

MANY SPIRITS...



...ONE BROWN-FORMAN

DIVERSITY & INCLUSION STRATEGY 2030
LGBTQ+ EDITION

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MANY SPIRITS, ONE BROWN-FORMAN
ONE STRATEGY, MANY COUNTRIES

INTRODUCTION

DEAR BROWN-FORMAN COLLEAGUES:

After launching Brown-Forman's 2030 Diversity and Inclusion Strategy, *Many Spirits, One Brown-Forman: Gender & Race* in August 2019, we are pleased to introduce the second edition to our global strategy, *Many Spirits, One Brown-Forman: LGBTQ+*. We understand that sexuality and gender identity are not monolithic, but rather fluid experiences for everyone in the LGBTQ+ community. While it is our goal to represent as many employee and stakeholder identities as possible in this document, it is difficult to capture the unique experiences of all intersecting identities within the confines of these pages.

If you have not done so already, please read or listen to the *Many Spirits, One Brown-Forman: Gender and Race Edition (MSOBF: Gender & Race)* before reading this document. The Gender & Race edition sets the foundation for much of our strategic diversity management framework and is essential to your understanding of this edition, as we continue the journey to create a more diverse workforce and inclusive culture. Rather than reiterating foundational information, this edition builds upon the conversation that was started in *MSOBF: Gender & Race*. We believe that we can accomplish our LGBTQ+ D&I ambitions

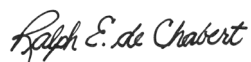
through a continued focus on our overarching Strategic Position: Where We Are Today, Strategic Direction: Where We Are Going, and Strategic Priorities: How We Will Get There.

Since the launch of *MSOBF: Gender & Race*, we have collectively experienced trials that further heighten the importance of our diversity and inclusion (D&I) work. Despite ongoing racial injustice and global social unrest, a global pandemic, and economic insecurity, we have our colleagues around the world to thank for prioritizing this work, with a significant contribution by the PRIDE ERG: Rainbow Paper Steering Committee. We would also like to thank all of you for your support of this strategy and your commitment to hold each of us accountable to building a more inclusive culture for generations to come.

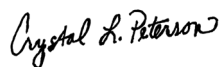
Our intention is that this paper is not only an educational resource, but also a catalyst for discussion. With our aspiration that there be "Nothing Better in the Market," we must work together to ensure that all employees have the opportunity to reach their desired potential and the ability to live their lives in **full color** at Brown-Forman.

WE ARE MANY SPIRITS, BUT WE ARE ONE BROWN-FORMAN.

Respectfully,



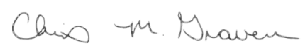
Ralph de Chabert
(He/Him)
SVP, Global Chief
Corporate Citizenship
Officer



Crystal Peterson
(She/Her)
SVP, Chief Inclusion
and Global Community
Relations Officer



Kirsten Hawley
(She/Her)
SVP, Chief People,
Places, and
Communications
Officer



Chris Graven
(She/Her)
VP, Director, People
Strategy Analytics,
and Rewards

STRATEGIC POSITION:

WHERE WE ARE TODAY

Every strategic framework must begin with a comprehensive assessment of the current strategic position. To assess Brown-Forman's strategic positioning related to D&I, we examined two areas: the global trends impacting Brown-Forman, and an internal assessment of Brown-Forman's D&I strengths, weaknesses, opportunities, and threats.

TRENDS

Seven trends were identified in *MSOBF: Gender & Race* that provided a snapshot of the current cultural, economic, and political landscape in which Brown-Forman must operate and prioritize its D&I initiatives within. We build upon these with a focus on LGBTQ+ in the following section and strongly recommend that you refamiliarize yourself with *MSOBF: Gender & Race* to ensure you are able to benefit from and understand the original foundation.

1 POLITICAL TENSIONS MAY CAUSE SETBACKS DESPITE RECENT LEGISLATIVE GAINS

Despite companies making commitments to prioritize LGBTQ+ inclusion across the globe, individuals within this community find themselves continuing to face the harsh injustice fighting for basic human rights including, but not limited to, general safety, access to healthcare and family resources, marriage equality, and employment protection. With an inconsistent global landscape, major legislative gains are often met with intense backlash towards the LGBTQ+ community, particularly at the local level. From parts of the world that are championing LGBTQ+ inclusion, to countries that are lacking basic legal protection, safety, and social acceptance, corporations with multinational employees face a challenge when it comes to promoting LGBTQ+ D&I.

29 COUNTRIES WHERE SAME-SEX MARRIAGE IS LEGAL

Argentina	Ireland
Australia	Luxembourg
Austria	Malta
Belgium	The Netherlands
Brazil	New Zealand
Canada	Northern Ireland
Colombia	Norway
Costa Rica	Portugal
Denmark	Scotland
Ecuador	South Africa
England/Wales	Spain
Finland	Sweden
France	Taiwan
Germany	United States
Greenland	Uruguay
Iceland	



According to Open for Business, same-sex relationships are illegal in 71 countries (37% of all U.N. States); with 2.8 billion people residing in countries where consensual same-sex relations are a crime. Even in countries without such laws, LGBT+*** people suffer forms of state-sponsored oppression - including Indonesia, Russia, and many Eastern European countries. There are only 29 countries where same-sex marriage is legal, with Australia, Finland, Germany, and Taiwan being amongst the most recent countries to take steps toward marriage equality. Transgender people, however, remain marginalized across the globe.

In the U.S. alone, there was a proliferation of anti-trans legislation presented in 2021, with more than 250 anti-LGBTQ+ bills introduced in state legislatures, including 119 that specifically suppress the rights of transgender youth and people. As a result,

many corporations are taking action by speaking out against the legislation proposed, or taking their business elsewhere. After North Carolina imposed legislation (HB2 “bathroom bill”) in 2016 to restrict where transgender people could use the restroom in public and in schools, the state lost \$630 million in canceled sports events, job opportunities, performances, and conventions. This includes companies like Paypal and Deutsche Bank removing their businesses from the state, affecting jobs and economic development in the area.

In India, the transgender community is unique and encompasses a wider range of identities and experiences, with about 2 million transgender individuals calling India home. Today, the community is generally rejected, excluded, and exposed to exploitation and abuse, even though the Indian Government recognized their legal status and granted them equal rights in 2016. Despite the exclusion transgender individuals face in India today, this wasn’t always the case.

PLEASE NOTE

There are a variety of terms used by LGBTQ+ communities across the world to self-identify. We have chosen to use the term “LGBTQ+” throughout this document, with the “+” present to represent the fluidity of gender identity and sexual orientation that is not necessarily captured in ‘LGBTQ’. You may notice other

formulations such as ‘LGBTI’, ‘LGB’, ‘LGBT’, ‘LGBTQ’ as well. These formulations were used from direct quotations and/or data to represent certain identities in the LGBTQ+ community referenced by the source. These references are not intended to exclude a specific group, but accurately represent the source information.

Hijras, a Hindi-Urdu term generally used to describe transgender individuals assigned as male at birth and assuming female identity in life, were highly revered members of society, almost as 'demigods', blessing celebrations of birth and marriage.

According to the 2020 Open for Business City Ratings for LGBTQ+ inclusion and economic competitiveness, many cities in the U.S. and Canada have maintained or improved upon an already high-rating of inclusion and competitiveness. Despite national trends (particularly in the U.S.) that are increasing discrimination against LGBTQ+ people with a focus on transgender individuals, cities that continue to set themselves apart as a more inclusive environment, like Boston and Vancouver, have bans on conversion therapy. In Western Europe, amongst many cities that trend higher for LGBTQ+ inclusivity and economic competitiveness, including London, Dublin, and Helsinki, Amsterdam is ranked as the most inclusive and competitive city in the world, the location of Brown-Forman's European Headquarters. Parts of Asia Pacific are also progressing, despite political turbulence, with Taipei and Hong Kong

DEFINING conversion therapy

A range of dangerous and discredited practices that falsely claim to change a person's sexual orientation or gender identity or expression. Practices have been rejected by mainstream medical and mental health organization for decades, but due to continuing discrimination and societal bias against LGBTQ people, some practitioners continue to conduct conversion therapy. Minors are especially vulnerable, and conversion therapy can lead to depression, anxiety, drug use, homelessness, and suicide.

— Human Rights Campaign, *The Lies and Dangers of Efforts to Change Sexual Orientation or Gender Identity*

making remarkable strides in marriage equality. Unlike Sydney, which ranks as highly inclusive, there are no legal protections for LGBTQ+ people in Singapore and same sex relationships remain criminalized.

Although South Africa has the first constitution in the world to outlaw discrimination based on sexual orientation, violence and discrimination remain at large for the LGBTQ+ community in many of its largest cities. Similarly, South America has some of the most inclusive LGBTQ+ laws in the world, yet members of that community nevertheless experience discrimination and often violence. In Central and Eastern Europe, Poland and Hungary face push back from the European Union (E.U.) as Poland implements "LBGT+ Free Zones" in more than 100 towns

and villages (one third of the country), and Hungary adopted a law banishing depiction of LGBTQ+ people in books and TV for children under 18 years old. A study conducted by the European Union Agency for Fundamental Rights reported that "two thirds or more of all LGBTI respondents in France (73%) and Poland (66%) believe violence has overall increased due to reasons such as negative public discourse caused by political parties, lack of enforcement of law and policies, and lack of visibility of LGBTI persons."

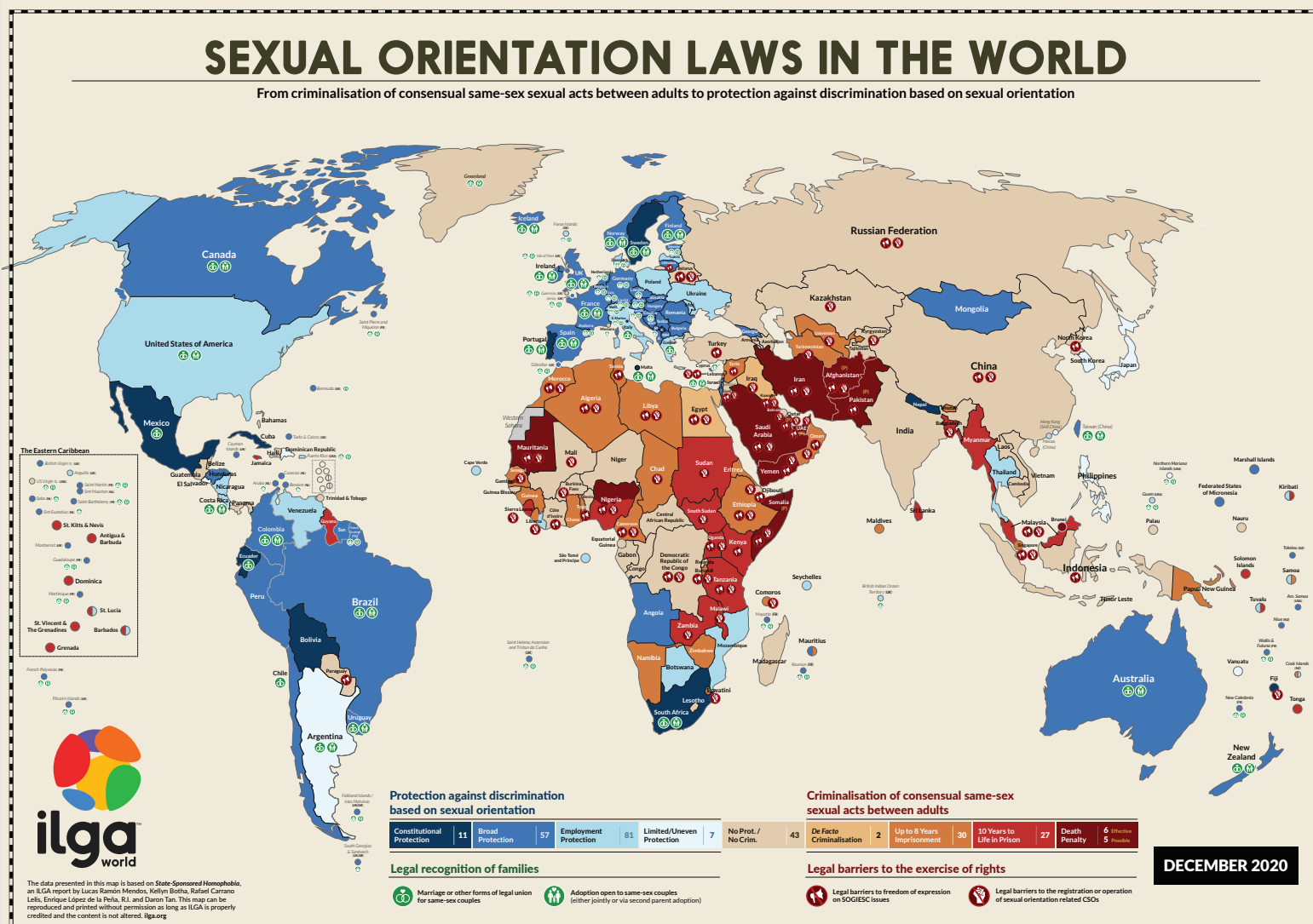
DEFINING non-binary

Umbrella term for people whose gender identity is neither solely male nor solely female

SEXUAL ORIENTATION LAWS IN THE WORLD

SEXUAL ORIENTATION LAWS IN THE WORLD

From criminalisation of consensual same-sex sexual acts between adults to protection against discrimination based on sexual orientation



Click on map to view full-size. Source: ILGA World

Despite gender fluidity being prevalent in many cultures and societies since the beginning of time, most countries legally recognize only two traditional gender identities - male and female. As breaking the gender binary becomes a growing priority, it is unsurprising that

around 1 in 5 adults in the U.S. alone know someone who goes by a gender-neutral pronoun. Although understanding of the non-binary gender is growing, social attitudes and national laws have proven slow to adapt. That said, an increasing number of countries now recognize sex reassignment, permitting

individuals to change the legal gender on their birth certificates.

