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# WE ENRICH THE EXPERIENCE OF LIFE

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BY RESPONSIBLY BUILDING  
BEVERAGE ALCOHOL BRANDS  
THAT THRIVE AND ENDURE  
FOR GENERATIONS.

CORPORATE RESPONSIBILITY  
REPORT 2017-2018



BROWN-FORMAN

WELCOME TO OUR CORPORATE RESPONSIBILITY REPORT. AS YOU SPEND TIME WITH US HERE, WE HOPE IT OFFERS A SENSE NOT ONLY FOR WHAT WE DO AS PART OF OUR UNWAVERING COMMITMENT TO ENRICH THE EXPERIENCE OF LIFE, BUT ALSO A GENUINE FEEL FOR HOW WE DO IT, IN OUR OWN WAY.

Entering our sixth generation of stewardship by Brown family shareholders, our family roots run deep. The enduring values expressed by the family anchor the company and extend to employees, creating a familial culture that binds and guides us today. In this report and the accompanying videos, we highlight the stories of some of the many caring people inside Brown-Forman, those champions who reveal their best spirit, and together, make us better every day.

For example, you will see a courageous spirit in Judy Spalding, celebrating 30 years of sobriety, who dared enough to start SPIRIT, the Employee Resource Group (ERG) supporting the choice not to drink. SPIRIT enhances our culture so that employees, guests, and others feel connected to our company and our brands regardless of whether or not they drink. The work of many members of SPIRIT and our seven other ERGs, totaling more than 2,200 members, is making us a more inclusive organization.

Our spirit of teamwork shines through when Jim Lillis, Bryon Peterson, and others promote responsibility with a major customer and soccer fans in the U.S., as shared in a new video. Our sales teams are making strides in realizing their potential to positively influence consumer attitudes and behaviors.

We celebrate the innovative spirit of Eduardo Lopez and his team at Herradura, who found a better way to cook agave which reduces energy use by 14%, supporting a significant greenhouse gas reduction target we set. While we all have much work to do on our corporate ambition to address climate change, we are confident in the ability of our people to implement new ideas to achieve this goal.

Alongside the award-winning environmental sustainability leadership at Herradura is the progressive approach we take at Jack Daniel's. In Lynchburg, we were practicing "sustainability" of our natural resources long before it was a common term. We feel the time is right to begin telling this story and we do so in a new video.

In the midst of a refugee crisis in Europe, Endre Szabo selflessly and passionately organized a cycling fundraiser to support the thousands of unaccompanied children in need. Last year, 80 employees participated, and the funds raised this year will help resettle eight more child refugees. He is one of many employees around the world and in our hometown of Louisville, Kentucky, who generously give their time and talents.

These are just a few examples. You will find other examples of our colleagues and our teams revealing their best spirit in this report and in the accompanying videos online. There are countless individuals who make a difference every day and everywhere at Brown-Forman.

The challenges facing companies and society today make the need for people and companies taking action clearer than ever. Given the unique expectations and sensitivities of marketing and selling beverage alcohol brands, we ground our business on the premise that responsibility need not be compromised to make a profit – quite the opposite. We operate on a conviction that the actions and aspirations described in this report are, quite frankly, good business and the right thing to do. This is particularly true for a company such as ours with the ambition to thrive and endure for generations to come.

For many, Brown-Forman is not a household name. However, if you do know us or have been part of the work described in this report, we are grateful for your friendship in helping to make us better corporate citizens. If you are new to the company and our work, we invite you to join us as we find more impactful ways to enrich life together.



*Paul C. Varga*

**Paul C. Varga**  
Chairman and  
Chief Executive Officer

*Geo. Garvin Brown IV*

**Geo. Garvin Brown IV**  
Chairman of the Board

**40+** BRANDS    **160+** COUNTRIES    **4.7K+** PEOPLE    **\$3.0B** NET SALES



- 48% United States
- 7% United Kingdom
- 5% Australia
- 5% Mexico
- 4% France
- 4% Germany
- 27% Other

# A LEGACY OF RESPONSIBILITY

Our company was founded by what some might consider the first act of responsibility in our industry. In 1870 in Louisville, Kentucky, United States, George Garvin Brown, a young pharmaceuticals salesman, decided to sell his whiskey in sealed glass bottles to assure its quality and safety in a market that was full of contaminated product. An innovative and costly approach at the time, bottling his original brand, Old Forester® Kentucky Straight Bourbon Whiskey, gave people the assurance of his name and personal signature while other whiskeys were sold straight out of the barrel with no promise of consistency. This act gave birth to America's first bottled bourbon and began Brown-Forman's commitment to quality of product, people, and promise. Today, Brown-Forman has expanded well beyond Louisville as one of the largest American-owned spirits and wine companies and a top 10 global spirits company — yet it remains strongly connected to the founding family with a focus on quality, character, and integrity.



## OUR PASSION FOR RESPONSIBILITY

As a family-controlled business, we have always been guided by strong values in everything we do and go to great lengths to maintain our culture of care and respect as we grow our company. Our values are put into action by promoting responsible consumption of alcohol, providing a safe, inclusive, and engaging workplace, protecting the environment, and making a positive contribution to our communities.

### Bringing People Together

Responsibility is about doing more together than we can on our own. We seek relationships with our partners where ideas and resources are shared to inform and implement our corporate responsibility strategy. We actively listen to and involve our stakeholders in identifying priorities, shaping our strategy, and implementing solutions. We partner with individuals and organizations because we believe this kind of deep collaboration leads to greater positive impact.

### Turning Conversations into Programs

We involve many people in our day-to-day responsibility efforts and are open to diverse external opinions in making decisions. We proactively engage with others who have the most influence on, and are most influenced by, our business — our stakeholders. Meaningful relationships with our stakeholders underpin our work and our company.

To have the most impact, we focus on what we do well by prioritizing the corporate responsibility issues that are closest to our business and conducting periodic assessments of our most material issues. We held formal external and internal stakeholder workshops in 2011, 2012, and 2014. We also conducted a formal assessment with our stakeholders in 2015 to identify our most pressing corporate responsibility issues.

## OUR PRIORITY STAKEHOLDERS

CONSUMERS

NON-PROFITS AND  
COMMUNITY ORGANIZATIONS

EMPLOYEES

THE BROWN FAMILY SHAREHOLDERS

ISSUE EXPERTS AND  
THOUGHT LEADERS

INVESTORS

CUSTOMERS

SUPPLIERS

GOVERNMENT AND  
REGULATORS

### Our Priorities

When we look holistically across the landscape of social, environmental, and economic issues to evaluate where we should focus our resources, we have identified four major priorities:

#### Alcohol Responsibility

Encouraging responsible drinking through moderate consumption of our products in a way that brings social enjoyment rather than harm (see page 6)

#### Environmental Sustainability

Positively influencing regenerative management practices for water, energy, and other resources that we use to make our products (see page 12)

#### Our People

Fostering talent, and valuing diversity, creativity, commitment, and expertise of our employees enables us to grow and endure (see page 18)

#### Community Relations

Contributing our time, talent, and resources to the communities to which we belong so that they are better places to live and work (see page 26)



## WELCOME TO CORPORATE RESPONSIBILITY

Learn more about what responsibility means to us, why we believe enriching life means doing so responsibly, and how we make it real.

