



BROWN-FORMAN

**BOLDER.
BETTER.
TOGETHER.**

FY23

BOLDER.

Company Highlights

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Alcohol Responsibility

Environmental Sustainability

Goals & Progress

GHG & Energy

Water

TOGETHER.

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BOLDER. BETTER. TOGETHER.



What It Means to Us

In 1870, George Garvin Brown made a bold move by putting his whiskey in a sealed bottle. His creative spirit still motivates us today, as we make bold moves to expand our premium portfolio through partnerships, innovation, and global opportunities.

From the beginning, the words “Nothing Better in the Market” have been included on the bottles of Old Forester. These words serve as an inspiration for our ongoing commitment to improving our business growth, the communities in which we work, and the environment on which we depend.

This message from our founder has shaped Brown-Forman over its history, and deeply instilled values of integrity, respect, trust, teamwork, and excellence into our company culture. These values propel us to work together to bring out the best in each other and, in turn, our brands.

This unique and special blend, where we commit to being bolder and better, together, has guided our company for more than 15 decades. It fuels our consistent growth and top-tier returns to shareholders—a proud legacy we plan to deliver well into the future.

Unless otherwise noted, data are for our fiscal year 2023, which ended April 30, 2023.



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Our Integrated Strategy

As we strive to achieve our highest ambition of “Nothing Better in the Market,” our integrated strategy focuses on four key pillars: our portfolio, our geographies, our people, and our investments.

In addition, we have long prioritized topics like environmental sustainability, diversity and inclusion, community relations, and alcohol responsibility, and they are embedded into our corporate strategy to elevate their visibility and impacts. We call these efforts *Living a Spirit of Commitment*. To learn more about our commitments, progress, and performance, visit <https://www.brown-forman.com/our-commitments>.



The United Nations Sustainable Development Goals (SDGs) represent a commitment to deliver on 17 ambitious goals to create a more sustainable future for all. Below are the areas where Brown-Forman has the biggest potential to contribute to the SDGs, given our areas of expertise, strategic priorities, and initiatives:



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Environmental Sustainability

Doing our part to address climate change and care for the resources we share with our communities.

Portfolio

Building premium, iconic brands through innovation, acquisitions, and meaningful partnerships.

Alcohol Responsibility

Marketing our brands responsibly to consumers of legal drinking age (LDA) and empowering mindful choices around beverage alcohol.

Investment

Optimizing our capital allocation to deliver top-tier shareholder returns over the long term by fully investing behind our business, paying increasing regular dividends, opportunistically looking for acquisitions, and returning cash to shareholders.

Community Relations

Being a good neighbor and supporting our employees' community engagement in the many places we call home.

People

Empowering our people to lead beyond their roles, rapidly develop new capabilities, and live by our timeless values.

Geography

Fostering growth not only in the U.S., our largest market, but also around the globe, through integrated marketing and improved distribution routes to consumers.

Diversity & Inclusion (D&I)

Creating an environment where leveraging diversity and inclusion occurs naturally, giving us a marketplace advantage.



BOLDER.



With the disruption of a global pandemic largely behind us, consumers are reuniting to enjoy each other's company—and a drink. People are gathering with friends; returning to bars, pubs, and restaurants; reviving cherished traditions and celebrations; and traveling once again.



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OUR GLOBAL Perspective

5,600
EMPLOYEES
on 6 continents*

170+
COUNTRIES
where our
brands are sold

53%
OF SALES
outside the U.S.

25+
PRODUCTION
FACILITIES
around the world

*Excluding those employed on a part-time or temporary basis. Top employee locations: U.S., Mexico, and U.K.