Because of ever-changing geopolitical tensions, companies will continue to face challenges on when and how to respond to discriminatory laws to best support their multinational employees.



2 CONSUMERS ARE BECOMING INCREASINGLY DIVERSE

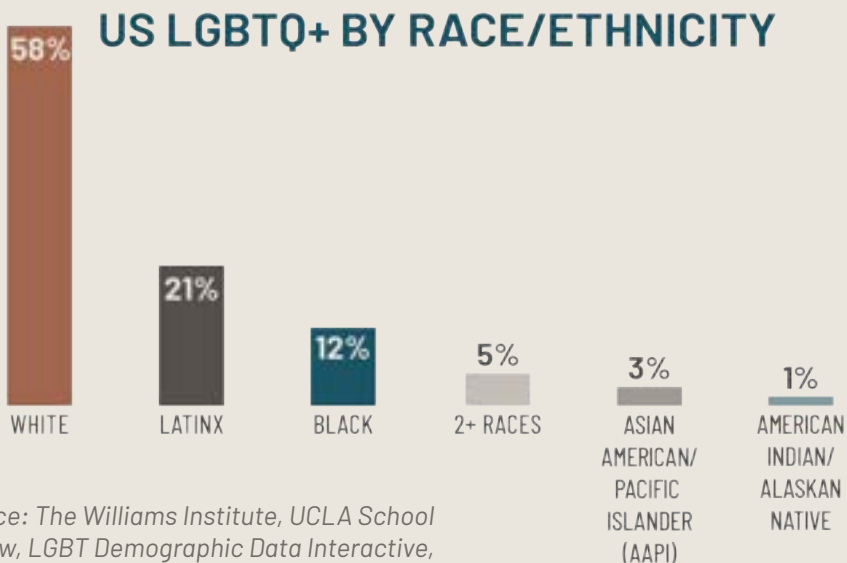
There is a growing percentage of consumers inside and outside the U.S. that identify as LGBTQ+. A Gallup poll conducted in February 2021 found that 5.6% of U.S. adults identify as lesbian, gay, bisexual, or transgender, which is up from 4.5% in 2017. Most people (56.4%) identify as bisexual, with 11.3% identifying as transgender, and a quarter (24.5%) identifying as gay. Assuming the growth of self-

identification continues at the same historical rate, the self-identified LGBTQ+ U.S. population will surpass 10% in 2030.

The Williams Institute, UCLA School of Law estimates that over 11.3 million LGBT adults live in the U.S., with people of color making up approximately 40% of the population (Figure 1). Across all race and ethnic groups measured in this report, women account for a larger part of the LGBT population than men. Over half of the AAPI, LatinX, and White LGBT population are women, with an even greater

divide for Black LGBT (62%). Also reported by The Williams Institute, UCLA School of Law, though, are recent findings that of the U.S. LGBTQ population, approximately 11% identify as non-binary, genderqueer, or gender fluid, with the majority being cisgender rather than transgender. Non-binary LGBTQ adults typically skew younger (29 and under) and the majority identify as White (58%).

LGBTQ+ people have amongst the highest per capita wealth of any diverse group, with global estimated wealth in 2019 of \$23 trillion USD, and a conservative population estimate of 371 million. The global purchasing power of the LGBTQ+ community is estimated to be between \$3.7 - 4.0 trillion annually. This does not account for the Ally Marketplace (non-LGBTQ+ consumers who choose to do business with LGBTQ+-friendly companies), which is estimated to be eight to ten times larger than the LGBTQ+ market itself.



Source: The Williams Institute, UCLA School of Law, LGBT Demographic Data Interactive, January 2019

As it relates to consumerism, data shows that the LGBTQ+ community is an important demographic to target in the spirits industry. According to a Statista Global Consumer Survey conducted in August 2021 (Figure 2), 23% of global respondents who indicated they regularly consume spirits also self-identified as LGBTQ+, compared to 21% of those self-identified as not LGBTQ+. More specifically, this study shows that 42% of spirits drinkers in Brazil self-identified as LGBTQ+, 31% in the U.K., 30% in Australia, and 26% in Mexico. Data for the U.S. indicates that 17% of spirits consumers are LGBTQ+, which is significantly higher than the known percentage of the population that self-identify, likely driven by LDA+ consumers who are both more likely to consume spirits and more likely to self-identify as LGBTQ+. This discovery is remarkable for the spirits industry and further emphasizes the importance of targeting the LGBTQ+ consumer because in many countries, an LGBTQ+ person is more likely to consume spirits than a non-LGBTQ+ person.



Source: Statista Global Consumer Survey

3 THE WORKFORCE IS COMPOSED OF MORE GENERATIONS THAN EVER, EACH WITH ITS OWN VIEW OF LGBTQ+ MATTERS

In many parts of the world, barriers around individuals “coming out” have fallen, allowing the openly LGBTQ+ population to grow. This population skews younger and more diverse than the general population, with increasingly more people of color and women self-identifying as LGBTQ+. According to a study by EY, emerging markets are also undergoing significant cultural shifts driven by rapid economic growth, migration, the spread of traditional and social media, and globalization. In South Korea, Taiwan and most of Latin America, attitudes toward LGBTQ+ people have changed

DEFINING covering

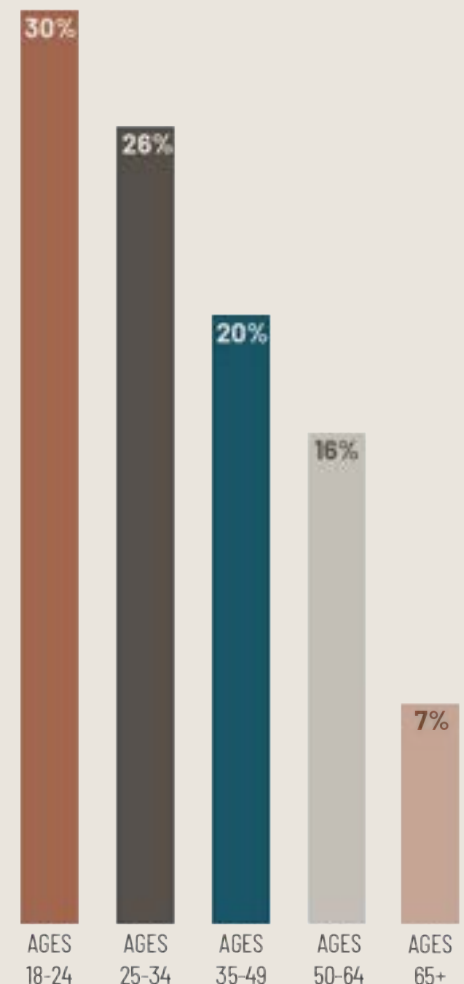
A concept attributed to Professor Kenji Yoshino of Harvard that describes the act of trying to fit in by minimizing one’s differences across four dimensions: appearance, affiliation, advocacy, and association. Individuals who identify as lesbian, gay, bisexual, and transgender reported the highest levels of covering, with 83% saying they had covered along at least one dimension.

to be more supportive very rapidly over the past decade — especially among younger generations, providing more opportunities for reverse mentoring and educating senior management.

From a U.S. perspective, people between the ages of 18 and 34 make up more than half of the self-identified LGBT population compared to previous generations (Figure 3). These generational differences in LGBTQ+ self-identification in younger Americans compared to older Americans could be a true shift in sexual orientation, or it could merely reflect a greater willingness of younger people to self-identify. Among different race and ethnic groups, such as AAPI (73%), LatinX (65%), Black (59%), and White (48%) the prevalence of self-identified LGBT adults under the age of 35 is even more pronounced. Self-identification is expected to rise over the coming years, as younger generations are far more likely to consider themselves to be something other than heterosexual. While the younger generation has higher expectations for inclusivity than previous generations, global research by McKinsey & Company shows that junior employees are still less likely to be out at work than senior-level employees because they aren’t sure how it will affect their career progression.

In regards to the gender binary, many cultures have historically recognized both gender and sexuality as a spectrum. Bigeye ad agency found that half of Gen Z and 56% of Millennials in the U.S. believe that labels related to the gender binary are outdated, as they are embracing a much more fluid approach, encouraging companies to embrace and adapt to the needs of non-binary people.

CURRENT US LGBTQ+ POPULATION BY GENERATION



Source: Harvard: School of Public Health, 'Covering' to fit in and get ahead, August 26, 2015

4 THE WAR FOR TALENT INTENSIFIES WHEN ATTRACTING & RETAINING DIVERSE TALENT

The COVID-19 pandemic suddenly and dramatically affected the livelihoods of many individuals across all sectors, including hospitality, food and beverage, and entertainment, ultimately increasing the unemployment rate. As more businesses reopen, there are increasingly more positions available than people, causing the war for talent to wage stronger than ever. Astoundingly, 41% of employees across the globe are also considering leaving their current company in what many are calling the “Great Resignation”; therefore, promoting a company’s welcoming, inclusive environment is key to recruiting and retaining top talent. Prospective candidates want to see company values and inclusive policies in place that show the company “walks the talk”, or turns words and commitments into concrete and measurable actions. With perspectives on LGBTQ+ matters rapidly changing across the globe, particularly among younger generations, having an LGBTQ+ positive environment is instrumental to recruit junior staff.

While there are more self-identified LGBTQ+ employees in the workforce than ever



before, Harvard Business Review reports that 46% of LGBTQ+ workers remain closeted at work, while open in their private lives. Whether this is influenced by employees fearing retribution and retaliation, or that they simply choose not to disclose their gender or sexual identity at work, companies must keep top of mind that inclusive policies are only a small step towards attracting and retaining LGBTQ+ talent.

There is no doubt that employees who feel safe to be open about their sexuality or gender identity at work are more likely to stay at their current employer. According to McKinsey & Company, LGBTQ+ women who are open about their sexuality at work are half as likely to plan to leave their current employer in the next year compared with their closeted peers (16% versus 8%), and are a third more likely to plan to stay for five years or more (51% versus 38%). On the other hand, an environment that creates barriers for LGBTQ+ employees, inadvertently or otherwise, will fall behind in attracting and retaining LGBTQ+ talent. Thirty-two percent of

transgender people are more likely to frequently think about leaving their company due to barriers in the workplace, compared to 21% of cisgender people. Following the COVID-19 pandemic, research from the Human Rights Campaign (HRC) and PBS Research has indicated that individuals in the LGBTQ+ community, particularly communities of color, have had their jobs significantly impacted due to the nature of their jobs in the service industry, resulting in more unpaid leave, lost hours, and unemployment compared to the general U.S. population.

While the war for talent continues, companies must prioritize understanding how to effectively recruit and retain members of the LGBTQ+ community.

DEFINING cisgender

Describes people whose gender identity corresponds with their birth sex.

5 EMPLOYEES AND CONSUMERS ARE DRIVING CHANGE THROUGH INCREASED EXPECTATIONS

According to Pew Research, many countries saw a double-digit increase in positive attitudes toward LGBT+ people between 2002 and 2019. In South Africa and South Korea, acceptance jumped roughly 20



“The growth of anti-LGBT+ sentiment in some parts of the world is a concern for the global business community. Increasingly, companies are working to curb discrimination and promote diversity in their workplaces, and this becomes difficult in countries that are hostile to LGBT+ people. In the last couple of years, the actions of many leading businesses show their strong support for LGBT+ inclusion, all over the world.”

