster and its subsidiaries share the same core business and supply chain, policies prohibiting Modern Slavery, and supporting processes further described in this Statement.

### **Company Structure**

Monster Beverage Corporation is a holding company and conducts no operating business except through its consolidated subsidiaries, which primarily develop and market energy drinks (in addition to flavored malt beverages, craft beers, still and sparkling waters, and hard seltzers) throughout the United States and globally, including, but not limited to, Australia, Canada, and the United Kingdom. We choose to work with a limited number of suppliers who adhere to high ethical standards, which we take into account when identifying and selecting potential business partners and suppliers. We work with suppliers who have passed our internal background checks.

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 the majority of its finished energy drink products.

In 2022, we completed the acquisition of CANarchy Craft Brewery Collective LLC (renamed Monster Brewing Company, LLC (“Monster Brewing Company”) effective January 2024), a craft beer and hard seltzer company. As reported in our 2022 statement, we worked to integrate Monster Brewing Company suppliers into our wider Monster supplier processes in 2023. This process is still under way, and we hope to have Monster Brewing Company suppliers fully integrated by the end of 2024.

On July 31, 2023, we completed our acquisition of substantially all of the assets of Vital Pharmaceuticals, Inc. and certain of its affiliates (collectively, “Bang Energy”). The acquired assets primarily include the Bang Energy® drink business and a beverage production facility in Phoenix, AZ. We are working to integrate Bang Energy suppliers into our wider Monster supplier processes in 2024.

### **Risk Assessment and Due Diligence Process Slavery and Trafficking Risk Template**

We take a risk-based approach in our due diligence efforts, focusing on the vast majority of our supply chain. Accordingly, we pay greater attention to those suppliers who are deemed a heightened risk for operational or supply chain links to Modern Slavery. To this end, our 2023 risk assessment program covers all suppliers of Monster’s beverages as of December 31, 2023, excluding unique Bang Energy suppliers as Bang Energy was acquired later in 2023.

As in previous years, our specialized third-party service provider sends each of our suppliers a “Slavery and Trafficking Risk Template” (the “STRT”), which we request that they complete and return. Housed by the Social Responsibility Alliance, the STRT is a data exchange template that seeks to measure suppliers’ vulnerability to Modern Slavery occurring in their own operations and/or in their supply chains. In the STRT, suppliers are asked numerous questions about their operations, their processes, policies, and practices, as well as any measures they have in place to identify, prevent, and manage risks related to Modern Slavery. This Modern Slavery risk survey is provided in multiple languages, and suppliers certify to the accuracy of their responses and provide supporting evidence.

The STRT comprises several sections designed to comprehensively assess suppliers based on specific criteria and standards. The Screening and Prioritization functionality within the STRT enables us to collect information from suppliers about their operations in various countries and helps us to understand inherent risk factors associated with forced labor, such as the use of vulnerable groups of workers. The STRT also enables us to assess policy measures that suppliers have in place to prevent forced labor and child labor and clarify the protective measures suppliers have in place to support their workforce. Other questions within the STRT enable us to assess the level of due diligence each supplier has in place to manage these risks and deal with any issues or take steps towards remediation.<sup>1</sup>

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<sup>1</sup> For purposes of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chain Act, Monster’s due diligence process in 2023 did not identify any activities requiring it to take any steps to remediate any forced or child labor in its supply chain and, thus, Monster did not have to implement any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labor or child labor in its activities and supply chain.

These verification and certification efforts are not limited to our direct (tier 1) suppliers. The STRT facilitates scrutinization by our direct suppliers of their own suppliers for evidence of proper processes for managing Modern Slavery risks. Suppliers are asked to certify whether they require their own suppliers to accept and comply with their policies regarding Modern Slavery, and whether that downstream supplier conducts its own verification activities to identify, assess, and manage risks specific to Modern Slavery in its own operations and supply chain.

We recognize that in certain high-risk industries, there is a greater risk of Modern Slavery, and we have identified that there is a higher risk of Modern Slavery practices in the parts of our supply chain that involve the production of: sugarcane, coffee, and tea. In line with our risk-based approach, we placed a particular emphasis on our suppliers in these industries. In 2023, in an effort to increase our due diligence efforts in our supply chain, we included an additional 46% of suppliers in our risk assessment, with such increase primarily due to the incorporation of Monster Brewing Company suppliers. This risk assessment showed opportunities for improvement in certain suppliers' policies, processes, and practices for managing Modern Slavery. As with previous years, we engaged each of these suppliers in a corrective action process to further mitigate risk in their supply chains. The expansion of supplier oversight meant that we were able to engage an additional 15% of suppliers in tailored corrective action plans compared to 2022. This extensive outreach to our suppliers is currently ongoing and approximately 60% of our suppliers have now completed their responses to STRTs. We continue to engage with suppliers whose responses remain outstanding. Further detail about the corrective actions process is provided below.

