



# CORPORATE RESPONSIBILITY AT BROWN-FORMAN

2009-2010

ARCHIVED BROWN-FORMAN ONLINE CORPORATE RESPONSIBILITY REPORT



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## INTRODUCTION

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We choose to be responsible in everything we do. Not only is it the right thing to do, it is also the source of business opportunity, stronger relationships, innovation, and growth.

Here we report on our social and environmental ambitions, goals, and performance. We define our key issues, explain our management approach, and provide data, examples and links to further sources.

This constitutes our 2009-2010 archived copy of the online Corporate Responsibility Report. The information pages are periodically updated online, but the data pages presented in this document are for the specific reporting period and archived to enable historical comparison.

This report is supported by our printed publication, *On Being Responsible*, which primarily describes our most significant corporate responsibility issue: the work we do to promote responsible drinking and reduce the misuse and abuse of beverage alcohol.

An important part of that work is reflected in our *Our Thinking About Drinking: The Issues Forum*, where our perspective and positions on alcohol topics are shared and your opinion and comments are encouraged.

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**We choose to act responsibly in everything we do.  
This strategic imperative is the right thing to do and also the source of business opportunity, stronger relationships, innovation, and growth.**



## CORPORATE RESPONSIBILITY AT BROWN-FORMAN

CORPORATE PROFILE / MISSION, PURPOSE, AND VALUES /  
GOVERNANCE / PUBLIC POLICY / ECONOMIC CONTRIBUTION /  
STAKEHOLDER ENGAGEMENT

### OUR PRIORITIES

“Being Responsible in Everything We Do” is one of our five strategic imperatives that we believe is critical to achieving business success. Because of the nature of our products, our global reach, and our reliance on natural resources – from the grapes used to make our wines to the agave grown for our tequila – we manage a wide range of social and environmental issues, including:

#### RESPONSIBLE DRINKING

We seek to encourage consumers to drink responsibly and reduce alcohol abuse and misuse.

#### ENVIRONMENTAL STEWARDSHIP

Our products are agriculturally-based (grapes, grains, agave) and require natural resources such as clean water and wood. Our production processes use energy and water and generate waste. As such, we must understand our footprint at every product lifecycle stage and do our part to protect the environment and reduce our impact on it.

#### EMPLOYEE RELATIONS

Our people are our greatest resource and competitive advantage. They are also our brand builders and are expected to set a good example to encourage responsible drinking in our communities. We aim to provide them with the opportunities to develop their careers in a safe, inspiring, diverse, and inclusive workplace.

### COMMUNITY INVOLVEMENT

Our communities are important to us. We are deeply rooted in our hometown of Louisville, Kentucky and seek to grow our community roots as we expand globally. We are proud of our tradition of civic engagement and investment.

### CORPORATE PROFILE

Brown-Forman is a diversified producer of fine quality beverage alcohol brands. We were founded in 1870 by George Garvin Brown in Louisville, Kentucky, USA. The company’s original brand, Old Forester Kentucky Straight Bourbon Whisky, was America’s first bottled bourbon and remains one of our finest brands today.

We employ about 4,000 people worldwide with about 1,000 of those employees located in Louisville, Kentucky. We are one of the largest American-owned wine and spirits companies and among the top 10 largest U.S. spirits companies. We market more than 25 brands in over 135 countries.

Read more about Brown-Forman in **Our Company**.

Learn more about our economic impacts in the **Economic Contribution** section.

NUMBER OF EMPLOYEES*	4,129
TOP 5 EMPLOYEE LOCATIONS*	U.S., Mexico, Australia, Poland, China
FISCAL 2009 DEPLETIONS	Over 35 million 9-liter cases worldwide
FISCAL YEAR 2009 NET SALES	\$3.2 Billion

\*Unless otherwise noted, employee data is as of June 15, 2009, incorporating the results of our workforce reduction.

## MISSION, PURPOSE, AND VALUES

### MISSION

Corporate Responsibility at Brown-Forman means putting our values into action throughout our business and in our relationships with suppliers, distributors, customers, employees, consumers, and our shareholders. We must listen to feedback on issues of shared concern and importance. We are determined to promote social and environmental responsibility, transparency, and dialogue.

### PURPOSE

Our purpose is to enrich the experience of life, in our own way, by responsibly building beverage alcohol brands that thrive and endure for generations. Five strategic imperatives drive our actions and decisions:

- Building Strong Consumer Franchises
- Winning at the Point of Purchase
- Allocating Resources Superbly
- Developing and Engaging Exceptional People
- Being Responsible in Everything We Do

Being Responsible in Everything We Do is a driver of our business success. By implementing these imperatives, we believe we will outperform the industry over the long term and deliver consistent, exceptional performance. Read more about Brown-Forman online at [www.brown-forman.com](http://www.brown-forman.com).

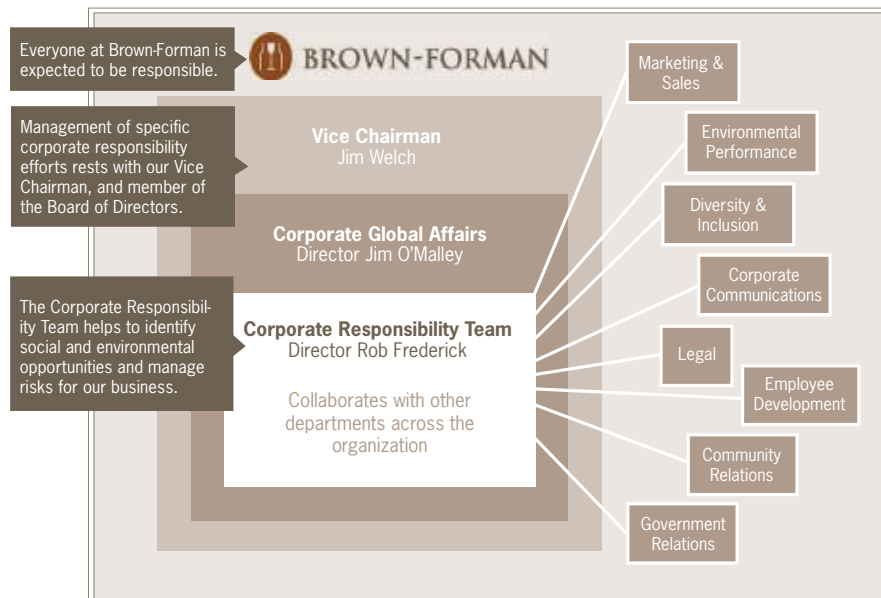
### VALUES

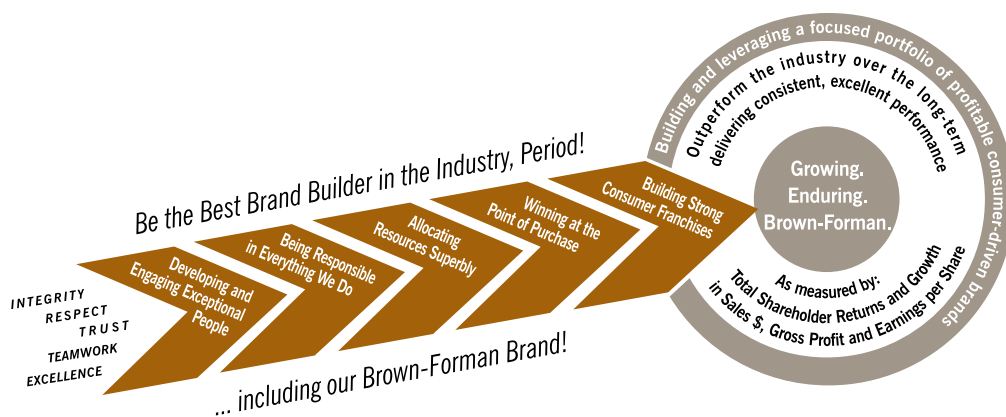
Our past is defined by generations of visionary individuals and nearly a century and a half of experience. We believe our future will be determined by independence and continuity in our direction, commitment to our strategies, and confidence in our capabilities.

Over many years, we have developed and nurtured a set of core values that have become deeply ingrained in our consciousness and our culture. These time-honored values — integrity, respect, trust, teamwork, and excellence — remain real and relevant today, guiding us in the conduct of our day-to-day business.

## GOVERNANCE

Everyone who works for Brown-Forman is expected to be responsible. Management of our specific corporate responsibility efforts rests with our Vice Chairman, who has oversight of the Corporate Responsibility team in our Corporate Global Affairs department. However, responsibility is integral to the work we all do and our Corporate Responsibility department, led by our Director Rob Frederick, works extensively with other departments across the organization, including Environmental Performance, Diversity & Inclusion, Community Relations, Employee Development, Corporate Communications, Government Relations and Legal. In addition, the Corporate Responsibility team helps to integrate social and environmental considerations into our marketing and sales.





## FORWARD-LOOKING STATEMENT

The Corporate Responsibility pages of this web report contain “forward-looking statements” as defined under U.S. federal securities laws. Words such as “expect,” “believe,” “intend,” “seek,” “estimate,” “will,” “may,” “anticipate,” and similar words generally identify forward-looking statements. These statements are not promises or guarantees of future conduct or policy. The actual conduct of our activities, including development, implementation or continuation of any program, policy or initiative discussed in this Report, may differ materially in the future and is subject to a variety of uncertainties and other factors, including but not limited to: continuation or expansion of the global economic downturn; competitors’ actions; trade or consumer reaction to our price increases, product line extensions or marketing initiatives; continued decline in consumer confidence or spending; tax increases; tighter governmental restrictions on producing and marketing our products; inflation rate changes; U.S. dollar fluctuations against foreign currencies; changes in consumer preferences, societal attitudes or cultural trends; adverse impacts resulting from our acquisitions, dispositions, joint ventures, business partnerships, or portfolio strategies; cost increases in energy or input materials; negative publicity related to our company, brands, people, operations, performance or prospects; adverse developments from governmental investigations of business, trade, or marketing practices by us, our distributors, or retailers; impairments. Forward-looking statements in this Report also should be evaluated together with risk factors and cautionary statements in our Form 10-K for the year ended April 30, 2009, periodic reports on Form 10-Q, and current reports on Form 8-K, all of which are incorporated by reference. Unless required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

## PUBLIC POLICY

The beverage alcohol industry is a highly regulated and heavily taxed business. What governments do can have a profound effect on our business. We believe that we can either be a participant in the public policy and regulatory processes or sit on the sidelines, where our voice would almost certainly not be heard. We believe that the most effective regulation is a result of input from many stakeholders, and our company and industry deserve seats at the table.

We engage with policy makers to protect and expand our commercial freedoms and interests as appropriate, and facilitate the adoption of public policies that address problems related to alcohol misuse and abuse. Our advocacy activities include representing our interests on taxes, international trade restrictions, advertising restrictions, labeling, and other issues.

Harmful alcohol use is complex. There is no effective one-size-fits-all approach. We believe that broad restrictions such as marketing bans or population-wide measures such as taxation or price controls are ineffective in addressing misuse and abuse. Moreover, these measures can be difficult to enforce and do not address harmful use itself since it forces the vast majority of those who drink in moderation to pay for the resulting harms of those who abuse alcohol. We do, however, support targeted, multi-stakeholder approaches that directly address those who abuse or misuse alcohol (e.g. strict enforcement of drunk driving laws, screening and early intervention for high risk drinking behaviors).

Globally, we work individually and with our trade associations in the regions where they operate to represent our policy interests. For instance, we engage with the World Health Organization, its Member States and stakeholders as part of our commitment

to open dialogue and our interest in seeing effective and sound public policy adopted that reduces the harmful effects of alcohol misuse and abuse. We are prepared to do more.

In the U.S. we strive to engage government through advocacy and our Political Action Committee (PAC). PACs are organized for the purpose of raising funds to support (or not support) candidates for public office. We have a Political Action Committee policy and compliance guidelines on lobbying.

Recent proposals in the U.S. to increase our tax burden as a source of additional government revenue have been of considerable concern. Beverage alcohol is taxed separately and substantially through state and federal excise taxes (FET) above and beyond corporate taxes. The federal excise tax for spirits per ounce of pure alcohol is two to three times greater than it is for beer and wine, respectively. We believe “alcohol is alcohol” and seek taxation based on alcohol equivalency. Besides the disproportionate tax burden on spirits, any FET increase would have a negative economic effect on the hospitality industry and the millions of workers that it employs.

In addition to our concerns about tax equivalency, the U.S. congress is considering the repeal of LIFO (last-in-first-out), an accepted inventory accounting practice in the U.S. since 1939. LIFO is designed to minimize artificial inflation gains and accurately reflect replacement costs. We strongly oppose this repeal since LIFO is particularly important to companies like Brown-Forman, whose aging process requires that distilled spirits be retained in inventory for several years before being sold. LIFO repeal would also result in an unprecedented “recapture” or retroactive tax increase of any tax benefit received.

Much of our government lobbying occurs through our trade associations. We are members of:

- Distilled Spirits Companies of the U.S. (DISCUS)
- Business Industry Political Action Committee (BIPAC)
- European Forum for Responsible Drinking (EFRD)
- The EU Committee of the American Chamber of Commerce (AmCham EU)
- The Wine Institute
- The Distilled Spirits Industry Council of Australia (DSICA)
- European Spirits Organisation (CEPS)
- The Distilled Spirits Association of New Zealand (DSANZ)
- Kentucky Distillers Association (KDA)

We are transparent about our activities and welcome inquiries. With the publication of this report, we are proud to launch our new online Issues Forum: a major step to broaden the conversation about alcohol issues. The Issues Forum can be accessed at [www.ourthinkingaboutdrinking.com](http://www.ourthinkingaboutdrinking.com). We hope that the establishment of the Issues Forum will lead to a continuing dialogue from which we can listen and learn, adapting our corporate actions and viewpoints so that they remain in alignment with social values and emerging research in the markets where we operate.

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## ECONOMIC CONTRIBUTION

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We create economic value where we do business around the world for our stakeholders, including our business partners and employees. The global recession has underscored the essential social and economic role companies play in the growth and health of the world economy. The cash value we create from building our brands and the cost of the goods and services we purchase from our suppliers and partners provides for the creation of economic value. This value is in turn distributed to key stakeholder groups (see chart).