[www.Brown-Forman.com/responsibility/#enriching-life](http://www.Brown-Forman.com/responsibility/#enriching-life)

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As we looked to the future, we were inspired by the recent introduction of the United Nations Sustainable Development Goals (SDGs), a set of 17 global goals designed to address a broad range of sustainable development issues from poverty and gender equality to climate change.

We reviewed our corporate responsibility strategy against the SDGs to understand where our work aligns with these goals. We have identified a smaller subset of goals, which we believe have the strongest connection to our work and are where we can have the most impact. These include SDG 3, 6, 7, and 15:



### Good Health and Well Being

SDG 3, and in particular the sub targets, focused on preventing and treating substance abuse, align closely with one of our core priorities reflecting our dedication to promoting responsible alcohol consumption and reducing harmful drinking. We aim to have a positive impact through responsible marketing, partnerships with organizations leading these efforts like Responsibility.org, and our ongoing support for local and national addiction recovery groups.



### Clean Water and Sanitation

Clean and readily available water is a vital ingredient of our products, so we have long had a strong interest in protecting water quality and availability. We continue to pursue our goals to reduce water use as an input and wastewater generated by 30% per unit of product by 2023 (from a 2012 baseline). We focus our water stewardship efforts in watersheds we have assessed to be at-risk.



### Affordable and Clean Energy

Our ongoing efforts to invest in renewable energy and energy efficiency are strongly linked to SDG 7. Our current 2023 target to reduce absolute GHG emissions by 15% helps contribute to this goal. In addition, our progress in developing on-site renewable energy sources through solar and biogas is how we do our part to increase clean energy.



### Life on Land

Our sustainable agriculture and forestry programs are important to protecting the land we and our suppliers, employees, and customers rely so heavily upon. Our work with state and local forestry associations to support sustainable white oak production, our sustainable wine-growing practices, and our recent efforts to begin incorporating sustainable agriculture practices into our supply chains, are integral to ensuring we do our part to support healthy ecosystems on land.

This selection of priority goals based on where we see our greatest potential impact is our first step in engaging with the SDGs. Going forward, we will focus on how to maximize our positive impacts and contribute to the achievement of these global goals.

A photograph of three people smiling in front of a large window. On the left is a woman with short grey hair wearing a dark jacket and a lanyard with an ID badge. In the center is a woman with dark hair wearing a pink sweater and a lanyard with an ID badge. On the right is a man with a shaved head wearing a red and blue checkered shirt and a lanyard with an ID badge. The background shows a brick wall and a window with a view of the outdoors.

EVERYDAY CHAMPION: JUDY SPALDING

CREATING A

# SPIRIT

OF RESPECT

Judy Spalding, SPIRIT Founder, Barbara Hurt, current SPIRIT co-lead, and Dennis Ogbe, Global Wellness Specialist, volunteering at The Healing Place.

## WHEN JUDY SPALDING JOINED BROWN-FORMAN, SHARING HER HISTORY OF ALCOHOL ADDICTION AND RECOVERY WAS THE LAST THING ON HER MIND.

Working for a beverage alcohol company turned into an opportunity for Judy to blaze a courageous trail in transforming attitudes toward non-drinkers.

“I had been in recovery for 22 years when I joined Brown-Forman as a paralegal. It has turned out to be a wonderful fit, but early on I had some challenges. At company events, people would ask why I wasn’t drinking and push for an answer. There was also the concern about potential negative impact to my career because of being a non-drinker.

I suggested the idea for SPIRIT to Ralph de Chabert, our Chief Diversity Officer, and one of our creative group members then came up with the name SPIRIT, which stands for Showing Pride in Respecting Individual Tastes. The goal was to promote inclusion for non-drinkers and build understanding for the experiences of those who decide not to drink for whatever

reason. We pitched the idea to leadership and they were on board from the beginning, giving us their encouragement and a budget.

Since launching the SPIRIT Employee Resource Group in 2011, we have made so much progress. Now, when I tell people I’m in recovery, it’s not a conversation stopper. We have become more aware of the role that drinking or not drinking plays in our culture and we have become more inclusive

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**Making it out of addiction gives me a sense of responsibility to help other people who might struggle with their relationship with alcohol.”**

— JUDY SPALDING, PARALEGAL AND SPIRIT CO-FOUNDER

and welcoming to those who choose not to drink. We have an active membership and host speaker events open to everyone. We also have creative and delicious mocktails at company events, and they are actually trendy! I am proud to have opened up this dialogue and know that SPIRIT has been part of a change in our culture.”

# ALCOHOL RESPONSIBILITY

OUR APPROACH TO ALCOHOL  
RESPONSIBILITY SHOWS  
THE SAME CARE AND RESPECT  
WE APPLY TO MAKING  
OUR PRODUCTS.

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Our brands are often part of important events in people's lives — weddings, birthdays, celebrations and relaxing times with family and friends. They offer, as Jack Daniel's once said, "a grateful pause from tension." As such, we embrace our clear responsibility to encourage intelligent choices about drinking.

Our aim is to lead society toward more responsible attitudes and behaviors related to alcohol. We invest in initiatives that encourage responsible drinking and seek to reduce alcohol abuse and misuse among those who touch our products, including consumers, business partners, and employees.

## ENRICHING LIFE, RESPONSIBLY

Responsible alcohol consumption is in our personal interest and critical to the success of our business. Our desire to help individuals make informed and responsible decisions starts by demonstrating this behavior ourselves. Brown-Forman has been in business for almost 150 years and we believe we will prosper into the future based on this philosophy. We live it every day through our three key focus areas:

- Preventing Alcohol-Related Harms
- Promoting a Moderate Drinking Culture
- Marketing Responsibly

We actively work to discourage underage drinking, binge drinking, and drunk driving. We promote a culture of respect for the decision not to drink, whatever the reason, and moderation for those who do drink. We also support recovery programs for individuals and families struggling with dependency or addiction.

### Leading Through Partnerships

We know we can't solve the many challenges around misuse of alcohol alone. We work to address issues including drunk driving and underage drinking through industry partnerships such as [www.Responsibility.org](http://www.Responsibility.org), the Responsible Retailing Forum, TEAM Coalition, Kentucky Distillers Association, International Alliance for Responsible Drinking, and many others.

Through online forums, such as [www.ourthinkingaboutdrinking.com](http://www.ourthinkingaboutdrinking.com), we help address alcohol-related challenges openly and honestly. Our Thinking About Drinking provides thoughtful independent opinions about alcohol-related issues to encourage more informed decisions about alcohol policy and consumption. For example, this year, external contributors tackled topics including the link between DUIs and mental health, alcohol dependency risks due to stress, and overconsumption by young adults.

We continue to work with 10 other industry leaders that signed the Beer, Wine, and Spirits Producers' Commitments' to Reduce Harmful Drinking. In the fourth year of our five-year plan, as an industry we tailored our Commitments' work to address key concerns in individual markets with programs that leveraged the strengths of local and country-level partnerships. Working together, we were able to innovate with strategies to promote responsible drinking and develop approaches that reduce harmful drinking. Our collective progress on these commitments will be reported annually through 2018, available at [www.producerscommitments.org](http://www.producerscommitments.org).

