

Monster Beverage Corporation
CA Transparency in Supply Chains Act & UK Modern Slavery Act Statement

The commitment to human rights and the desire to operate with the highest of ethical standards is of the utmost importance to Monster Beverage Corporation. The International Labor Organization estimates that, as of 2016, 24.9 million people are in forced labor situations, over half of whom are in industries that may feed into global supply chains. We at Monster Beverage Corporation take slavery and human trafficking seriously, and are opposed to slavery and human trafficking in all its forms.

In this statement, made pursuant to the United Kingdom Modern Slavery Act 2015 and the California Transparency in Supply Chains Act of 2010, Monster Beverage Corporation is disclosing, on behalf of itself and its applicable subsidiaries, efforts taken during our last completed financial year to ensure that slavery and human trafficking do not occur in our supply chain for the products that we sell or in any part of our business.

Company Structure

Monster Beverage Corporation is a holding company and conducts no operating business except through its consolidated subsidiaries, which market and distribute energy drinks throughout the United States, United Kingdom, and a growing number of international markets. We choose to work with a limited number of suppliers who adhere to high ethical standards.

Risk Assessment and Due Diligence Process

We survey our suppliers to identify risks of slavery and human trafficking throughout our supply chain and to evaluate the risk profiles of individual suppliers. We have retained a specialized third-party service provider to contact our suppliers for them to complete the Slavery and Trafficking Risk Template (the “STRT”). Housed by the Social Responsibility Alliance, the STRT is a proven data exchange template that measures suppliers’ vulnerability to modern slavery and human trafficking occurring in their own operations and/or in their supply chain. In the STRT, suppliers are asked an array of questions about their operating contexts, their processes, policies and practices, as well as any measures they have in place to identify, prevent and manage risks related to human trafficking and slavery. This slavery and human trafficking risk survey is provided in multiple languages, and suppliers must certify to the accuracy of their responses and provide supporting evidence.

These verification and certification efforts are not limited to our direct (tier 1) suppliers; for certain suppliers, we pay attention to the suppliers of our suppliers, going further down the supply chain. In the slavery and human trafficking survey, our direct suppliers are asked to certify whether their suppliers are required to accept and comply with the direct suppliers’ policies regarding forced labor and human trafficking, and whether that downstream supplier conducts its own verification activities to identify, assess, and manage risks specific to slavery and human trafficking in its own operations and supply chain. This information gives us the ability to survey second tier suppliers.

Audits are also a key part of our due diligence process. We conduct announced audits of certain suppliers. Audits consist of a review of documents, interviews with workers, and visits to production facilities. Auditors are instructed to include issues of slavery and human trafficking in these audits.

We have engaged the specialized third-party service provider to work with certain suppliers to mitigate human trafficking and slavery risks in their operations and supply chains. After completing the supplier

training described below, the specialized third-party service provider assigns that supplier a corrective action plan that targets any gaps identified through the supplier's STRT response. Such corrective actions may include the adoption and implementation of new policies, the training of employees, and the establishment of due diligence processes to help the supplier identify and address slavery and human trafficking risks.

Organizational Policies

Monster Beverage Corporation Human Rights Policy

The Monster Beverage Corporation Human Rights Policy applies to all of Monster Energy and its employees, regardless of location. It addresses forced labor and human trafficking, diversity and inclusion, child labor, 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 Beverage Corporation. We interpret these standards broadly, and require ethical behavior and compliance with the Code of Business Conduct and Ethics to ensure that slavery and human trafficking do 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/2cb26535-baa4-4101-9a1e-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 slavery and human trafficking. Just as our Code of Business Conduct and Ethics sets high standards for our employees, officers, and directors, suppliers are expected to abide by the Monster Beverage Company 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. The Monster Beverage Company Supplier Code of Conduct is found here:

<https://www.monsterbevcorp.com/sc-conduct.php>.

Training

We have implemented a training program from a specialized third-party provider on slavery and human trafficking, offering the following categories of trainings:

- *Employee Training* – Employees whose work relates to supply chain management (including those in procurement and the legal department) are provided a mandatory training on slavery and human trafficking risks and our policies.
- *Auditor Training* – Auditors are given specialized training, designed to help them recognize the risks and signs of slavery and human trafficking in their audits.
- *Supplier Training* – Monster offers training for certain suppliers on slavery and human trafficking.

Reporting and Remedy

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 make a number of mechanisms available for any individuals or groups to report, including:

- Writing to the Monster Beverage Corporation at the following address:
Monster Beverage Corporation
ATTN: Senior Vice President and Deputy General Counsel
1 Monster Way
Corona, CA 92879
- Calling the anonymous Monster Beverage Corporation 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/>, utilizing the access code, “MEC”.
- For employees, contacting their direct manager, their next-level manager, or contacting their human resources business partner.

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

This statement is made pursuant to Section 54(1) of the United Kingdom Modern Slavery Act 2015 and Section 3 of the California Transparency in Supply Chains Act of 2010, and constitutes Monster Beverage Corporation’s slavery and human trafficking statement for the year ended December 31, 2019. This statement was approved by the full board of directors.



Hilton H. Schlosberg
Vice Chairman of the Board of Directors,
President, Chief Operating Officer,
Chief Financial Officer and Secretary