— *Open For Business: Strengthening the Economic Case* By: Jon Miller and Lucy Parker

percentage points -- and India has seen a 22-point increase since 2014.

This increase in acceptance has employees and consumers increasing their expectations. They want companies to express support of the LGBTQ+ community not only during Pride Month, but are looking for consistency in inclusion year round. Consumers that perceive a company's efforts as performative, disingenuous, or insincere will respond to their dissatisfaction by voting with their wallets. A 2019 study conducted by Out Leadership that surveyed

respondents who identified 50% LGBTQ+ and 50% allies, found that 40% of shoppers change brands depending on the brand's position on LGBTQ+ inclusion and 67% factor LGBTQ+ friendliness into their shopping decisions. Because of these increased expectations, businesses have the opportunity not only to grow their market share among LGBTQ+ consumers and allies, but proactively influence societal norms and public policy while following their customers.



6 TECHNOLOGY IS ACCELERATING D&I CONVERSATIONS WHILE SUPPORTING TALENT MANAGEMENT PRACTICES THAT ADVANCE D&I OBJECTIVES

Strong communication channels are essential to advancing LGBTQ+ diversity across the globe. As indicated in MSOBF: Gender & Race, social media, such as Instagram, LinkedIn, Facebook and Twitter, remains one of the most effective methods of communication and tools for education. Individuals and employers alike are only a web browser away from an endless amount of information to upskill themselves on issues that are important to them. For people in locations without local resources, having access to global resources like conference calls, webinars, intranets, and social media is crucial. The advancement of technology in recent years has

also enabled remote and hybrid work opportunities, which has had great benefits for the LGBTQ+ community, including the ability to build connections and work on projects with people they might not have had visibility to before, but this has also posed risks. Some individuals are fearful of allowing colleagues visibility and access into their private life through video calls that have been widely prominent during the pandemic, especially if they are not “out” in their workplace.

7 ORGANIZATIONS AND INDIVIDUALS ARE MOVING ALONG THE D&I CONTINUUM AT DIFFERENT PACES IN DIFFERENT PLACES

As EY has acknowledged, corporate culture often varies greatly across geographies, and the same is true for LGBTQ+ advancement and acceptance. While companies are working towards LGBTQ+ inclusivity, research by the Deloitte University Leadership Center for Inclusion showed

that 83% of gay employees still “covered” at work – i.e., even if they were technically out, they still felt the need to minimize their differences by not bringing their partner to work functions or not displaying family photographs at the office. Twenty percent said they avoid special events at work. In the same study, 59% of non-LGBTQ+ employees indicated that they think it’s unprofessional to talk about sexual orientation or gender identification at work, stating that they “don’t want to hear about a co-worker’s sex life.” Unfortunately, this sentiment is typically applied only to relationships that are not heterosexual. Regardless of sexual orientation, we should not assume individuals are referring to the intimate details of their relationship when they discuss their home life, family, spouse, or partner. The differences in values of individuals and organizations can be varying and polarizing though, which poses an ongoing challenge for companies to navigate.

● ● ● ●

“It is important for us to understand and respect every person’s decision on how they choose to present their sexuality. However, we also have an obligation to challenge the status quo -- not just for the benefit of our LGBT+ women, but for all.”

— Patrick Rowe, Deputy General Counsel and UK Pride Network Executive Sponsor, “Accenture: Preparing for Parity, The lack of visible LGBT+ Women in the Workplace”

Historically, the entertainment industry has underrepresented and perpetuated stereotypes (like appearance and behavior) of the LGBTQ+ community; however, countless LGBTQ+

celebrities and activists, including, but not limited to, Dan Levy, Laverne Cox, Alok Vaid-Menon, Marsha P. Johnson, Indya Moore, Lil Nas X, Jameela Jamil, and Ellen DeGeneres, have created a space of representation and understanding for LGBTQ+ people, helping to normalize gender and sexual fluidity through their work depicting LGBTQ+ love and happiness, in addition to hardships. While representation has increased over the years, providing a voice to the LGBTQ+ community, some LGBTQ+ individuals may not be ready to “come out” in either their personal or professional lives. Because the people that companies seek to support are on their own journey, it is important that employees do not feel pressured to discuss their sexual orientation or gender identity or expression if they are not comfortable. Accenture’s 2019 study of LGBTQ+ women in

the U.K. states that LGBTQ+ women in particular struggle with coming out in the workplace because they also face the challenges of sexism that come with being female, making the glass ceiling twice as thick for them.

LeanIn.Org and McKinsey & Company’s “Women in the Workplace” survey of 65,000 employees across the U.S. indicates that despite the unique challenges lesbian and bisexual women personally face, more than half indicate that they consistently take a public stand to support gender and racial equity for traditionally marginalized identities, compared to only a third of women overall. They are also significantly more likely than women overall to advocate for new opportunities for women of color, publicly acknowledge them for their contributions, and speak out when they see bias and discrimination against them at work. While certain

groups are further along in advocating for marginalized people, companies must work to intentionally acknowledge the nuanced experiences of people with intersecting minority identities, including, but not limited to, gender, sexual orientation, race, national origin, and ability, because each identity adds a layer to their lived experiences.

Organizations must also strive to implement global policies that are locally infused and culturally relevant. For example, in the U.S. and Canada, it is appropriate to talk pointedly about LGBTQ+ matters, whereas in many Asian countries (such as Japan and South Korea), this can be offensive and seen as taboo, where a “don’t ask, don’t tell” culture prevails. The former CEO of Africa’s largest cellphone operator, Sifiso Dabengwa, set a great example when he informed the media that his company would respect the laws of the countries in which it operates, but would not discriminate against employees on the basis of sexual orientation. Multinational companies must respect the unique journeys individuals are on as they strive to create a truly inclusive culture that attracts and retains diverse talent.



“After a lifetime of being at war with my gender, I’ve decided to embrace myself for who I am, inside and out. I’m at no stage just yet to eloquently speak at length about what it means to be non-binary, but I can’t wait for the day that I am. So for now, I just want to be visible and open.”

– Sam Smith, (*They/Them*), English Singer and Songwriter

RESEARCH ON THE IMPACT OF DISCRIMINATION & HARASSMENT OF THE LGBTQ+ COMMUNITY

Multiple research studies have illustrated the degree to which LGBTQ+ individuals face discrimination and harassment in both their personal and professional lives. According to the European Union Agency for Fundamental Rights, LGBTQ+ individuals encounter harassment or discrimination for their sexual orientation or gender identity in all aspects of their lives, even causing people to refrain from public displays of affection with their partner, like holding hands, or avoiding certain areas of town for safety reasons. Discrimination is even more harsh for LGBTQ+ people of color. Similarly, a 2021 study from IBM states, “Across all surveyed racial identity

groups, LGB people see their sexual orientation as the primary driver of the discrimination they’ve experienced personally in the workplace.” The study shows that, in addition to White LGB individuals, Pan-Asian LGB, Black LGB, and Hispanic LGB, individuals indicate their sexual orientation as the primary driver of the discrimination they experience, with their race or ethnicity being the secondary driver. Sexual orientation remains the largest contributing factor for discrimination of White and Native American LGB respondents, but they indicate gender as being the second largest driver of discrimination. Across these dimensions, Figure 4 showcases the nuanced and complex nature

of intersecting identities, and how discrimination can be evident and varying on multiple levels.

In the same study by the European Union Agency for Fundamental Rights, most LGBT respondents (58%) in the E.U., North Macedonia, and Serbia said that they experienced some form of harassment over the past five years at work, on the street, on public transport, in a shop, on the internet, etc., with trans and intersex respondents consistently reporting the highest rates of LGBT-related harassment.

IBM’s study shows that LGB people do not feel they are treated fairly in the U.S., with 92% believing that discrimination exists against people who share their sexual orientation to at least some extent, and 4 in 5 saying they have been personally discriminated against due to their sexual orientation. Nearly half (45%) of the LGB respondents say their employer

WHAT DRIVES DISCRIMINATION?



Source: IBM Institute for Business Value (IBV), Out & Equal Workplace Advocates, and Workplace Pride, *Striving for Authenticity: LGBTQ+ views on enduring discrimination and expanding inclusion*

RESEARCH ON THE IMPACT OF DISCRIMINATION & HARASSMENT OF THE LGBTQ+ COMMUNITY

discriminates against people of the same sexual orientation, with almost the same portion of non-LGB respondents (43%) agreeing that their employer discriminates against LGB people. And on top of that, Black and Brown trans women, who have long been leaders in advancing LGBTQ+ rights, have disproportionately experienced discrimination with an epidemic of violence, harassment, and physical abuse.

The environment inside or outside of the workplace does not have to be overtly hostile to be harmful and unwelcoming to people who

do not fit the heteronormative profile. Biases can also show up through microaggressions, which are typically subtle, intentional or unintentional, demeaning remarks or actions that are hurtful towards a marginalized group of people. Purposefully or continuously misgendering someone, using insensitive phrases such as “that’s so gay”, or advising someone on how to be more masculine or more feminine, are just a few examples of microaggressions. It is no surprise then, that employees who experience microaggressions feel less empowered, less innovative, and less productive. Diana Ellsworth, leader of McKinsey’s work on diversity, equity, and inclusion says that,

“Microaggressions are small but add up to negative impact. Conversely, every time we use inclusive language, we give a positive signal: this is a safe environment where LGBTQ+ employees are respected and valued.”

At Brown-Forman, we expect our workplace to be free of harassment and discrimination of any kind, which is why, in addition to our Workplace Harassment Prevention Training for managers and employees, we provide guidance and resources to [“Speak Up”](#) if they experience or witness harmful behavior that does not align with our culture of respect.



SWOT

The traditional SWOT analysis is an invaluable tool to assess Brown-Forman's strengths and weaknesses against the opportunities and threats in the world today and those anticipated over the next several years. In the proceeding section, we expand on the SWOT from MSOBF: Gender & Race edition with a lens on LGBTQ+.

ELT & Leadership Commitment
Employee Resource Groups
A Decade of Progress
Strong Partnership between HR & D&I
Pockets of Greatness
B-F Culture

STRENGTHS

OPPORTUNITIES

Enhance D&I Brand and Increase Communications
Understand D&I Data & Metrics
Improve Individual, Leader, & Organizational Accountability
Continue D&I Focus in Global Talent Acquisition
Focus on Inclusion
Increase Awareness & Education to Expand Thinking & Build Capabilities

B-F Culture
Leadership Looks Different Than the Workforce
Workforce Looks Different Than Consumers
Current Resources May Not Support Future Growth
Middle Managers Face Competing Priorities
Inconsistent Accountability Prevents Meaningful Change

WEAKNESSES

THREATS

Low Turnover/Slow Growth Limits Diversity
Potential for Business Decline
Talent Acquisition
War for Talent
Global Workforce is Difficult to Reach
Potential Consumer Backlash Against D&I Objectives



