ENRICHING THE EXPERIENCE OF LIFE

BROWN-FORMAN
At Brown-Forman, we enrich the experience of life, in our own way, by responsibly building beverage alcohol brands that thrive and endure for generations.

We don’t use this phrase lightly. We genuinely believe it.

We believe that encouraging the responsible enjoyment of our brands helps to ensure that people’s most memorable and touching social occasions are enhanced.

We believe that reducing our environmental footprint can allow for a longer and healthier relationship with the natural world for everyone.

We believe that a fulfilling job in a safe and inclusive workplace makes life more meaningful and rewarding.

And we believe that investing in and supporting the communities in which we live, work, and raise our families makes them better places to live.

This report details our efforts to support these beliefs. Some people call it Corporate Responsibility. We do too, but we also call it life. And our very purpose is to do our part to enrich it.
Dear Reader,

Since we published our first Corporate Responsibility Report four years ago, Brown-Forman has successfully navigated a difficult global business environment. We defined success broadly, encompassing the growth of our brands, our people, and our responsibility efforts. At the same time, we crafted our ten-year strategy ("Building Forever"), which directs our efforts toward 2020, the year of our company's 150th anniversary. Fundamental to this strategy is our continuing work on all aspects of corporate responsibility, and this report updates you on our progress and performance.

Our work across the entire corporate responsibility spectrum has not gone unnoticed. I'm thrilled that we've been recognized for our work by Corporate Responsibility Magazine and The Human Rights Campaign. We are proud of the accolades, while knowing there is work still to do. We've organized this report to focus on responsible drinking, environmental sustainability, employee relations, and community involvement. I believe that the initiatives and improvements outlined will give you a better understanding of our corporate responsibility ambitions and challenges now and into the future.

For us to succeed in our efforts, we need a fully engaged workforce. I'm pleased to report that our innovative employee education program for the responsible consumption and service of beverage alcohol has created responsibility leaders and ambassadors throughout the organization.

We believe that only through collaboration, genuine dialogue, and partnerships can we effectively continue to advance. We have engaged others directly on alcohol issues, most notably through our online Issues Forum (www.ourthinkingaboutdrinking.com) and a Stakeholder Dialogue session earlier this year that brought together leading experts and advocates to gain their perspective and guidance on how to improve the promotion of responsible drinking and help reduce abuse. I encourage you to read their views on page 17.

Personally, I am excited to be chairing the Global Alcohol Producers Group, which is made up of leading industry members committed to the Global Actions on Harmful Drinking. We need to understand which solutions hold the most promise and how we can bring them about most effectively.

We have made great strides in environmental sustainability, having launched our Environmental Sustainability Roadmap, which includes goals and targets to reduce our environmental footprint. While the sale of our Fetzer, Bonterra, and other Hopland-based wine brands meant bidding farewell to these sustainability pioneers, their legacy has inspired us to deepen our commitment to the environment. After the sale, we donated $2 million to establish our own Environmental Sustainability Foundation. We also recently joined Ceres, a network of environmentalists and sustainability-minded investors and companies, and invited them to help enhance our environmental sustainability strategy. We look forward to their expert guidance, counsel, and constructive feedback.

Finally, as we expand our global presence — we now sell our brands in 135 countries — I am heartened by our continued focus on diversity and inclusion, as well as our commitment to global civic engagement. For the first time in our 141-year history, we have more salaried employees internationally than in the U.S., and we believe this globalization will enable us to better understand and enrich the lives of consumers of different cultures.

We recognize there are still areas in which our attitude precedes our results. In the U.S., diversity remains a key area of emphasis, and our leadership team is focused on making even more progress.

The coming years will no doubt be as interesting, challenging, and exciting as the previous four. While I'm proud of the progress we've made, we're more committed than ever to seizing opportunities to integrate corporate responsibility into our business. Being responsible in everything we do is the right thing to do for our company and society and is a key ingredient in our overall ambition to thrive, endure, and "build forever."

Sincerely yours,

Paul C. Varga
Chairman and Chief Executive Officer
Brown-Forman has more than 25 brands in its portfolio. These include:

- **Canadian Mist® Blended Canadian Whisky**
- **Canadian Mist® Black Diamond Blended Canadian Whisky**
- **Chambord® Liqueur**
- **Chambord® Flavored Vodka**
- **Collingwood® Blended Canadian Whisky**
- **Early Times® Kentucky Whisky**
- **Early Times® 354 Bourbon Whisky**
- **El Jimador® Tequilas**
- **El Jimador® New Mix Ready-to-Drinks**
- **Finlandia® Ready-to-Drinks**
- **Finlandia® Vodkas**
- **Gentlemen Jack® Rare Tennessee Whiskey**
- **Herradura® Tequilas**
- **Jack Daniel's® Tennessee Whiskey**
- **Jack Daniel's® Single Barrel Tennessee Whiskey**
- **Jack Daniel's® Country Cocktails**
- **Jack Daniel's® Ready-to-Drinks**
- **Jack Daniel's® Tennessee Honey**
- **Korbel® California Champagnes**
- **Maximus Vodka®**
- **Old Forester® Kentucky Straight Bourbon Whisky**
- **Pepe Lopez® Tequilas**
- **Sonoma-Cutrer® Wines**
- **Southern Comfort®**
- **Southern Comfort® Ready-to-Drinks**
- **Southern Comfort® Special Reserve**
- **Tuaca® Liqueur**
- **Woodford Reserve® Kentucky Straight Bourbon Whiskey**
CORPORATE RESPONSIBILITY
AT BROWN-FORMAN

BEING RESPONSIBLE IN EVERYTHING WE DO

Brown-Forman’s highest purpose is to enrich the experience of life. We do this, in our own way, by responsibly building beverage alcohol brands that thrive and endure for generations. This is achieved within a broader context of corporate responsibility — promoting responsible enjoyment of our brands, protecting the environment, providing a healthy, safe, and inclusive workplace for employees, and contributing to the communities where we live and work.

BUILDING FOREVER

Our recently launched corporate strategy, “Building Forever,” will guide our business to our 150th anniversary in 2020. While the world will look different then, we know that corporate responsibility will continue to be an essential driver of business value.

Stakeholder expectations for responsible behavior will increase as we grow our portfolio and geographic footprint. We fully expect that our operations will face more stringent environmental challenges; employees will not only appreciate responsible corporate behavior — they will demand it; and customers and consumers will place greater importance on our ability to meet societal expectations for corporate responsibility.

It is clear to us that our success now and in the future depends on us being responsible in everything we do. All employees will need to understand how corporate responsibility shapes their roles and how it drives our corporate efforts. Corporate responsibility will be a lens through which we examine our business decisions.

ALCOHOL RESPONSIBILITY

Community involvement, environmental sustainability, and employee relations will continue to play an important role in our corporate responsibility strategy. But alcohol responsibility is our key concern: we will be judged on our success in promoting it.

Such responsibility, for us, reflects our long-term perspective. We want our consumers to enjoy our brands over a lifetime, therefore we discourage excessive drinking. We know we must also be proactive in promoting responsible consumption and work to fight underage drinking and drunk driving. Doing so helps us protect and grow our business by building our reputation and the strength of the Brown-Forman brand, as well as that of our consumer brands.

We will work to understand and promote positive consumer attitudes and behavior toward responsible drinking. We aim to be an active part of the dialogue around alcohol issues and put our efforts toward larger-scale consumer programs that yield solutions and measurable results.

We are making progress on our journey. We are determined to contribute, in our way, to the necessary solutions, but the complexity of the challenges our industry faces demands a broad collaborative response. Dialogue and partnerships are the only way forward. We invite you to join us.
We have a duty to be part of the solution to alcohol-related problems. This challenging responsibility comes as part of our right to make, market, and sell beverage alcohol, and we are committed to finding effective approaches by working with all our stakeholders.

Our Thinking About Drinking strategy has five aims, or what we call ambitions. They are summarized below. On the following pages, Rob Frederick, our Director of Corporate Responsibility, provides an update on our progress since we reported two years ago. Please see the case studies throughout this section for examples of our work and collaboration with others to find solutions.

**Responsibility Leaders.** We urge — and expect — employees who choose to drink to do so responsibly. Our employee alcohol policy sets out how employees should conduct themselves — and lead by example — when consuming or serving alcohol. We seek to provide employees the tools, knowledge, and support to make the right choices wherever they are.

**Partner for Responsible Retailing.** Our industry needs to be unified and consistent in its efforts. This is why we want to develop innovative responsibility programs with retailers, distributors, and fellow producers. Our success depends on building and maintaining strong relationships throughout the distribution system, and we want to be the first supplier a distributor or retailer calls when promoting responsible drinking.

**Trusted Policy Advocate.** We want to play a positive role in supporting public policies that reduce alcohol abuse and misuse, while ensuring our commercial freedoms. We do this with others in the industry and on our own when appropriate. We want our stakeholders to fully understand our policy positions and the rationale behind them, and we are open to change when presented with new evidence or better ideas.

**Harness our Brand Power.** We have a long history of marketing responsibly. We seek to build on this with specific brand communications that influence positive consumer attitudes and behaviors, encouraging responsible consumption, and reducing alcohol abuse. To do this, we seek to better understand what drives consumer attitudes and behavioral change, and how we can measure and evaluate these more accurately. We want to bring the same creativity, energy, and passion to the promotion of responsible drinking as we do to other brand-building pursuits.

**Credible Voice.** The credibility of our voice — and the Brown-Forman corporate brand — depends on the substance of our words and actions. We aim to be acknowledged as a champion for responsibility. We integrate responsibility into our brand-building in a way that raises awareness and educates, positively influencing consumer behavior and social norms. We also support non-branded initiatives to reduce underage drinking, primarily through third parties like The Century Council, The Portman Group, Drinkaware, and The European Forum for Responsible Drinking.

Brown-Forman’s new Our Thinking About Drinking Responsibility Booth accompanies our Corporate Responsibility and Sales teams to industry conferences, responsibility conferences and trade shows, and other meetings. The booth highlights Brown-Forman’s responsible drinking initiatives and invites conversation and engagement on relevant issues. We’ve received positive feedback since the booth’s launch in mid-2010. At the Nightclub and Bar Conference in Las Vegas in March 2011, we added a responsible drinking trivia component to engage visitors and enhance participation in the responsible drinking dialogue. More than 900 people took part.
How has the

Our Thinking About Drinking strategy evolved in the past two years?