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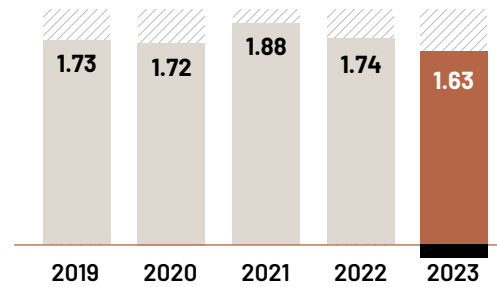
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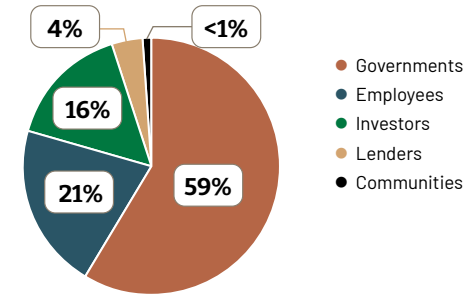
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Diluted Earnings Per Share*

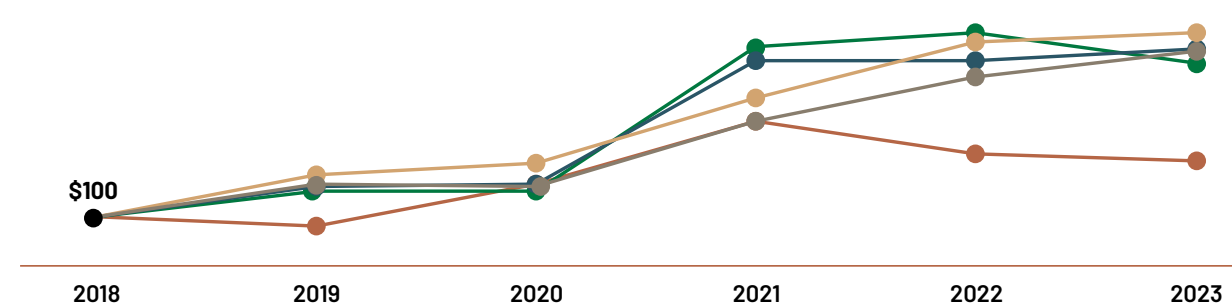


Cash Distributed to Stakeholders**



Five-Year Cumulative Total Shareholder Return vs. Index***

- Brown-Forman
- S&P 500 Total Return Index
- Dow Jones U.S. Consumer Goods Index
- Dow Jones U.S. Food & Beverage Index
- S&P 500 Consumer Staples (Sector) Index



	2018	2019	2020	2021	2022	2023
Brown-Forman Corporation	\$100	\$ 96	\$114	\$141	\$127	\$124
S&P 500 Total Return Index	\$100	\$113	\$114	\$167	\$167	\$172
Dow Jones U.S. Consumer Goods Index	\$100	\$111	\$111	\$173	\$179	\$166
Dow Jones U.S. Food & Beverage Index	\$100	\$114	\$113	\$141	\$160	\$171
S&P 500 Consumer Staples (Sector) Index	\$100	\$118	\$123	\$151	\$175	\$179

* Results for fiscal 2021 include a gain on sale of \$127 million (pre-tax) from the divestiture of Early Times, Canadian Mist, and Collingwood.

** We create economic value for stakeholders, including shareholders and employees around the world. We also donate funds and time to the communities where we live, work, and do business, and generate revenue for our lenders and for governments through taxes. This chart illustrates the estimated percent of total cash distributed by stakeholder group in fiscal 2023. Numbers may not add to 100% due to rounding.

*** \$100 invested on 4/30/18 in stock or index, including reinvestment of dividends.

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Every product in our portfolio is intertwined with natural resources, whether water, grains, grapes, agave, botanicals, or the trees to make our barrels.