## WORKING TOGETHER TO REDUCE ALCOHOL ABUSE

Most of us have someone in our lives who has been impacted by drunk driving, underage drinking, alcohol dependency, or addiction. The very real and serious consequences of these issues motivate our employees to work together with like-minded partners to be part of the solution to alcohol abuse and misuse where we can.

### Promoting Safe Rides

Collectively, the actions of individuals — from designated drivers to drinkers who call a taxi — make a significant impact in preventing drunk driving. We help get people home safe by partnering with community organizations, highway agencies, and ride service companies. We joined the Kentucky Office of Highway Safety in a Drive Sober or Get Pulled Over campaign, providing a discount for local cab and Uber rides during the December holidays.

Our brands run many promotions, online and in person, that market safe rides and provide discounts for their use. Throughout the year, Jack Daniel's partnered with the largest U.S. designated driver service to provide free designated drivers in 24 cities nationwide.



### PROMOTING ALCOHOL RESPONSIBILITY

Responsibility starts with our marketing and continues through our sales process. We want our brands to be a positive influence, encouraging customers and consumers to have a positive experience with them.

[www.Brown-Forman.com/responsibility/#sales-marketing](http://www.Brown-Forman.com/responsibility/#sales-marketing)

We promote safe ride options at Brown-Forman sponsored events, working with Uber, Lyft, CityScoop, and local taxi companies to offer free or reduced fare safe rides to event-goers. We also make free safe rides available at any time for Brown-Forman employees, whether for business or personal use.

### Preventing Underage Drinking

Underage drinking can have lifelong consequences for young people, including changes in brain development and problems at school. We want to help young adults avoid this damaging path. In the U.S. we help fund the Foundation for Advancing Alcohol Responsibility (Responsibility.org), an independent organization dedicated to reducing drunk driving and underage drinking. Similarly, in Mexico, we help plan the national alcohol responsibility campaigns for FISAC (Fundación de Investigaciones Sociales A.C.), a non-profit whose mission is to contribute to a responsible drinking culture.

We work with retailers, schools, and communities to prevent underage drinking, and pursue partnerships around the world that raise awareness of the harmful consequences. We partner with the Responsible Retailing Forum to assess and improve retailer performance on ID checking and training to prevent underage drinking. In addition, Brown-Forman Finland and the Association of Finnish Alcoholic Beverage Suppliers created a website to help parents educate their teens on how to say no to alcohol.

At the Universities of Louisville and Kentucky, we provide long-running support for alcohol education programs. In the last year, both schools implemented the Voice of Reason program, a peer-led strategy to increase resilience and reduce high-risk drinking among college students.

### Bringing Hope to People Struggling with Addiction

Alcohol abuse can be devastating for individuals and their loved ones. We are proud to support centers that help people and families on the road to recovery. In Fiscal 2017, in our hometown of Louisville, Kentucky, Brown-Forman provided financial and volunteer support to the following organizations:

- The Healing Place
- Volunteers of America Mid-States
- The Morton Center
- The West End Token Club
- House of Hope

We are also in the process of launching new partnerships outside Louisville with the following organizations:

- Abstinant in Slovenia
- Mothers' Village Association in Bosnia and Herzegovina
- Turning Point's Resolution Clinic in London, England

## CREATING A CULTURE OF MODERATION

For those who choose to drink, we promote moderation as the best way to enjoy our brands. We would much rather have a moderate consumer for life than one who over consumes and suffers the consequences. Our own people strive to model this behavior, and we train, engage, and empower them to practice a culture of responsibility, moderation, and respect. We also fully support those who should not, cannot, or do not want to drink for whatever reason.



### SUPPORTING ADDICTION RECOVERY

View an inspiring video about people recovering from addiction at centers supported by Brown-Forman at [www.Brown-Forman.com/responsibility/#addiction-recovery](http://www.Brown-Forman.com/responsibility/#addiction-recovery)

## Leading By Example

Responsible behavior starts from within. Across Brown-Forman, we use creative initiatives to educate our employees on the benefits of drinking in moderation.

In Fiscal 2017, we updated our online education module called the Think and Drink Tavern. The interactive simulation, offered in seven languages and with an eighth to be added in Fiscal 2018, shares tips on responsible drinking and how to know and intervene when someone has overconsumed. Additionally, throughout the year, we invited expert speakers to engage employees on alcohol responsibility topics such as the science of addiction and talking to your kids about alcohol.

## Respecting the Choice Not to Drink

Respectful relationships among colleagues is a guiding value at Brown-Forman. This culture is embodied in SPIRIT (Showing Pride in Respecting Individual Tastes), an Employee Resource Group that works to create a place where all employees and guests feel welcome, whether or not they drink alcohol. SPIRIT has helped to better diagnose the role that alcohol plays in our company culture and find new ways to foster inclusivity.

### ALCOHOL RESPONSIBILITY MONTH

Our Brown-Forman employees in Europe devote each February to building awareness about responsible drinking. Examples in Fiscal 2017 included:

- › **Germany** hosted expert seminars on alcohol misuse and partnered with a national convenience store chain on a “don’t drink and drive” marketing campaign
- › **Poland** hosted three weeks of themed events, including how to recognize and respond when someone has an alcohol problem and provided a dedicated hotline for employees to talk to therapists and experts about potential alcohol concerns.
- › **France** dedicated four weeks to themed events, including a session with an alcohol expert explaining the effect of beverage alcohol on the body and brain.

## BUILDING TRUST THROUGH RESPONSIBLE MARKETING

Marketing alcohol is a sensitive issue that we take very seriously. As a values-based company where trust and relationships mean everything, we have no tolerance for marketing that depicts irresponsible behavior or targets underage drinkers.

We often go beyond marketing regulations to ensure responsible placement and content of our advertising. We also provide clear information about nutrition on our website, and where allowed, offer sources for responsible drinking information on our product labels.

### Transparency for Our Consumers

Nutritional content is important to our consumers, so we launched [www.nutrition.brown-forman.com](http://www.nutrition.brown-forman.com) to provide more accessible nutrition information on our products. Our products do not contain excessive stimulants or additives and we reject any labeling associating our products with energy benefits. We also review all product packaging to avoid appealing to those under the legal drinking age.

### Advertising to High Standards

We love to talk about our brands, but recognize there is a right time, way, and place to do so. We make sure that our marketing, advertising, and promotional material doesn’t betray the trust that our consumers, partners, or regulators have in us.

We often go above and beyond minimal regulations — we know it’s the right thing to do. In line with our Marketing, Advertising, and Promotional Policy, we direct our ads towards audiences over the legal drinking age and depict consumption in a responsible manner. We follow all country-level regulations and work with other alcohol producers to develop industry codes of conduct.

