Sustainability Accounting Standards Board (SASB) Disclosure Topics Industry Standards for Alcoholic Beverages



ENERGY MANAGEMENT

SASB METRIC	OUR RESPONSE	CODE
1. Total energy consumed (GJ)	2,997,811	FB-AB-130a.1
2. Percentage grid electricity,	17%	FB-AB-130a.1
3. Percentage renewable energy	14%	FB-AB-130a.1
	In March 2022, we began offsetting 100% of our U.S. electricity consumption. Although Brown Forman uses biogas and wood for energy, they are not third-party certified and are not included in this percentage given SASB definition/criteria. This percentage includes retired renewable energy credits from The East Forks Wind Power Purchase Agreement and on-site renewable energy generation. As of FY2021, 84% of Brown-Forman's electricity consumption is from renewable sources. See also 2022 Integrated Annual Report pg. 22.	

WATER MANAGEMENT

SASB METRIC	OUR RESPONSE	CODE
1. Total water withdrawn (m3),	3,690,204	FB-AB-140a.1
2. a. Total water consumed (m3),	2,333,546	FB-AB-140a.1

WATER MANAGEMENT, continued

SASB METRIC	OUR RESPONSE	CODE
2 b. percentage of each in regions with High or Extremely	Water withdrawn = 16%	FB-AB-140a.1
High Baseline Water Stress	Water consumed = 17%	
Description of water management risks and discussion of strategies and practices to mitigate those risks	Water is an essential component of our products, so the quality and quantity of available water is important to our ability to operate our business. Globally, our company faces some direct risks associated with water scarcity due to the location of our operations and the requirements for water in our production processes and finished products. This risk stems from constraints on the available quantity, quality, and cost of water supplies across our enterprise. However, the majority of our operations are not located in high or extremely high baseline water stress areas. If droughts become more common or severe, or if our water supply were interrupted for other reasons, high-quality water could become scarce in some key production regions for our products, including Tennessee, Kentucky, California, Finland, Scotland, Ireland, and Mexico, which in turn could adversely affect our business and financial results. Also within our supply chain, we utilize co-packers for final completion of products. These facilities, while outside our operational control, rely upon high-quality water to carry out their services. Any disruption to their operations could impact the production and delivery of products. To manage water risk, we have completed watershed risk assessments to evaluate watersheds we operate in that are considered at-risk or business-critical. Following the assessments, we have begun to develop multi-year mitigation plans to address risk. We also continue to focus on operational improvements in our use of water. We have formalized new water stewardship commitments to protect the health of key watersheds in our communities and create Net Positive Water Impact in water-stressed basins where we operate, so that all watershed users have sufficient access to the amount and quality of water that meets their needs.	FB-AB-140a.2

RESPONSIBLE DRINKING & MARKETING

SASB METRIC	OUR RESPONSE	CODE
Percentage of total advertising impressions made on individuals at or above the legal drinking age	See 2022 ESG Scorecard. U.S. only	FB-AB-270a.1
Number of incidents of non- compliance with industry or regulatory labeling and/or marketing codes	See 2022 Integrated Annual Report. There were two complaints made through industry regulatory agencies, but zero were upheld, including one complaint in India by ASCI. The ad was withdrawn from circulation, which ASCI took on record as an Informal Resolution of Complaint under reference 2201-C.3882.	FB-AB-270a.2
Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices	None.	FB-AB-270a.3
Description of efforts to promote responsible consumption of alcohol	See Alcohol Responsibility; See 2022 Integrated Annual Report pgs. 5, 19, 28, 31.	FB-AB-270a.4

PACKAGING LIFECYCLE MANAGEMENT

SASB METRIC	OUR RESPONSE	CODE
1. Total weight of packaging,	Brown-Forman is in the process of sourcing data for the majority of our markets.	FB-AB-410a.1
2. a. percentage made from recycled and/or renewable materials,	Brown-Forman is in the process of sourcing data for the majority of our markets.	FB-AB-410a.1
b. and percentage that is recyclable, reusable, and/or compostable	Brown-Forman is in the process of sourcing data for the majority of our markets.	FB-AB-410a.1