STRENGTHS

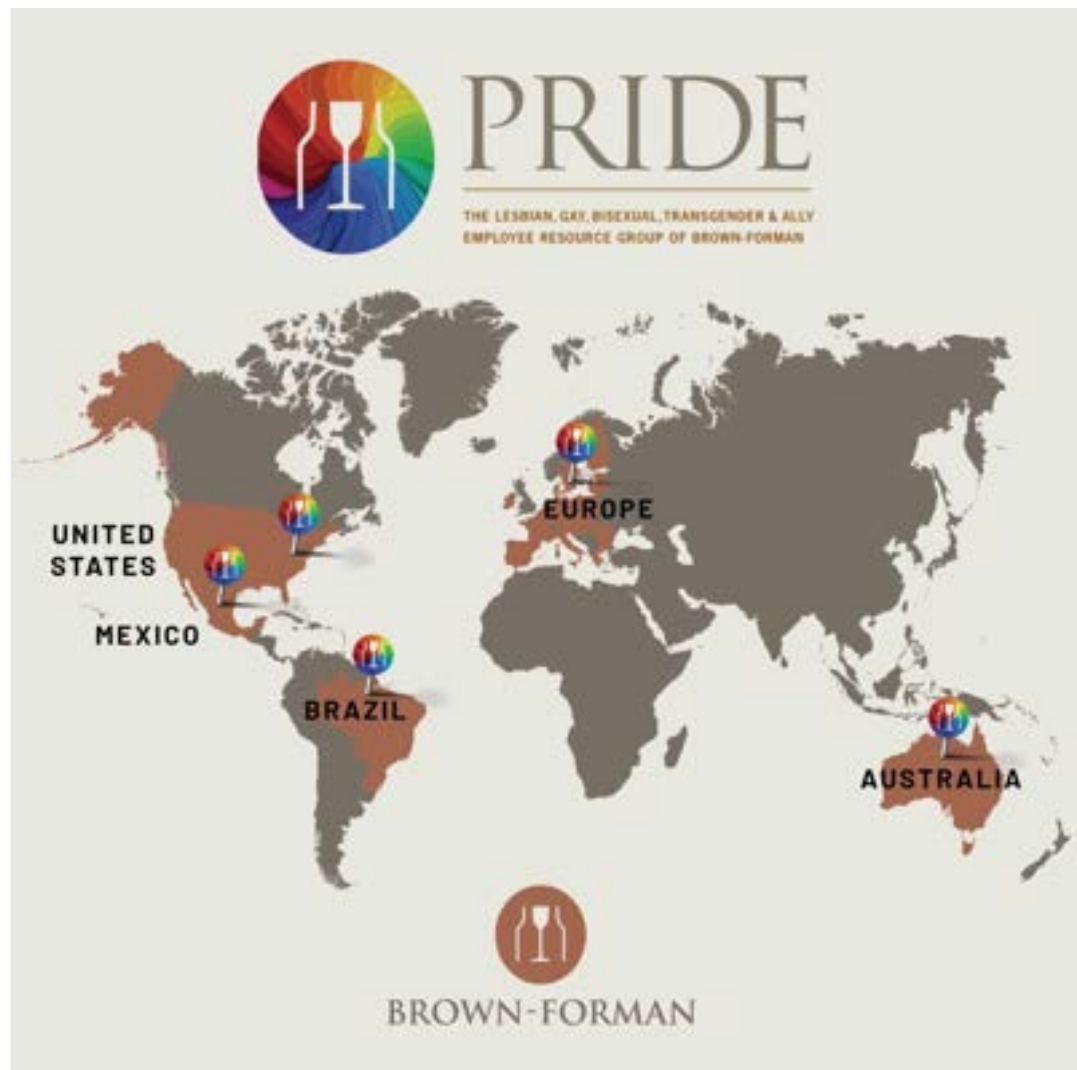
1 ELT & LEADERSHIP COMMITMENT

Brown-Forman's Executive Leadership Team (ELT) remains highly committed to D&I, ensuring it is embedded as part of the company's overarching business strategy, not as a separate, distinct initiative. This commitment has been elevated in recent years, most notably through the ELT's sponsorship of *MSOBF: Gender & Race*, which set the strategic direction for the company's ten-year D&I journey, including the publication of first-ever ambitions for the representation of women and people of color. Since fiscal 2021, 10% of the short-term incentive compensation for the ELT has been based on progress towards achieving the company's D&I priorities. In addition to the strategic imperatives outlined in *MSOBF: Gender & Race*, the ELT published "Be Better, Do Better" commitments designed to improve accountability and increase the representation and development of diverse employees. In addition to its own training, such as the "taster" experience of our inclusive leadership program, "Lead Better: Inclusive



Leadership @ B-F", the ELT has championed ongoing D&I training throughout the organization and its members serve as active executive sponsors for the company's employee resource groups. The ELT, which is ethnically, geographically, and gender diverse itself, has vocal in expressing this commitment through internal and external communications, such as company

emails, podcasts, and virtual meetings to share their guidance and perspectives on current events, like the COVID-19 pandemic, racial injustice, and other social movements that impact employees around the globe. The ELT has demonstrated its commitment to D&I, and expects all employees to demonstrate this commitment as well.



PRIDE MILESTONES

2008	EEO Policy Amended to include "Gender Identity or Expression" Protection	2013	Launch of #SpiritDay anti-bullying event
2009	B-F institutes mandatory "Civil Treatment for Manager" training. This is the first mandatory B-F training to include LGBTQ+ topics	2014	Same-sex partners are provided an option for employees' pension fund beneficiary
2010	Bring your own diversity (BYOD) ERG launches	2015	Launch of Australia chapter
	Appended insurance plans to include parter health care benefits	2016	B-F becomes a founding member of Kentucky Competes, a coalition of a few of Kentucky's leading employers who express strong support for the statewide fairness law which prohibits employment discrimination against LGBTQ+ individuals and enables KY to attract and maintain the best employees
	Raised human rights campaign (HRC) score from 85% to 100%, maintaining a perfect score to date		Exclusive SPIRIT partner for Sydney's Gay & Lesbian Mardi Gras, the world's largest LGBTQ+ festival
	Sponsored the human rights campaign national dinner with continuous involvement to date		Jack Daniels' brings PRIDE to Lynchburg, TN
2011	Transgender insurance benefits added		Launch of Europe chapter
	For new employees, on-boarding software includes option for voluntary self-identification	2018	Launch of Mexico chapter
	Inaugural campus pride celebration and appearance in Kentuckiana Pride Parade		B-F Australia recognized as "Best Company" at the LGBTQ+ Awards
	Online tool created for employees to locate LGBTQ+ friendly accounts	2019	Jack Daniel's launches first-ever LGBTQ+ program in the US, offering a suite of assets to drive meaningful distinction within LGBTQ+ space
2012	Transgender 101 training event	2021	Option to update gender identity, sexual orientation added to Workday for U.S. employees
	Addition of "Allies" to ERG tagline		

2 EMPLOYEE RESOURCE GROUPS

Brown-Forman's PRIDE ERG serves not only as an employee resource group, but has, and continues to be, a valuable resource for the Office of D&I and Brown-Forman leadership. PRIDE focuses on the LGBTQ+ experience and supports our D&I initiatives by providing a visible, public face to LGBTQ+ employees within the company by assisting in recruiting and retaining employees; by engaging brand teams in their journey to be more inclusive of LGBTQ+ marketing; and by stimulating education and awareness of the importance and value of diversity in the workplace. As of publishing, our PRIDE ERG includes nearly 500 members, with nearly half outside the U.S., and there are five PRIDE chapters across the globe, including the U.S., Europe, Australia, Mexico, and Brazil. In addition, PRIDE was the first ERG at B-F to have a global co-lead that lived outside the U.S., and there are regional chapters throughout the U.S. to support non-office based and field employees. PRIDE has also partnered with GLAAD, an American non-governmental media monitoring organization founded as a protest against defamatory coverage of LGBT people, as a media partner to consult as experts. The PRIDE network serves as a valuable resource for all employees, including new hires, with an interest in learning more about how to champion the LGBTQ+ community as an ally, or to provide a supportive network for LGBTQ+ employees.

3 A DECADE OF PROGRESS

Over the past decade, Brown-Forman has continued to make great strides in championing D&I. In general, the company has become increasingly more open to, and conscious of, actively cultivating an inclusive culture, with the focus on gender and race setting the stage for more advanced discussions about diversity, like the intersectionality of the LGBTQ+ experience. For the twelfth year in a row, Brown-Forman has earned a score of 100% on the HRC's Corporate Index, earning the

designation as a "Best Place to Work for LGBTQ+ Equality" in the U.S. The designation is the national benchmarking tool for corporate policies and practices pertinent to lesbian, gay, bisexual and transgender employees. As Brown-Forman continues to strive to be a best-in-class employer for LGBTQ+ inclusion across the globe, it is particularly important that intersectionality is a prominent focus, as multiple identities, such as sexual orientation, gender identity, race, ability, nationality, age, etc., introduce stacked biases that influence a person's success and experience. According to a 2021 research brief conducted by IBM, they found that overall,

50% of LGB respondents believe the group that shares their race, gender, and sexual orientation is less successful than the general U.S. population, with 74% of Black LGB women believing their identity group is less successful, while only 4% of non-LGB White men think the same. That being said, gay White males also suffer from discrimination, especially compared to cisgender, heterosexual white males. Progress in our culture of caring will continue when the majority group (cishet, White) recognizes the impact of intersectionality and honors the lived experiences of people in traditionally marginalized communities.



It is important that I am able to come to work as I am. This includes discussions about my family, community, and friends, without judgment. Due to the deliberate measures Brown-Forman has taken to support the LGBTQ+ community, they have ensured I can do just that. Over the past decade, Brown-Forman Australia has “walked the talk” through the ever-growing community of the PRIDE ERG; sponsorship of the Sydney Gay and Lesbian Mardi Gras; and an office celebration when same-sex marriage became legal in AU. I burst with pride remembering the genuine love and support I felt at that event. The company not only recognizes LGBTQ+ employees, but it celebrates our community as well.

— Shelly Silberman (She/Her), Senior Category Manager, Brown-Forman Australia, AU PRIDE ERG Founder

4 STRONG PARTNERSHIP BETWEEN HR & D&I

In response to the Strategic Imperative of “Defining and Building Inclusive Leaders” set in *MSOBF: Gender & Race*, the “Lead Better: Inclusive Leadership @ B-F” program was created through strong collaboration and partnership between HR and the Office of D&I. The objective of the Lead Better program is to inspire and equip leaders to ‘Be Better’ and ‘Do Better’ as we build a more inclusive company and culture. This six-month virtual program, which includes live large group sessions, individual eLearning, and small group discussions, was launched with all Executive Leaders in May 2021. The program will be deployed with all Business Leaders in 2022 with a plan to cascade throughout all levels of the organization, including both managers and individual contributors in the coming years. As part of the program, leaders explore biases and common microaggressions related to various dimensions of diversity, including LGBTQ+. By surfacing the real lived experiences of our colleagues and discussing how microaggressions and micro-affirmations impact experiences of inclusion, we are enabling our leaders to create a more inclusive culture for all employees at Brown-Forman.



“Intersectionality is a powerful framework to understand that a win for one identity group does not necessarily equate to a win for the entire community. However, it also highlights the collective power that comes with meaningfully acknowledging and incorporating the diverse perspectives and experiences of people across all identities within the group.”

— IBM Institute for Business Value (IBV),
Out & Equal Workplace Advocates, and
Workplace Pride



DEFINING cishet

People who are both
cisgender and heterosexual.

5 POCKETS OF GREATNESS

Brown-Forman Australia (AU) can rightfully be called a “pocket of greatness,” as they have been a pioneer in LGBTQ+ inclusion within our organization, beginning with a 5-year sponsorship of the world famous Sydney Gay and Lesbian Mardi Gras in 2013. In 2018, they were recognized as the “Organisation of the Year - Australian LGBTI Awards”, an award designed to showcase organisations that have demonstrated an outstanding commitment to the LGBTI community by going the extra mile to ensure equality, opportunity, and fair treatment for all, regardless of sexuality, gender identity, or intersex experience. They were also awarded the Australian Human Resources Institute Award - Justice Michael Kirby Award for LGBTI inclusion in 2018. The PRIDE AU chapter continues to celebrate the LGBTQ+ community by hosting events and maintaining partnerships that promote

community and education. The region is consistently looking to highlight the LGBTQ+ experience, and they do this through events like, “You Can’t Ask That” with trans woman and advocate Michelle Sheppard; Wear It Purple Day with the Wear It Purple Organisation, an international anti-bullying movement; Drag Bingo by Miss Penny Tration - Sydney Drag Performer; and the PRIDE Fair Day. Most recently, Brown-Forman had signature sponsorship of Queer Screen’s Mardi Gras Film Festival 2021, which was sponsored by Jack Daniel’s RTDs. These are just a few ways PRIDE AU continues to engage their membership and further LGBTQ+ inclusion.

Brown-Forman Mexico is also a pocket of greatness worth celebrating. While Mexico has made great strides advancing LGBTQ+ inclusion over the years, like marriage equality and anti-discrimination

protections nationwide, there is still work to be done. According to external source Out Leadership, as a traditionally more conservative culture, LGBTQ+ Mexicans still experience high rates of homophobia and violence, likely contributing to only 27% of LGBTQ+ people being out in their workplace. Since its launch in 2018, the PRIDE MX chapters in Amatitan and Guadalajara have hosted multiple events, including a D&I PRIDE panel discussion featuring leaders from other companies, and a “Diversity Train Event” where The Tequila Herradura Express was utilized to welcome members of the LGBTQ+ community, family, friends, and allies for a special train ride to our Casa Herradura Distillery in Amatitan. Brown-Forman Mexico also belongs to a network of companies, including HP, Intel, IBM, and Nike, called “PRIDE Connection”, where D&I best practices are shared to support the LGBTQ+ community. Most notably, they have also received the HRC Equidad MX Certification



by the Human Rights Campaign Foundation for three consecutive years (2020, 2021, and 2022), reflected through the growing commitment in Brown-Forman Mexico to create an LGBTQ+ inclusive environment with supportive policies and practices.