### Involving Retail Partners

We want to work closely with our retailers to help prevent the sale of alcohol to minors. Highlights from Fiscal 2017 include:

- Partnering with Total Wine & More to promote sober holiday driving through in-store communication
- Convening industry stakeholders in Canada in partnership with the Liquor Control Board of Ontario (LCBO) to begin working toward a national campaign to reduce high-risk drinking
- Working through the trade association Avec Modération! with convenience stores across France on underage drinking prevention

A photograph of two men in hard hats inspecting agave leaves. The man on the left wears a yellow hard hat and a blue denim shirt with a green lanyard that says 'ESTACION' and 'SEGURIDAD'. The man on the right wears a blue hard hat and a white polo shirt with 'HERRERA ULTRA' on it, and a lanyard with an ID card that says 'CORONA BI'. They are both looking at a large piece of cooked agave held by the man in the yellow hat. The background is dark and industrial.

EVERYDAY CHAMPION: EDUARDO LOPEZ

MERGING

# INNOVATION

AND TRADITION

Eduardo López and Jesús Araiza inspect agave cooked under new process conditions.

**MERGING INNOVATION  
AND TRADITION,  
EDUARDO LOPEZ AND  
HIS CO-WORKERS FOUND  
A WAY TO SAVE ENERGY  
AND WATER WHILE  
RETAINING THE TEQUILA'S  
UNIQUE FLAVOR.**

Their achievement embodies our spirit at Brown-Forman — connecting the past with the present, with consideration for future generations.

“I began in wastewater treatment at Casa Herradura, then our environmental department, and now production. What I learned about environmental conservation is applicable in my new role, which is to implement continuous improvement systems. That is why I was so pleased three years ago when my co-workers came to me with a new idea. They believed that their traditional oven — made from sand, bricks, and stones — could use much less steam and still retain enough

heat to cook our agave. I loved the idea and its potential to save energy and water.

Our biggest challenge was to not affect Tequila Herradura’s flavor profile. Over three years of collaboration and ongoing testing, we finally got it right. We were able to reduce steam usage and the energy needed to cook the agave by 14%. We are also saving money, and my co-workers are excited to see continuous improvement.

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**I’m so pleased and inspired to be making a real impact for the environment through the enthusiasm and creativity of my colleagues.”**

— EDUARDO LOPEZ, PRODUCTION CHIEF, CASA HERRADURA, MEXICO

We expect yearly savings of 700 tons of carbon dioxide equivalent and 950,000 gallons of water a year from the tequila-making process changes.”

The Production Team has already started to work on reducing energy use even further, with a goal of more than double the energy savings in the factory in the near future.

# ENVIRONMENTAL SUSTAINABILITY

OUR VISION FOR THE FUTURE  
COMES FROM AN UNDERSTANDING  
THAT OUR ACTIONS TO ADDRESS  
CLIMATE CHANGE AND WATER  
SCARCITY TODAY IMPACT OUR  
OPPORTUNITIES FOR TOMORROW.

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At our heart, we are an agriculture company, dependent on the natural world. Our environmental sustainability strategy aims to protect and conserve natural resources — for our business and for future generations.

## OUR VISION FOR A SUSTAINABLE FUTURE

Our company is reliant upon the value of nature. Grains, grapes, agave, and clean water are the essential ingredients in our brands. White

oak from healthy forests provides the barrels to age our spirits. Our environmental sustainability strategy aims to protect and conserve all of these natural resources.

We know our commitments will have the most impact when we partner with others to create larger changes industry-wide. That is why we work alongside peer companies, industry groups, and non-profits, including the Beverage Industry Environmental Roundtable (BIER), Ceres, and others to advance environmental sustainability.

Through DendriFund, an environmentally focused foundation created by Brown-Forman and the Brown family, we connect with farmers, timberland owners, and other stakeholders to solve challenges related to wood, water, and grains. In the last two years, DendriFund has focused on bringing people together to address sustainable farming issues and to find new ways to allocate resources. DendriFund has provided financial, in-kind, and network support to the following key initiatives:

- **Sustainable Farming Practices:** Convening a series of conversations on sustainable farming practices in partnership with Brown-Forman to learn from farmers and experts. Events included cross-sector dialogue on common issues and interests, developing new pilot projects, and agriculture workshops with Village Capital, a venture capital firm that trains and invests in entrepreneurial businesses solving global problems.
- **Sustainable Forestry Practices:** Aiding the White Oak Partnership to develop and sustain resilient oak-dominated forests and address critical research, management, and educational needs.
- **Watershed Protection:** Supporting the Lower Salt River Watershed Collaborative efforts to build a digital watershed map.

## ACTING ON ENERGY AND CLIMATE

Creating great spirits and wine requires energy, which creates an environmental challenge since traditional energy sources produce greenhouse gas emissions, contributing to climate change. We are working to decouple our business growth from our greenhouse gas footprint by investing in renewable energy and energy efficiency. To inspire our efforts, we set a target to cut our absolute greenhouse gas emissions by 15% by 2023 (from 2012 levels).

### Solutions for Change: Renewables and Efficiency

Renewable energy is the prime solution for a truly sustainable energy future. We continue to pursue renewable projects that will help us meet our environmental goals. The on-site solar facility at our winery in Sonoma County, California, produces an average of 150,000 kWh of energy each year, which represents 5.5% of the electricity consumption at Sonoma-Cutrer. We are also expanding other renewable energy options including using agricultural byproducts, such as leftover agave fiber, to produce energy. Through this process, and the biogas produced from treating liquid organic byproduct, we reduced the GHG emissions at our Herradura tequila production facility in Mexico by 42% since 2012.

We continue to focus on improving energy efficiency across all of our operations as a way to reduce our environmental impact and operating costs. Our investments include energy efficient upgrades to lighting and HVAC equipment and process changes to improve steam systems and byproduct operations.

Our Slane Distillery in Ireland is building an anaerobic digester to convert distillation wastewater into biogas. Commissioning is planned for 2019 as the production volume reaches

the lower threshold for consistent operation of the digester. The biogas produced by the anaerobic digester will be used as boiler fuel to reduce a portion of the GHG emissions.

### Building Climate Resilience

To endure forever, we first need to understand future risks, including climate change, and how they will affect our operations and supply chain. Our priorities include planning for the prospect of future extreme weather events and integrating climate risk and mitigation strategies into our existing business contingency plans.

#### DECOUPLING GHG EMISSIONS FROM GROWTH

When we set out to create our 2023 GHG target, we looked at what the science was telling us was needed and what was required by business to make a significant difference in addressing climate change. As our business continues to grow, we must find innovative ways to shrink our carbon footprint at the same time. While we have yet to make this ambition a reality due to significant production increases from new distillery and warehouse operations, we are looking at new investments in renewables and remain optimistic that we will hit our target by 2023.



For our complete and updated data scorecard, please visit:  
[www.brown-forman.com/responsibility/#scorecard](http://www.brown-forman.com/responsibility/#scorecard)

\*From a 2012 baseline.



For our complete and updated data scorecard, please visit: [www.brown-forman.com/responsibility/#scorecard](http://www.brown-forman.com/responsibility/#scorecard)

## PRACTICING WATER STEWARDSHIP

A reliable, high-quality water supply is a necessity for our products and our communities, and we work with partners to conserve and keep water clean. To fulfill this commitment, we continue to collaborate with external partners to improve and protect the health of local watersheds that support our business and communities. Internally, we are working to minimize water use and limit wastewater discharge from our facilities.