Q&A with Rob Frederick, Director of Corporate Responsibility

The strategy was created to guide our actions to promote responsible drinking and reduce the abuse and misuse of alcohol. It was intentionally designed to reach all of those with whom we interact around alcohol issues — employees, policymakers, distributors, retailers, and, of course, the people who enjoy our brands.

We’ve spent time considering how best to connect with each of these audiences — to discover what they need and what creativity and resources we can offer. As part of this effort, we organized a stakeholder meeting with representative experts from around the world. We did this to keep closely in touch with new thinking on how we can help do our part to address the challenges associated with the abuse and misuse of alcohol.

Close to home, I am particularly excited about the work we have done to raise awareness and educate our own employees. We often use the words "please drink responsibly," and all of us at Brown-Forman need to understand better what that means in practice. This is why we devised The Think and Drink Tavern board game and online module, which bring these words to life — see more on pages 8–9.

I’m equally enthusiastic about the time and attention we’re giving to how our brands can play a more active role in bringing about more responsible attitudes and behaviors. Brands like Jack Daniel’s have close relationships with consumers. Over the past two years, we have seen in our consumer research — and heard from our stakeholders — that our brands can be doing more.

This has been happening with some of our branded initiatives — like support of responsible drinking messaging and programs with sports teams, such as the Los Angeles Angels or New England Patriots; or getting behind designated-driver services, like CityScoot, Lilybug, or BeMyDD (see more below).

GETTING HOME SAFELY

We want employees to be advocates for our brands, and to enjoy them responsibly. We also want them to get home safely and not put themselves or others at risk of consequences that can be life changing or tragic. Our new partnership with BeMyDD — a service that drives individuals home safely in their own vehicle — aims to develop a model for Brown-Forman field teams to promote solutions to consumers.

The pilot in Atlanta, Georgia, tested the service at Brown-Forman brand events such as Studio No. 7 music concerts for Jack Daniel’s. We are evaluating using BeMyDD in our brand marketing to promote the responsibility message. We also sponsor DD 24/7 in Arizona and Lilybug Scooters in the Hamptons, New York, to get you and your car home safely.

These programs complement our existing initiatives to help reduce drunk driving. In our headquarters city of Louisville, Kentucky, our employees can use a service similar to BeMyDD, called CityScoot.
How does Brown-Forman promote Our Thinking About Drinking externally?

We want to promote the Our Thinking About Drinking message wherever our audiences are. So far, it’s been mostly online and at industry conferences and trade shows, but we hope to extend into other venues over time.

Our online Issues Forum is an example of external promotion. It’s called OurThinkingAboutDrinking.com, and it’s where we publish existing research alongside our views and those of outside experts. Perhaps most importantly, the Issues Forum is a place for the exploration of challenging alcohol-related subjects.

In the past year, we have published the views of experts on topics including addiction, alcohol and gender, alcohol and indigenous populations, alcohol and violence, ignition interlocks, and the minimum legal drinking age in the U.S. We encourage your comments, so please visit the site and share your thoughts.

Stakeholders say they want transparency and a place where they can comment on the issues, and we’ve now built that place. But it’s a challenge to draw visitors to the site. To boost traffic, we are updating the site more regularly and improving functionality to make it easier for people to comment and register for updates. We also plan to increase our marketing efforts around the site so that more people know about it.

We have also developed a traveling Our Thinking About Drinking booth that takes our responsibility message to conferences and seminars. The booth serves as a platform to engage in conversations and form relationships with people who are interested in alcohol responsibility. See more on page 4.
October is National Breast Cancer Awareness Month in the U.S., a period typically associated with the color pink. In 2009, Chambord introduced its first-ever cause marketing program, Chambord Pink Your Drink™ in support of breast cancer awareness, a cause close to the hearts of the largely female target consumers.

In just two years’ time, the cause raised nearly $200,000 for a variety of national and local breast cancer awareness organizations by encouraging consumers to “add a splash of Chambord to any cocktail.” Celebrity fashion designer and breast cancer survivor Betsey Johnson has been an ongoing part of the campaign.

In 2010, Chambord was mentioned along other beverage alcohol brands in a national article questioning the link between drinking and the risks of breast cancer. Specifically, the article questioned whether support for such causes should be off-limits for an alcohol brand.

Brown-Forman recognizes drinking is a personal choice that comes with potential risks and benefits that an individual must weigh when making such a decision. Further, we strive to put our marketing dollars toward initiatives that build brand value while generating social goodwill.

The Chambord Pink Your Drink™ campaign yielded successful business results while building a favorable emotional connection among consumers. Additionally, funds raised were never tied to the purchase of product. For the past two years, Chambord’s donation has totaled four times the amount spent by the brand to market the program.

The criticism has taught us to take great care in the development of cause marketing campaigns. When Chambord continues its Pink Your Drink program in the coming years, it will proactively incorporate educational messages about the cause to further the program’s impact to consumers and the business.

How do we increase our positive impact? That’s our biggest challenge. We have been in a learning phase, gathering insights from research and perspectives from stakeholders as well as seeding new partnerships. We have started to dig deeper into understanding what responsibility means to drinkers and what might actually cause them to be more responsible.

Now we want to create more effective action through messages and programs, in the right voice and place, that have a bigger impact and show measurable results.

For example, historically we have viewed a responsibility promotion or marketing campaign through our own lens — asking consumers if they feel better about the brand. This is important. However, now we seek to ask different questions and see if our brand messaging and communications are also having a positive effect on consumer attitudes and behaviors. We can’t change behaviors on our own because they are based on many actors and conditions, most importantly the individual, family, and peers. But we do think that it is possible for Brown-Forman and our brands to seek new ways to connect and play a stronger, more impactful role.

Another challenge is spreading our message globally, to reflect our worldwide growth. Fifty-five percent of our sales are now outside the U.S. Although our footprint in many markets is still relatively small, we want our commitment to responsibility to be known by our own employees and those who consume our brands. We have global expectations but need to be attuned to what works best for local cultures. This is why we are establishing geographic sub-committees of our Responsibility & Rights Committee — one each for Asia-Pacific, Europe, and Latin America. The sub-committees will initially take a country-specific focus, and we believe this will help accelerate our progress outside North America.

Tell us about other challenges faced since launching Our Thinking About Drinking?

AN ALCOHOL BRAND SUPPORTING BREAST CANCER AWARENESS?

Brown-Forman partnered with iconic fashion designer and breast cancer survivor Betsey Johnson for several of the brand’s Kentucky Derby activities.
MAKING TRAINING INTERACTIVE

In 2009, Brown-Forman developed a comprehensive education program to help employees understand what “please drink responsibly” means in practice, and their roles in being responsibility leaders. The two initiatives included a board game designed like a bar top that stimulates conversation and discussion (and competition), and an innovative online module added in 2010.

The online training, named the Think and Drink Tavern, simulates a bar atmosphere, uses videos and provides critical facts and information about alcohol in a more personalized way. It includes topics such as intoxication rate factors, behavioral signs of intoxication, and intervention techniques, based on Training for Intervention Procedures (TIPs). It is available in seven languages and allows us to reach a broader, global employee base, ensuring that our employees understand what is expected of them in different situations.

The response has been affirming and taught us that we have more to learn about what responsible drinking means. Nearly every employee has given positive feedback (99%). One in particular commented: “I just wanted to say thanks. This is one of the best trainings that I’ve had in my 20+ years at Brown-Forman.”

“Making the training available in seven languages helped show how important responsibility is to the organization.” — Katrin Kroeger

“It really makes you think about how to be a responsible brand ambassador.” — Lori Mohr
“I was very impressed. The game conveys important information in a fun, creative way.” — Phil Lynch

“I enjoyed the interactive element of the online training, and the real-life scenarios. It made the training engaging and fun.” — Scott Riehl
Brown-Forman continues to partner with The Charmer-Sunbelt Group, our largest U.S. distributor, on Tailgaters Urging Responsibility & Fun (TURF).

Tailgating is a tradition of picnicking from the back of vehicles before an American football game. Over the years, some football games have become less family friendly because of the unsportsmanlike conduct of a few rowdy fans — often fueled by alcohol.

TURF seeks to make game day safe, fun, and responsible. The program includes reminders about responsible alcohol consumption (including zero tolerance for underage drinking and drunk driving) and actionable steps each fan can take to ensure that enjoyment of the game and the tradition of tailgating are preserved.

The problem of irresponsible drinking persists. As a result, our industry faces continuing scrutiny and skepticism from governments and health professionals. This makes it challenging for the industry to form effective partnerships to reduce the impacts of harmful alcohol consumption. We tend to agree on the problems but too often disagree on the solutions and tactics. There is, unfortunately, a lack of trust.

For example, in the U.K. the proposed Responsibility Deal, a wide-ranging public health plan to tackle excessive alcohol consumption as well as obesity, nutrition, and physical exercise, appeared to falter when six health organizations sitting on the alcohol panel walked out. They felt that the alcohol industry’s proposed commitments were not sufficiently robust. Despite this initial detour, the Deal is back on track, reliant on the industry’s commitments.

We have had other successes, including establishing our legitimacy as a stakeholder providing input into the World Health Organizations’ (WHO) Global Strategy to Reduce Harmful Drinking and our industry-wide Global Actions supporting several of the WHO goals. More remains to be done, but we view these as important first steps. See the case study on page 12 for more information.

Our contribution to the work of The Century Council, a U.S. non-profit that we co-founded in 1991, which has become a leader in the fight against drunk driving and underage drinking, exemplifies the power of collective action in partnership with others in our sector. We’ll continue to work at building relationships that are as successful as The Century Council.

RESPONSIBLE TAILGATING
Brown-Forman continues to partner with The Charmer-Sunbelt Group, our largest U.S. distributor, on Tailgaters Urging Responsibility & Fun (TURF).

TURF has brought together The Charmer-Sunbelt Group, Brown-Forman, Diageo, Wine & Spirits Wholesalers of America, Pennsylvania Liquor Control Board, Florida’s Department of Business and Professional Regulation, the New York Attorney General’s office, law enforcement, and legislators. Other TURF team partners and supporters include the Philadelphia Eagles, Pittsburgh Steelers, Washington Redskins, Penn State, University of Pittsburgh, and University of Maryland.

How has public opinion about beverage alcohol evolved in the past two years?

The problem of irresponsible drinking persists. As a result, our industry faces continuing scrutiny and skepticism from governments and health professionals. This makes it challenging for the industry to form effective partnerships to reduce the impacts of harmful alcohol consumption. We tend to agree on the problems but too often disagree on the solutions and tactics. There is, unfortunately, a lack of trust.