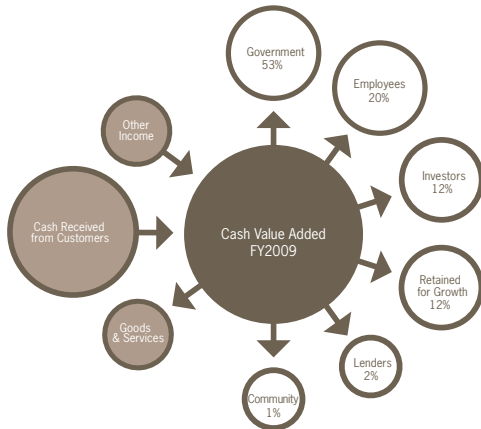
We contribute to economic growth by creating value for our investors, and retaining some cash value created to reinvest in our business for the benefit of our stakeholders in the future. The wages and benefits received by our employees add to the vitality of the communities where they live, work, and raise their families.

We generate revenue for governments through the taxes we pay. Local economies benefit from the sale of our brands through the collection of excise taxes and VAT, as well as the collection of payroll taxes on competitive salaries in the countries where we operate. As such, we work with a diverse stakeholder group, including governments and NGOs in many countries, on our corporate responsibility issues (see **Public Policy** and **Responsible Drinking**).

We also provide value to our lenders as return on borrowings, and invest in the communities where we work through corporate philanthropy (see **Community Involvement** for more details).

Read more about our specific contributions in our headquarters city in our **Economic Impact** report.

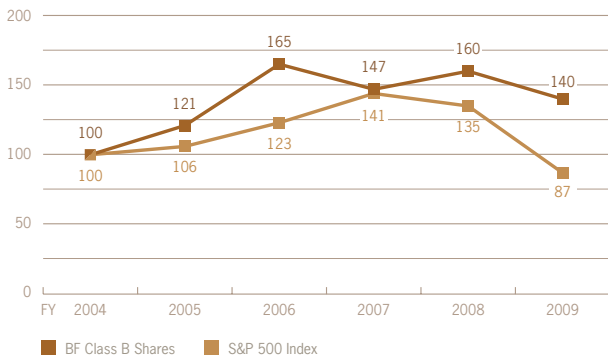
**DISTRIBUTION OF CASH VALUE ADDED**



Note: Cash Value Added is calculated using our Consolidated Statement of Operations for April 30, 2009 per our 10K filing and does not represent cash received during the year. Instead it represents the cash we receive from our customers and other sources of income less the cost of goods and services we buy to produce and build our brands. Numbers may not add up to 100% due to rounding

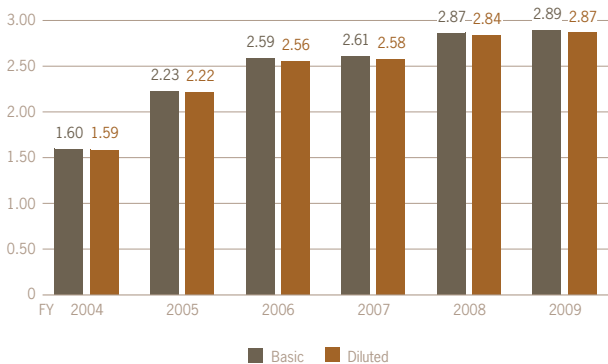
**TOTAL SHAREHOLDER RETURN**

[Measured in Dollars]



**REPORTED EARNINGS PER SHARE**

[Measured in Dollars]



Unless otherwise noted, data are for our fiscal year 2009, which ended April 30, 2009

**STAKEHOLDER ENGAGEMENT**

Listening to what others have to say, even if it is critical, allows us to gain a better understanding of perspectives different than our own. This feedback is essential in helping us keep our policies aligned to the expectations of society.

We consider the following groups to be our main stakeholders:

- Shareholders / Investors
- Customers (distributors and retailers)
- Consumers
- Employees
- Governments
- Industry experts
- Non-governmental organizations (NGOs)

We have established processes to engage with the different groups that have a direct impact on our business. We are expanding our outreach to ensure we have greater engagement with alcohol policy thought leaders, academics, NGOs, and others interested in our corporate responsibility performance. We are doing this primarily through our involvement in groups such as the International Center for Alcohol Policies (ICAP) and through our new online Issues Forum, which is designed to share our perspective and encourage dialogue about our positions on key alcohol issues. We look forward to hearing other views on these issues and engaging in dialogue.

**FEEDBACK ON OUR REPORTING**

Our Corporate Responsibility reporting is an important part of our engagement with stakeholders. We are committed to improving its scope and quality. This is why we have commissioned independent research on our reporting and also provide an online reader survey. Feedback on our first report published in 2007 and online survey is in our archive.

We want to meet our readers' needs and urge you to complete the short survey. Please also visit our Issues Forum, and join the debate there on alcohol-related issues. We really want to learn about your thinking about drinking and appreciate your feedback.



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## RESPONSIBLE DRINKING

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### RESPONSIBLE MARKETING / PROMOTING RESPONSIBLE CONSUMPTION / COMBATING ALCOHOL ABUSE / CASE STUDIES

Of all our responsibilities, our principal concern is the harm to society and our industry from the abuse and misuse of beverage alcohol. We want to contribute to a positive culture around alcohol, where consumers who choose to drink make informed and safe choices about what and how much they drink. It is a culture that we have long promoted and one which we know is necessary for the continued long-term prosperity of our company and our industry.

We fully accept that alcohol, when abused or misused, carries with it the potential for contributing to, or exacerbating, social and health problems. But our fundamental belief is that beverage alcohol also plays an important part in enriching the lives of the vast majority of those who choose to drink. This is why we promote our brands in a way that encourages responsible consumption. And it is the reason we discourage irresponsible drinking, especially drunk driving<sup>1</sup>, and work to prevent illegal drinking by those who are underage.

We have developed a multifaceted strategy and program – we call it *Our Thinking About Drinking* – to encourage responsibility across all aspects of our business and to explore the opportunities that emerge when we play an even more direct role in combating misuse and abuse. We are increasing our understanding of how best to achieve this goal.

1. Also refers to 'drink driving' outside the U.S.

While we have a long history of social responsibility, *Our Thinking About Drinking* strategy – as an integrated program – is relatively new to Brown-Forman and we have spent considerable effort making sure that our priorities and direction for it are clear. Now is the time for turning this strategy into action, working closely with our employees, customers, policy makers, consumers, and others. We are eager to take a more active role in the debate on alcohol issues.

We have a three-pronged approach to the task:

#### MARKET OUR PRODUCTS RESPONSIBLY

We do this primarily by following industry and Brown-Forman guidelines on marketing, advertising, and promotion.

#### ENCOURAGE RESPONSIBLE CONSUMPTION

We see our brands – and our brand-building capabilities – as the main channel for our efforts to urge moderation among our consumers.

#### COMBAT THE HARMFUL EFFECTS OF ALCOHOL MISUSE AND ABUSE, PARTICULARLY UNDERAGE DRINKING AND DRUNK DRIVING

We believe our brands can be an effective vehicle to tackle drunk driving, and we work on our own and with others to get the message across. We do not want people under the legal drinking age consuming our brands, and we partner with others to educate, raise awareness and discourage underage drinking.

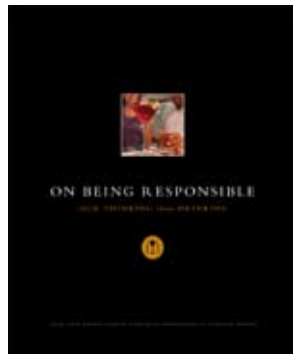
We develop our own initiatives and work with others in our industry, such as:

- The Distilled Spirits Council of the United States, Inc. (DISCUS)
- The Century Council in the U.S.
- The International Center for Alcohol Policies (ICAP)
- The Centre for Information on Beverage Alcohol (CBA)
- The European Forum for Responsible Drinking (EFRD)
- The Portman Group in the U.K.
- The Distilled Spirits Industry Council of Australia (DSICA)
- Drinkwise Australia
- Drinkaware in the U.K. and Ireland
- The European Spirits Organization (CEPS)
- The Polish Vodka Association (PVA)
- The Hungarian Association for Responsible Alcohol Consumption (HAFRAC)

#### DOING MORE

We aim to be more proactive in the debate about alcohol issues. One of our actions has been to create *Our Thinking About Drinking: The Issues Forum* where critical alcohol issues can be explored in greater depth. The Forum provides information and research into various alcohol topics, offers Brown-Forman's perspective and position as well as a chance to engage in a dialogue with experts and other stakeholders.

The companion publication to this report, *On Being Responsible*, is primarily focused on alcohol issues and our efforts to tackle them. It describes *Our Thinking About Drinking* strategy in detail.



## RESPONSIBLE MARKETING

Responsible marketing is the only type of marketing that Brown-Forman endorses. We believe strongly in the benefits and effectiveness of self-regulation, as validated in the U.S. by the Federal Trade Commission. But success depends on our entire sector maintaining equally high standards. Our industry cannot afford the damage caused by those who fail to follow guidelines and thereby undermine the benefits created by companies that do.

#### OUR APPROACH

Brown-Forman's Responsible Marketing, Advertising, and Promotional Guidelines serve as our overriding standard, which goes above and beyond many industry standards. In the U.S., we also adhere to the DISCUS Code of Responsible Practices for Beverage Alcohol Advertising and Marketing, and the Wine Institute's Code of Advertising Standards. In the U.K., we follow The Portman Group's Code of Practice.

Our global policy guidelines will be brought to life by the forthcoming Brown-Forman Marketing Dos & Don'ts, providing real-world examples to enhance consistent application and understanding.

#### ACTIONS

Our goal is to continue integrating responsibility into our brand building activities. We believe that reminders to drink responsibly are only a starting point and want to do more. We view this as an opportunity, and we anticipate working on our own and with others to encourage consumers to change their attitudes and ultimately their behavior. We want to do this in a way that raises awareness and educates, so that consumer behavior and social norms support responsibility. We strive to use a variety of channels to get our message across, including our brands.

In late 2007, Southern Comfort launched a television advertising campaign in the U.S. and the U.K. focused on drinking responsibly and getting home safely.

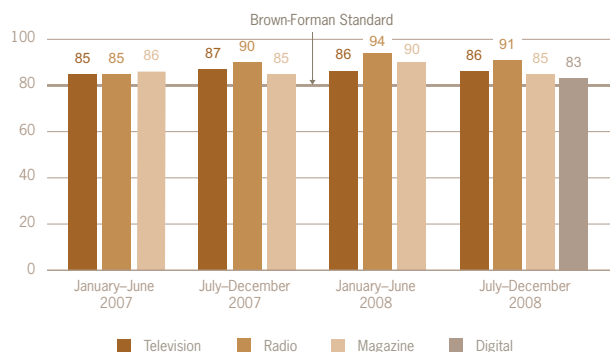
### SELF REGULATION

In the U.S., self-regulations within the industry call for beverage alcohol advertisements to be placed only where at least 70% of the audience is reasonably expected to be above the legal drinking age (LDA). Brown-Forman has taken an additional step of planning our U.S. placements to deliver total cumulative impressions by brand and by media to average at least 80% LDA audience. Since 2006, our average media impressions in each of three categories (television, radio, magazines) met or exceeded our 80% LDA standard. In countries where there is no minimum legal drinking age, or the LDA is below age 18, Brown-Forman directs its marketing to those aged 18 years and above.

### PERFORMANCE

#### CORPORATE AVERAGE MEDIA IMPRESSIONS

[Percentage Legal Drinking Age (LDA) and above]



In 2008, Brown-Forman added the digital category measurement following the addition of new DISCUS Distilled Spirits Industry Internet Advertising / Marketing Guidelines.

### GLOBAL ADVERTISING COMPLAINTS/ COMPLAINTS UPHELD

US <sup>1</sup>	Advertising Complaints	Complaints Upheld
2007 Jan-Jun	2	0
2007 Jul-Dec	0	0
2008 Jan-Jun	0	0

UK <sup>2</sup>	Advertising Complaints	Complaints Upheld
2007 Jan-Dec	2	0
2008 Jan-Dec	1	1

<sup>1</sup>As reported by the Distilled Spirits Council of the United States (DISCUS)  
<sup>2</sup>As reported by the Portman Group and the Advertising Standards Authority (ASA)

Unless otherwise noted, data is reported on a Calendar Year basis.

### PROMOTING RESPONSIBLE CONSUMPTION

For us, responsible drinking means not drinking under the legal age; not driving over the legal blood alcohol limit or if there is uncertainty about one's condition to drive; and not encouraging others to drink irresponsibly.

We believe that it is our responsibility – and in our best interests – to encourage and promote responsible drinking. In our view, demonstrating such responsibility is critical to maintain the trust required to protect our commercial rights. Our business strategy is to build great brands. We much prefer our consumers to enjoy our products in moderation over the long term because incidents of overconsumption or abuse may be potentially unhealthy and dangerous, and harm our brand equity. Because this attitude is part of our culture, our message of moderation is part of our daily business and is reflected in the relationships we have with our employees and our partners in the industry.

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## OUR APPROACH

Our promotion of responsible consumption starts within our company where we urge those employees who choose to drink to do so responsibly.

We have evolved our employee alcohol policy into what we call Policy 400: Principles of Responsible Consumption and Service of Beverage Alcohol. This sets out how we expect our employees should conduct themselves when consuming or serving alcohol.

We hold our company and employees to a high standard and each employee has a personal responsibility to uphold our standards. We provide educational tools and resources to help employees meet this goal. In the summer of 2009, we are introducing a training course in the responsible consumption and service of alcohol to all employees. New employees will be required to complete the course within 90 days of their hire. After that, they must be recertified every two years.

The training provides critical facts and information about alcohol so that our employees understand what we expect of them, and what they can do to promote responsibility, in different situations. Courses will be available online and in an innovative board game format, which encourages group dialogue and learning.