### Making Every Drop Count

We are always looking for new ways to use and discharge less water to make our operations more efficient. In Fiscal 2017, Brown-Forman invested in water efficiency projects across our brands and facilities. Canadian Mist implemented several water-saving projects that resulted in a 34% decrease in water use and wastewater discharge. Sonoma-Cutrer uses 100% of treated process wastewater on-site for vineyard irrigation. Herradura uses 43% of treated process wastewater on-site for landscape irrigation. Actions like these led to an overall improvement of 6.9% in wastewater discharge rates.

The health of watersheds varies by region and climate and must be understood and managed at the local level. Since 2010, we have conducted an annual global water scarcity assessment. We use this tool to evaluate threats and prioritize solutions in high-risk areas. Assessments have shown that we do face the risk of direct water scarcity in a minority of our operations.

## ACHIEVING ZERO WASTE

As good environmental stewards and a smart business, we have committed to sending zero waste-to-landfill for all owned facilities by 2020. In 2017, five of our 15 owned facilities achieved this goal in its entirety, representing 85% of our total production. Our other sites are on their way, each having progressed at least 75% of the way to the goal. In order to achieve zero waste, our sites engage employees in waste reduction projects designed to identify and reduce specific waste materials. Canadian Mist in Collingwood,

Ontario assembled a team of employees that focused on separating out materials for recycling and eliminating materials that were hard to recycle; their efforts led to Canadian Mist achieving the zero waste goal this year.

### Engaging Employees in Recycling

Meeting our zero waste goal can only happen through the buy-in and participation of our employees. That's why we are enlisting their help in our recycling efforts. In Fiscal 2017, we increased targeted communication and conducted pilot projects to strengthen awareness and engagement behind office and cafeteria recycling initiatives. We conducted site level audits to assess where recycling practices could be improved. Additionally, our employees volunteered to support recycling programs, including electronic waste collection.



### ZERO WASTE JOURNEY

Our journey toward zero waste is good for the environment and good for business

[www.Brown-Forman.com/responsibility/#zero-waste](http://www.Brown-Forman.com/responsibility/#zero-waste)

## DELIVERING RESPONSIBLE PACKAGING

Our packaging plays an important role in delivering safe, high quality, and appealing products to our consumers. We are exploring new ways to introduce more sustainable materials into our packaging and also to reduce waste. Specifically, we work to maximize the recycled content in our packaging, ensure that packaging is not oversized, and explore the use of new materials. We are also experimenting with solutions to reduce the weight of glass and plastic containers. We balance these objectives with the reality of consumer demand for more premium bottles and packaging, which often can be heavier and more ornately designed.

Secondary packaging, including boxes and containers, provides strong opportunities for innovation. In Fiscal 2017, we began eliminating partitions in the shipping cases used for several of our European brands, reducing cardboard volume and total packaging weight.

## UNDERSTANDING SUSTAINABLE AGRICULTURE

From vineyards to fields of rye, most of our ingredients are grown on farms. Since agriculture accounts for 70% of all water use and affects water and soil quality, biodiversity, and climate change, we cultivate our relationships with farmers to support sustainable farming practices throughout our supply chain.

During Fiscal 2017, Brown-Forman and the DendriFund hosted a sustainable agriculture forum, inviting corn farmers and agricultural experts to share their knowledge and

experience with us. We learned about championing regenerative growing methods, supporting strong farming communities and economies, and how we might help farmers succeed in implementing such practices.

We bring our own expertise to vineyards and agave fields since we own and operate them. For example, Sonoma-Cutrer Vineyards received certification by the California Sustainable Winegrowers Alliance for its owned vineyards. Brown-Forman also worked in partnership with 11 tequila companies to study the carbon footprint of agave production. The study concluded that 1kg of agave generates 54g of CO<sub>2</sub> equivalent — with over 50% coming from fertilizers. In turn, we have made improvements in our use of fertilizers, including a 40% reduction in nitrogen, phosphorus, and potassium in our tequila production.

## SUPPORTING SUSTAINABLE FORESTRY

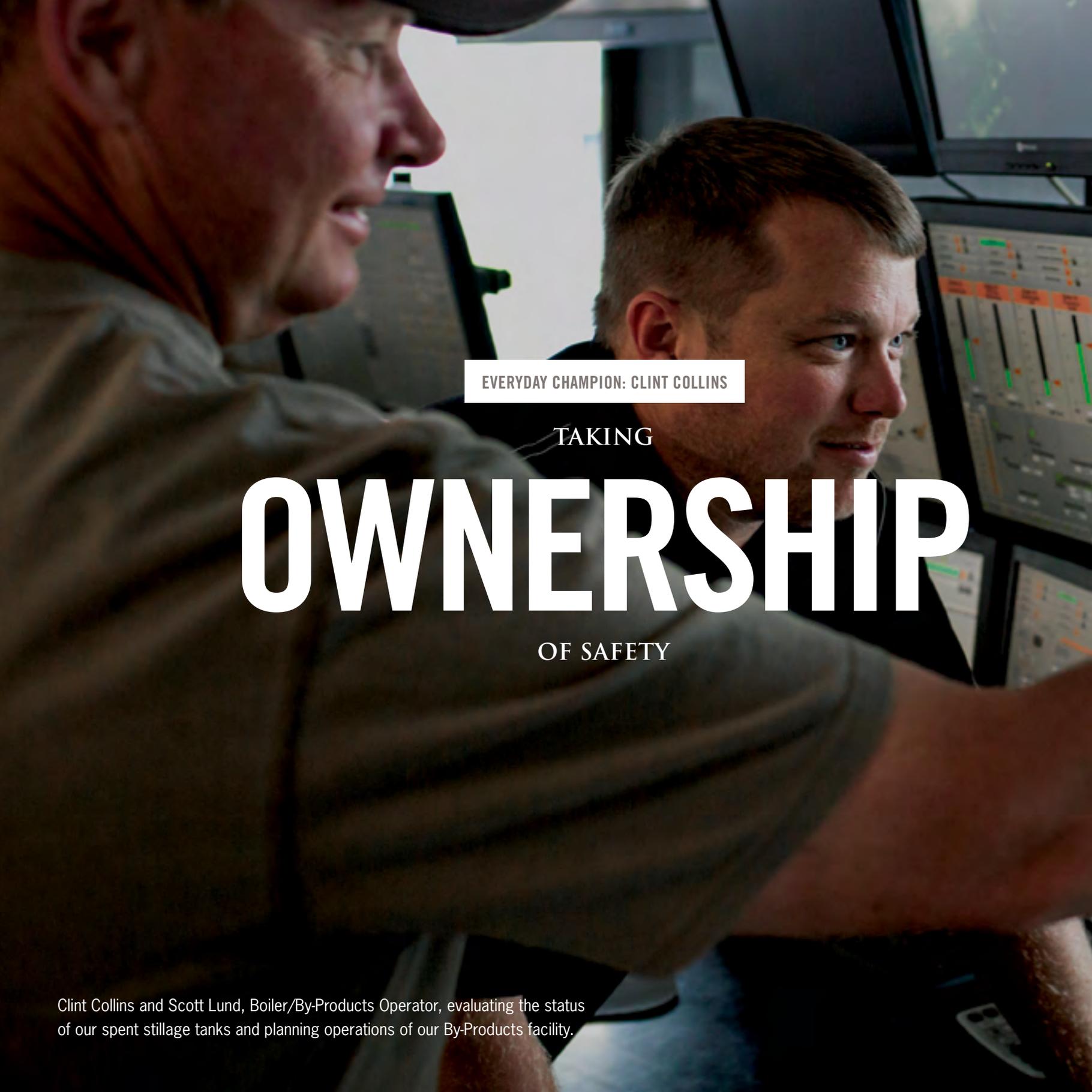
Many of our brands are aged in barrels that come from trees grown in hardwood forests. By helping keep these forests healthy, we protect the ecosystem benefits they provide, as well as the future of our business. We strive to source forestry products, including white oak and sugar maple, from suppliers that use best practices in forestry management. In the United States, we also work with state and local forestry associations to support forest health research, including them in partnerships focused on the protection of sugar maple species given its importance to our Jack Daniel's Family of Brands.