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Ridin’ Dirty: the Radio Show
Brown-Forman and Jack Daniel’s have been primary sponsors of the Los Angeles-based radio program “Ridin’ Dirty,” an informative and entertaining daily radio show focused on advocating responsible drinking and drunk driving prevention. The show challenges and motivates listeners to change their behavior when drinking alcohol. The show has attracted up to 16,000 listeners per hour.

To learn more or listen online, visit www.ridindirtradio.com.
**SUPPORTING THE AD COUNCIL**

We donate to the Ad Council to help fund its work on changing attitudes toward drunk driving. The Ad Council’s work includes public service ads to remind consumers that “Buzzed Driving is Drunk Driving.” The efforts are part of the Ad Council’s Drunk Driving Prevention Campaign, which is sponsored by the National Highway Traffic Safety Administration (NHTSA).

We work with the Ad Council to understand consumer insights behind the Buzzed Driving campaign. According to Ad Council tracking surveys, among the core target of men age 21–35, 25% reported that there was a time within the past month where they refrained from driving after drinking, during a period corresponding to increased support of the Buzzed Driving campaign. This figure is up from 17% reported five years previously. Lessons learned could help improve the work of our brands in their efforts to prevent drunk driving.

We use our brands’ social media sites, such as Facebook and Twitter, to promote the “Buzzed Driving is Drunk Driving” message. Over 1,600 Twitter followers retweeted our messaging approximately 900 times at our December Twitter party (a live chat through Twitter). This resulted in nearly three million people viewing the event messaging. We have also worked with players from the Los Angeles Angels of Anaheim and the Los Angeles Lakers to sponsor public service announcements in support of the campaign.

**UNDERSTANDING AND INFLUENCING DRUNK DRIVING BEHAVIOR**

It’s hard to solve a problem that most people don’t think they have. Research on consumers’ perceptions and behavior toward drunk driving can help us to influence responsible choices. In the past, we have relied solely on the research and activities of partners such as The Century Council and the Ad Council. We’ll continue to rely on them, but we are building on this partnership to conduct our own research. In early 2011, six focus groups in Dallas, Texas, and Los Angeles, California, revealed:

*Many participants acknowledged drunk driving when they have over-consumed, at least occasionally. Yet few were willing to change this behavior.*

People are too often unwilling to inconvenience themselves or others to make a more responsible choice, despite knowing the risks and consequences.

People with greater maturity, responsibilities, and obligations to others, and people who have experienced the consequences of drunk driving firsthand, may be more inclined to actively avoid drunk driving.

The more someone plans an evening’s activities and considers how they are getting home, the lower the risk of drunk driving.

These findings were revealing and empowering. They have strengthened our resolve to build upon our efforts to combat drunk driving. We’re looking for ways to extend this dialogue through our most powerful voice — our brands — by applying these findings to our marketing and promotions. For example, we have encouraged the use of cab vouchers and rewarded consumers for using designated driver services at events, like Jack Daniel’s Studio No. 7 and Tuaca’s Body Art Ball, and measured and evaluated the results. We’re also using social media to promote responsible drinking and want to extend this effort in ways that encourage planning ahead to prevent drunk driving. We will keep looking for opportunities to amplify the effective messages and programs of others.
Since 2008, the World Health Organization (WHO) has increased its focus on the harmful effects of alcohol abuse. Brown-Forman and others in the industry share this concern and have created Global Actions on Harmful Drinking, a collective commitment by the chief executives of major alcohol producers to address harmful drinking through global and local actions, with an emphasis on low- and middle-income countries.

This work addresses three key areas:

- Combating drunk driving through capacity building and training at the local and regional level and implementation of pilot projects in partnership with national governments, organizations, and other key stakeholders.
- Establishing and strengthening responsible marketing standards through self-regulatory efforts, working with local partners to develop or strengthen responsible marketing codes adapted to cultural and marketing conditions.
- Enhancing research and understanding of the size and risks of the non-commercial alcohol market.

Currently, 27 Global Actions are underway in 18 countries. The results achieved by these projects are being independently evaluated by third-party experts. Read more at www.global-actions.org.

Our programs in Europe include the Campaign for Smarter Drinking in the U.K. as well as a variety of initiatives in partnership with the Alcohol and Health Forum (AHF) and the European Forum for Responsible Drinking (EFRD).

Elsewhere in Europe, we are contributing ideas and examples of best practice to the AHF, established by the European Commission to reduce harmful drinking. Observers include all EU member states, the European Parliament, and the WHO.

As part of the AHF, we’ve begun to expand Best Bar None (see page 6) into other European markets; we’ve implemented a retailer-training program in the U.K. as the first rollout market. In addition, as an EFRD member company, we have initiated with our fellow member companies a consumer information program in Germany, Poland, and Spain, adding consumer information website URLs to our promotional materials in order to raise awareness of websites called: massvoll-geniessen.de, pijodpowiedzialnie.pl, and consumo-responsable.com.

How have your other campaigns in Europe progressed in the past two years?
The Campaign for Smarter Drinking, the first industry-wide social marketing campaign run in the U.K. to discourage overconsumption by young adults above the legal drinking age of 18, was prominent in our last report. In 2010, its success was measured by independent research company Millward Brown, which surveyed “claimed behavior” by consumers. Millward Brown asked questions, such as “Will you think differently after seeing these notices?” and “Have you thought about your behavior when you’re drinking?” The results showed:

- **70%** of our target audience (18-30 year olds in the U.K.) is more likely to consider drinking differently, a 7% increase from pre-campaign rates.
- **77%** of our audience claim to have already adopted one of the campaign’s tips.
- **58%** of our audience said it was the kind of campaign they would talk about to their friends.

While the program was initially conceived by the beverage alcohol industry, it is now managed by the Drinkaware Trust. Current investment in the program from industry, producers, retailers, and suppliers extends to 2014. Its success so far suggests the campaign is likely to continue after the initial investment expires.

**CAMPAIGN FOR SMARTER DRINKING — “WHY LET GOOD TIMES GO BAD?”**

Jack Daniel’s is known in the U.K. for telling stories. We build the brand by having “conversations” with our consumers — by immersing them in the history and tradition of Jack Daniel’s. The conversations help the brand communicate about responsibility without patronizing consumers. Our recent advertising campaign drew on the theme of maturing whiskey to encourage a mature attitude toward drinking. The “Maturity” advertising campaign ran in high-readership magazines, including Empire, GQ, NME, Shortlist, and Q, as well as in the Glasgow Underground (subway). It expanded to the London Underground this spring.
The University of Kentucky developed an innovative poster campaign to counter student consumption of homemade high-alcohol content drinks called “Hooch.”

TACKLING ALCOHOL ABUSE ON COLLEGE CAMPUS STARTING AT HOME

Since 2007, we have funded the Office of Substance Education & Responsibility (SEAR) at the University of Kentucky to educate students about the dangers of high-risk drinking, alcohol abuse, and responsible behavior. In 2011, we renewed this support and joined Beam Global in funding similar efforts at the University of Louisville.

Since official programming began, the University of Kentucky has seen a 100% increase in presentations and event collaboration with Greek Letter Organizations (student groups), a 33% increase in presentations to residence halls, a 50% increase in event collaboration with other student organizations, and a 100% increase in presentations and events for youth throughout Kentucky. These programs helped contribute to a 29% decrease in residence life policy violations and a 64% decrease in Dean of Students alcohol policy cases between 2008 and 2010.

The University of Louisville’s Building Resiliency in Campus Community (BRICC) Coalition is utilizing promising public health research on resiliency-building strategies and coalition-sustained efforts. The BRICC Coalition’s efforts to reduce high-risk drinking and substance use on campus and in the community are targeted at multiple level strategies: individuals, groups, organizations, and the broader community.

We are now exploring a partnership across our home state that will enable more universities, even those outside Kentucky, to collaborate and share best practices and resources.
Brown-Forman has embarked on a strategy to drive toward goals for its 150th anniversary in 2020. Where do you see Our Thinking About Drinking in 2020?

By 2020, we hope that Our Thinking About Drinking will be acknowledged as a leading responsible drinking strategy around the world. We think it will demonstrate how constructive dialogue and partnerships with peers and other interested organizations on responsible drinking can promote real business value and make a positive impact on society. We’ll continue to be guided by our long-held values — integrity, respect, trust, teamwork, and excellence.

University of Louisville students participate in the BRICC Coalition’s most well-known student-driven strategies, the “BRICC Wall,” where campus and community members share their stories about alcohol to create critical-thinking moments.

RESPONSIBILITY MESSAGES IN “TUK TUKS”

Holiday resorts in Thailand, such as Phuket and Chiang Mai, have a reputation for excessive drinking among tourists. Jack Daniel’s partnered with the local governments in these tourist hotspots to place responsibility messages in local taxis — or “tuk tuks.”
“Brown-Forman can be an originator or an amplifier. Find things that might be working well and lend your resources to that.”

“The challenge with overconsumption is to think creatively where you don’t have the levers of enforcement. We’ve really not examined the positive values and characteristics that generate positive behavior towards alcohol. We can’t regulate ourselves out of the abuse of intoxicants. But every adult that values moderation is a clue to the success.”
"The real opportunity is to take that bold step and for the brands to dedicate more space in advertising and messaging and saying something stronger. People would stand up and notice and say they’re really leading."

"Brands have a huge opportunity to help shape the conversation, allowing people to talk to each other. It has to be part of your mainstream conversations, as well as off to the side."

LISTENING TO EXTERNAL VOICES

In February 2011, we worked with SustainAbility, a strategic consulting agency, to convene a group of key stakeholders to share perspectives on how Brown-Forman can more effectively use its corporate and consumer brands to positively influence consumer attitudes and behaviors on responsible alcohol consumption. The senior-most executives of Brown-Forman participated in the event, the first of its kind for the company. Through this meeting, we developed and furthered key relationships, heard new points of view, and were constructively challenged to stretch our ambition.

As facilitators of the meeting, SustainAbility shared with the participants a summary of observations, several of which we include below:

The issue of overconsumption garnered considerable discussion in the meeting, with participants noting that the issue occurs globally, affects all ages, and exacerbates other alcohol-related issues (drunk driving, violence, health issues, etc.).

Underage drinking is uniquely vexing for alcohol producers to address. Some stakeholders offered that Brown-Forman should never engage underage youth, while others said Brown-Forman could play a positive role in reducing underage consumption by engaging parents as well as youth.

While drunk driving is a more “evolved” issue and sometimes perceived as “solved” (or at least well addressed), the numbers remain significant (i.e. those driving impaired, as well as injuries and deaths). Participants discussed the merits and challenges of more direct messages (i.e. beyond “Don’t Drive Drunk”) and the role that technology increasingly will play.