For Europe, LGBTQ+ inclusion initiatives are championed across the continent in many markets, including Germany, U.K., Netherlands, France, Spain, and Czech Republic. In the U.K., the Chambord team organized a collaboration with Stonewall, the biggest LGBTQ+ organization in the country, and also launched Pride packaging, where part of the profit was donated to the organization. PRIDE U.K. has also focused on the topic of intersectionality, with a speaker from Black Pride U.K. In Germany, PRIDE offered a virtual Christopher Street Day, which is equivalent to the Pride Parade in other countries, under the theme of “Stonewall and The Beginning



of the Christopher Street Day,” representing different cities around Germany with lively discussion in small groups. Also in this region, a “Transgender 101” training was held in Netherlands, and Czechia has reconnected to “Prague PRIDE” to understand future possibilities of cooperating and raising awareness within the Czech organization.

In the USA & Canada Division, the Multicultural Marketing team has expanded, adding positions that manage national brand marketing programs aimed at the multicultural consumer. An LGBTQ+ component has been included in the multicultural marketing scope, joining Asian-American, Black/African-American, and Hispanic/LatinX, which is a step forward in reaching a

growing segment of consumers. In Lynchburg, Tennessee, Jack Daniel’s Tennessee Fire partnered with RuPaul’s Drag Race Alums Bebe Zahara Benet, Trinity the Tuck, and Manila Luzon, for “Jack Daniel’s Tennessee Fire presents Drag Queen Summer Glamp,” an original content series that premiered during Pride Month 2021. This series was created to engage LGBTQ+ consumers and allies through a bold digital campaign that celebrates Pride in Jack Fire’s signature style, and as of October 2021, the series had 12k episode views and 75+ million social media impressions, with a 95% positive or neutral sentiment on social channels. Localized efforts to support the series were also successful in key markets like New York, Los Angeles, San Francisco, Houston, and Miami, where popular drag queens participated in account visits and

press releases. The USA & Canada field teams continue to partner with organizations like LGBTQ+ community centers and non-profit organizations who fundraise to support local LGBTQ+ members through events like Galas and Drag Queen Bingo in on-premise accounts, and by sponsoring local Pride Month events. This leadership in our field team has allowed us to build our brands with the LGBTQ+ community.

The aforementioned regions and initiatives that have taken place within them are merely a glimpse into the great work that our people do to further our commitment to D&I. Collectively, the touchpoints we make inside and outside Brown-Forman will continue to strengthen our desire to build a more inclusive and equitable culture for the LGBTQ+ community.





6 BROWN-FORMAN CULTURE

As discussed in *MSOBF: Gender & Race*, Brown-Forman's culture can be widely described as a "culture of caring," with a focus on collaboration, warmth, and relationships emphasizing our company values of integrity, respect, trust, teamwork, and excellence. The culture speaks for itself through company

interactions with stakeholders, community impact, commitment through allyship, and brand messaging. Brands in our portfolio that honor and advocate for the LGBTQ+ community not only contribute to our great culture internally, but communicate it to our consumers. The 2019 Engagement + Enablement (E+E) Survey found that 84% of global salaried employees responded favorably to the statement, "Brown-

Forman has created an inclusive environment where people with diverse backgrounds and experiences can succeed," and 86% agreed with the statement, "I believe that Brown-Forman's investment in D&I is valuable." Brown-Forman continues to have low turnover and long tenure -- the perfect environment to build relationships and cultivate intentional and impactful D&I goals.



As the former Executive Sponsor of Brown-Forman's PRIDE ERG, and long-time ally to friends and family who identify as LGBTQ+, I am exceptionally proud of our efforts and aspirations to cultivate and sustain a truly inclusive culture. I want people of all genders and sexualities to feel welcomed at Brown-Forman and know they are respected for who they love and who they are. The only way to achieve our ambition of "Nothing Better," is to ensure that all of us can bring our best and most authentic selves to the problems we solve, the opportunities we create, and the relationships we build.

— Kirsten Hawley (She/Her), SVP, Chief People, Places, & Communications Officer
Former PRIDE ERG Executive Sponsor

Weaknesses

1 BROWN-FORMAN CULTURE

Brown-Forman's culture is a strength in many ways, and it can also be seen as a weakness to our D&I efforts. Brown-Forman's relationship-oriented and often familial culture can serve as a barrier to employees who are not "out", or who remain closeted at work. Those who do not feel comfortable enough to "bring their best selves to work" could feel the need to hide their identity and personal relationships, making it difficult to form important workplace relationships, which ultimately can affect their network and career development. The anxiety and mental load that comes from concealing their orientation leaves closeted employees exhausted.

More than ever before, society as a whole is pushing for inclusion of all marginalized groups, including the many intersecting identities of LGBTQ+ and BIPOC, but there are still unresolved tensions and resistance. Even within Brown-Forman there are tensions around our company's D&I ambitions. Overall, our 2019 E+E Survey scores were very strong from the majority group perspective, but the LGBTQ+ community feels differently. Frustrations

and concerns were voiced in the E+E survey, with considerable differences in agreement to the statement "B-F has created an inclusive environment where people with diverse backgrounds and experiences can succeed." Eighty-four percent of Brown-Forman salaried employees, including 83% of those located in the U.S., agreed with the statement, while only 72% LGBTQ+ agreed. This feedback could be a direct link to LGBTQ+ employee's lower rating of 59% to the question, "If I have an issue with being treated fairly in the workplace, I am confident that the organization will take appropriate action," compared to all B-F salaried employees of 75% (and 76% of salaried employees in the U.S. (Note, the Brown-Forman LGBTQ+ E+E data is based on 29 U.S. employees who chose to self-identify in the survey.)

In addition, only 62% of LGBTQ+ employees at Brown-Forman perceived that they have good opportunities for learning and development, compared to 77% Brown-Forman salaried and 81% Brown-Forman salaried U.S. And only 52% indicated that they felt that they had opportunities to

achieve their career goals, compared to 71% Brown-Forman salaried and 72% Brown-Forman salaried U.S. Barriers to career development remain prevalent in organizations for all members of the LGBTQ+ community. A study conducted by McKinsey & Company in 2020, reported that six in 10 LGBTQ+ men believe that their sexual orientation will negatively affect their career advancement, and compared with straight women, LGBTQ+ women are also more likely to report that their gender has played a role in missing out on a raise, promotion, or a chance to get ahead.

2 LEADERSHIP LOOKS DIFFERENT THAN THE WORKFORCE

Due to the small population size of U.S. salaried employees that self-identified in the 2019 E+E Survey, confidentiality protocols do not allow us to share the percentage of Executive Leaders that self-identify. Currently, Brown-Forman does not have any openly LGBTQ+ individuals on the ELT or Board of Directors, but this is not unique.

DEFINING lavender ceiling

A glass ceiling specifically imposed on LGBTQ+ people: an unofficial upper limit to their professional advancement. Lavender ceilings are the result of systemic bias and discrimination against LGBTQ+ people in the workplace and in society more broadly.

Openly LGBTQ+ corporate leaders are rare, with just four openly LGBTQ+ CEOs heading America's largest corporations, one of whom is female and none of whom identify as transgender. The most well known LGBTQ+ corporate leaders include Inga Beale, Former CEO, Lloyd's of London; Beth Ford, CEO of Land O'Lakes; Tim Cook, CEO of Apple; and Jim Fitterling, CEO of Dow Chemical Company. Of the 5,670 board seats in the Fortune 500, only 25 seats are held by "out" LGBTQ+ people, with some of those seats being held by the same individuals, and of those 25 LGBTQ+ seats, only two are held by LGBTQ+ BIPOC.

Results from a 2019 LinkedIn survey revealed that 70% of LGBTQ+ professionals feel that they have no senior LGBTQ+ leaders to look to as mentors



or role models, believing that a "lavender ceiling" creates a barrier for LGBTQ+ career advancement and leads to individuals suppressing their identity. This can contribute to closeted LGBTQ+ employees remaining uncomfortable to self-identify because they don't see themselves represented at the top. More specifically, according to McKinsey & Company, LGBTQ+ women are more underrepresented

than women in general within America's largest corporations. It's important to note that being out is not synonymous with being a visible role model though, as many LGBTQ+ women who are out and comfortable with their sexuality both personally and professionally do not wish to be visible in the workplace for a multitude of reasons.

DEFINING

gender

How your identity relates to society's classification of what it means to be a woman, man, neither, or a mix of many genders. Gender is social and cultural. For most people, their gender matches up with the cultural expectations of the sex they were assigned at birth, making them cisgender.

gender identity

A person's lived experience of being a man, a woman, or neither, or somewhere in between. Gender identity may be the same as the sex you were assigned at birth (cisgender) or not (transgender).

gender expression

The way a person expresses their gender externally (e.g. dress, hairstyle, and behavior). Gender expression also includes using pronouns (he, she, they) and facilities (like washrooms and change rooms) that match up with their sense of gender.



3 *WORKFORCE LOOKS DIFFERENT THAN THE CONSUMERS*

LGBTQ+ inclusion is not only the right thing to do -- for employees and consumers -- but it gives companies a significant business advantage. Companies that are LGBTQ+ inclusive are better placed to benefit from the large, growing, global spending power of the LGBTQ+ consumers, and as consumers demand socially responsible brands, companies matching their workforce with the consumer base allows brands to better anticipate the needs of all customers, have better share price performance, higher return on equity, higher market valuations and stronger cash flows. Assumptions about gender and sexual orientation play a key part in product development and marketing campaigns, so holistically rethinking its view of gender will help companies better serve and reach LGBTQ+ consumers.

Understanding the needs and expectations of our LGBTQ+ consumers also allows Brown-Forman to address consumers that have intersecting identities with their sexuality, race, and gender. Brown-Forman must continue to evolve its workforce to match its current and future consumer base, and currently we have work ahead of us to fully capitalize on the value of including the LGBTQ+ consumer which, according to the aforementioned Statista research, is 23% of global spirits consumers. Based on current Workday data, Brown-Forman has self-identified LGBTQ+ employees representing 1.5% of the U.S. salaried workforce. Assuming that we have 54% of people who are out at work (because HRC reports 46% of LGBTQ+ workers remain closeted), we can estimate that 2.7% of the Brown-Forman population is LGBTQ+, which is lower than the 5.6% of the U.S. population that is believed to be LGBTQ+. Beginning in F22, we've had approximately 200 people indicate their gender/sexual orientation in Workday, and

we will continue tracking as employees update their gender identity or sexual orientation.

4 *CURRENT RESOURCES MAY NOT SUPPORT FUTURE GROWTH*

While the Office of D&I remains a small yet mighty team of eight individuals, structural updates continue to be made to the team when needed to better align with the needs of the business. That being said, many of Brown-Forman's LGBTQ+ D&I efforts continue to rely on the diligent and hardworking volunteers of the PRIDE ERG, which is not ideal for long-term progress, especially on a global scale. With the ever-increasing need to support our internal D&I initiatives, the lean structure of the Office of D&I continues to be a concern when supporting global efforts and more will need to be done to achieve current and future goals.

5 MIDDLE MANAGERS FACE COMPETING PRIORITIES

Inclusivity does not stop at policies and educational events, but is shown through the individual behaviors and actions of leaders. Leaders have specific influence in this space, as demonstrating openness and a willingness to learn can speak volumes to employees. As acknowledged by EY, “Headquarters can talk forcefully about equality and inclusion, but the pace at which regional business units implement global LGBTQ+ policy and initiatives depends on a number of variables... [including the] priorities of local leaders and the perceived risks they are willing to take on behalf of LGBTQ+ personnel.” For companies

in emerging markets, where managing business growth can be the central focus, D&I, including LGBTQ+ inclusion, may drop down on the list of management priorities. Managers who have positive feelings toward LGBTQ+ people or who aspire to global leadership roles, may be personally motivated to align themselves with and promote global LGBTQ+ inclusion than managers who are not as supportive of the LGBTQ+ community. It should be a key goal, however, for all managers to create an environment that cultivates worker morale and boosts retention, because doing so significantly impacts larger business opportunities. It should, therefore, continue to be Brown-Forman’s goal to invest in our culture of caring by providing tools and resources to make this possible.

6 INCONSISTENT ACCOUNTABILITY PREVENTS

Meaningful Change

In 2019, ambitions were instituted for women and people of color in *MSOBF: Gender & Race*, and with the launch of this strategy, Brown-Forman’s LGBTQ+ ambitions will now be established and measured. With the ability to offer self-identification for employees in the U.S., Brown-Forman will now be able to monitor and measure progress as we do for our gender and race ambitions to ensure organizational accountability. Brown-Forman intends to set LGBTQ+ ambitions in other countries according to legal guidance. This accountability puts Brown-Forman one step closer to creating the meaningful change we desire to see.