### OUR JACK DANIEL'S SUSTAINABILITY STORY

From cultivating relationships with farmers who grow our grain, to reusing our barrels and sending zero waste to landfill, sustainability is part of making Jack Daniel's the best we can every day.

[www.Brown-Forman.com/responsibility/#jd-sustainability](http://www.Brown-Forman.com/responsibility/#jd-sustainability)

A photograph of two men in a control room. The man in the foreground is wearing a grey t-shirt and a dark cap, looking towards the right. The man in the background is wearing a dark shirt and looking at a computer monitor. The monitor displays a complex interface with various charts and data points. The overall scene is dimly lit, with the primary light source being the monitor.

EVERYDAY CHAMPION: CLINT COLLINS

TAKING

# OWNERSHIP

OF SAFETY

Clint Collins and Scott Lund, Boiler/By-Products Operator, evaluating the status of our spent stillage tanks and planning operations of our By-Products facility.

## A FATHER OF FIVE WHO LIVES ON A CATTLE FARM, CLINT COLLINS HAS A SAFETY FIRST MENTALITY

In his job as a Boiler/By-Products Supervisor at the Jack Daniel's Distillery in Lynchburg, Tennessee, Clint has improved safety procedures and culture for the close-knit team he considers his second family.

“Our 20-person team handles everything except making the whiskey. We look after all of the action behind the scenes — the boilers, steam, charcoal production, by-products, process water treatment, and waste water management. We use many different types of equipment, which can create potential safety issues.

When I stepped into my lead operator role a little over two years ago, we were able to implement new ways of managing safety. Our department has four teams, and each now has a volunteer safety representative. Every month, we do a safety walk through, and the volunteers share the findings with their team. They also take notes throughout the month which we pool together. We've found and

resolved many potential issues this way — before they became real problems.

For example, wearing personal protective equipment like gloves, glasses, and ear protection is very important. So we mounted storage containers in different areas in order for equipment to always be easily available. Little things like that can make a big difference.

“

**Everyone here is in it for the long haul. We're all invested in making improvements where we can.”**

— CLINT COLLINS, BOILER/BY-PRODUCTS SUPERVISOR AT JACK DANIEL'S

I have been very fortunate, not only to have a team that has been receptive to the changes we have made, but also to have a management team that has been behind me every step of the way. The new approach works because the team has really taken ownership. Jack Daniel's is a great place to work, and everyone is in it for the long haul.”

Jack Daniel's is now replicating Clint's approach across the company in the name of Responsible Production EHS Culture.

## OUR PEOPLE

OUR SUCCESS COMES DOWN TO ONE VITAL INGREDIENT: OUR PEOPLE. TOGETHER, THROUGH DEDICATION TO EACH OTHER, OUR COMMON VALUES, AND OUR SHARED VISION, WE ARE BUILDING A BETTER BUSINESS — NOW AND FOR GENERATIONS TO COME.



## LISTENING AND LEARNING

We believe that everyone's ideas, voice, and actions matter. To put that belief into practice, we cultivate a caring culture that empowers each of us to grow personally and professionally.

We value our people and act, at all times, with their best interests in mind. On average, our employees dedicate nearly 10 years to Brown-Forman, more than double the national average for tenure. In fact, many spend their entire careers here, which tells us we are doing something right.

To help us understand our colleagues' commitment to the company and where we need to do better, we conduct an all-employee engagement survey every two years. We deepened our engagement program in Fiscal 2017 by partnering with Korn Ferry Hay Group on our Engagement + Enablement Survey. Questions focused on two key metrics — engagement, which measures the percentage of our workforce that gives more than is required, and enablement, which gauges how well we provide the tools, resources, and knowledge to help employees succeed.

We were delighted that our global response rate increased from 87% in 2014 to 91% among salaried employees. Eighty-four percent of respondents said they were engaged with the company, and 82% felt enabled, suggesting that we provide the working conditions for people to perform to their full potential.

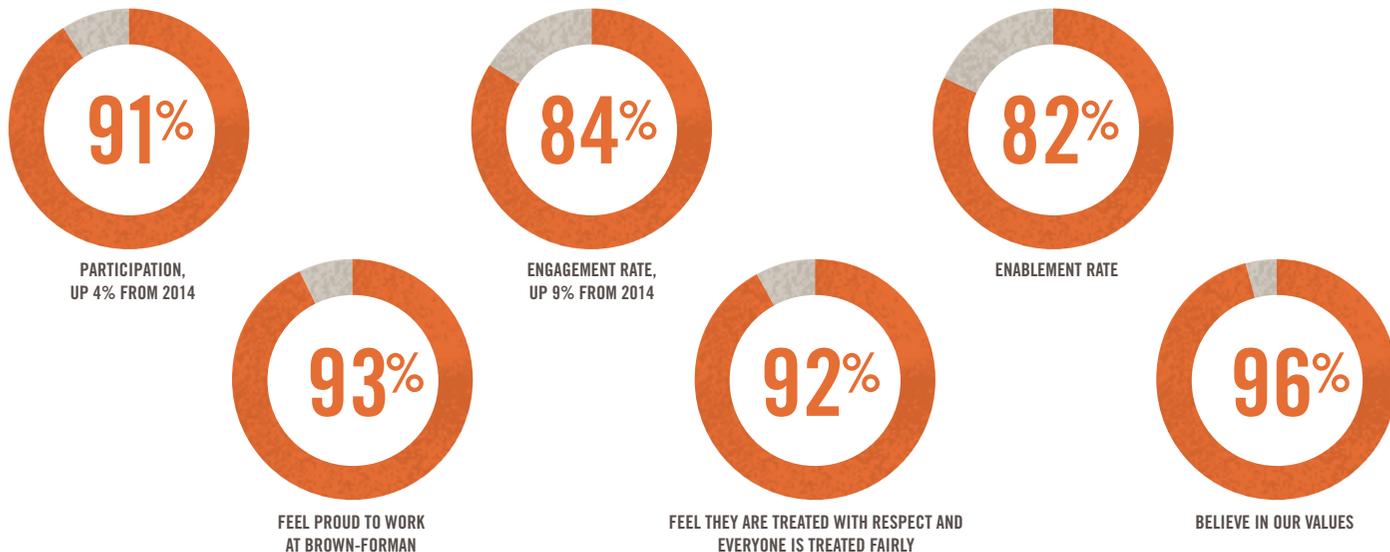
The results also confirmed that our strengths lie in our deeply held values, and that our people have trust and confidence in our senior leadership and would recommend Brown-Forman as a good place to work. Employees with diverse backgrounds and experiences also reported that they feel they can succeed with us.