Our ongoing engagement with our suppliers enables us to work towards continuous improvement of our due diligence program and, with time, we have seen an improvement in our suppliers' willingness and ability to engage with different aspects of the due diligence process.

### **Audits**

Audits are also a key part of our due diligence process. Historically, we have conducted announced audits of certain suppliers and intend to conduct similar audits in the future. Audits consist of a review of documents and interviews with workers.

### **Corrective Action Plans**

In 2023, we continued to engage a specialized third-party service provider to facilitate our engagement with the high-risk suppliers in mitigating Modern Slavery risks in their operations and supply chains. We developed corrective action plans aimed at further mitigating risk in each supplier's supply chain and tailored each plan to individual suppliers, with each element of the plan designed to address specific issues which came to light during the risk assessment process. Such corrective actions may include the adoption and implementation of new policies, the training of employees, and the establishment of internal due diligence processes to assist suppliers in identifying and addressing Modern Slavery risks in their own business and supply chains. The implementation of the corrective action plans is preceded by training on the risks of Modern Slavery and how to mitigate such risks for the affected suppliers. This encourages suppliers to approach their assigned corrective actions with a better understanding of Modern Slavery risks and why it is important that they take the appropriate action.

In addition to STRT responses, we try to track and follow up on the progress made by each supplier on their corrective action plan. We continue to engage with the outstanding suppliers to advance any specific corrective actions. We are also engaging with those suppliers that are yet to complete the initial assessment.

### **Vulnerable Groups**

We recognize that certain groups are at higher risk of forced labor than others. We seek to mitigate this risk in our supply chain by making specific inquiries through the STRT into the presence of child labor and migrant workers in our supply chain. We also inquire into suppliers' practices for preventing discrimination before hiring, on the job, or upon leaving based on race and/or color, sex, religion, political opinion, national extraction, age, HIV/AIDS status, disability, nationality, sexual orientation, familial responsibilities, and trade union membership or activities.

### **Organizational Policies**

We have a number of policies in place that underpin our commitment to ensure that there is no Modern Slavery in our supply chain or in any part of our business, and we expect our employees, suppliers, and partners to adhere to such policies. These policies are reviewed and updated periodically to reflect any change in risk profiles, international guidance, or local law requirements.

### **Monster Beverage Corporation Human Rights Policy**

The Monster Beverage Corporation Human Rights Policy applies to all of Monster and our employees, regardless of location. It addresses Modern Slavery, diversity and inclusion, workplace health and safety, workplace security, work hours, wages and benefits, freedom of association and collective bargaining, and employee reporting. The Monster Beverage Corporation Human Rights Policy is available here: <HTTPS://WWW.MONSTERBEVCORP.COM/HR-POLICY.PHP>.

### **Monster Beverage Corporation Code of Business Conduct and Ethics**

Our Code of Business Conduct and Ethics requires our employees, officers, and directors to lawfully conduct our business with integrity. It specifically addresses respect for human rights and requires employees to uphold the Monster Beverage Corporation Human Rights Policy. In addition, the standards of conduct under the Code of Business Conduct and Ethics include equal employment opportunity, providing a safe and healthy work environment, equitable treatment of employees and compliance with laws, rules, and regulations applicable to Monster. We interpret these standards broadly and require ethical behavior and compliance with the Code of Business Conduct and Ethics to ensure that Modern Slavery does not exist in our supply chain. Employees are required to promptly report any perceived violations of the law or the Code of Business Conduct and Ethics. We distribute the Code of Business Conduct and Ethics to each of our employees, officers, and directors, and make it available on our corporate website at the following link: <HTTPS://INVESTORS.MONSTERBEVCORP.COM/STATIC-FILES/2CB26535BAA44101-9A1E-D1B24AF8EC27>.