I am extremely proud to be a part of the PRIDE ERG and the meaningful efforts Brown-Forman has put forth to foster an inclusive workplace for our LGBTQ+ colleagues. Allyship is a golden opportunity for each of us to make a meaningful difference within Brown-Forman and beyond as we stand together in the pursuit of equality, acceptance, and mutual respect for everyone. I look forward to continuing to learn and grow with my colleagues because out of many spirits; we are one Brown-Forman.

— Luke Whitehead (He/Him), Diversity & Inclusion Business Partner - USA&C, PRIDE ERG D&I Advisor



“LGBTQ+ inclusion is especially important because, unlike so many other forms of diversity, this one is not visible and is, unfortunately, often kept secret. It is a test of an organization’s progress on its D&I journey to demonstrate inclusion of every individual, because we can’t know the ways in which any particular person might not feel a part of the dominant culture. LGBTQ+ inclusion is really a step towards the inclusion of everyone.”

— Matt Hamel (He/Him), EVP and General Counsel
PRIDE ERG Executive Sponsor



Opportunities

1 ENHANCE D&I BRAND AND INCREASE COMMUNICATIONS

In addition to internal policies that promote LGBTQ+ inclusion, companies are being called to speak up and increase their communication around LGBTQ+ matters. In recent years, many companies have started to demonstrate public support to the LGBTQ+ community by featuring corporate logos with a rainbow on their social media platforms; showing support and sponsorship of PRIDE events and parades; and partnering with LGBTQ+ celebrities and influencers. Some members of the LGBTQ+ community, however, describe the once revolutionary messaging that a rainbow logo communicates now as “rainbow capitalism”, a term used to describe companies that heighten consumerism without leading to meaningful improvements for the community. When a company matches its private internal policies with its outward-facing, public positions on LGBTQ+ D&I, it demonstrates authenticity to its employees, shareholders, and consumers about the importance of LGBTQ+ inclusion. For Brown-Forman, our public stance takes the form of corporate statements, financial support, social media presence, and consumer-facing brand activation.

In FY20 Global Community Relations donations, which includes Corporate contributions and the Brown-Forman

Foundation, contributed \$13 million to mission-driven organizations that enhance arts and cultural living, ensure essential living standards, and empower responsible and sustainable living with a focus on our headquarters' location of Louisville, Kentucky. Of the \$13 million, less than 1% was allocated to LGBTQ+ focused nonprofit organizations. In FY21, seven LGBTQ+ organizations applied for Global Community Relations funding, and six of these organizations received a grant. The total amount contributed to LGBTQ+ organizations in FY21 increased by 18%, which included a Brown-Forman Foundation grant to the Louisville Youth Group West End Queers program. Brown-Forman Global Community Relations is committed to partnering with PRIDE to understand the ERG's community priorities and identify non-profit organizations that are strategically aligned.

Historically, Brown-Forman has assumed a relatively quiet and low media profile with our primary focus on public relations for our consumer brands; however, there is an opportunity to seek more coverage and build more goodwill towards the company and people behind our brands. Within the past two years,

Brown-Forman has addressed this opportunity by increasing its social media presence and providing timely and engaging content highlighting the PRIDE ERG, awards and certifications received, like HRC, and Pride Month celebrations on Instagram, Twitter, and LinkedIn.

Brown-Forman's LGBTQ+ D&I practices were recently challenged when Justin Thomas, professional American golfer and Woodford Reserve spokesperson and Brand Ambassador, was heard using a homophobic slur at the Sentry Tournament of Champions in Hawaii on January 9, 2021. Thomas was dropped by another sponsor, Ralph Lauren, on January 15, shortly after the incident occurred; Ralph Lauren's statement said that "his actions conflict with the inclusive culture that we strive to uphold." After discussions between

the Woodford Reserve brand team, PRIDE ERG membership, and Brown-Forman Executive Leadership Team, Brown-Forman announced on February 12, 2021, that Thomas's sponsorship would not be renewed after it expired in April and sales of Thomas's Woodford Reserve bottles would be suspended immediately. The company also made a commitment to refer Thomas to national and local organizations that work to end discrimination against LGBTQ+ people. Following this incident, Brown-Forman announced that we would be reviewing and updating all sponsorship agreements to ensure that they make clear our expectations of living our core value of respect. This homophobic slur was a learning moment for both the American golfer and Brown-Forman.



2 UNDERSTAND D&I DATA & METRICS

As stated in *MSOBF: Gender & Race*, it is important to understand the full range of the data we are collecting to be held accountable and successful for achieving our D&I strategy and initiatives. In regards to LGBTQ+ metrics, we have only just begun collecting it, and are limited in doing so.

In 2020, 54% of the 1,049 companies that completed the Human Rights Campaign's Corporate Equality Index allow LGBTQ+ self-identification for their employees. Those companies that did found increased engagement from LGBTQ+ employees and greater opportunities for career support

and advancement. Historically, many companies, including Brown-Forman, have either been legally unable to obtain LGBTQ+ data for their employee population or have chosen not to in an effort to protect employee privacy and safety. In June 2021, Brown-Forman began collecting this information on a voluntary basis in the U.S., but this is still a challenge in other countries. We continue to explore the collection of self-identification data in other countries, because in addition to being restricted due to legal limitations, many places where we are located or do business are not safe for employees to be "out" due to the external political and social environment. As we are able to track LGBTQ+ data, it will be included in the D&I Dashboard for transparency and accountability on a quarterly basis. U.S. data will be available at the beginning of FY23.

3 IMPROVE INDIVIDUAL, LEADER, & ORGANIZATIONAL ACCOUNTABILITY

Setting LGBTQ+ representation ambitions has been, and will continue to be, an area of opportunity for Brown-Forman. While we are legally required to identify an employee's gender and race in the U.S., we are dependent on self-identification if they are LGBTQ+. We will continue to be cognizant and careful to avoid pressuring individuals to identify their sexual orientation or gender identity if they are not comfortable. An inclusive environment is critical for individuals to feel psychologically safe enough to share this information with us, and we can contribute to this through continued D&I training and allyship.

“

I want our company to be a safe place for all LGBTQ+ identified colleagues to be 'out.' If we are going to truly be an organization where we all are encouraged to "bring our best selves to work," then that aspiration can be no less true for the LGBTQ+ community. Because being out is not a one-time occurrence, our LGBTQ+ coworkers often spend an inordinate amount of time calculating how safe it is to be "out", person after person. That questioning can be psychologically exhausting and can result in a loss of energy, self-esteem, time, productivity, and creativity. I want all of our LGBTQ+ colleagues and allies to feel that in this community called Brown-Forman, they have found a home where they are comfortable bringing their best in order to be their best.

— Ralph de Chabert (He/Him)
SVP, Global Chief Corporate Citizenship Officer



Allyship not only increases accountability, but has a powerful influence in supporting and enabling LGBTQ+ individuals to bring their best selves to work. According to McKinsey & Company, focus groups and interviews with LGBTQ+ leaders globally have shown that powerful moments of active allyship, where leaders around them have taken a visible, authentic stance, either in support of an individual or the community broadly, have had significant impact on an employee's career trajectory. All Brown-Forman employees are now required to have a Performance & Growth Planning goal tied to D&I, and training for middle managers to handle bias is one way to help build accountability. In order to increase LGBTQ+ allyship, we must encourage straight and cisgender employees to actively seek opportunities to expand their knowledge, update their language, and heighten their awareness of LGBTQ+ issues. Ally initiatives help create more champions for LGBTQ+ people and practices at all levels of the organization, ultimately creating a safe space for LGBTQ+ individuals, particularly in parts of the world that are more hostile to LGBTQ+ inclusion. An environment of safety and trust begins at the top. As such, it is critical for senior/ executive leadership to

illustrate and articulate their own D&I journey to role model what is acceptable behavior and what is not.

Increasing accountability will not only come from LGBTQ+ allies, but will happen as a result of setting LGBTQ+ ambitions and tracking appropriate metrics.

4 CONTINUE D&I FOCUS IN GLOBAL TALENT ACQUISITION

It is important for Brown-Forman to recruit and retain LGBTQ+ talent, but it is also incredibly difficult for us to identify qualified LGBTQ+ candidates.

Due to legal restrictions, we cannot determine whether candidates are LGBTQ+ unless they voluntarily disclose the information themselves. Today, Brown-Forman is doing everything we can at the moment to continue our commitment and focus on D&I during the recruitment process, but over time we hope to have the opportunity to ask candidates to self-identify, LGBTQ+ status as a measure of our balanced slate initiative. For now, the biggest challenge is finding LGBTQ+ applicants all over the world.



It's critical to have allies at work and in your everyday life to help foster a culture of acceptance and inclusion. On a personal level, there's no better feeling than when an ally shows up for you. Whether they stand with you, walk with you, listen to you, or advocate for you and the community, those actions are lasting and truly matter.

—Elizabeth Jent, Lead Financial Analyst, Brand Analytics

PRIDE ERG Steering Committee Member

Former PRIDE ERG Co-Lead & Current Steering Committee Member

Currently, Brown-Forman has invested in LGBTQ+ focused forums, websites, and educational initiatives. The Global Talent Acquisition (GTA) team continues to evolve to educate interview panels, hiring managers, and stakeholders to identify and manage biases in the hiring process, with D&I being a competency that is now required in all Targeted Selection interview processes, for all global job levels. Our GTA team is also proud to vocalize our inclusive and LGBTQ+ friendly culture during conversations with candidates. GTA and the B-F Brand & Communications team also manage a D&I Life Page on LinkedIn, where any LinkedIn user can go to learn about our approach to D&I.

In addition to posting salaried, corporate roles to [LGBTQ Jobs](#), the GTA team created a company page in the largest LGBTQ site in Europe, [LBGTJobSite](#). Brown-Forman has also joined [myGwork](#) – a business community that connects LGBTQ+ professionals, inclusive employers, and allies who believe in workplace equality. MyGwork has more than 200 member organizations and 750,000 monthly visitors worldwide. Brown-Forman's company page will include a career section, where open positions will be advertised on the job portal, allowing us to attract talent and to continue to shape our inclusive culture.

“Intersectionality isn’t just about differences in the experience of lesbian versus a bisexual man versus a gay man. It’s also about, for example, members of the community who are people of color - the race or ethnicity they identify with and how that influences their experience.”

— Diana Ellsworth, Leader of McKinsey's diversity, equity, and inclusion work
“McKinsey & Company: LGBTQ Inclusion in the Workplace”



5 FOCUS ON INCLUSION

Employees who face “onlyness,” or being the only one on a team or in a meeting with their given gender identity, sexual orientation, or race, are less likely to feel included than employees who see people like them in their workplace. Employees who cross multiple dimensions (for example, being a minority in both gender and sexual orientation) report more stress and pressure to “perform.” LGBTQ+ women -- especially women of color -- experience the sense of “onlyness” often in corporate environments. LGBTQ+ women are twice as likely as women overall to report being an “only,” and they’re seven times more likely to say so than straight white men. LGBTQ+

women of color are also eight times more likely than straight white men to report onlyness.

Despite decades of work to help employees in the corporate world balance work and family life, LGBTQ+ individuals still experience a range of additional challenges related to their stigmatized family identity, with specific concern around equal access to paid family and medical leave. While many of the experiences are the same as their heterosexual colleagues -- like work time interfering with family time -- there are added tensions over whether to take advantage of family-related benefits for fear of revealing their same-sex relationship, feeling conflicted over whether to bring their spouse or partner to work events, and feeling uneasy about discussing family-related challenges with colleagues. Employees with families that don’t fit the traditional definition of a “nuclear family” (of female and male) don’t feel entirely safe to talk about their family at work so they suppress information unless with coworkers they trust. It is imperative that Brown-Forman continue to focus on adopting policies, benefits, and initiatives that communicate inclusivity for all family types. This includes targeted transgender initiatives, such as “Transition



Guidelines” for the company, managers, and colleagues to best support employees who are transitioning genders, along with ensuring other policies use gender-neutral or gender-inclusive language to acknowledge all genders who can be impacted by life changes like childbirth (“people” versus “women/mothers”).

Practices like utilizing inclusive language (“partner” versus “husband or wife”, “everyone” versus “ladies and gentlemen”), examining benefits packages to actively include varying family and transitioning support, adding pronouns to employee profiles and signature lines, and using LGBTQ+ imagery in corporate communications (same-sex couples, etc.), is a simple yet powerful way to communicate inclusivity to employees. For people who speak gendered languages (where all objects are classified

as masculine or feminine) such as Spanish, French, Portuguese, and Arabic, daily references to the binary groupings can be isolating for those that do not identify as male or female, but gender-neutral pronouns are becoming more acceptable.