All employees are instructed not to drive if there is any question of them being over the legal limit. The expense of occasional transportation home in a taxi or other means is reimbursable by the company. In Louisville, Kentucky, employees may use a service called CityScoot, which will drive them home safely in their own car. Similar services are being tested in other areas. Responsible consumption continues beyond our company to our many external relationships and is described in further detail in our printed publication, *On Being Responsible*. For consumers, for example, we intend to be creative with our responsible drinking messages, just as we are with the building of our brands. We use brand marketing and education to carry our message of responsible consumption. We want to protect and enhance the standing of our brands and we set clear and strict standards that our marketing and advertising partners must follow in their promotions. We work with them to enable everyone to adhere to our high standards.

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## ACTIONS

A potentially controversial way of consuming alcohol has required careful consideration: drinking shots (small measures of spirits consumed in one swallow). Many people enjoy shots. Drinking in this way can accentuate the taste of spirits, and the social occasions associated with consuming shots can be convivial and memorable. There is a perception that shots lead to overconsumption, although many see the practice most commonly associated with celebration. But there is concern that the practice can lead to misuse of alcohol. We have developed a policy that reflects our views on the safe and responsible promotion of shots. It covers a range of specific dos and don'ts, and stipulates that there should be no excessive drinking, such as the rapid consumption of multiple shots.

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## COMBATING ALCOHOL ABUSE

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Because alcohol can lead to harm when abused or misused, we strive to encourage responsible drinking and combat the abuse of beverage alcohol in whatever form it takes.

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## OUR APPROACH

This ambition is challenging because of the complex causes of misuse and abuse and the multi-faceted solutions required. We believe the best way for us to be effective is to collaborate with organizations specifically dedicated to combat abuse.

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## ACTIONS

We support the work of organizations in our markets that advocate responsible alcohol consumption and provide information and help in combating beverage alcohol abuse. Here are some examples:

### UNIVERSITY OF KENTUCKY

In 2008, we announced our support of the Alcohol and Health Education Office at the University of Kentucky in Lexington, Kentucky, to expand its programs for educating students about the dangers of high risk drinking and alcohol abuse. The program focuses on students raising awareness of the risks with other students.

We particularly like the design of this program because it uses a proven model of peers influencing peers and other tactics to change college students' attitudes toward alcohol. The program also recognizes the critical role that parents play in their children's decisions about alcohol, even once they are on their own at a university. The "Question Authority" campaign ([www.q-authority.org](http://www.q-authority.org)) directs college students to talk to their parents about alcohol and to find out about any family history of alcohol abuse.

#### THE CENTURY COUNCIL

The Century Council, co-founded by Brown-Forman in 1991, is a leader in the fight against drunk driving and underage drinking. It is funded by distillers and promotes responsible decision-making about beverage alcohol.

This not-for-profit U.S. organization has an independent National Advisory Board comprised of distinguished leaders in education, medicine, government, business, and other relevant disciplines.

The Council believes that collective action brings about lasting change. It works with law enforcement, public officials, educators, parents, and students in its fight against drunk driving and underage drinking.

Contributing over \$28 million since 1991, Brown-Forman has long been an enthusiastic supporter of the TCC and programs such as its recent campaign A Lot to Lose. This is part of an initiative to encourage mothers and daughters to communicate about the dangers of underage drinking and the specific risks facing teenage girls.

Learn more about the many alcohol education programs at [www.centurycouncil.org](http://www.centurycouncil.org).

#### EUROPEAN ALCOHOL & HEALTH FORUM

Members of the Alcohol and Health Forum (AHF) – companies, NGOs, the medical community, researchers and academics – commit to tackle alcohol – related issues through unique programs. Observers include all EU member states, the European Parliament and the World Health Organization.

Brown-Forman has committed to develop Best Bar None, recognizing best responsibility practices by bars and pubs, implement a retailer training program and with the European Forum for Responsible Drinking, launch a consumer information program in Spain, Germany and Poland.

Brown-Forman is also on the AHF's Youth Task Force, helping to enable the sharing of best practices among members.

#### EUROPEAN FORUM FOR RESPONSIBLE DRINKING

We are members and currently hold the chair of the European Forum for Responsible Drinking (EFRD). One of the key areas of EFRD's work is Responsible Marketing and Self-Regulation. The EFRD's Common Standards are a set of rules that make up a self-regulatory marketing code, which should be applied by EFRD member companies alongside their own internal codes, and other national codes.

EFRD offers leadership in the EU to help drive the industry's commitment to responsible drinking. This leadership is evidenced in two principal ways:

1. The EFRD encourages those in the industry to adopt responsible standards in self-regulation by adhering to a code of responsible marketing and commercial communications. The Code is evaluated and revised periodically, most recently in 2009, to incorporate standards for internet marketing as an advertising medium. Compliance to the Code is monitored by an independent third party panel.
2. The EFRD promotes responsible drinking by developing and helping to implement programs within EU countries that address alcohol related issues. It also helps disseminate best practice across all EU countries.

### CAMPAIGN FOR SMARTER DRINKING

This industry awareness campaign in the U.K. is aimed at young adults above the legal drinking age and asks the question: “Why let good times go bad?” It is the first industry-wide social marketing campaign to discourage overconsumption by young adults above the legal drinking age. The campaign is unique in that it brings together many across the industry, including producers, suppliers, and retailers. All the participating companies are expected to execute the campaign individually. Using outdoor and in-store advertising, plus a website, it provides tips for a good night out, such as drinking slowly, consuming soft drinks and water, eating properly, and planning in advance on how to get home. Based on consumer research and insights, the purpose is to challenge current attitudes to the social acceptability of drunkenness, and ultimately to contribute to a reduction in drunken behavior and its harmful social and health consequences. Find more on [www.drinkaware.co.uk](http://www.drinkaware.co.uk)



### DRINKWISE AUSTRALIA

We serve as an active member in DrinkWise Australia, an organization formed in 2003 to combat alcohol abuse and promote responsible drinking. In June 2008, DrinkWise Australia launched a campaign to influence generational change towards responsible consumption of alcohol. The campaign, Kids Absorb Your Drinking, is aimed at making ‘drinking to get drunk’ socially unacceptable for the next generation of potential drinkers. The program was developed in response to an increased prevalence in risky drinking behaviors in Australia. Learn more at [www.drinkwise.com.au](http://www.drinkwise.com.au).

### THE U.S. AD COUNCIL

We support the Ad Council with donations to provide it with additional resources to work on changing attitudes toward drunk driving and underage drinking. Part of the Ad Council’s work includes a series of public service ads designed to remind consumers that “Buzzed Driving is Drunk Driving.” The efforts are part of their Drunk Driving Prevention Campaign in partnership with the National Highway Traffic Safety Administration (NHTSA). The Substance Abuse and Mental Health Administration (SAMHSA) has also partnered with the Ad Council on a campaign designed to prevent underage drinking by encouraging parents to speak to their children about alcohol. The Ad Council hopes that its prevention efforts with NHTSA and SAMHSA will be successful in educating people about the dangers of drunk driving and underage drinking and change attitudes and behaviors as a result. We have also worked closely with the Ad Council to understand the consumer insights behind the Buzzed Driving campaign and lessons learned that might be applicable to branded drunk driving prevention efforts.

### INTERNATIONAL CENTER FOR ALCOHOL POLICIES (ICAP)

We are sponsors of the International Center for Alcohol Policies (ICAP), an organization dedicated to promoting the understanding of the role of alcohol in society and reducing the abuse of alcohol worldwide. ICAP’s mission also includes encouraging dialogue and pursuing partnerships with those interested in alcohol policy, including governments, the public health community, and others in the industry.

## CASE STUDIES

### USING ART PHOTOGRAPHY

In Milan, Italy, Jack Daniel's sponsored a leading photography gallery, Spazio Forma, to commission and exhibit black and white photographs that demonstrate what responsibility means to a group of artists. The project, called responsABILITY, included the photographs by 20 students (all above the legal drinking age) from five countries. The exhibition of their picture sets (which combined written messages) attracted over 2,500 visitors and received wide press coverage.



### PACE YOURSELF, DRINK RESPONSIBLY

Our largest responsibility advertising campaign is through our sponsorship of the Jack Daniel's Racing Team, where we continue to promote the message, Pace Yourself, Drink Responsibly. Research shows that the communications work - in our annual tracking study of NASCAR fans, Jack Daniel's continues to lead all spirits brands in consumer perception as a brand that "encourages responsible drinking." We have expanded this message in our support of a similar campaign for Jack Daniel's Racing in Australia.



### CHOOSE YOUR RIDE

We look for ways to use the Brown-Forman brand to educate the public about the proper consumption of alcohol. In 2008, we joined with the Louisville Metro Police Foundation, City Scoot, Yellow Cab Company, and other companies to help fund the Police Department's "Choose Your Ride - Drive Sober" anti-drunk driving program. As part of the campaign, posters

were displayed in bars, nightclubs, restaurants, and stores that sell beverage alcohol throughout Louisville, encouraging patrons to avoid the risk of driving over the legal limit and find alternative transportation home.



### ADVERTISING: RESPONSIBILITY IS IN THE EYE OF THE BEHOLDER

In July 2008, the U.K. Advertising Standards Authority (ASA) received public complaints about one of our television advertisements for Southern Comfort.

The ad showed a group of friends getting together to socialize on several different occasions, taking photographs on their nights out and pinning their memories on a bulletin board. In common with all Brown-Forman ads, this ad carried a responsible drinking message woven into the narrative: "For picture perfect nights, drink Southern Comfort responsibly."

The advertising compliance system in the U.K. operates a mandatory pre-vetting procedure that TV ads must pass before airing. This does not insure a cleared ad against censure in the face of subsequent public complaint.

In this case, the ASA's appointed pre-vetting agency, Clearcast, participated in a final edit of our ad; matching the ad scene-by-scene with ASA guidelines before giving us the go-ahead to broadcast.

Following an investigation, the ASA upheld some of the complaints. It concluded that the ad failed to make it clear that the featured group's socializing occurred over different nights. This meant that the consumption seemed excessive. Furthermore, the ASA concluded our responsibility message, contrary to our intention, implied that drinking Southern Comfort was essential for a successful night out.

As a result, our ad was withdrawn from broadcast. The experience has served as a reminder to apply special care in the presentation of, and communication around, responsible drinking, which we will continue to do across our entire business in future.



### BEST BAR NONE

In the United Kingdom, Brown-Forman has been an active sponsor of a cross-sector partnership with government agencies and local stakeholders, called Best Bar None. Concerns among the police and policy makers about irresponsible drinking and the behaviors stemming from it led to the creation of an awards program for licensed premises, now operating in over 80 locations across the country.

This local “competition” among bars and licensed clubs tracks performance against a mutually agreed set of responsibility criteria:

- The prevention of crime and disorder
- Public safety
- Prevention of public nuisance
- Protection of children from harm

While the top performers are recognized as the Best Bar None, the program offers an opportunity for all to improve their practices and relationships in the community by giving Best Bar None accreditation to all who reach the agreed standards. The accreditation has become increasingly recognized by police and local authorities as the gold standard.

Best Bar None is administered by the British Institute of Innkeepers who ensure consistency in different regions, train assessors and help bars make the necessary changes. A board of non-executive trustees has been appointed, which includes U.K. government representatives.

As part of the program, Brown-Forman is supporting the National Union of Students in its efforts to promote responsible drinking on 70 university campuses in the U.K. where the legal drinking age is 18. Plans to expand the program across other EU cities are being developed.



### RESPONSIBLE TAILGATING

At the start of the 2008 U.S. football season, we partnered with our largest U.S. distributor partner, The Charmer-Sunbelt Group, to support Tailgaters Urging Responsibility & Fun (TURF).

Tailgating is a tradition of picnicking from the back of vehicles before an American football game. Over the years some football games have become less family friendly because of the unsportsmanlike conduct of a few rowdy fans – sometimes fueled by alcohol. The goal of TURF is to help make game day safe, fun and responsible – a place where families and friends can come together, enjoy the experience and get home safely.

The TURF program provides tips for a successful tailgate, reminders about responsible alcohol consumption (including zero tolerance for underage drinking and drunk driving) and actionable steps every fan can take to ensure that the game, and the tradition of tailgating, is preserved.

The program features a web site where tailgaters can get tips on how to hold a responsible party, and radio advertisements reminding consumers to tailgate and drink responsibly.

TURF demonstrated the power of partnership by bringing together many different players: The Charmer-Sunbelt Group, Brown-Forman, Diageo, Wine & Spirits Wholesalers of America, Pennsylvania Liquor Control Board, Florida's Department of Business and Professional Regulation, New York Attorney General Andrew Cuomo, law enforcement and legislators. There were also many other TURF team partners and supporters, including the Philadelphia Eagles, Pittsburgh Steelers, Washington Redskins, Penn State, University of Pittsburgh, and University of Maryland.

In 2009, the TURF program will expand its reach and bring in new team members, such as the addition of a media partner CBS Radio.



#### JACK DANIEL'S IN DUBAI

As a growing global company, we are still learning about different cultures, their relationships to alcohol, and the issues and challenges stemming from its abuse in different parts of the world. But our goal is to remain proactive and play an active role in finding a workable solution to alcohol abuse.

Recently, the Jack Daniel's team in Dubai developed an innovative responsibility communication – employing a short video/slideshow which communicated to mobile phones by bluetooth. A sign in a retail outlet hosting a promotion informs attendees to switch on their phones' bluetooth capability if they'd like to receive information from the brand. Those that do receive a video slideshow from an in-outlet transmitter promoting responsible consumption.



#### JACK DANIEL'S COUNTRY COCKTAILS

The Flavor Malt Beverage category has been under close scrutiny for perceived targeting of younger drinkers, given the color, packaging, and sweeter taste of these ready-to-drink beverages. Brown-Forman took a proactive approach to overcoming the challenges of responsible marketing within the Flavor Malt Beverage category with comprehensive packaging changes to its Jack Daniel's Country Cocktails.