There is an opportunity for Brown-Forman to go beyond taglines (e.g. “Please Drink Responsibly”) by better defining what this means and tackling challenging questions (e.g. “Is it responsible to arrange for a designated driver and then drink to excess?”).

Some stakeholders suggested the responsibility message could be enhanced by even more robust consumer engagement, beyond the admonition to drink responsibly, in order to consider the root causes and implications of abusing alcohol. Several stakeholders raised the promise of social media to facilitate this consumer engagement.

Stakeholders recognize that Brown-Forman can’t tackle these big challenges alone — it needs to bring together a variety of partners and also engage in the policy arena.

We look forward to deepening our relationships with these and other stakeholders as we advance our responsibility efforts.
Our business relies on a healthy, thriving environment. The ingredients for our brands come from farms, vineyards, agave fields, and forests. Our production processes use energy and water, and generate waste.

Two internal groups govern our environmental sustainability work: The Environmental Performance and Governmental Compliance Group (EPGC), which measures and manages environmental performance, and the Corporate Responsibility Group, which handles external communication.

The main issues we manage are energy and greenhouse gases, water, waste, packaging, and agriculture.

**AGRICULTURE**

We work with outside organizations to promote sustainable farming and emphasize long-term conservation and preservation within our business.

Sonoma-Cutrer Vineyards participates in the California Sustainable Winegrowing Program, which was formed in 2001 by members of The Wine Institute and the California Sustainable Winegrowing Alliance.

**Genetically Modified Products.** Read Our Philosophy Regarding the Use of Genetically Modified Organisms, available on our website at www.brown-forman.com/responsibility.

**ENERGY & GREENHOUSE GASES**

The production of spirits and wines accounts for most of our energy consumption.

**Greenhouse gas (GHG) inventory.** Each year, we conduct a verified GHG inventory that accounts for and analyzes emissions from our facilities and operations worldwide (burning fossil fuels for energy), including business travel. We complete the Carbon Disclosure Project’s (CDP) assessment to share information on our carbon emissions annually. CDP is a nonprofit organization that promotes corporate action to reduce the financial risk from climate change. Brown-Forman was included in the CDP’s Leadership Index in 2010. We shared the highest score among beverage alcohol companies.

**Renewable energy.** At Brown-Forman Cooperage, in Louisville, Kentucky, we craft our own barrels from American white oak. This creates scrap wood, sawdust, and fine sawdust waste, which largely is used to fuel the wood-fired boiler at the cooperage.

**Travel.** We promote the use of video and web-based meeting technologies to reduce travel. Inefficient vehicles from our U.S. sales vehicle fleet have been replaced by more energy efficient options, and our drivers are provided with educational materials on “driving with the environment in mind.”

**JACK DANIEL’S PRESERVING TENNESSEE TREES**

Since the late 1990s, the Jack Daniel’s Distillery has partnered with the University of Tennessee Tree Improvement Program to preserve and restore trees native to Tennessee, like sugar maple. In 2008, we expanded the program to help preserve two additional varieties of trees, butternut and overcup oak — two species threatened by diseases. This partnership allows Jack Daniel’s Distillery to assist struggling arboreal species native to Tennessee, enriching the local environment and community.
PACKAGING

Packaging is integral to our business and brand building. The choice of materials, design of the bottles, labeling, point-of-sale promotional items, and secondary packaging (boxes and cartons) are central to the brand experience and consumer perception of the product. We have developed a set of guidelines based on industry best practice to help us design packaging that reduces the use of materials and selects environmentally preferable materials.

WASTE

Excess raw materials from the production of spirits and wine-making comprise our largest waste stream by volume. Our bottling and production plants generate small quantities of industrial waste, such as glass and paper. Ethanol emissions from the whiskey maturation process account for a portion of our overall waste generation. Where waste cannot be reduced, we seek to reuse or recycle it.

WATER

We use water across our business as an important ingredient in each of our brands. We also use water in cooling, equipment maintenance, steam generation, and irrigation for our agave fields and vineyards. We aspire to protect water sources and reduce the amount we use. Each facility manages its water use by measuring consumption, implementing water efficiency projects, and minimizing effluent emissions. We aggregate our water consumption for all our production units.

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BROWN-FORMAN’S 2020 ENVIRONMENTAL SUSTAINABILITY GOALS

OPERATIONS1

↓ 30% decrease in energy consumed per unit of product

↓ 30% decrease in GHG emissions per unit of product

↓ 30% decrease in wastewater generated per unit of product

ZERO

waste sent to landfill from our facilities

1 Company-wide operations, including production facilities, offices, and buildings. Measured against a 2009 baseline.
Our brands are synonymous with quality, largely because of their use of pristine water supplies. We want to keep it that way. The water in the Georgian Bay in Ontario, Canada, is of the world’s cleanest and freshest, and is used in the production of Canadian Mist Blended Canadian Whisky.

In March 2010, Brown-Forman collaborated with Nottawasaga Valley Conservation Authority (NVCA), a public agency representing a group of municipalities in Ontario, to protect the local watershed. Employees from the Canadian Mist Distillery volunteered their time planting cedar and spruce trees along the Black Ash Creek.

The project was part of NVCA’s efforts to create vegetated buffer zones along rivers that feed into the Georgian Bay. The zones are designed to absorb runoff from agriculture or urban areas, keeping pollutants out of the river and, ultimately, the Georgian Bay.

“Being responsible in everything we do” — Brown-Forman’s corporate responsibility mission — has long included reducing the impacts of our operations and products on the environment. Our business success depends on it.

In keeping with “Building Forever,” our company strategy, we recently launched our Environmental Sustainability Roadmap for 2020. This Roadmap outlines how we will responsibly manage our environmental footprint as we grow the company. We believe implementing this Roadmap will help us build company value by enhancing the appeal of our brands, engaging consumers, customers, employees, and stakeholders, and by controlling our use of resources.
SAM'S CLUB PARTNERSHIP TO IMPROVE INDUSTRY SUSTAINABILITY

Our customers are some of the world’s biggest distributors and retailers. Partnerships among these organizations are crucial in order to achieve transformative results in improving environmental performance across our industry. This philosophy has been demonstrated through programs, such as the California Sustainable Winegrowing Alliance (CSWA) and Beverage Industry Environmental Roundtable (BIER). We value these collaborations with our customers, suppliers, and competitors, and constantly look for new opportunities across our value chain.

In June 2011, Sam’s Club partnered with Brown-Forman to launch an initiative to understand and improve sustainability performance for the beverage alcohol sector, specifically wine and spirits. Sam’s Club, a Walmart subsidiary, asked us to be a thought partner for its new voluntary exploration, the Sam’s Club Adult Beverage Sustainability Initiative.

The program is based on the success of similar Walmart supplier partnerships, such as one with 20th Century Fox, which resulted in a model to reduce packaging and carbon footprints for the DVD industry. Brown-Forman and Sam’s Club aim to establish a forum for shared learning and identification of great ideas in key areas, such as agriculture, energy, packaging, products, water, and waste that will deliver efficiencies and benefits to retailers, suppliers, consumers, and the environment.

The initiative is open to all of Walmart’s spirits and wine suppliers and supports their ambitious sustainability goals, including the elimination of 20 million metric tons of greenhouse gas emissions from its supply chain by 2015. We look forward to reporting on our progress as part of this collaboration going forward.
The Environmental Performance and Governmental Compliance Group (EPGC) and Corporate Responsibility department surveyed employees, conducted interviews with senior management, and held cross-divisional meetings with people involved in our environmental sustainability efforts. This analysis identified a need for clearer communication of our environmental sustainability planning and practices, including greater engagement of employees.

The Roadmap clearly lays out our environmental sustainability goals for the future and unifies environmental sustainability discussions within our business.

A WASTE-FREE JACK DANIEL’S
The production at our Jack Daniel’s facility in Lynchburg, Tennessee, is nearly waste free. From the over 400,000 white oak barrels used each year to age and flavor the whiskey, to grain and yeast by-products, Jack Daniel’s waste is put to good use.

Used barrels are sold to other beverage alcohol manufacturers for aging product or are used to make rustic furniture.

Sugar maple-wood charcoal used for filtering is sold as smoking pellets for barbeques.
As part of the Roadmap, we are striving to behave, design, grow, produce, and source sustainably. Each stage is key to meeting our new long-term goals, which cover our operations, products, and supply chain.

When we measure our products for holistic environmental impacts, we are looking at their entire lifecycle. Our approach is to consume fewer natural resources, reduce harmful emissions, and increase the recovery and reuse of resources. The outcomes help us identify opportunities for continuous improvement and inform our production processes. We have already completed a lifecycle analysis for our Finlandia brand, and one for Jack Daniel’s is in process.

We will measure performance against these goals every two years. Achieving them involves introducing interim milestones, where possible, that will help us consistently improve. We intend to draw on the expertise of our people, suppliers, and stakeholders every step of the way.

Excess shrink wrap from packaging is converted into decking.

Scrap wood from nearby mills is used to heat water for distilling. Local farmers use the ash as a soil improver.

Grain and yeast by-product from the distilling process, called stillage, is sold as cattle feed.

These efforts result in 99% of materials from the distillery being reused or recycled and only 1% going to landfill.
We continually look for opportunities to give waste another life. In 2010, Jack Daniel's Single Barrel changed its packaging, resulting in 120,000 unneeded bottles. Rather than discarding these bottles, Jack Daniel's created the limited edition American Forests bottle.

The special edition bottle helped celebrate the 40th anniversary of Earth Day in 2010. Jack Daniel's partnered with American Forests, one of the U.S.’s oldest non-profit organizations, to help restore damaged ecosystems by planting one tree for every limited edition bottle sold. The health and sustainability of forests is particularly important to Jack Daniel’s — hard sugar maple mellows our whiskey and white oak barrels give Jack Daniel’s its color and much of its flavor.

Through the sales of the special edition bottles we were able to sponsor the planting of more than 100,000 trees in Illinois, New Mexico, and Wisconsin to restore more than 430 acres of forests, replenishing and recreating habitats for animals. These trees will sequester at least 33,000 tons of CO₂ as they grow — the equivalent of taking nearly 6,000 cars off the road for a year.
We conduct internal audits of our North American facilities annually, as well as semi-annual reviews of our co-packers to ensure compliance with local and national standards, utilizing third-party auditors regularly to validate the internal compliance assessments. We also use the internal audits to gauge the progress of our environmental sustainability efforts at each facility.