A HBR study across 14 countries showed that LGBTQ+ employees place great value on structural interventions to accommodate a broader gender orientation (such as gender-neutral bathrooms or non-binary gender choices in surveys). A poll conducted by IBM showed that 82% of participants said they feel more comfortable at work when other employees display their pronouns. Employees feel most included when their day-to-day experience (authenticity to be themselves, belonging and connectedness with others, and meaningful work) and their perceptions of organization support (acceptance,

camaraderie, and fairness) are positive. This, in turn, has positive effects on mental health, as LGBTQ+ individuals then feel psychologically and physically safe.



“Gender-neutral language isn’t about replacing an old norm with a new one. People have the right to self-determine their gender whether it be a man, woman, or a nonbinary gender. The goal of gender-neutral language is to get rid of gender normativity, not everyone’s gender.”

— Alok Vaid-Menon (They/Them)
Author of *Beyond the Gender Binary*

6 INCREASE AWARENESS & EDUCATION TO EXPAND THINKING & BUILD CAPABILITIES

Expanding our thinking and building capabilities can be accomplished through increased awareness and education in the workplace, such as ally programs, educational events, and, more simply, basic vernacular frequently used, like expressing pronouns and non-gendered greetings. It's important that Brown-Forman is aware of the daily challenges LGBTQ+ individuals face and customizes its efforts to raise awareness in culturally appropriate ways.

In a 2018 HRC survey, 45% of LGBTQ+ respondents felt

enforcement of their company's non-discrimination policy was dependent on their supervisor's stance towards LGBTQ+ people. In addition, the main reason they would not confide in their supervisor or HR partner about negative comments regarding their gender or sexual orientation was that they didn't think action would be taken, and they did not want to risk damaging relationships with coworkers. A survey by McKinsey & Company found that LGBTQ+ women, especially bisexual women, experience more microaggressions than straight women (+13%) and straight men (+28%), respectively. Employees who are transgender, however, tend to face the sharpest barriers in the workplace, as they are almost twice as likely to hear sexist jokes or demeaning comments about trans people, and are more than three times more

likely to feel like they can't talk about themselves or their life outside work.

Because of the unique perspectives and nuanced spectrum of the LGBTQ+ experience inside and outside of Brown-Forman, it is critical that awareness and educational opportunities be available to increase understanding of the barriers and challenges that remain, particularly for intersecting identities, including the conventional norms, or neat stereotypes surrounding what it "looks like" to be LGBTQ+. Brown-Forman employees can continue learning by accessing resources like the LGBTQ+ micro-courses housed on our internal learning management system, My Learning & Development, and the PRIDE ERG Google Site resources.



PRIDE FLAG

The Progress Pride Flag comprises 11 colors. White, pink, and light blue reflect the colors of the transgender flag. Brown and black stripes represent people of color. The traditional Gay Pride Flag includes red for life, orange for healing, yellow for sunlight, green for nature, blue for harmony and peace, and violet for spirit.

THE INTERSECTION OF DISABILITY, GENDER IDENTITY, AND SEXUAL ORIENTATION

People with disabilities are often overlooked within LGBTQ+ activism.

Disability cuts across age, race, gender, and sexual orientation, adding yet another dimension to how one experiences, and in this case accesses, the world around them. For many disabled LGBTQ+ people, their identity is diluted down to their disability, whether visible or invisible, with their sexual and/or gender diversity going unacknowledged and unsupported.

According to the LGBT Movement Advancement Project, there are an estimated 3-5 million LGBT people in the U.S. living with a wide spectrum of disabilities, including

sensory, physical, cognitive, and psychological abilities. In that same study, they report that two in five transgender adults are living with disabilities, compared to 27.2% of the general population. Disabled World states that among lesbian, gay, and bisexual adults, 30% of men and 36% of women have a disability. Research also shows that LGBT people who have a disability are also more likely to encounter additional challenges with employment and representation as well.

Those who live with visible disabilities are often forgotten or inadvertently denied accessibility due to a lack of disability accommodations. Physical barriers are not the factor that exacerbates exclusion for this community though. Many LGBTQ+ individuals also live with mental health

illnesses, including, but not limited to, anxiety, depression, and thoughts of suicide. Mental health struggles for members of this community can be influenced by a variety of factors, such as genetic disposition, cultural acceptance of their gender identity and sexual orientation, and support (or lack of) from family and friends.

Due to compounded discrimination based on sexual orientation, gender identity, and racial and ethnic identity, LGBT people who also live with disabilities may struggle to obtain and maintain jobs and have difficulty accessing support services like unemployment benefits and mental health services.



“It is challenging to have their identities fully recognized [,because] in spaces focused on disability, their unique experiences as LGBT people may not be recognized. And in LGBT spaces, services and facilities may not be inclusive or accessible.”

—LGBT Movement Advancement Project

Threats

1 LOW TURNOVER/SLOW GROWTH LIMITS DIVERSITY

Companies with moderate growth continue to face challenges as minimal turnover creates barriers for career development for current and potential talent. For Brown-Forman, there is long tenure both inside and outside of the U.S., with the average years of service of 11 for U.S., salaried, regular employees, and seven for non-U.S., salaried, regular employees) as of Q1 of FY22. In FY21, turnover was 5.30% for U.S., salaried, regular employees and 10.51% for non-U.S., salaried, regular employees. Long tenure and low turnover highlight the potential limitations for talent looking to advance vertically within a short period of time. In addition, low turnover limits the opportunity to hire diverse talent into the organization.

2 POTENTIAL FOR BUSINESS DECLINE

The beverage alcohol industry remains increasingly unpredictable as a result of the COVID-19 pandemic, with many suppliers negatively affected by the impact of ongoing supply chain

disruptions, including shortages in key packaging materials and shipping constraints. While medical advancements are being made every day in response to COVID-19, mandates around wearing a mask, social distancing, and vaccine protocols remain fluid. While ever-changing guidance from the World Health Organization, Centers for Disease Control, and local governments has made it difficult to maintain safety and productivity for our employees whose roles are essential to business continuity and require them to be in-person, Brown-Forman has proven largely successful in maintaining safety and productivity thus far. As mentioned in *MSOBF: Gender & Race*, business decline continues to pose a risk to all of our diversity initiatives.



“Open, inclusive, and diverse societies are better for business and better for economic growth... businesses thrive in tolerant societies and the spread of anti-LGBT+ policies runs counter to the interests of business and economic development.”

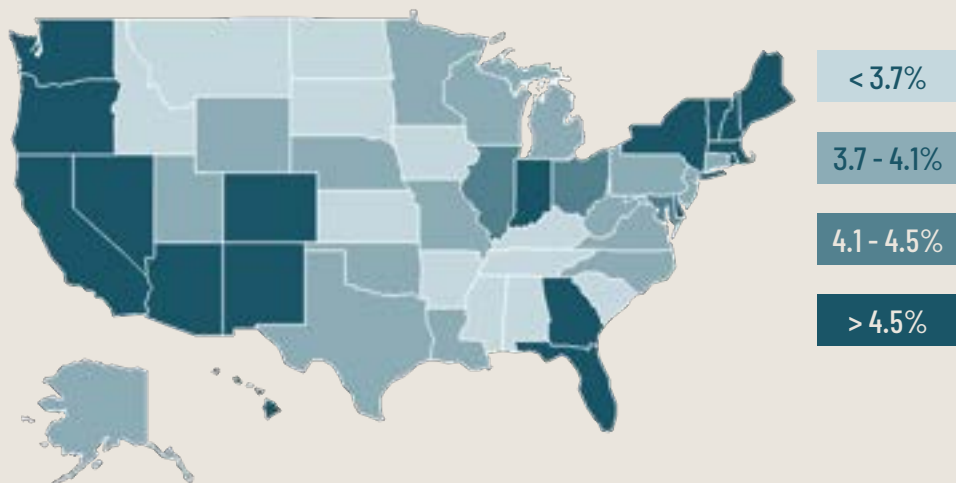
— *Open For Business, Strengthening the Economic Case*, 2018

3 TALENT ACQUISITION

As mentioned in *MSOBF: Gender & Race*, talent attraction remains difficult for companies like Brown-Forman that are headquartered in locations where LGBTQ+ rights aren't as progressive (pg. 53). In the U.S., states like Kentucky, where Brown-Forman is headquartered, or Tennessee, where the Jack Daniel Distillery is located, have a small population of self-identified LGBT residents (3.4% and 3.5% respectively) making it challenging to source and relocate LGBTQ+ talent. In comparison, states like Oregon (5.6%) and Massachusetts (5.4%), have a larger population of out LGBT people, suggesting they may be more desirable locations for LGBT people to live (Figure 5). Increased flexibility will create more opportunities to recruit employees outside of Louisville and other Brown-Forman office locations, however, many companies are following suit, tapping into that same talent pool and creating greater competition to attract and retain diverse candidates.

Potential employees can also quickly determine whether a company's environment is inclusive to the LGBTQ+ community through signals like the presence (or absence) of inclusive language; visuals on the corporate website and reviews on Glassdoor, LinkedIn,

LGBT PROPORTION OF POPULATION: UNITED STATES



Source: The Williams Institute, UCLA School of Law, LGBT Demographic Data Interactive

myGwork, and similar sites; the opportunity to designate pronouns or gender identity on a job application; and assumptions made during the interview process, such as presuming the candidate has a spouse or partner of a traditionally different gender when noticing their wedding ring.

This isn't the only point of consideration when prioritizing LGBTQ+ talent though. The safety and wellbeing of employees remain a primary concern for companies, like Brown-Forman, when relocating or hiring LGBTQ+ talent (and their families) in countries where a lack of legal protections and social, cultural, or political attitudes are not safe for LGBTQ+ people. Open for Business reports LGBTQ+ people

are willing to travel for short term and long term international assignments and permanent transfer opportunities, with LGBTQ+ laws and culture being the two most important factors (above healthcare and insurance) that influence the decision to take an assignment in another country. Despite this information though, 90% of LGBTQ+ respondents who have worked on an international assignment indicated that they did not receive information about LGBTQ+ laws, networks, and culture before or after being offered the assignment.

In an effort to understand the relationship between willingness to relocate and the country's LGBTQ+ acceptance record, Open for Business surveyed respondents to determine countries they would and would not relocate to. Australia, Canada, France, Germany, Netherlands, Spain, the

U.K., and the U.S. scored highly desirable, with Iran, Iraq, Qatar, Russia, Saudi Arabia and UAE receiving low scores. A comparative analysis between the desirability of countries and a measure of the human rights protections for LGBTQ+ people was also conducted by Open for Business. This study revealed similar findings, with the U.S. being an outlier due to lower performance with human rights protections and high social acceptance scores.

As we consider acquiring LGBTQ+ talent, it is important to note that challenge extends beyond the span of control of our internal Global Talent Acquisition team. It is crucial that Brown-Forman gains a broader understanding of how to attract LGBTQ+ talent and their families, along with knowledge of where it is physically safe and desirable to hire and relocate, in order to get ahead in the competitive global job market.

4 WAR FOR TALENT

As noted earlier, recruiting LGBTQ+ talent is critically important to Brown-Forman, but we must find a way to stand out from the competition to attract LGBTQ+ talent. According to McKinsey & Company, representation in corporate America is significantly lower than

in the general population, with LGBTQ+ women being underrepresented at every stage of the management pipeline compared to LGBTQ+ men. Despite the higher percentage of LGBTQ+ men, they remain underrepresented in corporate America.. The HRC Foundation's analysis of General Social Survey (GSS) data indicates that more than 5 million LGBTQ+ adults are employed in the service industry, including restaurants and food services, hospitals, K-12 and higher education, and retail industries. The limited representation of LGBTQ+ candidates in the corporate talent pool makes the war for talent that much more challenging for this demographic.

Given both our geographic limitations and the small number of LGBTQ+ people in corporate roles, it is particularly challenging for Brown-Forman to identify, hire, and retain LGBTQ+ employees. In addition, there is no data available that shows the confluence of these two factors, making it even more difficult to determine where to look for LGBTQ+ candidates.

5 GLOBAL WORKFORCE IS DIFFICULT TO REACH

As a multinational company, it is imperative that we are able

to work in collaboration with our colleagues across the globe. While the difficulties discussed in *MSOBF: Gender & Race* remain, reaching our global workforce in some countries is not only challenging because of language barriers and communications accessibility, but the bigger threat is that it is also dangerous to communicate about LGBTQ+ initiatives due to harsh political and social climates in certain locations.