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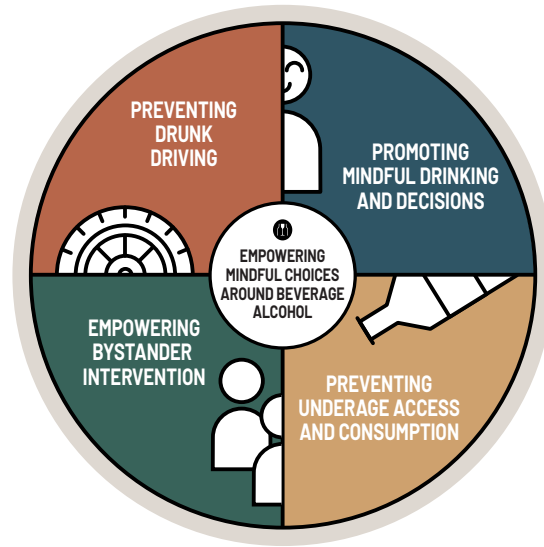
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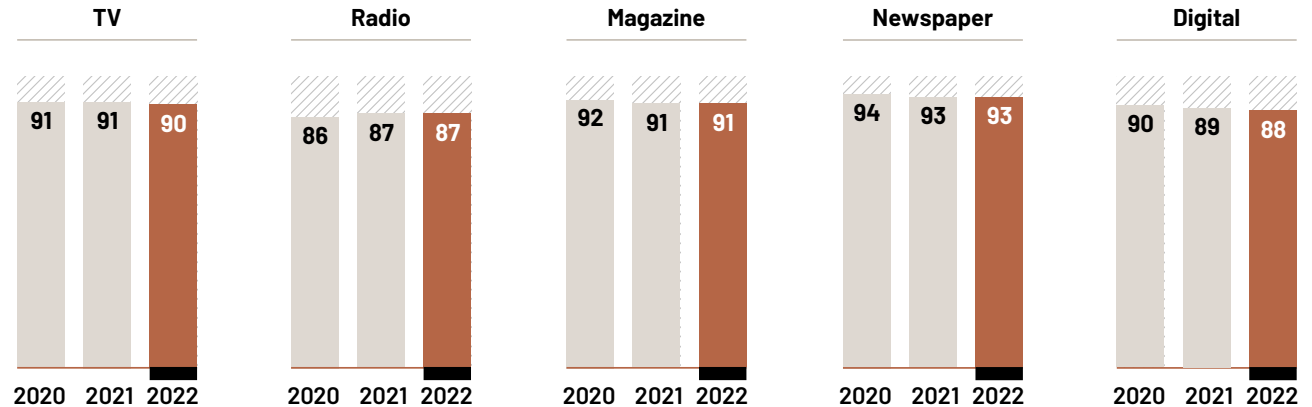
WE ENCOURAGE MINDFUL CHOICES AMONG HOSPITALITY PROFESSIONALS, EMPLOYEES, AND THE GENERAL PUBLIC.

Global Advertising Complaints/Complaints Upheld (2023)

COMPLAINTS	COMPLAINTS UPHELD
1	0

Alcohol Responsibility in Advertising (% media impressions LDA and above, U.S.)

Brown-Forman complies with all relevant beverage alcohol advertising codes, including the DISCUS Code where at least 73.8% of the viewers of each media placement is legal drinking age (LDA). Our buys on these compliant platforms generate cumulative total impressions of LDA viewers above 80% in each category.



[Read More About Our Commitment to Alcohol Responsibility](#)

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Our Environmental Goals & Progress

GOAL: Halve GHG emissions by 2030

PROGRESS: 14.8% reduction

- ◆ Developed a strategic roadmap of key initiatives to achieve this goal
- ◆ Conducted detailed energy efficiency assessments of our production sites
- ◆ Launched a program with suppliers to better understand and reduce carbon footprint

GOAL: Use 100% renewable electricity by 2030

PROGRESS: 88% renewable

- ◆ Offset more than 95% of our U.S. electricity usage through the East Fork Wind Project
- ◆ Installed a new rooftop solar array at Slane Distillery, which will provide approximately 5% of its electricity annually
- ◆ Approved a solar project at our Scotland bottling facility
- ◆ Explored solar projects in Mexico