As of May 2008, the Jack Daniel's Country Cocktail bottles, as well as packaging and promotional materials for the brand, prominently display the "21+" icon, indicating that the product is intended for responsible consumption by consumers over the age of 21 years old. The new labels and product are also less colorful.





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## ENVIRONMENTAL STEWARDSHIP

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ENERGY & GREENHOUSE GAS MANAGEMENT / WATER /  
WASTE AND EMISSIONS / PACKAGING /  
AGRICULTURE / CASE STUDIES

Our company relies on natural resources, and our products affect the environment at every stage of their lifecycle. The ingredients behind our brands come from farms, vineyards and forests. The excellence of our products depends on high-quality sources of water. Our production processes use energy and generate waste.

Our connection to the environment underlies our commitment to protecting, preserving, and enhancing the natural world, while growing our business. For decades, we have implemented cost-efficient programs and practices that reduce our impact on the environment. These efforts are spearheaded by the Environmental Performance Department and our Environment Matters Working Group, a cross-functional team dedicated to executing programs, monitoring performance, influencing business partners, and engaging stakeholders on key environmental issues and opportunities.

Our environmental performance policy emphasizes compliance with regulation and stewardship – going beyond compliance to ensure the protection and preservation of the environment. We believe that minimizing our environmental footprint through each phase of the product’s lifecycle is good for our business and will create value (both social and financial), reduce costs, and build our brands in a sustainable manner. We are committed to consuming fewer natural resources, reducing harmful emissions, and increasing the recovery and reuse of resources.

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### ISSUES

In our daily business we manage a wide range of environmental issues, including (see “Our Approach” for how we manage them):

#### ENERGY & GREENHOUSE GASES (GHGs)

Our largest use of energy is in the production of wines and spirits. We also use energy to tend our vineyards. Most of our energy is sourced either directly or indirectly from fossil fuels, creating emissions of GHGs. However, the wood waste we produce is a significant and renewable source of energy.

#### WATER

Water comprises a significant ingredient in our products, and their quality is dependent on the availability of clean water. We also use water for cooling and washing, which creates waste water.

#### WASTE EMISSIONS

Producing wine and spirits creates organic wastes from the raw materials: grapes, corn and agave. Bottling, barrel-making and operating facilities creates other wastes, such as paper and trash. Ethanol is emitted to air when whiskey matures in wooden barrels. While our first priority is to avoid making waste, we seek to reduce, reuse or recycle the waste that we generate.

#### PACKAGING

The way our brands are packaged – size, shape, color, and the choice of materials – not only protects the contents but is integral to the projection of the brand, and consumer perception. We continue to look for opportunities to minimize the environmental impact of the packaging while maintaining brand values.

## AGRICULTURE

Whiskey and vodka are made with grain crops and tequila from agave plant. Wine comes from grapes whose flavor is influenced by climate, soil and agricultural methods. Farming practices, such as tilling, nutrient application, irrigation and pest control, affect the environment, especially the quality of water and soil, and the richness of biodiversity.

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### OUR APPROACH

We manage our environmental issues by grouping them into three focus areas:

- Energy and GHG management
- Water quality and conservation
- Waste minimization and materials selection

Corporate environmental performance is managed through our Environmental Performance and Governmental Compliance Group (EPGC) which works with each production facility to set and achieve site-specific goals and targets. The EPGC group collects, analyzes and publishes the wide range of environmental performance data, promoting environmental stewardship and providing an overall picture of our performance (see performance).

To ensure compliance, we have implemented a robust audit program that includes external checks as well as annual internal audits of our U.S. and Canadian operations, and conduct periodic assessments using both external and internal expertise. We are also integrating our international operations into our compliance and stewardship programs.

We also work with others in the industry, beverage alcohol and beverages generally, to improve our environmental performance. This involves the development of industry standards, sharing best practice examples, and defining industry policy positions. We are, for instance, highly active in the California Sustainable Winegrowing Alliance and Beverage Industry Environmental Roundtable (BIER).

### THE ORGANIZATION OF THIS REPORT

The focus areas described reflect our internal management organization. For greater clarity, we discuss agriculture and packaging separately in this report.

*Unless otherwise noted, all Environmental data is reported on a Calendar Year basis.*

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## ENERGY AND GREENHOUSE GAS MANAGEMENT

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Our responsibility includes conserving and protecting energy resources and reducing GHG emissions. Our commitment to act is based on our belief that a reduction in our direct or indirect use of fossil fuels – and resulting reduction in GHG emissions – will benefit the environment and us, as a business and as citizens, both now and in the future.

We understand that our use of these limited resources and the resultant GHG emissions must be minimized, not only to reduce our costs and improve our operational efficiency, but also to minimize any contribution to climate change that our operations and practices have, thereby ensuring availability of these vital resources for generations to come.

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### OUR APPROACH

We recognize the significance of climate change and believe that businesses must play a role in confronting it. We have developed a comprehensive response to the challenge of climate change and its expected impacts. The program includes:

- Ensuring we consider climate change in the way we run our business and plan for growth
- Engaging and partnering with others to find solutions – business partners, industry members, investors, and NGOs
- Communicating transparently with our stakeholders about our progress in managing our greenhouse gas emissions
- Supporting environmentally effective and economically sound public policies
- Monitoring the effects of climate change on our business so that we can adapt

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### ACTIONS

#### GREENHOUSE GAS INVENTORY

We get our energy from five main sources: coal, waste wood, natural gas, fuel oil, and electricity. We have conducted a greenhouse gas inventory since 2005 covering our world-wide facilities and operations, including travel. This exercise identified our major GHG emissions and their sources, enabling us to prioritize our actions and reduce energy consumption and emissions.

**ADDRESSING CLIMATE CHANGE**

These are some of our initiatives to address climate change, while promoting cost efficiencies:

- Improving energy efficiency across the company, by optimizing lighting, heating and cooling. See performance data
- Installing a waste-to-energy process that will fuel a boiler at our tequila plant in Mexico with methane generated by a new wastewater treatment facility
- Promoting video and web-based meeting technologies, which reduce the need to travel
- Encouraging environmentally-responsible travel by including information within our online booking system that helps employees choose the best environmental option. This work won us the 2008 Get There Travel Visionary Award
- Using an electronic “RideShare Board” which helps employees share a leased hybrid vehicle for joint business travel

**WORKING WITH OTHERS**

We were included in the 2008 Carbon Disclosure Project’s (CDP) Leadership Index after completing their annual survey.

CDP is a not-for-profit organization that promotes corporate action and the reduction of financial risk from climate change. The Leadership Index highlights the constituent companies within the S&P 500 Index which have displayed the most professional approach to corporate governance in respect of climate change disclosure practices.

We attained the second-highest score among the leading companies in the retail and consumer sector.

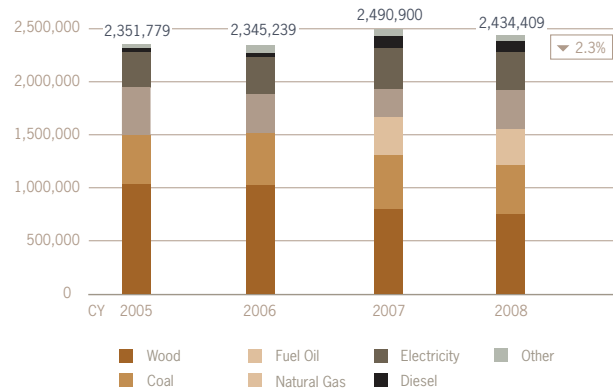
We also participate in The California Climate Action Registry (CCAR) where we report our greenhouse gas emissions inventory. Our involvement supports voluntary GHG reporting, and we benefit from the collaboration by learning about climate-change strategies and best practices in GHG accounting and verification.

**AWARDS AND RECOGNITION**

- Carbon Disclosure Project: Included in Leadership Index 2008
- California Climate Action Registry: Awarded Climate Action Leader status for 2006 and 2007
- 2008 Get There Travel Visionary Award
- 2008 Flex Your Power Award
- 2007 Environmental Protection Agency’s Best-of-the-Best Stratospheric Ozone Protection Award
- 2008 California Governor’s Environmental and Economic Leadership Award (GEELA)

**PERFORMANCE**

**ENERGY TOTAL USAGE**  
[Measured in MMBTUs]



Notes: Energy usage is determined from either direct metering or by allocation methods. Numbers may differ slightly from previous reports due to refining of data management systems.

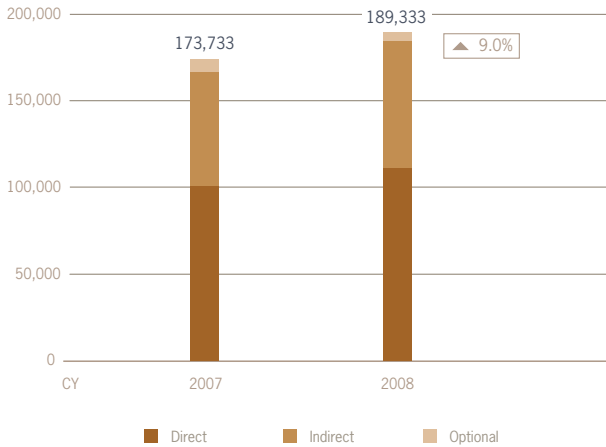
Between 2005 and 2006 our energy usage has decreased mainly due to energy efficiency improvements, and in other instances due to reduced production. The total energy usage increased between 2006 and 2007 due to addition of production facilities internationally. This addition also changed the percentage source of energy due to significant use of fuel oil.

Between 2007 and 2008, despite the addition of new processes at one facility, BF total energy use has decreased due to a combination of reduced production at some facilities, and energy efficiency improvements.

“Other” category includes gasoline, propane, and charcoal.

**GREEN HOUSE GAS EMISSIONS**

[Measured in Metric Tons]



Notes: Data includes 2007 GHG emissions verified by Cameron Cole, and are also publicly available in more detail on the California Climate Action Registry's website: <https://www.climateregistry.org/CARROT/public/reports.aspx>.

2007 data differs slightly from previous reports, as the last corporate responsibility update was released before verification of CY2007 data. Data for CY2008 has not yet been verified and is subject to change.

Direct emissions include use of fuel for stationary and mobile uses, including coal, natural gas, and fuel oil.

Between 2007 and 2008 we realized significant reductions in business travel by utilizing other communication technologies. In the same time period, although some facilities made meaningful reductions in GHG emissions, total direct and indirect emissions increased due to increased capacity and addition of new processes at one facility.

Unless otherwise noted, all Environmental data is reported on a Calendar Year basis.

**WATER**

Water – an increasingly scarce resource – makes up the largest part of all our brands. We also use it for washing equipment, process cooling, to make steam, and in our agave fields and our vineyards for irrigation and frost prevention. Our farmed raw materials, including grapes, grain crops and agave plants, depend on regular watering.

**OUR APPROACH**

Working with our Environmental Performance and Governmental Compliance Group, each facility manages its use of water, measuring consumption, implementing water efficiency projects, and minimizing its effluent emissions. We aggregate our water consumption for all our production units (see performance).

**ACTIONS**

Because the quality of water is so important to our production, it is in our interest to take care of the watersheds and rivers on which we depend. For example, Jack Daniel's purchased several hundred acres of land to protect the Mulberry Creek and Cave Spring recharge area in Lynchburg, Tennessee, to ensure water quality is maintained. The distillery is equipped with state of the art water treatment systems for its discharge, and we have established storm water runoff protection measures for all our properties. (See case study Exploring ways to save water in distilleries).

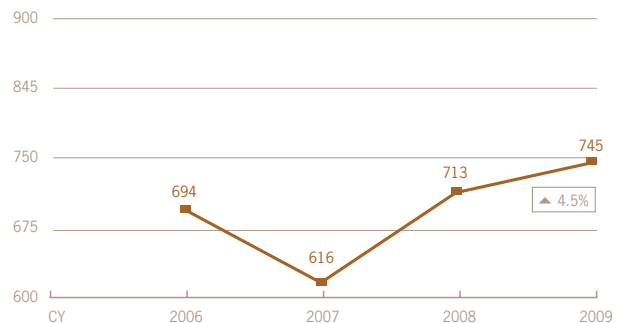
Fetzer Winery in California has been implementing riparian habitat restoration since 2000 and protecting water quality through active control of soil erosion. Fetzer employees participate in the Russian River Cleanup every year, which helps preserve some of the more than 100 miles of Russian River habitat.

The Fetzer Winery Sundial vineyard is certified by the Friendly Farming program. This Californian program certifies properties that are managed in a way that restores fish and wildlife habitat, and improves water quality. Fetzer and Bonterra Vineyards are pursuing Fish Friendly Farming certification for additional areas of their property.

**PERFORMANCE**

**WATER USAGE**

[Measured in Millions]



**WASTE AND EMISSIONS**

Our main wastes, by volume, are the left-over raw materials from the manufacture of spirits, and grape pulp from wine making. Our bottling and production plants generate small quantities of industrial wastes such as glass and paper. Some ethanol escapes to the air as whiskey matures.

## OUR APPROACH

Our first priority is to avoid making waste. Some byproducts of our production are inevitable and we work to reduce, reuse and/or recycle as much as possible. The remainder goes to landfill.

Working with our Environmental Performance and Governmental Compliance Group, each facility sets its waste management plan and is responsible for complying with the law and setting targets to reduce and manage its wastes.

## WHAT HAPPENS TO OUR WASTE

How we treat our waste is largely determined by the processes that create it, and where it is produced.

## WINE AND TEQUILA

Our Fetzer winery in California produces pomace the grape pulp and stalks left over once the juice has been extracted. In Mexico, our Casa Herradura tequila distillery ferments agave plants and creates a leftover called bagasse. These plant-based leftovers are composted on site and used to fertilize the vineyards and fields.

## WHISKEY

Whiskey making starts by fermenting a mixture of grains and water, called a mash. After the alcohol is distilled from the mash, a soup-like mixture of grain and water is left. This “stillage” is rich in protein, fat and fiber. Stillage is a food supplement for livestock, and it has always been used by local farmers near our distilleries.

The stillage can be used as a feed in its watery state, or the solids can be separated out. This still leaves an effluent that has to be treated before it is released to the environment.