We will integrate our international operations and key suppliers into our audit program beginning in FY12. Third-party auditors assess and verify our greenhouse gas emissions inventory annually.

We believe working with others in our industry helps us to improve our environmental performance. Through collaboration we are developing industry standards, sharing best practices, and defining industry policy positions. For example, we participate in the Beverage Industry Environmental Roundtable (BIER) and the California Sustainable Winegrowing Alliance.

In 2011, we were the first beverage alcohol company to join the Ceres Network of Companies and commit to improving our sustainability disclosure and performance by engaging with investors, environmental groups, and other stakeholders.

How do you ensure your facilities maintain high standards of environmental sustainability?

WASTEWATER FILTERED FOR IRRIGATION USE AT CASA HERRADURA

We have added a new filtration system to our wastewater treatment plant at our Casa Herradura facility in Mexico. The system makes treated water suitable for irrigation in agave nurseries and lawns, reducing well water use in the dry season by approximately 600 m³/day. Our goal is to reuse 700 m³ of treated water each production day during the dry season.
Global Environmental Highlights

United States

At the Jack Daniel’s Distillery in Lynchburg, Tennessee, we installed small-scale solar lighting, motion-sensitive lighting, programmable thermostats, and equipment to control the amount of energy delivered to motors. We also replaced outdated fluorescent lighting with new energy-efficient fluorescent lamps and ballasts.

We eliminated the use of fuel oil at our distillery in Louisville, Kentucky, by selling our existing fuel inventory and removing storage tanks. We now burn only natural gas on the site.

Our Louisville campus bottling plant reduced waste sent to landfill by 25% despite production remaining relatively constant.

We have eliminated bottled water at our headquarters.

We introduced single-stream recycling at our Louisville campus, and every employee has a large recycle bin with a very small trash receptacle.

Mexico

We have been researching alternative forms of energy, particularly at our tequila plant, where we installed a waste-to-energy process that fuels a steam boiler with biogas generated by an onsite wastewater treatment facility (see case study on page 26).

All of the bagasse — the agave fiber produced during the milling process — at our Casa Herradura tequila distillery is composted. Since 2009, we have produced more than 14,500 tons of compost, most of which was used in agave fields and nurseries. This process not only helps cut waste but also improves the quality of the soil.

The Programa Campo Limpio (Clean Field Program) implemented at our agave farms that supply Casa Herradura helps to keep fields free of hazardous agrochemicals and non-hazardous wastes.

Asia-Pacific

In each Australian state office, we’ve designated environmental “Champions” to drive ideas around environmental improvements.

Additional recycling bins have been installed throughout our offices.

Water-reduction fixtures were added to bathrooms and lunchrooms.

Lights are turned off in areas not in use to save energy.

Trash and recycling have been separated throughout the offices.

Corporate Responsibility Report 2011–2012 · page 27
FORESTER CENTER'S GREEN ROOF

Originally built for barrel storage, the Forester Center, located at our Louisville, Kentucky, headquarters, was converted into office space in the late 1980s; improvements to the building haven't stopped. In fall 2010, we installed a green roof. Made from a waterproof membrane and living vegetation, the roof will reduce stormwater runoff and increase energy efficiency by improving thermal resistance and reducing building cooling costs.
SONOMA-CUTRER LEVERAGES FETZER’S E3 PHILOSOPHY

Sonoma-Cutrer Vineyards continues to embrace environmental sustainability strategies learned from Fetzer, particularly the progressive management philosophy known as E3. E3 integrates environmental responsibility, social equality, and economic viability into business decisions.

Sonoma-Cutrer’s Russian River Ranches Chardonnay requires meticulous vineyard management and wine-making practices. The grapes are harvested at night since daytime temperatures can rise above 100° F, which poses a safety risk due to the potential for heat stress for employees. The grapes are cooler at night, so some of them can bypass the cooling tunnel and be sent directly to the sorting tables. This results in less energy being used to cool the grapes. During overnight grape harvesting, one tractor pulls a gondola that collects hand-picked grapes and another pulls generator-powered lighting towers to illuminate the vineyards.

Sonoma-Cutrer’s Shop and Landscape Manager, Carlos Torres, has a personal interest in sustainability — established while working with the E3 philosophy — and in fixing off-road vehicles. He’s combined those interests to devise a solution to make production of Russian River Ranches Chardonnay more efficient. Carlos mounted a steel frame with high-intensity LED lighting to the vineyard’s tractors, eliminating the need for a separate tractor to pull inefficient lighting towers.

The modified tractors reduce diesel fuel use by 2,400 gallons annually, a cut of nearly 25 metric tons of CO2-equivalent per year. Increased safety for vineyard workers is an added benefit, as lighting is better and exposure to tractor exhaust is reduced.

Carlos’s idea echoes the E3 philosophy of Fetzer — environmental responsibility through reduced carbon emissions; social equality through improved worker safety; and economic viability through reduced vineyard tractor traffic and fuel use.
Fetzer and Bonterra had a reputation for environmentally sustainable practices. How will the brands’ sale affect Brown-Forman’s efforts?

The sale is an example of our commitment to our shareholders to focus on other opportunities offering stronger growth and higher returns on invested capital.

Fetzer’s and Bonterra’s well-recognized environmental leadership has deepened the commitment to environmental sustainability by Brown-Forman, our brands, and our industry. We will miss the positive impact and influence these brands and the people behind them have had on our company and industry. However, we now have the opportunity to demonstrate our environmental sustainability commitment and progress through our remaining wine and spirits brands.

While this sustainability mindset will endure in day-to-day operations, after the sale, the company donated $2 million to establish the Brown-Forman Environmental Sustainability Foundation to honor Fetzer’s and Bonterra’s environmental legacy by providing funds to non-profit organizations for sustainability projects.

SUSTAINABILITY IN PACKAGING AND PROMOTIONS
(POINT-OF-PURCHASE MATERIALS)
We strive to use responsible materials in our packaging and promotional materials. Our recent achievements include:

- More than $5 million of our print marketing materials are printed on Forest Stewardship Council paper and all use eco-safe inks.
- Finlandia, Sonoma-Cutrer and Southern Comfort use organic materials in promotional T-shirts, caps, and cups.
- The majority of Brown-Forman Brands use only recycled content materials in napkins and stir sticks.
- All secondary packaging is recyclable.
- We print promotional materials on demand, reducing the use of materials overall, and saving approximately $300,000 a year on disposal costs alone.
The successful production, marketing, and sale of our brands depends first and foremost on the talent, knowledge, and dedication of our employees. This is why we strive to provide an environment that inspires employees to do their best work.

We employ nearly 3,900 people across our operations, approximately 1,000 of whom are based at our headquarters in Louisville, Kentucky.

**DIVERSITY AND INCLUSION**

A diverse workforce helps us understand our customers around the world, which we believe gives us a competitive advantage. We want to attract and retain people of diverse backgrounds, talents, and cultural identities. We are committed to creating a workplace where such differences are embraced.

Our Diversity and Inclusion efforts are led by our Executive Diversity Council, comprising all members of our Executive Leadership Team, which focuses on integrating our diversity strategy into all aspects of our business; our Office of Diversity and Inclusion, led by our Chief Diversity Officer (CDO); and three Regional Diversity Councils that govern diversity in Europe, Latin America and the Caribbean, and North America.

We have a set of diversity principles, long-term goals and objectives, and short-term goals. You can download them at www.brown-forman.com/responsibility.

**EMPLOYEE DEVELOPMENT**

In addition to formal training through our award-winning corporate university, Brand Building U (BBU), and our performance management process, we offer employee development through job enrichment, project assignments, mentoring, skills and behavioral assessment, and career counseling. BBU has provided nearly 55,000 hours of training in the past two years — an average of 25 hours per salaried employee.

We use various technologies, including webinars, self-paced online training, and podcasts, to ensure that our employee development programs reach Brown-Forman employees around the globe, and we provide training in multiple languages.

**HEALTH, SAFETY, AND WELLNESS**

We only get the most from our people when we give them the opportunity to perform at their best.

**Health and Safety** The Spirit of Safety is our vision for a safe, healthy, and productive workforce. We integrate safety with Brown-Forman’s core values of Teamwork, Respect, Integrity, Trust, and Excellence:

- **Teamwork** — protecting others as well as yourself by adopting a “find it, fix it” mentality to the identification and resolution of safety hazards and supporting those who follow safe work practices.
- **Respect** — respecting yourself and your co-workers enough to want to maintain a safe environment and to comply with all safety policies and practices.
- **Integrity** — reporting concerns as soon as they are discovered and not “taking shortcuts” that would impair workplace safety.
- **Trust** — providing timely follow up, being accountable, and developing sustainable corrective actions to ensure the workplace remains safe.
- **Excellence** — producing and distributing quality products in a timely and competitive manner, knowing that the definition of “doing a job well” includes following safe work practices.

By engaging our employees in our health and safety programs, we aim to achieve year-over-year injury reductions and compliance assurance. We measure total safety performance at our production facilities by evaluating management systems, compliance assurance, leadership engagement, employee involvement, and results.

Each Brown-Forman manufacturing location and the Louisville campus is audited periodically by a third-party Certified Safety Professional. We measure performance through the Health and Safety Metrics Program.

**Wellness** We offer comprehensive health insurance to all employees and their dependents, including domestic partner and adoption benefits to employees in the U.S. We believe prevention is the best cure, so we make it easy to participate in programs designed to improve employees’ physical, mental, and emotional well-being.

We recognize that due to the nature of our business our employees may be at greater risk of developing alcohol-related problems. We support employees and any dependents covered by our health insurance program who are coping with these challenges by providing confidential access to either an Employee Assistance Program or other local resources for counseling. We provide time off work to participate in a treatment program or other prescribed counseling.
What has been the focus of employee relations at Brown-Forman over the past two years?

Q&A with Lisa Steiner, Chief Human Resources Officer

We’ve made engaging with our employees a priority. This means helping them learn and teach others while also listening to their needs. Our Global Employee Engagement Survey is a clear example of our work. The survey helped us understand employee perceptions to find out what motivates them to do their best. Nearly 80% of employees responded from around the world. Read the case study on page 35 for more results.

Importantly, in 2009 we established a robust Employment Practices function at Brown-Forman to ensure that all employees are treated fairly in a workplace that lives up to our company’s values. This function has reviewed and updated all our employment policies, stepped up our processes for reporting and investigating complaints, educated management, and partnered with Human Resources managers on performance management. Led by our Equal Employment Opportunity Officer, the Employment Practices group also manages our Affirmative Action plans and other compliance programs.