GOAL: Achieve water balance for key watersheds by 2030

PROGRESS: Water risk measurement systems in place

- ◆ Partnered with Waterplan to monitor water risk at our Casa Herradura and Sonoma-Cutrer facilities
- ◆ Sonoma-Cutrer saved 1.8 million gallons of water between July 2021 and July 2022 through water efficiency projects, including new water recycling systems for barrel washing; use of fan-based systems, rather than water, to prevent frost; and employee-led water-saving programs
- ◆ Developed a plan at Casa Herradura for expanding reuse of treated water to offset groundwater use
- ◆ Partnered with other food and beverage companies on the Charco Bendito project to restore a critical watershed and natural area in Jalisco, Mexico, connecting nearly 300 people to clean drinking water

[Read More About Our Commitment to Environmental Sustainability](#)



Our Environmental Goals & Progress

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GOAL: Integrate circular economy principles by 2030

PROGRESS: New partnerships to drive reuse of glass and grain

- ◆ Began construction on a new anaerobic digester to convert spent grains from the Jack Daniel Distillery into renewable natural gas to help power the distillery and low-carbon fertilizer to help local farmers reduce their carbon footprint
- ◆ Launched “Bring Back Jack,” a campaign with the New Hampshire Liquor Commission encouraging consumers to bring empty glass spirits bottles back to state-controlled liquor stores in exchange for a coupon

GOAL: Offer 100% recyclable/reusable primary packaging by 2030

PROGRESS: New initiatives to expand the use of recyclable and reusable materials

- ◆ Worked to remove or replace materials that are not recyclable, such as single-use plastics from gift packaging
- ◆ Introduced a 50 mL bottle of Jack Daniel’s Tennessee Whiskey made with 15% post-consumer recycled plastic



[Read More About Our Commitment to Environmental Sustainability](#)

GOAL: Engage with 100% of our direct farmers on regenerative agricultural practices by 2025

PROGRESS: 72% of farmers engaged

- ◆ Engaged grain farmers to document their regenerative agriculture practices and encouraged grape farmers to achieve sustainability certification
- ◆ Co-hosted a Dendrifund gathering of nearly 100 stakeholders across the Ohio Valley to discuss how we strengthen connections in small grain value chains and find solutions for growing rye varieties that meet distillers’ specifications

GOAL: Source white oak logs from sustainably managed forests

PROGRESS: Working group in place to create new forestry commitments

- ◆ Joined Dendrifund in match funding to improve 2,000 acres of Tennessee woodlands, including 1,000 acres of white oak forest, in partnership with the Tennessee Forestry Association
- ◆ Planted five acres of white oak at the Old Forester Tree Nursery to study white oak sustainability and provide improved acorns for future white oak forest restoration
- ◆ Supported the White Oak Initiative as a founding member and major donor since its launch in 2017
- ◆ Celebrated a 25-year partnership with University of Tennessee’s Tree Improvement Program and another 30 acres donated at Jack Daniel Distillery Seed Orchards

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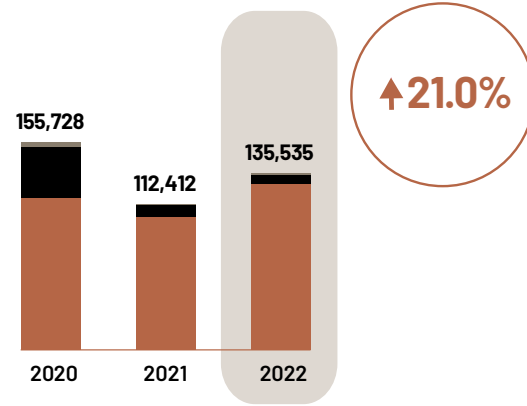
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Greenhouse Gas (GHG) Emissions*

Metric tons by direct, indirect, optional tCO2e



- Direct (Scope 1)
- Indirect: Market-based total, includes renewables (Scope 2)
- Optional: Business Travel (Scope 3)

*The emissions increase in F22 is driven primarily by a switch from biomass to natural gas at our largest distillery. Per The GHG Protocol, carbon dioxide emissions from the combustion of biogas are not included in scope 1 emissions, therefore the replacement of biomass with natural gas results in an increase in reported GHG emissions. We continue to reduce scope 2 emissions through the impact of our wind power purchase agreement. Percent change is from F21 to F22.