We are investigating other uses for stillage. For example, a very small quantity is sent to a non-profit group in Louisville called Breaking New Grounds, where it is combined with food waste and coffee grounds from local businesses. It is then sold to raise funds for the non-profit or turned into compost that is used as the foundation to establish community gardens in areas of town that lack access to fresh foods. Although this is unlikely ever to be a large-scale outlet for our distilleries, it is an example of our efforts to work with our local communities.

## BARREL MAKING

American bourbon, by law, has to be matured in new wood barrels. At Blue Grass Cooperage, we make our own barrels from American oak. The process creates wood waste – mainly sawdust – which is

largely used to fire the boilers in the cooperage. Some is used to stabilize managed landfill sites. Our used whiskey barrels are sold to Scottish whisky makers, as well as makers of tequila and rum. Some are cut in half and used as planters, or chipped and sold for barbecue smoking.

## BOTTLING AND PACKING

Our bottling facilities create some waste from breakages and packaging. These are industrial plants and also generate small amounts of trash. We work with local organizations to recycle as much of our trash as possible.

## AIR EMISSIONS

Our only significant air emission (other than those from consuming fossil fuels) is the alcohol that escapes from the wooden barrels when whiskey is maturing. This evaporation of product is known in the industry as the “Angel’s Share”, and more technically as a volatile organic compound (VOC). VOCs are regulated emissions because they contribute to ground level ozone and urban smog. VOCs have varying degrees of ozone-forming potential. Our VOC emissions (ethanol) have a low reactivity. The Angel’s Share does, however, represent a loss of valuable product, and it is in our commercial interests to minimize emissions. We are investigating ways that this can be done without adversely affecting the quality of our whiskeys.

*Unless otherwise noted, all Environmental data is reported on a Calendar Year basis.*

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## PACKAGING

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Packaging has two fundamental functions. First, it protects our brands, helping to prevent breakage, loss, contamination and counterfeit. Second, the choice of materials, design of the bottles, labeling and secondary packaging (e.g., boxes, cartons) are integral to the brand experience and consumer perception of the product.

We also use packaging to transport our products in bulk. Our business partners produce point-of-sale and promotional items, such as branded napkins, posters and T-shirts, which we treat as forms of packaging.

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## OUR APPROACH

We are especially conscious of the environmental challenges that packaging creates, and the potential conflict between its importance to the safety and image of our brands and consumer concern about packaging waste.

This is why we have developed a set of guidelines based on industry best practice, to help us design packaging that minimizes the use of materials, emphasizes the environmental performance of the chosen materials, and ensures that packaging can be reused or recycled where possible to reduce or eliminate waste.

Our packaging designers are developing a scorecard that helps them make the most environmentally appropriate choices. The scorecard provides a weighting on the different elements of packaging and provides an overall score for the whole package. The tool helps us follow the guidelines and achieve our aim of minimizing the environmental footprint of our packaging.

In Australia, we are signatories to the National Packaging Covenant. This is a voluntary initiative by government and industry to reduce the environmental effects of packaging on the environment. It is designed to minimize the environmental impacts arising from the disposal of used packaging, conserve resources through better design and production processes and facilitate the re-use and recycling of used packaging materials.

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## ACTIONS

Promotional materials now can be printed on demand. This means the required quantities can be produced more exactly, reducing waste. We estimate that in this way we are saving approximately \$300,000 a year on disposal costs alone, and reducing the use of materials.

Significant strides have been made among our brand teams in the area of environmentally-preferable materials used in point-of-sale promotion and distribution, without a material increase in costs. For example:

- Finlandia and Southern Comfort now use organic materials in producing T-shirts, caps and cups
- Jack Daniel's Family of Brands now uses recycled content materials for napkins and stir sticks. All the secondary packaging is now recyclable

- Bonterra's eco-friendly shopping bags have reached more than 12,000 consumers in the past year. The brand also switched to Greenware™ tasting cups and recycled napkins
- Chambord and Jekel now use recycled content napkins
- Fetzer promotions include organic T-shirts, reusable shopping bags, organic canvas totes, wine stoppers made from sustainable wood, recycled content napkins, and Greenware™ tasting cups
- All Brown-Forman brand teams are committed to wearables made from organic fabrics and recyclable stir sticks and cups within the next year

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## AGRICULTURE

Agriculture is at the heart of our company's wine and spirits brands. We rely on farms for our raw ingredients – grapes for wine, agave for tequila, and grains for spirits. We depend on forestry for the wood from which we produce the barrels that are essential for maturing whiskey and agave, and the charcoal that we use to filter some of our spirits.

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## OUR APPROACH

We are conscious that farming practices can have an impact on the richness of biological life (biodiversity) and water quality in rivers, lakes and aquifers, as well as the quality of our soil and air. This is why we promote sustainable farming. See also Water and Waste.

The bulk of our raw materials – grains and grapes – are bought from other growers or on the commodities market. Creating change in the market can only happen by cooperating with others.

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## ACTIONS

There is much work being done to reach a universally acceptable definition of sustainable agriculture. Food producers, crop protection companies, the agricultural community, and conservation organizations are working together to produce common guidelines – a process that we support.

Dr. Ann Thrupp, Sustainability Manager at Fetzer Vineyards, is a member of the National Research Council's Committee on 21st Century Systems Agriculture. Operating as part of the U.S. National Academy of Sciences, the Committee will produce a ground breaking study that could lead to increasing environmental awareness and understanding, and the adoption of sustainable agriculture practices worldwide.

## OUR VINEYARDS

We are determined to contribute to the development of sustainable agriculture systems. For example, Fetzer Vineyards and Sonoma-Cutrer Vineyards, are participating in the Sustainable Wine Growing program that was started in California in 2001 by the winegrowing members of The Wine Institute and the California Sustainable Winegrowing Alliance. The program promotes vineyard and winery practices that are sensitive to the environment, responsive to the needs and interests of society, and economically feasible to implement and maintain.

Participants self-assess their vineyards and wineries and voluntarily contribute data to measure the extent to which sustainable practices are being adopted. We are taking part in a pilot certification program that would increase recognition of this process with consumers and others.

Fetzer Vineyards participates in the Fish Friendly Farming initiative which promotes farming practices that protect the quality of rivers and lakes.

We farm more than 1,000 acres according to certified organic standards in Mendocino County in California, where we produce the grapes used in our Bonterra Wines. Bonterra is the largest brand of wine made from organic grapes available in the U.S. We are working with our business partner Korbel to develop the first California sparkling wine made from organic grapes by a major producer. The principal guidelines for organic production are to use materials and practices that enhance the ecological balance of natural systems and that integrate the parts of the farming system into an ecological whole.

## OUR AGAVE FARMS

Near Guadalajara, in the western Mexican state of Jalisco, we grow agave plants to supply our tequila distillery. As with our wineries, we also buy raw ingredients from other growers to supplement our own.

Since we purchased the Casa Herradura family of brands in 2007, we have been working to improve the growing practices and conducting research into agave. In 2008, the region was hit by an agave blight which ruined some of the crop and created considerable losses. This unfortunate incident demonstrates how closely we are connected to agriculture, and how important it is for us to work with others to promote sustainable agriculture.

## PROMOTING HEALTHY FOODS

In 2008, we again sponsored the Healthy Food, Local Farms conference held in Louisville, Kentucky. The conference is addressed each year by well-known luminaries such as Wendell Berry and food campaigners, such as Eric Schlosser, author of *Fast Food Nation*. The conference builds awareness, shares experiences and encourages action on the source of our food, how it is grown or raised, and what it means to eat well. Farmers, educators, environmentalists, political leaders, students, and citizens are brought together by the conference.

We support the Soil Association, a U.K.-based organic farm certification organization. In addition, one of our employees is a board member of the Organic Farming Research Association.

## GENETICALLY MODIFIED PRODUCTS

We continue to study the use of genetically modified (GM) products in the crafting of our spirits and wine brands. While we will continue to use non-GM corn at most of our distilleries, the steady decrease of an adequate supply of high quality non-GM corn that meets our rigorous standards has led us to the decision to use GM corn in the fall of 2009 for some of our distilling.

Read Our Philosophy Regarding the Use of Genetically Modified Organisms and let us know your views by completing the feedback form.

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## CASE STUDIES

### FETZER ADDRESSES CLIMATE CHANGE

Sustainability has been a way of life at the Fetzer winery and vineyards in Hopland, California for decades. This commitment has led to enhanced energy efficiency, generation and purchase of renewable energy, and exploring the potential for carbon offsets in agriculture, as well as a business model that appeals to consumers and benefits Brown-Forman's shareholders.

#### Energy efficiency

Almost all the materials used to construct the winery's 10,000 square foot administration building are recycled and the walls have been made from compacted earth (rammed-earth construction), which is highly energy efficient. Other energy conservation measures include insulating fermentation tanks and replacing metal halide light fixtures with high-efficiency linear fluorescent lights.

#### Renewable energy

The roof of the bottling plant supports a 901 KW photovoltaic array which can generate 1.1 million kilowatt hours of clean electricity a year, making it one of the wine industry's largest solar installations. Fetzer is the first California winery to purchase 100% green electricity.

#### Carbon offsets

Researchers from the University of California, Davis are assessing the carbon stored in cultivated vines and natural vegetation, as well as that stored in organic matter in the first meter of soil. The information will be used to determine how much carbon is fixed by the operations and will be helpful in understanding Fetzer's carbon balance and also for others in the industry who are looking to do the same.

#### Lighter bottles

Fetzer has reduced the weight of the 23 million bottles produced a year, saving energy throughout the production process and supply chain, equivalent to over four million kilowatt hours. On an average annual basis, the new bottles reduce glass usage by 16% (more than 2,100 tons) and supply chain greenhouse gas emissions associated with glass bottles by 14% (3,000 tons of CO<sub>2</sub>e). This is equivalent to planting 70,000 trees and growing them for ten years — or nearly tripling all the trees planted in New York's Central Park. Using less glass also bestows an economic benefit in that it reduces our sourcing costs.

### Awards

In recognition of the winery's efforts for these and other efforts, Fetzer has received the 2008 Flex Your Power Award (from the California Public Utilities Commission) and the 2008 Governor's Environmental and Economic Leadership Award.



### CANADIAN MIST IMPROVES WASTE WATER QUALITY

Beginning in the summer of 2008, our Canadian Mist Distillers facility in Collingwood, Ontario, Canada, received notice of violation after public works officials identified that its wastewater discharge had unacceptable levels of biochemical oxygen demand (BODs), suspended solids (SSs) and pH. While these wastewater parameters did not pose a hazard to the town of Collingwood's wastewater treatment plant, they did exceed levels allowed by the current sewer use by-law.

All of Brown-Forman's facilities strive to be compliant with environmental laws and regulations. However, variances can and do happen and when this is the case, we seek to correct them. Canadian Mist implemented an interim solution to transport portions of its industrial wastewater to the town of Collingwood waste water treatment plant and to increase monitoring on its wastewater. Canadian Mist continues to work with the authorities to identify and implement an acceptable longer term solution.



Canadian Mist and its employees have been a valuable part of the Collingwood community since 1967. Our continued involvement with the town officials to solve this wastewater issue demonstrates Canadian Mist's long-term commitment to Collingwood and its citizens, and we hope that it can be used to enhance the relationship that has been built over many years of successful operations.

**TURNING TEQUILA WASTE TO ENERGY IN MEXICO**

A new wastewater treatment plant (WWTP) at Brown-Forman Tequila Mexico treats wastewater and distillation byproducts using anaerobic digestion. Methane gas produced in the process is captured and used to fire the boiler. Future improvements to the WWTP will allow treated wastewater to be used for landscape irrigation on site and for systems that don't interact directly with the product, such as cooling towers.



**FINLANDIA PROMOTES WATER CONSERVATION**

The Finlandia Pure Water Initiative in Germany is an example of the brand's commitment to environmental stewardship through cause marketing. Finlandia is raising awareness of the importance of water conservation and purity by commissioning and auctioning Finnish artwork and identifying "Friends of Finlandia" who promote the brand and share its sustainability story. The brand also celebrates Finlandia Waterdays, regional events which communicate the Pure Water initiative around Germany. Proceeds from the sale of the art and a percentage of sales during the Finlandia Waterdays events will benefit The German Water Foundation.



**EXPLORING WAYS TO SAVE WATER IN DISTILLERIES**

We are determined to reduce the amount of water we use per unit of production, protect the purity of local water sources and reduce the amount of waste water we have to treat in our distilleries. Whiskey is made by fermenting grain mixed with water. The alcohol is extracted by distilling, leaving behind a soup of grain and water. This "stillage" can be used as is for animal feed, or processed to remove excess water. When it is separated from the water, the remaining grain is valuable as an animal feed or fertilizer. But the process still leaves an effluent that has to be treated before it can be released.

We have been modifying our distillery equipment to:

- Reduce the amount of fresh water used per unit of production. We have experimented with using stillage for the initial rinses of fermentation tanks, and fresh water only for the final rinses. This reduces the amount of fresh water we need to properly clean the fermenters
- Increase water recycling, especially for cooling and chilling

We continue to look for the best solutions that will cut our water use and reduce the need to treat waste water, while at the same time protecting the purity of our products.



**RECYCLING IN CALIFORNIA**

At Sonoma-Cutrer Vineyards in California, employees manage a comprehensive recycling program and continuing sales of used cardboard, glass, and shrink wrap. A donation program of used wooden bins from the winery has benefited agricultural scholarships, Child Protective Services, and local school gardening and composting projects in Sonoma County.



### COOPERAGE REUSES WOOD

Blue Grass Cooperage in Louisville, Kentucky, makes the best use of wood and wood by-products, recycling or reusing almost 100% of all wood. Wood by-products, bark, and wood chips from the stave mills and Blue Grass Cooperage are used for on-site boiler fuel or sold to third parties for use in paper products, charcoal briquettes, or mulch.



### NO MORE BOTTLED WATER

At our Louisville headquarters we have made big changes in the way drinking water is distributed and consumed. Because of our concern about the waste generated by plastic water bottles, we have replaced bottled water with filtered water dispensers and smaller tabletop water pitchers for meetings.