We’ve made great strides on diversity under the leadership of my colleague and peer, our Chief Diversity Officer, Ralph de Chabert. In particular, our Regional Diversity Councils, our Employee Resource Groups, and our initiatives around Supplier Diversity are worth highlighting.

In 2011, we developed three Regional Diversity Councils. These groups organize, promote, and govern Diversity and Inclusion in Europe, Latin America and the Caribbean, and North America, with plans to expand into each of our global employee regions.

Employee Resource Groups (ERGs), the first of which were established in 2009, have been a great way to foster better understanding of diversity and to engage all employees. These global employee networks help diverse groups contribute fully and develop professionally. We now have seven different ERGs — read more about them on page 39.

We’re also focused on diversity beyond our own workforce, aiming to increase our involvement with diverse suppliers. In 2010, we established the Brown-Forman Supplier Diversity Committee, which created the Supplier Diversity and Inclusion Program and Policy in 2011. These have been integrated into our Corporate Purchasing Policy, ensuring that all qualified suppliers can be considered for purchasing decisions. We aim to achieve a best-in-class standard of 16% of our annual U.S. spend with Minority and Women Business Owners by 2020.

EMPLOYEE DEVELOPMENT PROGRAMS EXPAND

We offer all employees opportunities to develop their skills and grow their careers.

In 2009, we created and tested our career management program called Career Smart. Following a successful North American launch, Career Smart was offered in Europe beginning 2011. It includes best practice learning sessions to help employees prepare for discussions with managers on career development and focuses on adding value to both the company’s performance and the individual’s experience through targeted career planning.

In 2012, we will supplement Career Smart with a pilot program called “Talent Builder.” This training helps managers effectively participate in a career development conversation with their employees.
PERSONAL RESPONSIBILITY PLANS MAKE AN IMPACT

We want to encourage and empower employees to lead by example. To this end, we introduced Personal Responsibility Plans (PRPs) in 2010. Employees establish a PRP by visiting an intranet site and making voluntary commitments to undertake responsible behavior for the next year. Pledges can relate to alcohol responsibility, environmental sustainability, community involvement, or any other area of individual interest.

More than 760 Brown-Forman employees have made more than 3,000 commitments as part of their PRPs. Combined, employees have pledged to:

- Be a designated driver 1,600 times
- Host 550 responsible parties
- Launch 230 responsible drinking marketing initiatives from Brown-Forman
- Save 106,000 pounds of paper
- Save 259,000 gallons of water
- Undertake 1,100 hours of community service

In addition, 310 employees said they would recycle more, and 102 employees said they would sit on the board of a non-profit organization.

We want to continue to grow the program and find new ways to engage with employees who have set up a PRP. In 2011, we will be exploring a similar consumer-facing program through Jack Daniel's.
How do you get the most out of your workforce?

Brown-Forman is growing globally. It’s an exciting time, and as we enter new markets and build our business, communication with employees needs to be strong. We want to understand employee sentiment so that we can grow in a way that benefits everyone.

To help achieve this, we launched our first of what we hope will be an annual Employee Engagement Survey in 2010 with help from Aon Hewitt, a human capital consulting group. Nearly 80% of employees from around the world responded. Key findings included:

78% of employees reported a level of emotional and intellectual involvement that motivates them to do their best work.

86% of employees responded positively to the question: “I would, without hesitation, recommend this organization to a friend seeking employment.”

75% of respondents agreed with the statement: “This organization inspires me to do my best work every day.”

Brown-Forman’s engagement scores placed us among Global Best Employers, according to Aon Hewitt’s analysis of engagement at their client companies worldwide. The survey helped us identify four areas for improvement:

**Career Opportunities.** Employees’ perceptions of a favorable set of circumstances for their future at Brown-Forman.

**Work Process.** An assessment of the work processes in place and the degree to which they allow employees to be productive.

**Performance Management.** Employees’ perceptions that Brown-Forman’s formal performance management process provides feedback and guidance to improve performance.

**Organization Reputation.** Employees’ perception that Brown-Forman is regarded as a good place to work by those outside of the Company.

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Business units have used the survey results to create action plans to improve in these areas. For example, our Global Production Group commissioned a cross-functional team to conduct focus groups to learn more about employee perceptions. And we are taking a company-wide look at how to upgrade policies and programs aimed at improving career opportunity transparency and performance management systems.
BBU is our corporate university for employee training and development. The curriculum includes leadership, sales and marketing, and technology, among other subjects.

We encourage peer interaction and mentoring, helping employees to share attitudes, experiences, expertise, skills, values, and perspectives. In 2010, we launched a global web-based mentoring program available to all employees. We currently have 280 mentors and 493 mentees. All new employees take part in a mentor program that pairs them with a short-term mentor for 30-90 days.

How do you help employees develop professionally?

We offer an array of programs to support employees in their efforts to lead healthy lifestyles and achieve work/life effectiveness, including:

- Flexible work arrangements and convenience services.
- Online wellness tools and resources, including a confidential health assessment, fitness, nutrition, and symptom trackers through United Healthcare (UHC).
- Educational sessions covering topics such as diabetes prevention and stress reduction.

Access to discounted fitness club memberships and home exercise equipment.

Onsite health screenings, including mammography and prostate exams.

Discounted influenza vaccinations.

Expert advice on topics, including finance, adoption, childcare, and eldercare.

Employee Assistance Programs to provide counseling and resources to support employees and their families during times of crisis. These are administered through United Behavioral Health (UBH) in the U.S. and PPC Worldwide elsewhere.

Onsite registered nurses who provide medical services, such as blood pressure and vision screenings, and emergency response care at our Louisville campus and Jack Daniel’s distillery locations.

An onsite fitness center at our Louisville campus featuring cardiovascular and strength-training equipment, and an aerobics studio with classes.

Subsidies toward athletic and recreational team fees for employees who represent Brown-Forman on organized teams.
Corporate responsibility is an important part of the overall curriculum in BBU. In particular, we educate employees on Diversity and Inclusion, Responsible Drinking, and Responsible Management.

We’ve developed a customized training course on the responsible consumption and service of beverage alcohol. The Think and Drink Tavern board game and online module helps employees learn how to be better ambassadors for responsible drinking in an interactive and fun way. Read more about the game in the Responsible Drinking section on page 8. We’re excited about our new Personal Responsibility Plan (PRP) program as well. Each employee who establishes and fulfills a PRP commitment contributes to the positive social and environmental impacts of our company as a whole. Our program is modeled after a Walmart employee resource program that realizes the power of individuals to make a collective difference. Read more on page 34.

**BIG RESULTS FOR “BIGGEST LOSER”**

Popular television series often give people the interest and drive to lead a healthier life. A good example is “Biggest Loser,” the well-known U.S. reality show that encourages friendly competition among contests to help them lose weight.

The Human Resources team for the Louisville Production Operations division organized its own “Biggest Loser” contest in the summer of 2010. It aimed to instill healthy eating and exercise habits among employees.

The contest encouraged teams to strive for the highest overall percentage weight loss, tracked through weigh-ins twice per month. “Momentum and enthusiasm never waned,” said Sherrie Ryan, Registered Nurse and Health and Safety Consultant. “I think this was largely because of the encouragement and support that each team leader provided to their team members.”

The winning team posted a 17.9 percent total weight loss over 12 weeks.
Brown-Forman has always been committed to protecting human rights and ensuring fair and safe working conditions. We aim to formalize these commitments with a Human Rights Statement and Supplier Guidelines that we will introduce in 2012.

We are a global company that respects local laws and cultures. Yet, we also are a values-based organization that many times has a level of higher expectations around the world for how our employees and other stakeholders are treated. Brown-Forman has a heritage of integrity and respect that defines us as an organization. While our practices have long been admirable, we are now codifying them so they can be shared more broadly.

In addition, we are undergoing a comprehensive review of our Code of Conduct, and we anticipate making changes to incorporate and expand upon human rights statements. The goal of a revised Code of Conduct is to communicate clearly and memorably the expectations we have for employee behavior across Brown-Forman.

What is the company’s stance on human rights and working conditions?

Pam Reas, Senior Executive Assistant of Global Production, has a history of breast cancer in her family. She made a point of getting an annual mammogram. And thanks to Brown-Forman’s partnership with the Brown Cancer Center Mobile Mammography Unit in Louisville, Pam didn’t have to leave work to have it done.

In 2008, Pam received a call from the center to follow-up on a suspicious reading. She had breast cancer.

“My life became a whirlwind with big decisions to be made quickly,” said Pam. “Telling my eight-year-old daughter was particularly difficult. Luckily, the Brown Cancer Center had all of the wonderful doctors I needed. My surgery was completed within 20 days of diagnosis, and I followed that with chemotherapy and radiation. I’m happy to say that I’ve been cancer free for two and a half years.”

The Brown Cancer Center Mobile Mammography Unit partnership tests more than 80 employees each year.
In 2009, we established our first Employee Resource Groups (ERGs), networks of diverse employees that connect to develop their management and leadership skills while creating cultural awareness.

ERGs allow employees to support each other’s personal and professional growth and enhance their individual and collective ability to contribute to the company. These programs also play an important role in understanding our broad customer base, allowing us to communicate and market to them effectively.

We most recently expanded our range of ERGs with the introduction of Showing Pride in Respecting Individual Tastes (SPIRIT). We often say it is a choice whether or not to drink, and we've put these words into action with SPIRIT, an ERG for those who choose not to drink (for any reason) and for drinkers who support this choice. SPIRIT’s mission is to promote the same level of understanding, commitment, and creativity to supporting an employee’s decision not to drink as we do to encouraging responsible consumption.

SPIRIT is one of seven ERGs globally. The other ERGs are:

- Boomers for employees born during the baby boom after World War 2 (1946–1964)
- Creating Our Path (COPA) for Latino employees
- Growing Remarkable and Outstanding Women (GROW) for female employees
- Strategic Progressive Leaders Achieving Shared Heritage (SPLASH) for African American employees
- Bring Your Own Diversity (BYOD) for Lesbian, Gay, Bisexual and Transgender (LGBT) employees, and
- Young Professionals (those born between 1979 and 1988)

Although organized by a particular trait, membership is not exclusive to these traits. For example, male employees can join GROW to support their female colleagues.

**ERGS IN ACTION**

ERG members across the world banded together to organize a “Celebration of Diversity” event in October 2010, acknowledging diversity accomplishments and delivering targeted brand marketing highlights and compelling personal stories of diversity.