PACKAGING LIFECYCLE MANAGEMENT, continued

SASB METRIC	OUR RESPONSE	CODE
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	See 2022 Integrated Annual Report, pg. 22 In 2021, Brown Forman formalized new commitments on packaging to guide strategies to reduce the environmental impact of our packaging throughout its lifecycle. We are committed to 100% of primary packaging being recyclable or reusable by 2030, eliminating unnecessary and problematic materials and implementing circular product systems, significantly increasing the recycled content of product packaging materials by 2030.	FB-AB-410a.2
	The most significant packaging we use — and the most substantial in terms of environmental impact — are the glass bottles that hold our spirits. In fiscal 2022, Brown-Forman created a Packaging Council that meets regularly to discuss ways to improve packaging sustainability and glass use. As a result of this team's work, sustainability considerations are now part of all packaging design briefs.	
	Our Travel Retail business recently demonstrated its embrace of this commitment by setting interim goals to remove 100% of single-use plastic from promotions by 2023 and reduce 50% of gift packaging by 2027.	
	Design : At Brown-Forman, all projects that involve a new packaging format or a change to an existing packaging format are overseen by the Brown-Forman Project Management Office. These projects are required to go through the Brown-Forman Stage Gate Process, which includes a Sustainability Review.	
	Transportation : As part of the packaging design review, Brown-Forman works to optimize the size and weight of cases that are used to transport our brands to market. While ship cases (made from cardboard) are usually recyclable, they are not typically reused and thus represent an opportunity for additional reduction and innovation.	
	Working with Suppliers: Brown-Forman has regular, informal meetings with Tier 1 (those who supply materials directly to Brown-Forman production operations) packaging suppliers to discuss opportunities to improve the sustainability of packaging. Additionally, Brown-Forman is in the process of qualifying new PET bottles that contain 15% post-consumer recycled content as a replacement for bottles that do not contain any post-consumer recycled content.	

ENVIRONMENTAL & SOCIAL IMPACTS OF INGREDIENT SUPPLY CHAIN

SASB METRIC	OUR RESPONSE	CODE
Suppliers' social and environmental responsibility audit 1. Non-conformance rate and 2. Associated corrective action rate for (a) major and (b) minor non-conformances	At this time, we do not conduct environmental and social audits of our supply chain. In 2022, we completed a Human Rights and Modern Slavery risk assessment of our global supply chains. Based on the results of this risk assessment, a Human Rights committee was formed to develop and implement an improvement strategy to reduce the social risks and impacts of our supply chain. See also 2022 Integrated Annual Report, pg. 9	FB-AB-430a.1

INGREDIENT SOURCING

SASB METRIC	OUR RESPONSE	CODE
Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	While this metric reflects the range of our agricultural inputs sourced from high water-stressed regions, including agave, the agave plants do not require significant water for growth and are not known to contribute to water stress in the region.	FB-AB-440a.1
List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	Priority Beverage Ingredients: Agave, Barley, Corn, Grapes, Malted Barley, Rye, and Wood. From time to time, our priority beverage ingredients could be adversely affected by weather and other forces out of our control that might constrain supply or reduce our inventory below desired levels for optimum production. The effects of climate change, fires, diseases, and other agricultural uncertainties that affect the mortality, health, yield, quality, or price of the various raw materials used in our products also present risks for our business, including in some cases potential impairment in the recorded value of our inventory. Changes in weather patterns or intensity can disrupt our supply chain as well, which may affect production operations, insurance costs and coverage, and the timely delivery of our products. See also Form 10-K/A, Part 1. Item 1. Ingredients and Other Supplies, pg. 7 (for Fiscal year ended April 30, 2022)	FB-AB-440a.2

ACTIVITY METRICS

SASB METRIC	OUR RESPONSE	CODE
Volume of products sold	47.1 million 9-liter cases	FB-AB-000.A
Number of production facilities	20	FB-AB-000.B
Total fleet road miles traveled	13,623,316	FB-AB-000.C
	This number represents our global sales fleet business miles traveled and does not incorporate product distribution road miles.	