### THE GREENING OF JACK DANIEL'S

Jack Daniel's production and bottling process in Lynchburg, Tennessee, is nearly zero waste - 99% of the by-products and/or wastes generated are reused, sold or recycled and less than one percent is sent to a landfill.

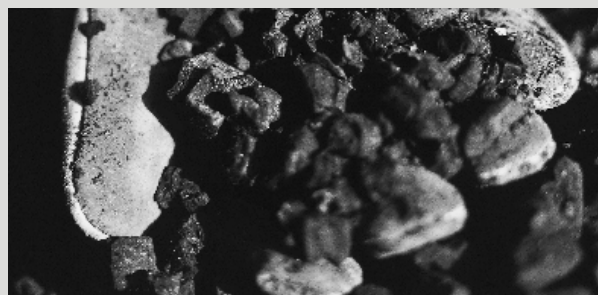
Fermentation by-products - rich in protein - are bought by local farmers to feed their livestock. Boilers burn waste wood generated by nearby industries and the ash is used by farmers as a soil improver.

Before maturation, Jack Daniel's whiskey drips through 10 feet of charcoal made from hard sugar maple. This distinctive step distinguishes Jack Daniel's as a Tennessee whiskey and not a bourbon. The charcoal is changed every six months and converted into branded smoking pellets for home barbecues. The charcoal mellowing process is designed to use gravity to flow whiskey through the vats, eliminating the need for pumping, which reduces energy demand.

After charcoal mellowing, Jack Daniel's is stored in new toasted and charred white oak barrels and transported by biodiesel powered trucks to the warehouses for maturing.

To be designated a Tennessee whiskey, the law requires maturing in charred new oak barrels. Used barrels are sold primarily to the makers of Scotch and Canadian whisky, rum markets, and aged tequilas where the barrels are used for up to 60 years. The rest are made into furniture and planters.

Over a decade ago, Jack Daniel's partnered with the University of Tennessee to establish a seed orchard for sugar maple on its property, a wood used to make Jack Daniel's whiskey.



### ASSESSING THE RISK OF CLIMATE CHANGE

We are determined to play our part in addressing the problem of climate change and finding ways to deal with the risks associated with the warming of the planet. Our concern is based on clear business reasons.

While the exact impacts of climate change are still uncertain, the predicted consequences have the potential to influence the quality and supply of our raw materials in the coming decades.

Most of our ingredients come from agriculture. Changes in average temperatures and rainfall patterns may alter the soil and moisture conditions, and change the types of pests present in the areas where we currently source our grapes, grains, and agave. The risk of fire could be increased, making these areas less suitable for growing such crops. Such change could also affect the availability of wood used to make whiskey casks and charcoal for filtering.

A fuller explanation of our response to climate change – both the risks and opportunities – is in our submission to the Carbon Disclosure Project (CDP). The CDP included Brown-Forman in its Leadership Index.



### BONTERRA'S ORGANIC FARMING PRACTICES

Bonterra's commitment to organic vineyard management is based on farming fundamentals: building organic matter in the soil with cover crops, welcoming the natural predators of vineyard pests, controlling weeds by physical means, and encouraging natural air flow around the fruit. Most importantly, we constantly expand our use of organic viticulture techniques. Different philosophies abound when it comes to organic farming. At Bonterra, we've developed our own philosophy based on what we know works.





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## EMPLOYEE RELATIONS (OUR PEOPLE)

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DIVERSITY AND INCLUSION / SAFETY / WELLNESS / EMPLOYEE  
DEVELOPMENT / CASE STUDIES

We are determined to be the best brand builders in our industry. We know that our success depends on many conditions, the greatest of which is how well the people who work for Brown-Forman make and market our brands.

This is why we work hard to offer the career opportunities and working environment that will attract top talent, and inspire the approximately 4,000 people we employ worldwide, nearly 1,000 of whom are based in our Louisville, Kentucky, headquarters.

Our commitment to our people manifests itself in the promotion of a diverse and inclusive workforce, a focus on safe working conditions, encouraging healthy lifestyles and giving our people the opportunity to develop their personal skills and careers.

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### WORKFORCE REDUCTION

The challenges to our business posed by the global recession led us to reduce our workforce by 255 people in April 2009, mainly in Mexico and the U.S. This decision came after reducing other discretionary spending, offering voluntary early retirement in the U.S., and eliminating salary increases in 2009. We communicated openly with our employees according to our values, and treated each affected person with respect while offering transition pay, benefits, and career planning assistance.

*Unless otherwise noted, employee data is as of June 15, 2009, incorporating the results of our workforce reduction.*

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### DIVERSITY AND INCLUSION

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We recognize and appreciate the unique characteristics and varied qualities that each of our employees brings to their work. It is in our best interest to attract and retain people of diverse ethnicity, gender, religion, age, sexual orientation, physical ability, and appearance. We must leverage the diverse talents of all our employees by including them and valuing their contributions.

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### OUR APPROACH

Diversity strengthens our company, portfolio of brands, employees, and our ties with the communities in which we operate. We fully realize that to achieve diversity – and to instill an inclusive spirit – poses considerable challenges to Brown-Forman and the industry as a whole. We do not underestimate the challenges, nor the importance, as we become more global in our outlook, operating in diverse cultures and countries. This is why we have specific goals to move the needle in four strategic areas:

- Improve the attraction and retention of *employees* who reflect the diversity of our markets
- Enhance the relevancy of our consumer *brands* and corporate brand in an international and diverse market
- Broaden our *suppliers* to include more minority- and women-owned businesses
- Include *community* involvement as one of the strategic planks of our efforts to increase diversity

There are three governing bodies for Diversity & Inclusion management: an executive steering committee, an operations team, and an office of Diversity & Inclusion led by Chief Diversity Officer (CDO), Ralph de Chabert.

The Diversity Operations Team is responsible for executing the strategy across all four strategic areas. Our initial focus is within the U.S. and we plan to extend and adapt our experience to our global markets.

The Executive Diversity Steering Committee, which is a sub-committee of the Executive Committee, is responsible for setting the strategy, with each member working on action items within their functional areas of expertise.

The Executive Committee members have agreed to hold themselves responsible for making progress in the Workforce plank and for a 2% increase in Supplier spend.

We have a set of diversity principles, long-term goals and objectives and short-term goals.

**ACTIONS**

We have made progress in three areas related to Diversity. First, we improved employee benefits. At the start of 2009 Brown-Forman began offering domestic partner and adoption benefits to all employees in the U.S. We also launched a fourth tier of medical benefits for employees who needed coverage for dependent children but not for a spouse or partner. For several years, we have also offered dependent care flexible spending accounts as part of our health insurance options. These programs allow employees to put pre-tax earnings into an account which can be used to pay for eligible day care, elder care, and other dependent care-related expenses.

Second, we strengthened the employment practices function by naming a new EEO Officer, by enhancing and reissuing important non-discrimination and non-harassment policies to our global workforce, and by creating a cross-functional forum to oversee enforcement of these policies. In addition, we piloted a management training course that addresses employment practices in a manner consistent with Brown-Forman's values.

Third, we improved strategic goal setting and measurement. We did this by gathering, analyzing and publishing important workforce data along with our principles, goals, strategies and measures. Along these lines, we increased our minority- and women-owned business spend by 2% from Fiscal 2008 to Fiscal 2009.

**PERFORMANCE**

GLOBAL WORKFORCE DEMOGRAPHICS

JOB TYPE

- CORPORATE, GLOBAL, SALES & MARKETING
- PRODUCTION HOURLY
- TEMPORARY/SEASONAL



LOCATION

- U.S.
- INTERNATIONAL



AGE

- UNDER 30
- 30-50
- OVER 50



GENDER

- MALE
- FEMALE



ETHNICITY

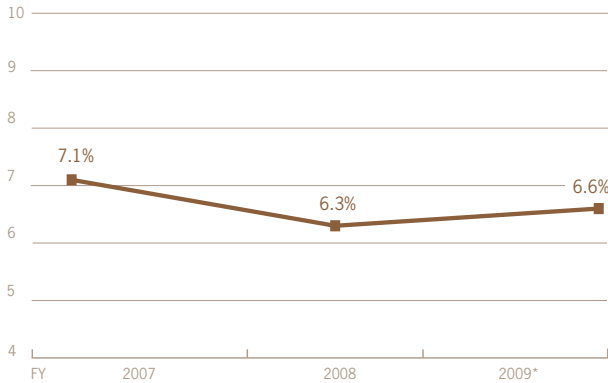
- WHITE
- HISPANIC
- BLACK
- ASIAN
- OTHER



Note: Ethnic diversity data is not currently available for Casa Herradura employees. This category reflects all Brown-Forman employees exclusive of Casa Herradura.

**GLOBAL VOLUNTARY TURNOVER**

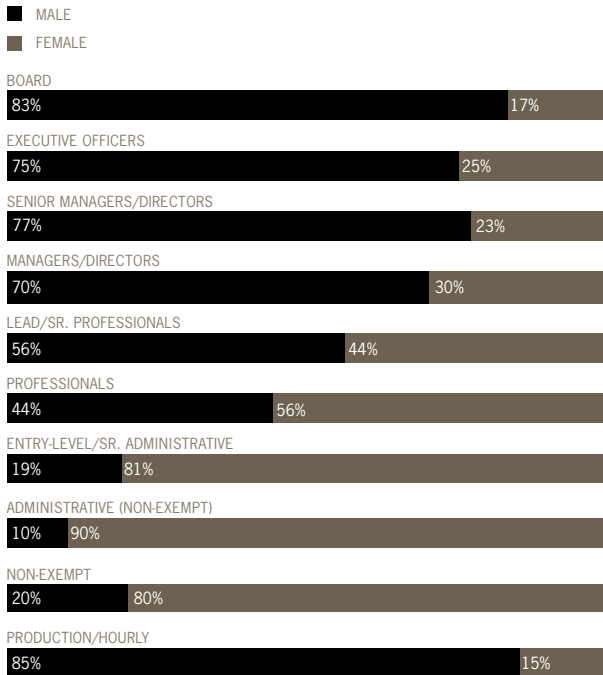
[Percentage of Employees Worldwide]



**US WORKFORCE DEMOGRAPHICS**

	MALE	FEMALE	WHITE	BLACK	HISPANIC	ASIAN	OTHER
CORPORATE, GLOBAL, SALES AND MARKETING	52.2%	47.8%	89.1%	4.2%	4.5%	1.6%	0.7%
PRODUCTION HOURLY	84.9%	15.1%	68.5%	7.9%	23.1%	0.3%	0.2%
TEMPORARY/SEASONAL	52.3%	47.7%	57.5%	2.9%	38.6%	0.0%	1.0%
TOTAL COMPANY	64.3%	35.5%	77.5%	5.4%	15.6%	0.9%	0.6%

**GENDER DIVERSITY BY LEVEL [2009\*]**



\*Board data is based upon FY09 Proxy Statement issued June 26, 2009. All other categories are as of June 15, 2009.

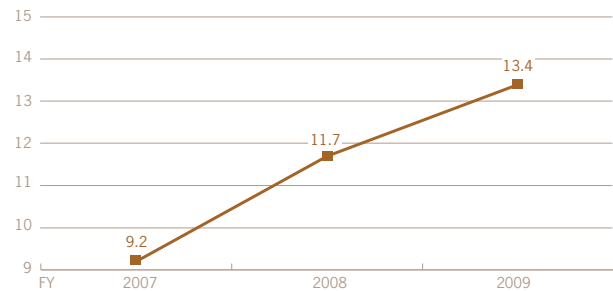
**RACIAL DIVERSITY BY LEVEL [2009\*]**

	WHITE	BLACK	HISPANIC	ASIAN	OTHER
BOARD	100%	0%	0%	0%	0%
EXECUTIVE OFFICERS	100%	0%	0%	0%	0%
SENIOR MANAGERS/DIRECTORS	90.9%	3.0%	4.3%	1.2%	0.6%
MANAGERS/DIRECTORS	90.2%	3.3%	3.3%	2.4%	0.9%
LEAD/SR. PROFESSIONALS	90.2%	3.3%	3.7%	2.5%	0.4%
PROFESSIONALS	85.0%	4.3%	8.7%	1.2%	0.8%
ENTRY-LEVEL/SR. ADMINISTRATIVE	89.2%	6.5%	3.2%	0.5%	0.5%
ADMINISTRATIVE (NON-EXEMPT)	89.6%	4.2%	4.2%	0%	2.1%
NON-EXEMPT	86.7%	13.3%	0%	0%	0%
PRODUCTION/HOURLY	68.5%	7.9%	23.1%	0.3%	0.2%

\*Board data is based upon FY09 Proxy Statement issued June 26, 2009. All other categories are as of June 15, 2009.

**AMOUNT SPENT WITH MINORITY & WOMEN OWNED BUSINESSES IN THE U.S.**

[Measured in Millions]



Unless otherwise noted, employee data is as of June 15, 2009, incorporating the results of our workforce reduction.

**SAFETY**

Providing a safe workplace demands strong leadership, involves employees, and requires safety processes that are monitored effectively.

**OUR APPROACH**

In the U.S., we ensure substantial compliance with the U.S. Occupational Safety and Health Administration (OSHA) and all other applicable regulatory requirements in the countries where we operate.

Our Safety Performance Metrics Program provides a template for all safety programs – across all Brown-Forman production sites – and assigns safety oversight to a key person at each location. A portion of each production facility manager’s performance evaluation and bonus depends on meeting our safety and environmental standards.

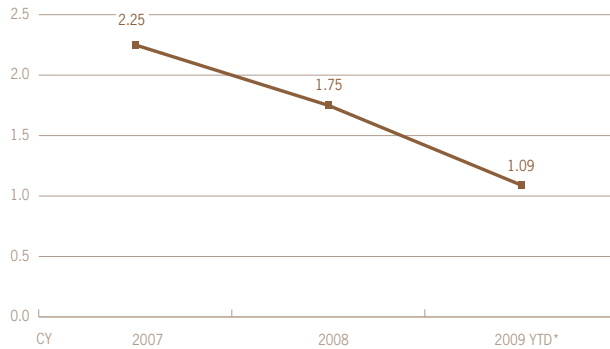
**ACTIONS**

We measure total safety performance at our production facilities by evaluating leadership, processes, employee involvement and results. The individual metrics categories include OSHA standards such as machine guarding, electrical safety, personal protective equipment, and powered industrial trucks, as well as industrial hygiene, contractor and visitor safety and employee training, and health and safety meetings.