### **Monster Beverage Corporation Supplier Code of Conduct**

We expect our suppliers to comply with all legal requirements of the country or countries in

which they are doing business, including laws regarding Modern Slavery. Just as our Code of Business Conduct and Ethics sets high standards for our employees, officers, and directors, suppliers are expected to abide by our Supplier Code of Conduct, which covers areas including forced labor, child labor, abuse of labor, wages, hours, freedom of association and collective bargaining, and discrimination, among others. We encourage our suppliers to work toward implementing best practices and to exceed the requirements of our Supplier Code of Conduct. Adherence to the Supplier Code of Conduct is a contractual requirement pursuant to the terms and conditions of our energy drink purchase orders and for the majority of our written, energy drink supplier contracts. We continue to increase incorporation of such requirement into our contracts with the aim of including such a requirement in all supplier dealings and contracts, including those of AFF and Monster Brewing. The Monster Beverage Corporation Supplier Code of Conduct is found here: <HTTPS://WWW.MONSTERBEVCORP.COM/SC-CONDUCT.PHP>.

## **Training**

To ensure a proper understanding of the risks of Modern Slavery in our supply chain and our business, we provide a training program from a specialized third-party provider on Modern Slavery, offering the following categories of training:

### ***Employee Training***

Employees whose work relates to supply chain management (including those in procurement and the legal department) have the opportunity to attend specialized training on Modern Slavery risks in addition to our policies. This training explains what Modern Slavery is, how to mitigate the risks within the supply chain, and how to deal with suppliers in the event of an issue.

### ***Auditor Training***

Auditors also have the opportunity to attend specialized training, designed to help them recognize the risks and signs of Modern Slavery in their audits.

### ***Supplier Training***

Monster offers training from a specialized third-party provider for certain suppliers on Modern Slavery and ethical recruitment. We are pleased to report that the vast majority of contacted suppliers engaged in online anti-Modern Slavery training.

## **Reporting and Remedies**

We encourage individuals to, without fear of reprisal, report any violations or perceived violations of the law, the Code of Business Conduct and Ethics, the Supplier Code of Conduct, and the Human Rights Policy, and raise any other questions or grievances they have. We also have appropriate systems in place to protect whistle-blowers via the anonymous hotline.

### ***Hotline***

We make a number of communication channels available for any individuals or groups to report, including:

- Writing to Monster at the following address: Monster Beverage Corporation, ATTN: General Counsel, 1 Monster Way, Corona, CA 92879.
- Calling the anonymous Monster compliance hotline, accessible globally at (800) 506-4310 (U.S.) or (844) 815-4398 (international). The hotline is available 24 hours a day, 365 days a year.
- Submitting a report at [HTTPS://WWW.MYCOMPLIANCEREPORT.COM/](https://www.mycompliancereport.com/), utilizing the access code, “MEC.”
- For employees, contacting their direct manager, their next-level manager, or contacting their human resources business partner.

The existence of the hotline has been specifically communicated to external stakeholders to ensure that they are aware of it.

### ***Remedies***

Any employee who is found to have violated the Code of Business Conduct and Ethics is subject to disciplinary action, including potential termination of employment. Similarly, if we uncover that a supplier is not adhering to laws regarding Modern Slavery, we will take corrective action, including potentially terminating our business dealings with such offending supplier.

### **Consultation**

The same policies, practices, and procedures regarding the prevention of and response to Modern Slavery apply to our subsidiaries, both domestic and international. We have communicated and consulted with each of the relevant entities that we own and control in the development of this Statement and our approach to Modern Slavery, noting they are subject to the same policies and processes as set out in this Statement. During the preparation of this Statement, we also consulted with each of our applicable subsidiaries, including Monster Energy Europe Limited, Monster Energy AU Pty Ltd, and Monster Energy Canada ULC, to ensure that this Statement satisfies all of the mandatory criteria of each respective jurisdiction.

### **Approval**

***This Statement is made pursuant to Section 54(1) of the United Kingdom Modern Slavery Act 2015, Section 3 of the California Transparency in Supply Chains Act of 2010, section 13(1) of the Australian Modern Slavery Act 2018 (Cth), and section 11 of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act. It constitutes Monster’s Modern Slavery Statement for the year ended December 31, 2023. This Statement was approved unanimously by the Board of Directors of Monster.***



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Name: Hilton H. Schlosberg\*

Title: Vice Chairman of the Board of Directors and Co-Chief Executive Officer

Date: May 30, 2024

*\*I have the authority to bind Monster Beverage Corporation and the above-named entities.*

## Attestation

In accordance with the requirements of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Statement for Monster Beverage Corporation and the subsidiaries listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Statement is true, accurate, and complete in all material respects for the purposes of that act, for the reporting year listed above.



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Name: Hilton H. Schlosberg\*

Title: Vice Chairman of the Board of Directors and Co-Chief Executive Officer

Date: May 30, 2024

*\*I have the authority to bind Monster Beverage Corporation and the above-named entities.*