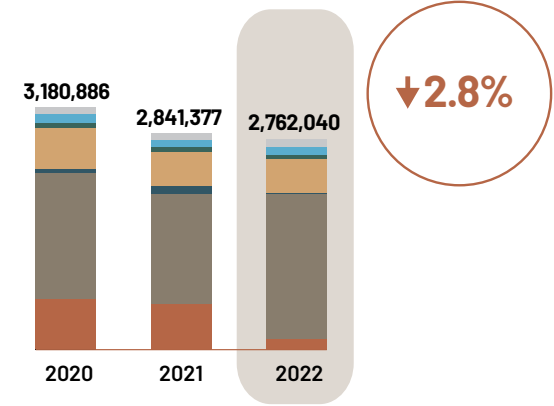
Direct emissions include use of fuel for stationary and mobile uses, including biogas, natural gas, and diesel. Indirect emissions include use of electricity, of which 88% is from renewable sources. Optional emissions are emissions associated with business travel. For direct emissions from use of fuels, we continue to invest in projects such as fuel switching and energy efficiency, aimed at lowering our GHG footprint. Brown-Forman's GHG inventory is verified annually with a limited level of assurance, in accordance with the ISO 14064-3 standard.

**Energy usage is determined from either direct metering or utility invoices. Numbers may differ slightly from previous reports, due to refining of data management systems. "Other" includes propane, gasoline, kerosene, and liquified petroleum gas. Percent change is from F21 to F22.

*** MMBTU: Metric Million British Thermal Unit

Energy Use**

Total use, MMBTUS***



- Coal
- Wood
- Natural Gas
- Fuel Oil
- Electricity
- Diesel
- Biogas
- Specialty Fuel
- Other

[Read More About Our Commitment to Environmental Sustainability](#)

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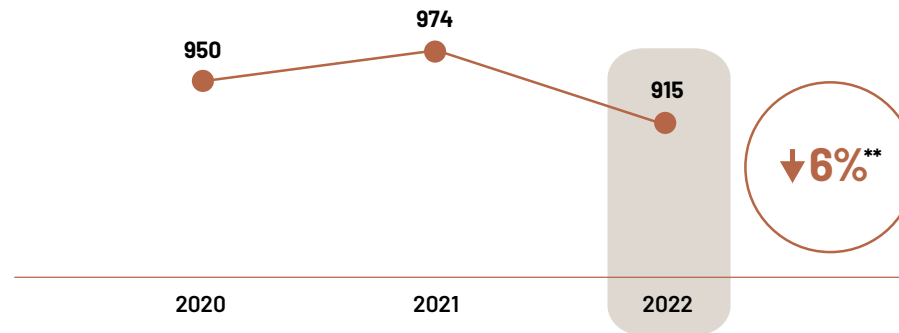
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Total Water Use*

(Gallons used, millions)



*Water use includes water withdrawn for owned production operations globally and owned vineyard irrigation. Data excludes leased commercial offices.

**Decrease due to improved water use efficiency and increased reuse of water across our largest production operations.

[Read More About Our Water Use](#)

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Based on our values of integrity, respect, trust, teamwork, and excellence, we're inspired by what's possible when we bring people together.