The F09 Metrics scores ranged from 86% to 99%, with an average score of 95% for all of our plants.

**PERFORMANCE**

**LOST TIME CASE RATE**



*Lost Time Case: Any occupational injury or illness which results in an employee being unable to work a full assigned work shift. Lost time cases occur when there are no reasonable circumstances under which the injured employee could return to meaningful work.*

*Lost Time Case Rate: A mathematical calculation that describes the number of lost time cases per 100 full-time employees in any given time frame.*

*The Lost Time Case Rate (LTC) uses the number of cases that contained lost work days. The calculation is made by multiplying the number of incidents that were lost time cases by 200,000 and then dividing that by the employee labor hours at the company.*

*Data is now calculated using calendar year versus fiscal year which partially accounts for data refinement from prior report. Data is now being calculated using calendar year numbers for the purpose of regulatory and industry comparison.*

*Lost time case rate is a moving target as cases can change over time from recordable to lost time due to surgical intervention or doctor prescription for time off at a later date for the same case.*

\*through June 30, 2009

**WELLNESS**

We provide comprehensive health insurance coverage to our employees and their families where alternative care is not provided (e.g. government-provided health care). We also believe that preventative care is important. Our Wellness initiatives are designed to provide opportunities for employees to keep themselves fit and healthy, both physically and mentally.

**OUR APPROACH**

Although our Wellness initiatives are entirely voluntary, we try to make the program as attractive as possible. We believe that participation can improve people’s health and, in the long-term, help us manage the cost of health insurance. Initiatives include:

- A fitness center, health screenings, and discounted influenza vaccinations on our Louisville campus
- The GlobalFit program which allows employees to join a fitness club without enrollment fees or contracts
- Healthy Lifestyles incentive program – available to all Anthem health insurance subscribers, the program gives participants access to smoking cessation programs, nutrition and fitness tracking tools, community forums, and online coaching
- A program providing advice on financial, adoption, childcare, and elder care issues
- Global Employee Assistance Program administered through Magellan, providing counseling and resources to support employees and their families

**ALCOHOL-RELATED PROBLEMS**

We recognize that employees may develop alcohol-related problems.

While we hold our employees to a high standard, we do not judge them. We want to support employees and any dependents covered by our health insurance program who are coping with these challenges and will do so in the following ways:

- Provide confidential access to either an Employee Assistance Program or other local resources for counseling
- For claims related to alcohol abuse, reimburse employees up to 50% of out-of-pocket medical expenses, otherwise not covered (e.g. deductibles, co-pay, etc.) by the employee’s medical plan, up to \$1,500

- Provide time off from work to participate in a treatment program or other counseling as prescribed by the treating professional
- Offer help and support to an employee seeking to end a problem of alcohol abuse or dependency. We believe it is essential to require personal accountability on the part of the employee as well. If the employee remains unable to perform the essential functions of their job due to alcohol abuse or dependency, ultimately they will have to be removed from their position

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## EMPLOYEE DEVELOPMENT

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Focusing on employee development helps us attract, engage, and retain the talented people we need to build our brands. Brown-Forman for many years has placed a priority on employee development, and in 2008 we saw global expansion of many of our talent-management programs.

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### OUR APPROACH

We take a comprehensive approach to managing and developing talent. In addition to formal training through our award winning corporate university, Brand Building University (BBU), and informal performance management, we offer employee development through job enrichment, project assignments, mentoring, skill and behavioral assessment, and career counseling.

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### ACTIONS

In 2008, BBU increased the level of curriculum devoted to Corporate Responsibility. First, we integrated Diversity and Inclusion into all relevant management training, and we developed mandatory online Diversity training to be launched in 2009. This is in addition to the mandatory online harassment prevention training required of all employees.

Second, we began development of a customized training course on the responsible consumption and service of beverage alcohol. (See **Responsible Drinking**).

In early 2009, we tested a career management program with a small group of cross-functional employees in the U.S. and Europe. This program includes career management best practices for

individuals, as well as training for managers to help them guide discussions on career development with the people they manage. It also focuses on ways to add value to both the company's performance and the individual's experience, through targeted career planning.

Also, in October 2008, we launched a global web-based mentoring program available to all employees. Mentoring provides employee development through the sharing of experiences, expertise, skills, values, perspectives, attitudes and proficiencies. Specifically, the mentoring program:

- Exposes the employee to the company's practices, people, and culture
- Broadens the employee's perspective and understanding of the business
- Develops and enhances the employee's skills needed for success
- Provides the employee advice and guidance on career and related issues
- Increases the employee's self-awareness and self-confidence

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### PERFORMANCE

#### BBU

Despite unfavorable economic conditions and restrictions on travel, BBU continued to provide high-quality learning experiences across the organization, adding several classes in Europe. This continued focus on training underscores the importance Brown-Forman places on employee development.

In fiscal 2009, BBU provided a total of 40,309 hours of training to employees, an average of over 19 hours of training per person. This equates to 20 employees in training 8 hours each workday.

#### MENTORING

Active mentors: 295

Active mentees: 259

Active mentoring relationships: 130

*Unless otherwise noted, data are for our fiscal year 2009, which ended April 30, 2009.*

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### AWARDS

Winner of the 2008 Corporate University Xchange Award for Excellence and Innovation in Corporate Learning – Exemplary Practice in Strategic Alignment

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## CASE STUDIES

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### THE HEUSER CLINIC

Getting fit and learning about nutrition contributes to keeping well. We offer our employees in Louisville membership in the corporate fitness program at the local Heuser Clinic. Heuser's corporate program offers discounts to their regular rate for membership. The Clinic's program focuses on nutrition, exercise, and education and is offered to employees at a discounted rate. Read how three of our employees benefited.

#### No more medication

I had been on blood pressure medication for over a decade, and I was carrying around a few extra pounds.

In 2006, my doctor said if I didn't get serious about my health I would have to go on cholesterol medication. I was determined not to take any more pills. On my own, I was able to get my tri-glycerol levels down, but not my cholesterol, so I was placed on the medication.

The Heuser clinic taught me about what I eat and how my body reacts to specific foods. This motivated me to start eating healthy and lower my cholesterol. The practical education on nutrition, combined with the exercise routine, helped me to lose weight and ultimately get off of all medications.

The best thing about the program is that it gives employees the opportunity to take care of ourselves, instead of falling into the trap of poor fitness and poor eating habits.

*Alan Nolan*  
Supply Chain Manager for Greater and Western Europe

#### The fittest I've been in my whole life

When I joined Brown-Forman in 2007, I had always believed in fitness and working out. But unfortunately, my last job had involved a lot of traveling and I had gained 20 pounds as a result. Exploring the Brown-Forman portal one day, I discovered the wellness program. What I needed was discipline and structure and the Heuser Clinic seemed like the perfect fit for me.

I like that it's a 360-degree purpose program that goes beyond just getting on a treadmill. It's about the investment you make in your health and getting everything right for the long term so that you have a better quality of life.

Within 6 months I lost 20 pounds and I'm now the fittest I've been in my whole life. I brought the healthy habits home with me and, as a result, my husband has lost 30 pounds!

What I love about Brown-Forman is that the company cares about having healthy employees. They know that healthy employees are happier and more productive, and that's good for both the long and short term.

*Monica Garaitonandia*  
Marketing Director for Tuaca

#### Overall wellbeing

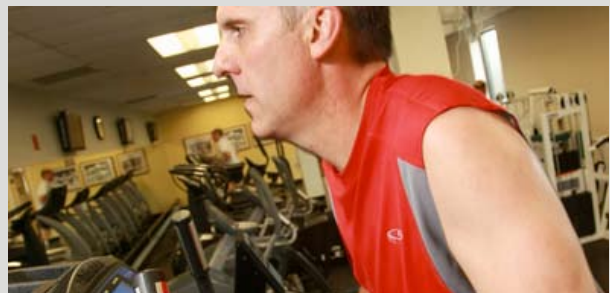
I've had two lower back surgeries and have recently struggled with high cholesterol. I went to a Heuser Program information session in January 2008, decided to give it a try and have been participating ever since.

It's amazing. Heuser takes more holistic approach to fitness and health. The program begins with a focus on the diet-side of fitness such as daily caloric intake, protein sources, and snack food alternatives, then moves into a comprehensive strength/cardio/core fitness routine.

Since I started, my high cholesterol has dropped within normal levels, I've lost weight, and my percent body fat is now under 18%. Even better, my most recent MRI scans show no signs of lower back deterioration.

The fact that Brown-Forman has invested in a high-quality fitness center and allows employees to take advantage of the Heuser program makes it much easier to focus on my health. Now I'm working out more, feeling better, and I have no lower back pain. It really has been life changing.

*Eric K. Doninger*  
Vice President and Global Director of Design



## DEVELOPING RESPONSIBLE EMPLOYEES FROM THE VERY BEGINNING

Responsible marketing is a great opportunity. It forces us to think of smart ideas and to treat the consumer with respect. It also enhances our message because it adds to our credibility.

Responsibility has been an integral part of my job from the beginning. When I joined the company in 2004, I traveled from Germany to join my colleagues from all over the world at a week-long Global Orientation in Louisville, Kentucky.

We learned about the five Brown-Forman principles, particularly how 'Being Responsible in Everything We Do' is essential to our work. The orientation helped me understand how to promote our products responsibly and I came back knowing that I worked for a company with strong values.

It was great to be able follow up with my colleagues again in Brussels a few years later. Looking back, the orientation kicked off what has become a continual dialogue with my peers and colleagues about our work and why responsible marketing is so important to the business.

*Rainer Sieling*  
*Senior Area Marketing Manager, Northern and Central Europe*



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## COMMUNITY INVOLVEMENT

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CIVIC ENGAGEMENT / EMPLOYEE VOLUNTEERING / APPLY FOR A  
DONATION OR GRANT / CASE STUDIES

After 139 years in business, our roots and our commitment to our hometown community in Louisville, Kentucky, run deep and strong. However, as our business grows and expands into more than 135 countries worldwide, our interest in supporting our global workforce and new international communities is of equal importance.

Our global workforce contributes to their communities through giving of their time, talent and treasure. Our civic engagement is connected to our business strategy and its distinct elements are both employee volunteerism and our corporate financial contributions.

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### CIVIC ENGAGEMENT

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We strive to be a respected leader in encouraging positive change in the communities where our employees live, work, and raise their families. We do this primarily through donations to effective organizations working to improve the quality of life in their communities.

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#### OUR APPROACH

We make financial donations in two broad categories: Corporate Responsibility and Community Development. These include arts, education, environment, social services, emergency relief, alcohol issues, diversity & inclusion and economic development.

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#### ACTIONS

While our business competes at a global level, we understand the true measures of our success may very well be found in our own backyard. We are a major donor to such organizations as Actors Theatre of Louisville, Louisville Ballet, University of Louisville, Muhammad Ali Center, Kentucky Educational Television, The Nature Conservancy, Big Brothers Big Sisters, and Bellarmine University, among many others.

The arts in Louisville generate more than \$259 million in local economic activity. Our support for the arts makes good business sense because it helps boost economic prosperity and growth for the entire community, which helps us recruit and retain the best and the brightest employees from around the world.

A large majority of employees contribute to the Metro United Way and Louisville's Fund for the Arts. And more than 80 employees serve on the boards of local non-profit organizations.

Recent corporate contributions include:

- A donation of \$200,000 over three years (ending 2011) to the University of Kentucky in Lexington, Kentucky, to expand its programs for educating students about alcohol abuse. The donation is part of our efforts to be part of the solution to the problems of alcohol misuse and abuse
- A \$1 million multi-year grant to The Louisville Ballet that began in Fiscal 2007 through which Brown-Forman has sponsored the Ballet's annual holiday performance of "The Nutcracker" for several years. The new funds will allow for an entirely new production of the Holiday classic, as well as provide the opportunity for many of Brown-Forman's community partners to enjoy this ageless holiday tradition as our guests
- A commitment of financial support and technical expertise, in partnership with the University of Louisville, to assist local non-profit organizations with technology needs and college students with practical experience. Provided community leadership, along with dollars for building renovation, to establish "ArtSpace," to consolidate offices and create financial efficiencies for six of the city's largest arts organizations, as well as other civic non-profit organizations
- The Jack Daniel Distillery awarded a grant to Lynchburg/Moore County for the development of a new community park in the community and new landscaping at the Lynchburg/Moore County courthouse. Another grant to Moore County Historical Society helped with renovations to the historic jail
- During the fall of 2008 we assisted local organizations with emergency relief assistance through Dare to Care following Hurricane Ike. In January 2009 we contributed to the American Red Cross during the Kentucky ice storm
- In 2008, we continued our support for The Healing Place with a \$150,000 multi-year grant towards a new women's facility. This Louisville, Kentucky, charity is internationally recognized for providing recovery services for many people whose lives have been affected by alcoholism, other addictions, and homelessness

In addition, we continually look for ways to work directly with the non-profit agencies that we serve; helping them to enhance the skills and training that will allow their organization to grow beyond the dollars and hours that we contribute.

We are a founding member of the U.S. London Benchmarking Group, a relationship that provides us with the tools to better measure the effectiveness of our global contributions program. We will continue to evaluate our corporate giving structure to help us remain a leader in Louisville while also examining opportunities for global civic engagement that reflect our worldwide business and workforce.