In 2010, Brown-Forman Australia researched how ERGs could better foster diversity. They found there was a need to focus on women and baby boomers. In response, we introduced GROW and Boomers to Australian employees, enabling them to draw on support from colleagues around the world.

Our Atlanta, Georgia, office used SPLASH to celebrate Black History Month in February 2011. The group’s division lead provided weekly African-American consumer fact sheets to educate employees about these consumers and organized a tour to the local Martin Luther King, Jr. Center.

GROW helped provide our brand teams with insights to the female consumer by initiating the Consumer Advisory Panel. The Panel helps advertise and promote our brands in a way that accurately reflects market demographics. As a result, most ERGs have a Consumer Advisory Panel, allowing us to refine our brands and corporate identity in varying markets.
COMMUNITY INVOLVEMENT

THE SPIRIT OF GIVING

The communities in which our employees live, work, and raise their families are important to Brown-Forman. Our role in maintaining vibrant communities is integral to the growth of our company. Our reputation as a leading corporate citizen is maintained through financial contributions and employee involvement.

CORPORATE GIVING

We make financial donations based on two broad categories: Corporate Responsibility and Community Development.

Our support for cultural organizations in Louisville, Kentucky, has helped the city become one of the best places to live in the U.S. Some of our local contributions are longstanding and include:

Financial support to educational and cultural organizations including Actors Theatre, Bellarmine University, Kentucky Educational Television, Kentucky Opera, the Louisville Ballet, the Louisville Orchestra, Muhammad Ali Center, and the Speed Art Museum, among others.

A $150,000 multi-year grant to The Healing Place, a nationally renowned organization providing recovery services to people affected by alcoholism, other addictions, and homelessness. The Healing Place has a success rate that is five times the national average for recovery programs. Its model has been replicated in Lexington, Kentucky; Raleigh, North Carolina; Richmond, Virginia; and Huntington, West Virginia. Other social service organizations that we support include Big Brothers/Big Sisters, Dare to Care Food Bank, the Family and Children’s Place, Home of the Innocents, and the Salvation Army.

Support for local environmental organizations, including Bernheim Forest, The Nature Conservancy, Olmstead Park Conservancy, Waterfront Park Development, the Sierra Club, and the new 21st Century Parks Development.

Our employees’ personal time, in addition to employee and corporate funding, contributes to the Metro United Way and Louisville’s Fund for the Arts campaigns.

Our corporate giving program is complemented by our employees’ fundraising efforts. Brown-Forman matches employee donations to educational institutions. We also offer limited-run matching gift programs.

EMPLOYEE VOLUNTEERING

Our employees’ time and talents are hugely beneficial to local organizations.

We encourage employees to give back to their communities, whether by serving on boards of non-profits or volunteering. Approximately 110 Louisville-based employees currently serve in a board capacity for a local non-profit organization. A number of employees have committed to increase their volunteering efforts as part of their Personal Responsibility Plan (see page 34).

OPERATION ROD AND REEL

Early Times Whisky sponsors sport fishing in the U.S., an activity particularly enjoyed by military personnel. As a show of appreciation for their service, we created Operation Rod and Reel in partnership with the American Bass Anglers (ABA) Association and Healing Waters Fly Fishing, an organization dedicated to the physical and emotional rehabilitation of active military service personnel with disabilities.

Eighty active-duty service members each received fishing equipment and a free fishing trip to a local ABA bass tournament. Messaging throughout the campaign promoted responsible consumption and rehabilitation.

Participants responded positively to Operation Rod and Reel, with one describing the experience as “one of the best times in my life.”

Airman Lee Lewis and fellow bass angler, Ray Templeton, participate in the Bone Creek Tournament as part of Operation Rod and Reel.
LENDING A HAND TO JAPAN

Japan’s difficulties following the earthquakes and tsunami of March 2011 have been highlighted globally. Brown-Forman has offered support from afar and through local employees, all of whom remained safe during the crisis and gave valuable input into how we could provide assistance.

Through Jack Daniel’s, we donated $100,000 to the American Red Cross Japanese Earthquake Relief Fund. In addition, many employees donated personally through our online donation site.

Q&A with Rusty Cheuvront, Director, Global Community Relations

What was the focus of Brown-Forman’s community involvement in the past two years?

We have concentrated on two areas: global expansion and improving employee volunteering. We continue to align more of our giving around the core societal impact of beverage alcohol. But we also maintain our contributions to the arts, diversity and inclusion, economic development, education, emergency relief, environment, and social services.

Economic realities of the past two years have meant that a focus of our giving strategy has been to maintain our contribution levels with our existing community partners, and we’ve managed to do that successfully.

There are new ways to support community groups, such as cause marketing campaigns where brands sponsor a cause and help raise money for community organizations through marketing campaigns. Our brands are becoming more involved in these because of the mutual benefits.
How has your geographical focus for community involvement changed as you have expanded globally?

Our hometown always has been a prime focus for our community involvement. It’s where we come from and where many employees and shareholders live. Our contributions help build a vibrant community, which has the added benefit of helping us attract and retain top talent in our headquarters’ location.

In FY11, we donated $70,000 each to the Alcohol and Health Education Office at the University of Kentucky in Lexington and the University of Louisville’s Alcohol Research Center. Our funding is used to expand these alcohol education programs to develop new and effective approaches to tackling high-risk drinking and alcohol abuse (see page 14).

We continue to support environmental education. In 2010, we donated $1 million to the Louisville Zoo’s arctic exhibit, Glacier Run. The zoo is globally renowned and a community treasure. The exhibit is a great way of teaching everyone about the impacts of climate change.

We have not forgotten about our employees in communities spread around the world. We’re committed to supporting our global workforce and their communities as our business expands into more than 135 countries. In particular, we have extended our reach to Mexico and Lynchburg, Tennessee — areas where we have a large number of employees.

Such expansion has its challenges — not least in finding and allocating community resources. But we’re confident in our ability to continue.

In Mexico, employees donated food for the needy and toys for children during the holiday season, while Brown-Forman donated funds to social service organizations that support the communities of Amatitlán and Guadalajara. The donations enabled the Red Cross to purchase an ambulance for Amatitlán’s citizens.

In Lynchburg, Tennessee, where we make Jack Daniel’s, we funded improvements to the central downtown square and refurbishments to a community center, swimming pool, and baseball fields.

We’re continuing to look to expand our efforts globally and make it easier for employees around the world to participate more in their communities. In 2011, we introduced a holiday giving program, giving each employee around the world a charity gift card worth US$25 to donate to a charity of their choice. We encouraged employees to match this donation.
We want to be able to track the contribution Brown-Forman employees make around the world in order to gauge our total impact. Our work with the London Benchmarking Group concluded in 2010, but we were able to achieve a great deal, including sharing best practices, refining measurement tools, and improving the management and implementation of Corporate Community Investment projects. As a result, we have become more diligent in our measurement and evaluation of employee volunteering. We’re also better assessing the impact of our giving, both financial and non-financial, with a complete understanding of the scale and value of our investment in a community.

All employees now report their time served on boards, volunteering, and assisting organizations in the community. We’ve used this information to establish an inventory of Brown-Forman’s total hours and contributions. In FY11, our employees logged over 15,000 hours of volunteer time in communities around the world.

The program is helping us boost participation because we post volunteer opportunities and brief reports on completed projects on local intranet sites, helping to generate interest from other employees.

Brown-Forman employees help clean-up and restore a local public school damaged by Hurricane Katrina.

SOUTHERN HOSPITALITY AT BROWN-FORMAN

Brown-Forman’s headquarters as well as some of our field offices are located in the southern states of the U.S. These states are known worldwide for their hospitality — the way they welcome everyone and help those in need.

In June 2010, more than 400 employees converged on New Orleans, Louisiana, for an annual group meeting. While there, employees organized community service projects to help rebuild areas of the city affected by Hurricane Katrina. We helped local public schools clear debris and rejuvenated a community garden in the Lower Ninth Ward area of the city.

In Atlanta, Georgia, employees volunteered at Open Hand, an organization focusing on the prevention and management of chronic disease through comprehensive nutritional care. The treatment combines home-delivered meals and nutrition education to help people make informed food choices. Brown-Forman employees assembled and packed nearly 2,000 meals for delivery to people with critical or chronic illnesses or disabilities and seniors in need of assistance.
Our philanthropic efforts are growing globally.
Here is a snapshot of our work around the world:

**ASIA-PACIFIC**

Brown-Forman Australia donated products and funds to the children’s charity Variety, helping the organization hold parties and fundraising events.

Brown-Forman donated $100,000 to the International Red Cross to aid the organization’s relief efforts for the Philippines and Queensland, Australia, floods.

In Bangkok, Thailand, we provided breathalyzers to local police to test drivers during the Songkran festival.

**NORTH AMERICA**

Brown-Forman donated to the YMCA in Collingwood, Ontario, where Canadian Mist is made.

Our Sonoma-Cutrer facility in Northern California is the annual host of fundraisers for the Make-A-Wish Foundation and the Northern California Council for Aging.