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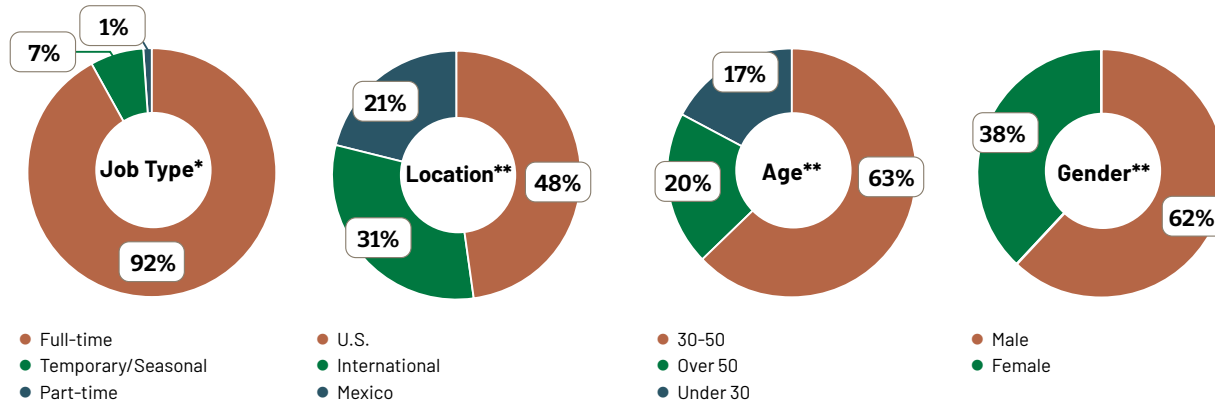
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Global Workforce Demographics



* Full-time and Part-time categories include regular and expat employees. Temporary/seasonal includes all other employee types besides regular and expats.
 ** Includes regular and expats, salaried and hourly, full-time employees.
 Numbers may not add to 100% due to rounding.

U.S. Workforce Demographics*

	FEMALE	MALE	WHITE	BLACK	LATINO	ASIAN	OTHER
BOARD	33 %	67 %	92 %	8 %	—	—	—
EXECUTIVE LEADER	42 %	58 %	83 %	8 %	6 %	3 %	—
BUSINESS LEADER	43 %	57 %	78 %	10 %	8 %	4 %	—
LEADER	50 %	50 %	81 %	7 %	6 %	2 %	3 %
PROFESSIONAL	63 %	37 %	76 %	10 %	7 %	3 %	3 %
PRODUCTION	20 %	80 %	76 %	16 %	6 %	—	2 %
TEMPORARY/SEASONAL	59 %	41 %	76 %	16 %	6 %	—	2 %

*Diversity data of all employees working in the U.S. as of April 30, 2023. Ethnicity data is based on self-disclosed employee information. Board data includes all Directors (U.S. and international). Numbers may not add to 100% due to rounding. "Other" includes 2+ races, Native American, Alaskan Indian, or categories left blank.

[Read More About Our D&I Commitments](#)

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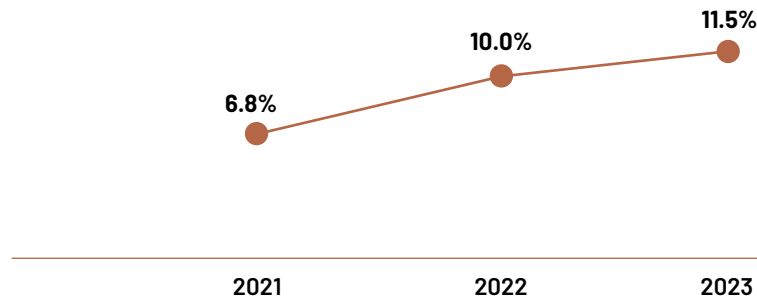
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Global Voluntary Turnover*



* Turnover for full-time hourly and salaried, regular and expats. Includes voluntary retirements.