**STRATEGY**

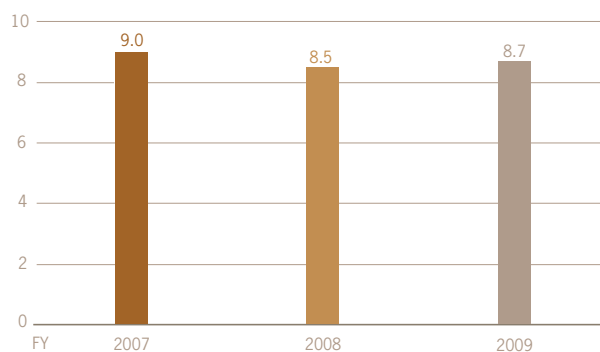
We want to increase our direct investment in reducing the harmful effects of alcohol abuse and expand our civic engagement program outside of corporate headquarters in Louisville. As a first step, we will concentrate our corporate giving in locations where our employees live and work, near our production facilities and regional offices.

While this strategy was originally intended to begin in earnest in 2009, economic realities have caused us to make a meaningful reduction in corporate giving in Fiscal 2010, reconsider the timing, and delay its implementation. Nevertheless, we remain committed to the communities where we live and work, and when the time is right we look forward to expanding our corporate giving.

**PERFORMANCE**

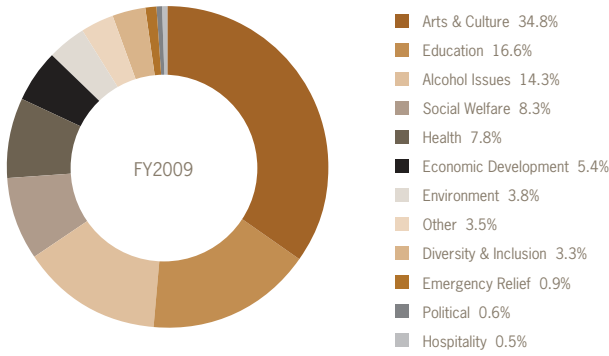
**TOTAL CASH CONTRIBUTIONS**

[Measured in Millions of Dollars]



Note: Total cash contributions now incorporates donations in the area of alcohol issues, primarily toward collective industry-led efforts such as The Century Council. Previous years' data have been restated reflecting this addition.

CHARITABLE CONTRIBUTIONS BY TYPE



Note: Numbers may not add to 100% due to rounding.

Unless otherwise noted, data are for our fiscal year 2009, which ended April 30, 2009.

EMPLOYEE VOLUNTEERING

We encourage our employees to donate their time to the community, and our people have a long tradition of service. While local organizations are the obvious beneficiaries, we know that we benefit too when employees gain valuable experience they can use in their jobs.

OUR APPROACH

We promote partnerships between our employees and community organizations that reflect our values and enhance our sense of corporate citizenship.

ACTIONS

We are formalizing a volunteering program to ensure we tap employees' enthusiasm, provide more opportunities to contribute, and track the amount of time given. Taking time off work for community projects is at the discretion of managers.

We track our employees' participation on the boards of local non-profit organizations. In addition, we both encourage and facilitate board membership and individual volunteer opportunities between our employees and community partners.

GUIDELINES: CONTRIBUTIONS TO NON-PROFIT ORGANIZATIONS

GENERAL ELIGIBILITY REQUIREMENTS

- All applicants must be non-profit, charitable organizations tax-exempt under section 501 (c)(3) of the Internal Revenue Code
- Organizations must have recent audited financials confirming that they are conforming with generally accepted accounting principles
- Organizations must not discriminate on the basis of ethnicity, race, religious creed, national origin, disability, sexual orientation, marital status, age or gender
- Organizations receiving a grant from Brown-Forman must acknowledge and confirm such support (in writing) in communications that typically recognize donors (e.g., annual reports, newsletters and websites)

INELIGIBILITY APPLICATIONS

Brown-Forman does not support the following:

- Religious organizations, such as churches and synagogues, or religious activities
- Lobbying organizations supporting the candidacy of a particular individual
- Third parties seeking donations on behalf of non-profit organizations. The donation must be made directly to a non-profit rather than, for example, to the business partner making a request on behalf of a non-profit organization
- Grants to individuals, public schools or group tours
- Athletic teams or leagues
- Requests from past grantees that have failed to provide charitable contributions acknowledgement forms or other required documentation

GRANT APPLICATION GUIDELINES

Brown-Forman funds specific projects that fit within our Grant and Criteria Guidelines.

## INSTRUCTIONS FOR SUBMITTING LETTER OF INTENT

If your organization chooses to submit a proposal to Brown-Forman, you should send a brief letter of introduction, on your organization's letterhead, and a description of your organization/project to Brown-Forman at the following address. Letter should include a contact name and phone number:

Brown-Forman Corporation  
 Mr. Rusty Chevront  
 AVP, Director of Global Community Relations  
 P O Box 1080  
 Louisville, KY 40201

Please be sure to include information on the following main elements:

- Name and mission of your organization
- Brief summary of organization history, including date your organization was established
- Brief description of project/program for which you are requesting funds
- Population or community served by this project/program
- How your request fits Brown-Forman's funding priorities: Community Development and Corporate Responsibility
- Grant amount being requested
- Proposed grant time frame (beginning and ending dates)
- A list of your organization's officers, directors, and board members
- A copy of your IRS certification granting 501 (c) (3) tax-exempt status
- A list of Brown-Forman employees who currently serve on your board or actively volunteer for your organization
- List names of corporations and foundations from which you are requesting funds, with dollar amounts, indicating which sources are committed or pending
- Beneficial outcomes to be achieved, date, number of guests, and any other relevant information
- Your organization's relationship with other organizations working with similar interests. What is your organization's role relative to these organizations?

## Financial Data required:

- Most recent financial statement from most recently completed year, audited if available, showing actual expenses. This information should include balance sheet, a statement of activities (or statement of income and expenses) and functional expenses. Most recent Form 990 tax return
- Organization budget for current year, including income and expenses
- Project budget including income and expenses (if not a general operating proposal)
- Amount of money organization raises that goes to provide services versus the % that goes for administrative costs
- Additional funders
- Requests are reviewed on a quarterly basis so it is important to submit request 4 – 6 months in advance of an activity
- You will receive a written response when a decision on your request is made
- Company's non-discrimination policies, whether based on race, color, religion, sexual orientation, gender identity, national origin, age or disability

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## CASE STUDIES

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### BROWN-FORMAN ONE OF TEN BEST IN U.S.

In 2008, Brown-Forman was included in Business Committee for the Arts (BCA) annual list, The BCA TEN: Best Companies Supporting the Arts in America. This recognizes companies for their exceptional support of the arts in the United States. Brown-Forman was nominated by the Actors Theatre of Louisville for the support of the arts in our community.



### SUPPORTING EMPLOYEES WHO SUPPORT THE COMMUNITY

“I was diagnosed with brain cancer 10 years ago. In 2004, I got involved with Gilda's Club when I became one of the founding board members for the Louisville, Kentucky chapter. The mission of the organization is to create welcoming communities of free support for everyone living with cancer along with their families and friends. When I was hired at Brown-Forman in 2007, I was hoping to generate interest and support for Gilda's Club within the company - luckily, I didn't have to work too hard.

“Giving back to the community is just part of the Brown-Forman culture. It's engrained in the way the company does business.

The environment here allows employees the opportunity to give back wherever our interests lie; and because Brown-Forman has so many relationships within the community, there are lots of opportunities. Fortunately for me, Gilda's Club Louisville is one of the many beneficiaries.

“For employees who want to volunteer but don't know where to start, we have a great Community Relations department to help link you up to an organization. Obviously, my cause is a little more personal to me, but everyone here seems to be involved in something.

“I truly feel supported. That's what's so rewarding about being at Brown-Forman.”

*Tyler Beam*  
*Internal Client Communications Specialist*





## GRI INDEX

STRATEGY & ANALYSIS / ORGANIZATIONAL PROFILE / REPORT PARAMETERS / GOVERNANCE, COMMITMENTS, AND ENGAGEMENT / ENVIRONMENTAL PERFORMANCE INDICATORS / PRODUCT RESPONSIBILITY INDICATORS / ECONOMIC PERFORMANCE INDICATORS / LABOR PRACTICES & DECENT WORK PERFORMANCE INDICATORS / HUMAN RIGHTS PERFORMANCE INDICATORS / SOCIETY PERFORMANCE INDICATORS

● Reported   ● Partially or indirectly reported   ○ Not Reported

### Strategy & Analysis

GRI REF	GRI 3 STANDARD DISCLOSURES		REPORT SECTION
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy	●	CR at Brown-Forman
1.2	Description of key impacts, risks, and opportunities	●	CR at Brown-Forman

### Organizational Profile

2.1	Name of the organization	●	Home page
2.2	Primary brands, products, and/or services	●	Our Company
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	●	Our Company Our Locations
2.4	Location of organization's headquarters	●	Our Company
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	●	Our Locations
2.6	Nature of ownership and legal form	●	Governance
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	●	CR at Brown-Forman
2.8	Scale of the reporting organization	●	CR at Brown-Forman, Corporate Profile
2.9	Significant changes during the reporting period regarding size, structure or ownership	●	CR at Brown-Forman Employee Relations
2.10	Awards received in the reporting period	●	Energy and GHG

● Reported   ● Partially or indirectly reported   ○ Not Reported

Report Parameters			
GRI REF	GRI 3 STANDARD DISCLOSURES		REPORT SECTION
3.1	Reporting period for information provided	●	CR at Brown-Forman
3.2	Date of most recent previous report (if any)	●	CR at Brown-Forman
3.3	Reporting cycle	●	CR at Brown-Forman
3.4	Contact point for questions regarding the report or its contents	●	Contact Us
3.5	Process for defining report content	●	CR at Brown-Forman Stakeholder Engagement Our Priorities
3.6	Boundary of the report	●	CR at Brown-Forman
3.7	State any specific limitations on the scope or boundary of the report	●	CR at Brown-Forman
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	○	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	●	Responsible Drinking Environmental Stewardship Employee Relations Community Involvement
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	○	Not Reported
3.11	Significant changes from previous reporting periods in the scope, boundary of measurement methods applied in the report	●	CR at Brown-Forman
3.12	Table identifying the location of the Standard Disclosures in the report	●	Downloads
3.13	Policy and current practice with regard to seeking external assurance for the report	○	

● Reported   ● Partially or indirectly reported   ○ Not Reported

### Governance, Commitments, and Engagement

GRI REF	GRI 3 STANDARD DISCLOSURES		REPORT SECTION
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	●	Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	●	Governance
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	●	Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	●	Governance
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	○	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	○	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics	○	
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation	●	Mission, Purpose, and Values
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct and principles	○	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	●	Governance
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	○	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	●	Public Policy Responsible Drinking
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization has position in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic	●	Public Policy Responsible Drinking
4.14	List of stakeholder groups engaged by the organization	●	Public Policy Responsible Drinking Stakeholder Engagement
4.15	Basis for identification and selection of stakeholders with whom to engage	●	Stakeholder Engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	●	Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	●	CR At Brown-Forman Our Priorities Stakeholder Engagement

● Reported ● Partially or indirectly reported ○ Not Reported

**Environmental Performance Indicators**

GRI REF	GRI 3 CORE PERFORMANCE INDICATORS		REPORT SECTION
EN1	Materials used by weight or volume	○	
EN2	Percentage of materials used that are recycled input materials	●	Environmental Stewardship
EN3	Direct energy consumption by primary energy source	●	Energy and GHG
EN4	Indirect energy consumption by primary source	●	Energy and GHG
EN8	Total water withdrawal by source	●	Water
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●	Water
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	●	Water Case study: Fetzer
EN16	Total direct and indirect greenhouse gas emissions by weight	●	Energy and GHG
EN17	Other relevant indirect greenhouse gas emissions by weight	●	Energy and GHG
EN19	Emissions of ozone-depleting substances by weight	○	
EN20	NOx, SOx, and other significant air emissions by type and weight	○	
EN21	Total water discharge by quality and destination	○	
EN22	Total weight of waste by type and disposal method	○	
EN23	Total number and volume of significant spills	●	Case study: Canadian Mist
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	Environmental Stewardship
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	○	
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	●	Case study: Canadian Mist

**Product Responsibility Indicators**

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	●	Responsible Drinking
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	○	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	●	Responsible Drinking
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	○	

● Reported ● Partially or indirectly reported ○ Not Reported

### Economic Performance Indicators

GRI REF	GRI 3 CORE PERFORMANCE INDICATORS		REPORT SECTION
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	●	Economic Contribution Community Involvement
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	●	Energy and GHG
EC3	Coverage of the organization's defined benefit plan obligations	○	
EC4	Significant financial assistance received from government	○	
EC6	Policy, practices, and proportions of spending on locally-based suppliers at significant locations of operation	○	
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	○	
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	●	Civic Engagement

### Labor Practices & Decent Work Performance Indicators

LA1	Total workforce by employment type, employment contract, and region	●	Employee Relations
LA2	Total number and rate of employee turnover by age group, gender, and region	●	Diversity & Inclusion
LA4	Percentage of employees covered by collective bargaining agreements	○	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	○	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	●	Health & Safety
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	○	
LA10	Average hours of training per year per employee by employee category	●	Employee Development
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	●	Diversity & Inclusion
LA14	Ratio of basic salary of men to women by employee category	○	

● Reported ● Partially or indirectly reported ○ Not Reported

### Human Rights Performance Indicators

GRI REF	GRI 3 CORE PERFORMANCE INDICATORS		REPORT SECTION
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening	○	
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken	○	
HR4	Total number of incidents of discrimination and actions taken	○	
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	○	
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor	○	
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor	○	

### Society Performance Indicators

S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	●	Community Involvement Economic Impact Assessment
S02	Percentage and total number of business units analyzed for risks related to corruption	○	
S03	Percentage of employees trained in organization's anti-corruption policies and procedures	○	
S04	Actions taken in response to incidents of corruption	○	
S05	Public policy positions and participation in public policy development and lobbying	●	Public Policy
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	○	



Based on an internal review, Brown-Forman determines this report to be a C level application of the Global Reporting Initiative (GRI) G3 Guidelines. The G3 Profile Disclosures and Content Index can be found on our Web site at [www.brown-forman.com/responsibility](http://www.brown-forman.com/responsibility).