We know, however, that there is always room for improvement. The survey revealed the following areas where we need to do better:

- Communicating feedback and addressing poor performance to help our people succeed
- Allotting time for job-related learning and training
- Improving collaboration and communication across different departments

We are committed to refining our programs in response to areas identified by our employees for improvement.

### EMPLOYEE ENGAGEMENT + ENABLEMENT SURVEY: KEY FINDINGS



For our complete and updated data scorecard, please visit: [www.brown-forman.com/responsibility/#scorecard](http://www.brown-forman.com/responsibility/#scorecard)

## REWARDING AND RECOGNIZING OUR PEOPLE

We want our people to look forward to work every day, so we craft our benefits and recognition programs to attract, keep, and motivate the best people in the business. Acknowledging a job well done is an important motivator, and we take the time to celebrate colleagues who embody and cultivate our values

### Offering Competitive Benefits

We believe our caring culture must be present in every interaction with employees, including the design and delivery of our global benefits programs. That's why we offer competitive and attractive benefits, including paid time off; medical, dental, and disability plans; generous retirement benefits; and holistic health and wellness programs.

Because our talent is what enables our success, we design our benefits packages to compete with or exceed our competitors' offerings and regularly re-evaluate our benefits to ensure they meet the needs and lifestyles of our multi-generational workforce. Similar to the time required to bring new employees into the Brown-Forman family, parents need quality time to bring a new child into their family. Understanding this, in Fiscal 2017 we increased our fully paid maternity leave for U.S. salaried and non-union hourly employees to 12 weeks and extended paid leave for non-childbearing, adoptive, and foster parents to six weeks.

### Celebrating Our Best Spirit

Recognizing the exceptional contributions of our people comes naturally to us as we are a company built on teamwork. The Brown-Forman Milestone Recognition Program celebrates an employee's service to the company at one year, five years, and every subsequent five-year interval, as well as retirement. Our global performance recognition program, That's the Spirit!, encourages employees and managers to applaud employees whose achievements inspire their colleagues and make invaluable contributions to the company's sustained success. In Fiscal 2017, we presented 4,332 monetary awards and delivered 872 e-cards.

## EXPANDING EMPLOYEES' HORIZONS

Our purpose to enrich lives begins with our own people. We know they want to make a difference, at work and beyond, and we do our best to enhance their potential and expand their horizons. We offer learning and development opportunities to every employee throughout their careers.

### Learning from Day One

From the first day a new employee joins the Brown-Forman family, we make learning and development a priority, with over 50 hours of onboarding in the first year. Our people also learn on the job through coaching and mentoring opportunities, including challenging assignments that enhance their skills and reinforce desired behaviors. In addition, more than 2,800 employees spent close to 2,100 hours completing more than 7,600 formal training activities in Fiscal 2017.

Although our engagement survey noted that 71% of employees believe that they have opportunities to learn and grow and that their immediate manager supports their development, 29% do not feel these opportunities are available to them. This represents one of the lower performing areas in the survey, and to address this, we are launching a project in Fiscal 2018 called "Learning happens all the time and everywhere." We want to use world-class technology and compelling content that encourages employees to share wisdom and access learning tools at any time and from anywhere.

### Promoting Peak Performance and Career Progress

Our learning and development structure, which places people development consultants in each region and function, allows us to address location- and function-specific needs in ways that align with how employees learn best.

The Leadership Development Team (LDT) includes several Executive Leadership Team (ELT) members and drives our leadership development strategy for the company. The LDT meets four times a year to sustain a pipeline of talented leaders to meet tomorrow's business needs.

In Fiscal 2017, the LDT oversaw the launch of our Global Leadership Development programs, including the launch of the People Leader program to over 400 global leaders, and the Executive Leader Program. Our third and final program in the continuum – the Business Leader Program - will launch in Fiscal 2018, and together they ensure we build our leaders at every level.

Our engagement survey revealed that many employees seek improved feedback from their immediate manager and a better process to address poor performance and help them succeed. We are committed to developing all employees, not just our leaders. That's why we delivered two "People Day" seminars, or all-employee development sessions, in Fiscal 2016 and Fiscal 2017. The sessions focused on improving employees' ability to have effective development conversations and set realistic and relevant performance goals.

Allowing people to step into new roles in different areas of the company is another way we help develop their knowledge and careers. In the last two years, more than 700 people — or roughly 15% of our workforce — have taken on new or expanded roles.

## PROMOTING GOOD HEALTH

Healthy families and communities are the building blocks that empower us all to bring our best selves to work every day. We care deeply about the well being of our global family and support the physical, emotional, social, and financial well being of our people and their families through our global Live Well program.

### Live Well Champions Network

A global network of more than 50 volunteer Live Well Champions engage employees in our wellness program and run events and activities. They gather feedback, set local priorities, and identify ways to increase program participation, working alongside our local people development resources and Employee Resource Groups (ERGs).

Knowing that incentives work, in the U.S. we offer a Live Well Reimbursement of up to \$200 USD annually for eligible wellness expenses such as gym memberships, exercise equipment, and help with tax preparation. Last year, more than two-thirds of eligible employees participated.



Brown-Forman employees participate in a corporate fitness challenge in Louisville.

**We care deeply about the health of our global family and support the physical, emotional, social, and financial well being of our people and their families through our global Live Well program.**

## Virgin Pulse

To expand the Live Well program and increase engagement, in January 2016 we partnered with Virgin Pulse, a global wellness technology platform. Through the Virgin Pulse website, mobile app, and wearable devices, our people can customize their experience and focus on changing habits on a daily, weekly, and monthly basis.

We're thrilled that about 55% of our people participate in Virgin Pulse, with more than 73% of those connecting the technology to a wearable device. Employees earn points, and monetary awards where available, by taking part in challenges and tracking healthy activities, such as making smart food choices, staying hydrated, and getting enough sleep.

## Promoting Workplace Comfort

Caring for our people includes providing a healthy and comfortable work environment. We offer treadmill or adjustable-height desks at multiple locations. Outdoor walking trails, which incentivize "walking meetings," are available at our Louisville offices, the Jack Daniel's facility in Lynchburg, Tennessee, and the Sonoma-Cutrer vineyard in Windsor, California.

## BUILDING A MORE DIVERSE FAMILY

Creating a culture of belonging where every individual can bring his or her true self to work is absolutely essential to our success and to our caring environment. The more diverse the skills, talents, and perspectives we can draw on, and the more inclusive our workplace, the better placed Brown-Forman is for the future. Our iconic brands appeal to a broad range of consumers, so we need employees that relate to how our consumers live, think, and act.

It's one of our strengths that our people often choose to stay with the company for many years — so changing our overall demographic takes time. While we've made

progress on diversity in some areas of our company representation (see table), we also recognize and embrace room for improvement.

At a leadership level, three women currently serve on Brown-Forman's Board of Directors, and four of 14 Executive Leadership Team members are women. Compared to national benchmarking survey data, we trend higher in both categories for gender representation.