6 POTENTIAL CONSUMER BACKLASH AGAINST D&I OBJECTIVES

People have, and will continue to have, diverse and varying viewpoints on the topic of LGBTQ+ issues. As Brown-Forman continues to leverage brands

like Chambord, Jack Daniel's, Tequila Herradura, and el Jimador to express support of the LGBTQ+ community, there will be consumer pushback, typically based on a lack of understanding or personal religious beliefs and sentiments. In addition to consumer backlash, we must also be aware of employee responses. We must continue to recognize the differences in beliefs amongst both our internal and external audiences not to alienate either segment from feeling a connection to our brands. We can do this by recognizing differences, yet being clear about our core value of respect and setting an example of the inclusive behaviors we desire to cultivate at Brown-Forman.



STRATEGIC DIRECTION:

WHERE WE ARE GOING



VISION

Create an environment where leveraging D&I occurs naturally, giving us a sustainable marketplace advantage.



MISSION

We will **create an inclusive culture** that values diversity and encourages trust, openness and mutual support so that **we can each bring our best selves to work.**

We will **build high-performing teams** composed of diverse skills, cultures and experiences.

We will **demonstrate diversity and inclusion** leadership across our business and be recognized internally and externally as one of the **best places to work.**

MEASURING SUCCESS

With the depth and breadth of importance that D&I will have on Brown-Forman's future, it is critical the company establishes a method to gauge its progress. To do this, Brown-Forman will set aggressive, yet achievable, D&I ambitions, and measure its progress towards these ambitions via a number of key performance indicators.

2030 LGBTQ+ Ambition

Brown-Forman intends to increase its self-identified LGBTQ+ population among salaried U.S. employees, growing from 2% to 6% by 2030. We recognize that there are inherent challenges of a metric where voluntary disclosure is the only quantitative way to measure success, particularly in an area that is as personal as gender identity and sexual orientation. Therefore, qualitative measures will also be factors in determining our success. We will set ambitions in other countries when the collection of relevant data is determined to be legal.

While increasing LGBTQ+ diversity globally is a priority, we are not currently able to set ambitions outside of the U.S., as we are unable to track LGBTQ+ data in many other countries. In addition, certain cultural norms and local laws make it dangerous for individuals to self-identify. However, in the future, we do expect to offer self-identification opportunities in other countries where it is legal and safe to do so in order to establish ambitions by country.

Brown-Forman has already instituted policies that support and protect our LGBTQ+ employees, including non-discriminatory workforce protections, same-sex spousal/partner benefits, gender dysphoria (GD) benefits, a global Employee Assistance Program through OPTUM, gender neutral dress code and personal appearance policy, and the ability for U.S. employees to self-select pronouns, sexual orientation, and gender identity in Workday. To increase the number of self-identified

LGBTQ+ employees in the U.S. to 6% by 2030, Brown-Forman will need to invest time and resources into expanding the LGBTQ+ talent pipeline, understanding the career experience of its current LGBTQ+ workforce, and enhancing its diversity training to include learnings and metrics to track progress against our new LGBTQ+ ambition.

Because of the intersectional nature of the LGBTQ+ community, with members of every gender, race, ethnicity, religion, and national origin, increasing LGBTQ+ representation means increasing diversity across multiple dimensions. Winning the war to recruit and retain LGBTQ+ talent will require additional focus, along with gender and race, and career development programs targeted towards LGBTQ+ employees.

KEY PERFORMANCE INDICATORS (KPIs)

Brown-Forman established six (6) KPIs in *MSOBF: Gender & Race*, which will help determine the company's success in achieving our D&I vision and mission. This will also allow us to identify areas of opportunity in a timely manner for continued focus and growth. Specifically, we will measure:

1 POPULATION: MEASURING LGBTQ+ DIVERSITY WITHIN APPLICABLE LEGAL CONSTRAINTS (QUARTERLY)

External Hires: Review the LGBTQ+ self-identification data of individuals joining Brown-Forman.

Total Population: Review B-F total population in the countries we are measuring to compare against baseline.

Country Population: Where applicable, review country population to check progress within each location. Reviews may be limited depending on the availability (legal or otherwise) of data.

2 REPRESENTATION: COMPARING B-F POPULATION TO THE TALENT POOL (ANNUALLY)

Brown-Forman Population vs. Talent Pool: Adding self-identifying LGBTQ+ representation to the quarterly D&I Dashboard, beginning in FY23.

Review employee representation against the broader population, recognizing that we have limited

data available around the number of LGBTQ+ people in the talent pool and where they are located, making it more difficult to measure progress.

3 PRESENCE: MEASURING THE SELF-IDENTIFIED LGBTQ+ DIVERSITY OF MANAGEMENT LEVELS IN COUNTRIES THAT CAN BE MEASURED (BI-ANNUALLY)

Review self-identifying LGBTQ+ diversity of management levels in countries that can be measured, acknowledging that in order to protect the anonymity of our LGBTQ+ employee population, reporting this information by management level may be difficult or not recommended after Legal and HR review.

4 ENGAGEMENT: MEASURING EMPLOYEE COMMITMENT TO B-F (AS AVAILABLE)

Engagement + Enablement Surveys: Review B-F engagement and enablement scores across self-identifying LGBTQ+ employees in all countries where possible.



STRATEGIC PRIORITIES:

HOW WE WILL GET THERE

STRATEGIC IMPERATIVES

Brown-Forman has established six strategic imperatives that will enable the company to achieve its long-term D&I mission and vision where all employees can bring their best selves to work. These imperatives are intended to serve as a global framework, yet as this is rolled out to Brown-Forman employees across the world, it will need customization to the local culture, laws, and people needs. Although these imperatives were established in the Gender & Race edition, we believe that they can extend to now include the 2030 LGBTQ+ ambition.

1. *Build & Communicate a Recognizable D&I Brand*
2. *Define & Build Inclusive Leaders*
3. *Win the War for Diverse Talent*
4. *Retain Proportional Talent*
5. *Leverage Data & Technology to Measure, Inform & Influence Change*
6. *Build Leader & Organizational Accountability into Existing Systems & Processes*

STRATEGIC INITIATIVES

The established, long-term strategic imperatives from *MSOBF: Gender & Race* remain the same with the addition of critical initiatives over the next two fiscal years focusing specifically on LGBTQ+ D&I:

1 *BUILD & COMMUNICATE A RECOGNIZABLE D&I BRAND*

Create and launch communications plans for Many Spirits, One Brown-Forman: Diversity & Inclusion Strategy 2030 -- LGBTQ+ Edition.

Engage an LGBTQ+ diversity consultant to review D&I vision and mission.

Ensure that the Office of D&I supports ongoing individual and organizational education on LGBTQ+ related issues.

Further develop Global Talent Acquisition (GTA) tools (internally and externally) to proudly communicate Brown-Forman's commitment to LGBTQ+ employee inclusion.

2 *DEFINE & BUILD INCLUSIVE LEADERS*

Ensure that the LGBTQ+ experience is represented in the Lead Better: Inclusive Leadership @ B-F program.

3 *WIN THE WAR FOR DIVERSE TALENT*

Expand the LGBTQ+ talent pool and create feeder candidate programs.

Win the war for LGBTQ+ talent by ensuring that candidates see Brown-Forman as an LGBTQ+ friendly company by leveraging branding materials and social media to showcase our commitment.

4 *RETAIN PROPORTIONAL TALENT*

Cultivate a pipeline of LGBTQ+ leaders by expanding current development and accelerator programs for women and people of color to include LGBTQ+ talent to ensure LGBTQ+ talent have equitable



opportunities to move into senior leadership roles (i.e., rotational programs, The Advocacy Program, Sales Leadership Accelerator Program, The Championship Program, etc.)

5 LEVERAGE DATA & TECHNOLOGY TO MEASURE, INFORM, AND INFLUENCE CHANGE

Set, track, and communicate LGBTQ+ ambition(s) in countries, where applicable.

Include LGBTQ+ metrics in Quarterly D&I Dashboard, including sexual orientation and gender identity.

Use E+E surveys to obtain focused LGBTQ+ data and track progress to the degree possible, legal and otherwise.

6 BUILD LEADER & ORGANIZATIONAL ACCOUNTABILITY INTO EXISTING SYSTEMS & PROCESSES

Incorporate LGBTQ+ initiatives in ELT D&I bonus assessment.

Construct gender-neutral restrooms across B-F owned properties.

Partner with the Brown-Forman Global Community Relations team to develop recommendations for contributions to LGBTQ+ organizations through Brown-Forman charitable contributions, leveraging the *Many Spirits, One Brown Forman: Gender & Race* commitment to contribute to diverse organizations.

Seek opportunities with supplier business groups or data sources for LGBTQ+ businesses to encourage registrations into the BF Diverse Supplier database that will be a supplier source for procurement needs.

Develop a strategic LGBTQ+ consumer-facing approach in partnership with Global Marketing.

Ensure that our US bases contractors are in compliance with non-discrimination policies

In partnership with the Office of D&I, reassess third-party vendor options in RFP process for harassment and discrimination eLearning training to ensure the content is inclusive of the LGBTQ+ community.



D&I @ B-F: A GLOSSARY OF TERMS

ABLEISM

Systematic exclusion and oppression of disabled people by defining and characterizing people with disabilities as inferior to the non-disabled.

AGENDER

Individuals who identify as not having a gender.

BIPOC

Black, Indigenous, People of Color

CISGENDER

People whose gender identity corresponds with their sex assigned at birth.

CISHET

People who are both cisgender and heterosexual.

CLOSETED

Metaphor used for LGBTQ+ people who have not disclosed their sexual orientation or gender identity to those around them.

CONVERSION THERAPY

Range of dangerous and discredited practices rejected by mainstream medical and mental health organizations for falsely claiming to change a person's sexual orientation, gender identity, or expression.

COVERING

The act of trying to fit in by minimizing one's differences across four dimensions: appearance, affiliation, advocacy, and association.

D&I

Diversity and Inclusion

GENDER

How a person's identity relates to society's classification of what it means to be a woman, man, neither, or a mix of many genders. Gender is social and cultural. For most people, their gender aligns with the cultural expectations of the sex they were assigned at birth, making them cisgender.

GENDER DYSPHORIA (GD)

Clinically significant distress or impairment related to a strong desire to be of another gender.

GENDER EXPRESSION

The way a person expresses their gender externally (such as dress, hairstyle, and behavior).

GENDER IDENTITY

A person's lived experience of being a man, a woman, neither, or somewhere in between.

GENDER NEUTRALITY

The idea that policies, language, and other social institutions should avoid distinguishing roles according to people's sex or gender.

GENDER NONCONFORMING

Someone whose gender expression, presentation, behaviors, roles, or expectations do not adhere to what is considered "normal" for their gender.

GENDER QUESTIONING

When an individual explores their gender identity and considers how they want to express it.

GENDER TRANSITION

Process by which a transgender person begins to live their life in a way that matches their gender identity, rather than their birth sex.

GENDER FLUID

Someone who has a gender identity that isn't fixed but varies over time.

GENDERQUEER

People who identify as neither just male or just female, but as both, neither, or some combination.

HETERONORMATIVE

Assumes gender binary and sexual and marital relations are most fitting between people of opposite sex.

INTERSECTIONALITY

Describes the many prejudices individuals face as a result of their multiple, overlapping identities and experiences such as race, class, gender identity, sexual

orientation, and religion. For a more detailed explanation, please visit page 22 of the MSOBF: G&R edition.

INTERSEX

Describes individuals whose biological sex varies in some way from our binary understanding of men's and women's bodies.

LAVENDER CEILING

Symbolic boundary specifically imposed on LGBTQ+ people to limit their professional advancement. Result of systemic bias and discrimination against LGBTQ+ people in the workplace and in society more broadly.

LGBTQ+

There are a variety of terms used by LGBTQ+ communities across the world to self-identify. We have chosen to use the term "LGBTQ+" throughout this document, with the "+" present to represent the fluidity of gender identity and sexual orientation that is not necessarily captured in 'LGBTQ'. You may notice other formulations such as 'LGBTI', 'LGB', 'LGBT', 'LGBTQ' as well. These formulations were used from direct quotations and/or data to represent certain identities in the LGBTQ+

community referenced by the source. These references are not intended to exclude a specific group, but accurately represent the source information.

NONBINARY

Term for people whose gender identity is neither solely male nor solely female.

OUT

LGBTQ+ people who have revealed and/or are public about their sexual orientation or gender identity to those around them.

QUEER

Generalized term when discussing gender identities and sexualities other than straight and cisgender.

SEXUAL ORIENTATION

Gender(s) someone is attracted to.

TRANSGENDER

An individual who has a gender identity that is not aligned with the sex they were assigned at birth.

APPENDIX

ACKNOWLEDGEMENTS & SOURCES



IN APPRECIATION

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	●	Crystal Peterson (She/Her)
	●	Luke Whitehead (He/Him)

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