**LATIN AMERICA AND THE CARIBBEAN**

Through the Employee Gift Match Program, Brown-Forman donated nearly $150,000 to the Red Cross for earthquake relief in Haiti.
• business disruption, decline or costs related to reductions in workforce or other cost-cutting measures
• lower returns or discount rates related to pension assets, interest rate fluctuations, inflation, or deflation
• fluctuations in the U.S. dollar against foreign currencies, especially the euro, British pound, Australian dollar, or Polish zloty
• changes in consumer behavior or preferences and our ability to anticipate and respond to them, including societal attitudes or cultural trends that result in reduced consumption of our products; reduction of bar, restaurant, hotel, or other on-premise business or travel
• consumer shifts away from spirits or premium-priced spirits products; shifts to discount store purchases or other price-sensitive consumer behavior
• distribution and other route-to-consumer decisions or changes that affect the timing of our sales, temporarily disrupt the marketing or sale of our products, or result in implementation-related costs
• effects of acquisitions, dispositions, joint ventures, business partnerships or investments, or portfolio strategies, including integration costs, disruption or other difficulties, or impairment in the recorded value of assets (e.g., receivables, inventory, fixed assets, goodwill, trademarks, and other intangibles)
• lower profits, due to factors such as fewer or less-profitable used barrel sales, lower production volumes, decreased demand for products we sell, sales mix shift toward lower-priced or lower-margin SKUs, or cost increases in energy or raw materials, such as grain, agave, wood, glass, plastic, or closures
• natural disasters, climate change, agricultural uncertainties, environmental or other catastrophes, our suppliers' financial hardships, or other factors that affect the availability, price, or quality of agave, grain, glass, energy, closures, plastic, water, wood, or finished goods
• negative publicity related to our company, brands, marketing, personnel, operations, business performance, or prospects
• product counterfeiting, tampering, contamination, or recalls and resulting negative effects on our sales, brand equity, or corporate reputation
• significant costs or other adverse developments stemming from class action, intellectual property, governmental, or other major litigation; or governmental investigations of beverage alcohol industry business, trade, or marketing practices by us, our importers, distributors, or retailers

IMPORTANT INFORMATION ON FORWARD-LOOKING STATEMENTS

This report contains statements, estimates, and projections that are “forward-looking statements” as defined under U.S. federal securities laws. Words such as “aim,” “anticipate,” “aspires,” “believe,” “ensue,” “estimate,” “expect,” “expectation,” “intend,” “may,” “plan,” “potential,” “project,” “pursue,” “rate,” “will,” “will continue,” and similar words identify 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 other factors include, but are not limited to:

• declining or depressed economic conditions in our markets; political, financial, or credit or capital market instability; supplier, customer or consumer credit or other financial problems; bank failures or governmental debt defaults or nationalizations
• failure to develop or implement effective business and brand strategies and innovations, including route-to-consumer and marketing and promotional activity
• unfavorable trade or consumer reaction to our new products, product line extensions, or changes in formulation, packaging, or pricing
• inventory fluctuations in our products by distributors, wholesalers, or retailers
• competitors’ pricing actions (including price reductions, promotions, discounting, coupons, or free goods), marketing, category expansion, product introductions, entry or expansion in our markets, or other competitive activities
• declines in consumer confidence or spending, whether related to the economy (such as austerity measures; tax increases, high fuel costs, or higher unemployment), wars, natural or other disasters, weather, pandemics, security concerns, terrorist attacks, or other factors
• changes in tax rates (including excise, sales, VAT, tariffs, duties, corporate, individual income, dividends, capital gains) or in related reserves, changes in tax rules (e.g., LIFO, foreign income deferral, U.S. manufacturing, and other deductions) or accounting standards, or other restrictions affecting beverage alcohol and the unpredictability and suddenness with which they can occur
• governmental or other restrictions on our ability to produce, import, sell, price, or market our products, including advertising and promotion in either traditional or new media, regulatory compliance costs

(continued under flap)
Brown-Forman's 2011 scorecard presents data across environmental sustainability, responsible marketing, charitable contributions, economic contribution, and employee relations.

### Environmental Sustainability

**Energy**
- Total usage, MMbtus:
  - CY07: 2,490,900
  - CY08: 2,434,409
  - CY09: 2,425,376
  - CY10: 2,527,520

**Greenhouse Gas Emissions**
- Metric tons by direct, indirect, optional:
  - Direct emissions:
    - CY07: 173,733
    - CY08: 189,333
    - CY09: 183,767
    - CY10: 186,666

### Responsible Marketing

**Media Impressions LDA and Above**
- B-F Standard 80%
- FY07: 97
- FY08: 96
- FY09: 96
- FY10: 96
- FY11: 96

**Global Advertising Complaints/Complaints Upheld**
- Advertising complaints:
  - U.S.:
    - Jan–Jun 2010: 0
    - Jul–Dec 2009: 0
    - Jan–Jun 2009: 0
  - UK:
    - Jan–Dec 2010: 2
    - Jan–Dec 2009: 1
  - Germany:
    - Jan–Dec 2010: 0
    - Jan–Dec 2009: 1

### Charitable Contributions

**Total Cash Contributions**
- $ (Millions):
  - FY09: 8.7
  - FY10: 9.9
  - FY11: 8.9

**Charitable Contributions by Type**
- Arts & Culture 27%
- Alcohol issues 16%
- Social welfare 12%
- Education 11%
- Cause marketing 9%
- Diversity & Inclusion 7%
- Other 5%
- Economic development 4%
- Emergency relief 4%
- Environment 3%
- Health 2%
- Political 1%

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1. 2011 Scorecard
2. Environmental sustainability
3. Responsible marketing
4. Charitable contributions
5. Economic contribution
6. Total shareholder return vs. index
7. Distribution of cash value added
Company Profile

Number of Employees: 3,871

Top 5 Employee Locations:
- U.S.
- Mexico
- Australia
- Germany
- Poland

Depletions: Nearly 36 million 9-liter cases worldwide

Fiscal Year Net Sales: $3.4 billion

Employee Relations

Supplier Diversity

$ (Millions) Amount Spent with Minority and Women-Owned Businesses in the U.S.

- 13.4 FY09
- 13.3 FY10
- 14.5 FY11

Health & Safety

Total Incident Rate:

- 7.9 CY06
- 4.3 CY07
- 4.3 CY08
- 4.6 CY09
- 3.8 CY10

Racial Diversity by Level

<table>
<thead>
<tr>
<th>Level</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>Board</td>
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<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Executive Officers</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Senior Managers/Directors</td>
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<td>6.1</td>
<td>12</td>
<td>1.2</td>
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<tr>
<td>Managers/Directors</td>
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<td>4.1</td>
<td>3.5</td>
<td>3.5</td>
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<tr>
<td>Lead/Sr. Professionals</td>
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<td>2.2</td>
<td>0.9</td>
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<td>Professionals</td>
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<td>5.2</td>
<td>1.3</td>
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<tr>
<td>Entry Level/Sr. Administrative</td>
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<tr>
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<td>Production/Seasonal</td>
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<td>7.3</td>
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<td>Temporary/Seasonal</td>
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<td>2.3</td>
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Gender Diversity by Level

<table>
<thead>
<tr>
<th>Level</th>
<th>Male</th>
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</thead>
<tbody>
<tr>
<td>Board</td>
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<td>17</td>
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<tr>
<td>Executive Officers</td>
<td>70</td>
<td>30</td>
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<tr>
<td>Senior Managers/Directors</td>
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<tr>
<td>Managers/Directors</td>
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<td>30</td>
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<tr>
<td>Lead/Sr. Professionals</td>
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<tr>
<td>Professionals</td>
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<td>Entry Level/Sr. Administrative</td>
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<tr>
<td>Administrative (Non-Exempt)</td>
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<td>88</td>
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<tr>
<td>Non-Exempt</td>
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<td>75</td>
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<tr>
<td>Production/Seasonal</td>
<td>85</td>
<td>15</td>
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<tr>
<td>Temporary/Seasonal</td>
<td>38</td>
<td>62</td>
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Corporate Sales & Marketing

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<tr>
<th>Category</th>
<th>Male</th>
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<th>White</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Other</th>
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</thead>
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<tr>
<td>Corporate, Global</td>
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<td>47</td>
<td>88</td>
<td>4.5</td>
<td>4.3</td>
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<td>24</td>
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<td>0.4</td>
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<tr>
<td>Production Hourly</td>
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<td>62</td>
<td>90.7</td>
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<tr>
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<td>36</td>
<td>86.2</td>
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Global Workforce

Job Type

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<tr>
<th>Type</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate, Global, Sales &amp; Marketing</td>
<td>63</td>
<td>32</td>
<td>5</td>
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<tr>
<td>Production Hourly</td>
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</tr>
<tr>
<td>Temporary/Seasonal</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Location

<table>
<thead>
<tr>
<th>Location</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
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<tbody>
<tr>
<td>U.S.</td>
<td>58</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Mexico</td>
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<td></td>
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</tr>
<tr>
<td>International</td>
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Age

<table>
<thead>
<tr>
<th>Age</th>
<th>FY09</th>
<th>FY10</th>
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<tr>
<td>18-29</td>
<td>15</td>
<td>62</td>
<td>24</td>
</tr>
<tr>
<td>30-50</td>
<td></td>
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</tr>
<tr>
<td>Over 60</td>
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Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>67</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
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Global Voluntary Turnover

<table>
<thead>
<tr>
<th>Period</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>6.6</td>
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<tr>
<td>FY11</td>
<td>5.2</td>
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</tbody>
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1. Unless otherwise noted, all data are for our fiscal year 2011, which ended April 30, 2011. Financial data is shown in U.S. dollars.
2. Unless otherwise noted, data are for our Calendar Year basis. Our 2010 environmental sustainability performance data includes metrics from the Fetzer and other Hopland-based business as it was still under Brown-Forman ownership at that time.
3. The composition of our energy has changed slightly as our Mexico facility has replaced its fuel oil with a specialty fuel. Other includes propane, gasoline, charcoal, and asphaltene.
4. Total energy has increased with increased production volumes.
5. Increase in total emissions is due to increased production.
6. Energy usage is determined from either direct metering or by allocation methods.
7. Energy usage is determined from either direct metering or by allocation methods. Numbers may differ slightly from previous reports due to refinement of data systems.
8. Data excludes corporate offices, B-F homeplaces, field offices, and vineyards.
9. As reported by Deutscher Werberat (German Advertising Council).
10. Increase in total emissions is due to increased production.
11. As reported by The Portman Group and the Advertising Standards Authority (ASA).
13. At the time of publishing this report, the 2010 GHG emissions are undergoing verification. 2009 numbers have been adjusted to reflect verified report.
14. Increase in total emissions is due to increased production.
15. Direct emissions include use of fuel for stationary and mobile uses, including coal, natural gas, and fuel oil. Indirect emissions include use of electricity.
16. Optional emissions are emissions associated with business travel.
17. U.S., Canadian and International Production Operations include corporate offices, B/F homeplaces, field offices, and vineyards.
18. All mediums generate actual LDA impressions of at least 80%.
19. Numbers may vary due to reclassification of data systems.
20. Energy usage is determined from either direct metering or by allocation methods. Numbers may differ slightly from previous reports due to refinement of data systems.
21. Unless otherwise noted, data are for our fiscal year 2011, which ended April 30, 2011. Financial data is shown in U.S. dollars.
22. Unless otherwise noted, all Environmental data is reported on a Calendar Year basis. Our 2010 environmental sustainability performance data includes metrics from the Fetzer and other Hopland-based business as it was still under Brown-Forman ownership at that time.
23. Indirect emissions include use of electricity.
24. Total energy has increased with increased production volumes.
25. Increase in total emissions is due to increased production.
26. Increase in total emissions is due to increased production.
27. Increase in total emissions is due to increased production.
For information on Brown-Forman’s Corporate Responsibility efforts, please write to
Brown-Forman Corporation, Office of Corporate Responsibility,
850 Dixie Hwy., Louisville, KY, 40210, U.S.A.

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

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