

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE TOPICS INDUSTRY STANDARDS FOR ALCOHOLIC BEVERAGES

ENERGY MANAGEMENT

SASB METRIC	OUR RESPONSE
1. Total energy consumed (GJ)	3,432,725
2. Percentage grid electricity	15.8%
3. Percentage renewable energy	0.02% Data does not include the impact of our recent renewable power purchase agreement. The East Forks Wind Project became operational in April 2020 and is expected to offset more than 90% of our electricity usage in the U.S. Although biogas and wood are energy sources, they are not third-party certified and are not included in this percentage. Brown-Forman sources approximately 25% of its energy from a number of renewable sources, including biomass from wood and biogas. The impact of these sources are not included in this percentage given SASB definition/criteria of third-party certification for inclusion.

WATER MANAGEMENT

SASB METRIC	OUR RESPONSE
1. Total water withdrawn (m3)	5,129,732
2a. Total water consumed (m3)	3,568,823
2b. Percentage of each in regions with High or Extremely High Baseline Water Stress	16.1%

Description of water management risks and discussion of strategies and practices to mitigate those risks

Water is one of the major components of our products, so the quality and quantity of available water is important to our ability to operate our business. Globally, our company faces some direct risk associated with water scarcity due to the location of our operations and the requirements for water in our production processes and finished products. This risk stems from constraints on the available quantity, quality, and cost of water supplies across our enterprise. However, the majority of our operations are not located in high or extremely high baseline water stress areas.

If droughts become more common or severe, or if our water supply is interrupted for other reasons, high-quality water could become scarce in some key production regions for our products, including Tennessee, Kentucky, California, Canada, and Mexico. Also within our supply chain, we utilize co-packers for final completion of products. These facilities, while outside of our operational control, rely upon high-quality water to carry out their services. Any disruption to their operations could impact the production and delivery of our products.

To mitigate these risks, we completed watershed risk assessments in key watershed areas, and are now implementing plans focused on protecting these watersheds. We continue to focus on operational improvements on our use of water.

RESPONSIBLE DRINKING & MARKETING

SASB METRIC	OUR RESPONSE
Percentage of total advertising impressions made on individuals at or above the legal drinking age	2020 Annual Integrated Report, pg. 32 U.S. only
Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	None
Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	None

Description of efforts to promote responsible consumption of alcohol	See Alcohol Responsibility; 2020 Annual Integrated Report pgs. 28-29
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PACKAGING LIFECYCLE MANAGEMENT

SASB METRIC	OUR RESPONSE
1. Total weight of packaging	Brown-Forman is in the process of sourcing data for the majority of our markets.
2a. percentage made from recycled and/or renewable materials	Brown-Forman is in the process of sourcing data for the majority of our markets.
2b. and percentage that is recyclable, reusable, and/or compostable	Brown-Forman is in the process of sourcing data for the majority of our markets.
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	<p>2020 Annual Integrated Report, pg. 19</p> <p>Design: At Brown-Forman, all projects that involve a new packaging format or a change to an existing packaging format are overseen by the Brown-Forman Project Management Office. These projects are required to go through the Brown-Forman Stage Gate Process, which includes a Sustainability Review of the proposed package design and guidelines established in our Sustainable Packaging Scorecard. This review includes an analysis of materials including percentage of recycled content, the overall weight and size of the package, and the number of unique components. Where a packaging format is being changed, the new package is compared to the previous package, and suggestions are made to reduce overall impact compared to the previous package if the new package is of increased weight or size.</p> <p>During 2019, Brown-Forman completed a redesign of its Finlandia Vodka packaging used in all markets globally. The bottle design was updated across all sizes and SKUs, resulting in an average glass weight reduction of approximately 15%. Brown-Forman also moved its Jack Daniel Single Barrel product from virgin glass with 0% recycled content to commercial glass, which includes on average 30% recycled content. This change was completed to reduce packaging impacts and result in cost savings.</p>

Transportation: As part of the packaging design review, Brown-Forman works to optimize the size and weight of cases that are used to transport our brands to market. While ship cases (made from cardboard) are usually recyclable, they are not typically reused and thus represent an opportunity for additional reduction and innovation.

Working with Suppliers: Brown-Forman has regular, informal meetings with Tier 1 (those who supply materials directly to Brown-Forman production operations) packaging suppliers to discuss opportunities to improve sustainability of packaging. During 2019, initial discussions were held with suppliers of plastic containers and closures to understand how we can meet recycled content requirements for PET (polyethylene terephthalate) containers, our options for alternative plastic colorants, and alternatives to PVC (polyvinyl chloride) shrink bands as tamper evidence.

Brown-Forman has met with key suppliers of PET bottles to investigate opportunities for PET recovery collaboration, and the incorporation of recycled content into its PET containers for all markets.

Partnerships: As part of our membership in the Beverage Industry Environmental Roundtable (BIER), Brown-Forman participated in the development of the Circular Footprint Formula (CFF) Calculator tool. This tool is designed to help organizations estimate the environmental impact of their packaging choices using standardized criteria. This CFF tool is a result of work completed as part of the Product Environmental Footprint development process in the European Union, in which BIER actively participated.

ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN

SASB METRIC	OUR RESPONSE
<p>Suppliers' social and environmental responsibility audit</p> <ol style="list-style-type: none"> 1. Non-conformance rate and 2. Associated corrective action rate for (a) major and (b) minor non-conformances 	<p>At this time, we do not conduct environmental and social audits of our supply chain.</p>

INGREDIENT SOURCING

SASB METRIC	OUR RESPONSE
<p>Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress</p>	<p>42.6% While this metric reflects the range of our agricultural inputs sourced from high water stressed regions, including agave, the agave plants do not require significant water for growth and are not known to contribute to water stress in the region.</p>
<p>List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations</p>	<p>Priority Beverage Ingredients: Corn, Rye, Malted Barley, Grapes, Agave. Higher costs or insufficient availability of suitable grain, agave, water, and other input materials, or higher associated labor costs or insufficient availability of labor, may adversely affect our results of operations and/or financial results. Weather, the effects of climate change, fires, diseases, and other agricultural uncertainties that affect the mortality, health, yield, quality, or price of the various raw materials used in our products also present risks for our business, including in some cases potential impairment in the recorded value of our inventory. Changes in weather patterns or intensity can disrupt our supply chain as well, which may affect production operations, insurance costs and coverage, and the timely delivery of our products. See also Form 10-K/A, Part 1. Item 1. Ingredients and Other Supplies, pg. 8 (for Fiscal year ended April 30, 2020)</p>

ACTIVITY METRICS

SASB METRIC	OUR RESPONSE
<p>Volume of products sold</p>	<p>43.1 million 9-liter cases</p>
<p>Number of production facilities</p>	<p>21</p>
<p>Total fleet road miles traveled</p>	<p>5,164,760 This number represents the fleet miles traveled for our U.S. and Canada sales fleet business miles, and does not incorporate product distribution road miles.</p>