[Read More About Our Employee Engagement](#)

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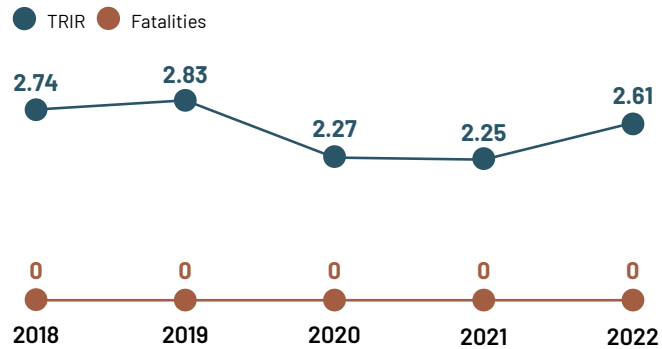
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Total Recordable Injury Rate

Percent per 100 full-time employees



Recordable injuries, including any work-related accident involving global production and Louisville corporate employees. We attribute our performance to capital investments and continuous improvement with pinpointed loss control initiatives to address specific injuries and illnesses. We have experienced no work-related fatalities globally over this time.

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2030 Diversity & Inclusion Ambitions

2030 AMBITION	PROGRESS THROUGH FY23
50% women in professional- and leader-level positions globally	49%
40% women in senior-leadership positions globally	43%
25% people of color salaried U.S. workforce	20%
6% individuals who self-identify as LGBTQ+ among salaried U.S. employees	3%

[Read More About Our D&I Commitments](#)

Supplier Diversity, U.S.

2030 AMBITION	PROGRESS THROUGH 2023
16% spend with women- or minority-owned businesses in locations where diversity categories are tracked by the government	13%

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\$6.6M

BROWN-FORMAN
CORPORATE CHARITABLE
CONTRIBUTIONS

\$8.5M

BROWN-FORMAN
FOUNDATION
CONTRIBUTIONS

13,000

GLOBAL VOLUNTEER HOURS

201

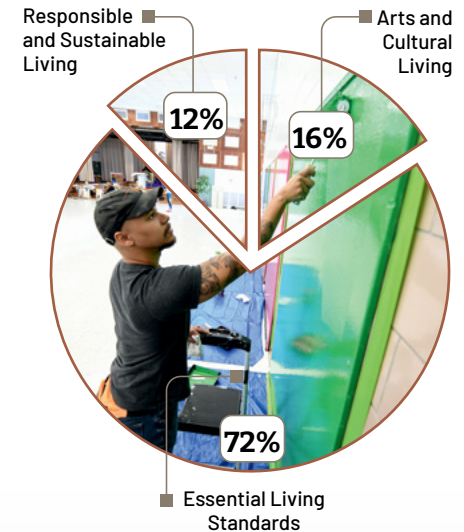
NONPROFIT
ORGANIZATION BOARDS
WITH BROWN-FORMAN
EMPLOYEES SERVING

120

BROWN-FORMAN
EMPLOYEES SERVING
ON NONPROFIT
ORGANIZATION BOARDS

2023 Giving by Focus Area

(Brown-Forman Foundation and Corporate)



[Read More About Our Commitment to Community Relations](#)

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Forward-Looking Statement Information. Certain matters discussed in this report contain statements, estimates, and projections that are “forward- looking statements” as defined under U.S. federal securities laws. Words such as “aim,” “anticipate,” “aspire,” “believe,” “can,” “continue,” “could,” “envision,” “estimate,” “expect,” “expectation,” “intend,” “may,” “might,” “plan,” “potential,” “project,” “pursue,” “see,” “seek,” “should,” “will,” “would,” and similar words indicate forward-looking statements, which speak only as of the date we make them. Except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. By their nature, forward-looking statements involve risks, uncertainties, and other factors (many beyond our control) that could cause our actual results to differ materially from our historical experience or from our current expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part I under “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended April 30, 2023, and those described from time to time in our future reports filed with the Securities and Exchange Commission, including:

- Our substantial dependence upon the continued growth of the Jack Daniel's family of brands
- Substantial competition from new entrants, consolidations by competitors and retailers, and other competitive activities, such as pricing actions (including price reductions, promotions, discounting, couponing, or free goods), marketing, category expansion, product introductions, or entry or expansion in our geographic markets or distribution networks
- Route-to-consumer changes that affect the timing of our sales, temporarily disrupt the marketing or sale of our products, or result in higher fixed costs
- Disruption of our distribution network or inventory fluctuations in our products by distributors, wholesalers, or retailers
- Changes in consumer preferences, consumption, or purchase patterns—particularly away from larger producers in favor of small distilleries or local producers, or away from brown spirits, our premium products, or spirits generally, and our ability to anticipate or react to them; further legalization of marijuana; bar, restaurant, travel, or other on-premise declines; shifts in demographic or health and wellness trends; or unfavorable consumer reaction to new products, line extensions, package changes, product reformulations, or other product innovation
- Production facility, aging warehouse, or supply chain disruption
- Imprecision in supply/demand forecasting
- Higher costs, lower quality, or unavailability of energy, water, raw materials, product ingredients, or labor
- Risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or impairment in recorded value
- Impact of health epidemics and pandemics, and the risk of the resulting negative economic impacts and related governmental actions
- Unfavorable global or regional economic conditions and related economic slowdowns or recessions, low consumer confidence, high unemployment, weak credit or capital markets, budget deficits, burdensome government debt, austerity measures, higher interest rates, higher taxes, political instability, higher inflation, deflation, lower returns on pension assets, or lower discount rates for pension obligations
- Product recalls or other product liability claims, product tampering, contamination, or quality issues

- Negative publicity related to our company, products, brands, marketing, executive leadership, employees, Board of Directors, family stockholders, operations, business performance, or prospects
- Failure to attract or retain key executive or employee talent
- Risks associated with being a U.S.-based company with a global business, including commercial, political, and financial risks; local labor policies and conditions; protectionist trade policies, or economic or trade sanctions, including additional retaliatory tariffs on American whiskeys and the effectiveness of our actions to mitigate the negative impact on our margins, sales, and distributors; compliance with local trade practices and other regulations; terrorism, kidnapping, extortion, or other types of violence; and health pandemics
- Failure to comply with anti-corruption laws, trade sanctions and restrictions, or similar laws or regulations
- Fluctuations in foreign currency exchange rates, particularly a stronger U.S. dollar
- Changes in laws, regulatory measures, or governmental policies, especially those affecting production, importation, marketing, labeling, pricing, distribution, sale, or consumption of our beverage alcohol products
- Tax rate changes (including excise, corporate, sales or value-added taxes, property taxes, payroll taxes, import and export duties, and tariffs) or changes in related reserves, changes in tax rules or accounting standards, and the unpredictability and suddenness with which they can occur
- Decline in the social acceptability of beverage alcohol in significant markets
- Significant additional labeling or warning requirements or limitations on availability of our beverage alcohol products
- Counterfeiting and inadequate protection of our intellectual property rights
- Significant legal disputes and proceedings, or government investigations
- Cyber breach or failure or corruption of our key information technology systems or those of our suppliers, customers, or direct and indirect business partners, or failure to comply with personal data protection laws
- Our status as a family “controlled company” under New York Stock Exchange rules, and our dual-class share structure

Use of Non-GAAP Financial Information. Certain matters discussed in this report include measures that are not measures of financial performance under U.S. generally accepted accounting principles (GAAP). These non-GAAP measures should not be considered in isolation or as a substitute for any measure derived in accordance with GAAP, and also may be inconsistent with similarly titled measures presented by other companies. In Part II under “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the fiscal year ended April 30, 2023, we present the reasons we use these measures under the heading “Non-GAAP Financial Measures,” and we reconcile these measures to the most closely comparable GAAP measures under the heading “Results of Operations.”



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