## DIVERSITY AND INCLUSION: IN SUMMARY\* (% OF TOTAL U.S. EMPLOYEES)

	CORPORATE, SALES AND MARKETING	PRODUCTION/ HOURLY	TEMPORARY/ SEASONAL	TOTAL U.S.
Male	50	76	32	64
Female	50	24	66	36
White	82.7	82.3	78.1	82.2
Black	7.7	10.5	10.1	9.5
Hispanic	5.1	6.1	7.7	5.8
Asian	2.9	0.3	—	1.2
Other	1.6	0.9	4.1	1.3

\*Numbers may not add to 100% due to rounding.

## EMPLOYEE RESOURCE GROUPS



## Employee Resource Groups

Our Employee Resource Group (ERG) networks help solidify strong team relationships and trust between our people. The ERGs also act as innovation hubs, fostering our people's unique capabilities and contributing to our business success. The Executive Leadership Diversity Council oversees our diversity and inclusion strategy, which includes ERGs.

More information about our ERGs, listed below, is available on our website.

## Supplier Diversity

Our commitment to diversity also applies to our partnerships with small and diverse suppliers. By 2020, our goal is to procure 16% of supplier services from businesses owned by ethnic minorities, women, LGBT persons, people with disabilities, and veterans. To date, we've reached 10.5%. Our Supplier Diversity Council meets quarterly to track progress and explore new approaches to identifying and hiring diverse suppliers.



For our complete and updated data scorecard, please visit:  
[www.brown-forman.com/responsibility/#scorecard](http://www.brown-forman.com/responsibility/#scorecard)

## PUTTING SAFETY FIRST

We want our employees to be safe while on the job, for their health and well being. Our “Spirit of Safety” program enlists employees’ support in embedding a safety-first culture in our warehouses and on our production lines.

### Plant Safety

We often work in historic buildings, use traditional machinery, and follow production processes that require high levels of involvement and skill. We mitigate safety risks at our production and warehouse facilities by emphasizing procedures and using prominent communications, clear guidelines, and regular training to ensure employees have all the information they need to stay safe.

In addition, we use Job Risk Assessments to identify actions that reduce risks associated with certain jobs or procedures, focusing recently on non-routine tasks which typically pose a higher risk of injury. Ways of reducing these risks can involve engineering modifications, personal protective equipment, behavior controls, and training.

### Compliance

Brown-Forman complies with all relevant regulations in every country where we operate, often going above and beyond these requirements. We quickly correct breaches found in safety audits so that incidents do not recur. In Fiscal 2017, we began a new process where supervisors perform monthly safety audit assessments as an added layer of precaution. Third-party certified safety consultants triennially audit all our manufacturing locations.

Beyond our warehouse and manufacturing locations, all sales team members and fleet drivers are required to complete safe driving training, including country-specific online courses and videos.

## RESPECTING HUMAN RIGHTS AND PREVENTING MODERN SLAVERY

We remain committed to the guidelines set forth in our Global Human Rights Statement, defining our commitment to respecting the fundamental rights inherent to all human beings. We share our human rights policies and practices with our suppliers through our Supplier Guiding Principles on Human Rights. In 2016 we published our U.K. Modern Slavery Act Statement on our website, detailing the controls in place to ensure modern slavery is not taking place anywhere in our own business or in our supply chain.



EVERYDAY CHAMPION: ENDRE SZABO

JUST

# CYCLING

FOR REFUGEES

Endre Szabo, VP, Area Director of Partner Markets Europe, and founder of Just Cycling, participates with other employees, friends, and family members, in the bike ride to help unaccompanied refugee minors.

**MIDDLE EASTERN  
REFUGEES FLEEING  
TO EUROPE INCLUDE  
THOUSANDS OF  
UNACCOMPANIED  
CHILDREN LACKING  
BASIC HUMANITARIAN  
AID AND FACING AN  
UNCERTAIN FUTURE.**

Moved by their plight, Netherlands-based Endre Szabo, VP and Area Director for Partner Markets Europe, brought his Brown-Forman colleagues together to make a difference.

"In 2015, I initiated a GoFundMe campaign to help in any way possible and sent it out to my Brown-Forman family. We raised \$10,000 within days and Brown-Forman matched our donation. The money went towards 24/7 medical tents for refugees. Our Greek colleagues, led by Ileana Louloudaki, extended our efforts by collecting socks for refugees arriving on Greek islands.

I started thinking about doing something more last-  
ing than this one-time donation.

In 2016, I collaborated with No More Walking and organized Just Cycling, a bike ride dedicated to unaccompanied refugee minors. Seventeen cyclists, all Brown-Forman employees or family members, rode from Amsterdam to London and back. We raised €25,000 for METAdrasi, a Greek non-profit for child refugees. Our donation helped fund a ground-breaking program to move five children from Greek refugee camps to Portugal, where they could restart their lives. The funds support their expenses for a year, helping them find safety, education, and opportunity.

“

**We're very proud of our efforts to provide life changing, long-term support for those in need.”**

— ENDRE SZABO, VP AND AREA DIRECTOR FOR PARTNER MARKETS EUROPE

We've now expanded from Just Cycling to include Just Running, where participants can opt to run various races across Europe instead of cycling. Our 2017 events raised €50,000, with around 80 Brown-Forman employees from our main European offices taking part. Funds raised will help resettle eight more child refugees.”

# COMMUNITY RELATIONS

OUR COMMUNITIES SUSTAIN US  
AND WE ACTIVELY GIVE BACK AND  
INVEST IN THEIR WELL BEING.  
STEWARDSHIP IS A BEDROCK OF  
OUR CULTURE, AND BOTH OUR  
COMPANY AND OUR EMPLOYEES  
BELIEVE IN DONATING THEIR  
TIME, TALENTS, AND TREASURE  
TO ENRICH LIVES AND LEAVE A  
LASTING LEGACY.

## OUR VISION FOR COMMUNITY

We look to enrich the experience of life for our neighbors by ensuring basic living standards for those in need, supporting healthy and sustainable living, and enhancing intellectual and cultural living through arts and education.

## CARING CITIZEN OF LOUISVILLE AND THE WORLD

Our roots are deep in our hometown of Louisville, Kentucky. We have been a major local employer in Louisville for more than a century; as such, the city remains at the center of our philanthropic efforts.

On a global scale, 20 of our production and regional offices have a Civic Engagement Committee that decides how to best allocate our budgets to community needs and our priority impact areas. We're especially active in Lynchburg, Tennessee, where Jack Daniel's whiskey is made, and in Amatitán, Mexico, where our Casa Herradura tequila distillery is located.

## FOSTERING EMPLOYEE GIVING

Our employees have strong connections to their communities, and we foster these close relationships. Through opportunities to volunteer and donate, our people receive greater fulfillment by supporting those in need.

Over 700 employees volunteered approximately 15,000 hours in Fiscal 2017, donating their time, skills, and talents to local organizations. Many employees also benefit from the professional and personal growth that comes with diverse civic engagement roles like serving on the board of a community organization, a role performed by 132 employees during the year.

## PARTNERING WITH FUND FOR THE ARTS

We believe in shifting the conversation from the case for supporting arts organizations to how they support and enhance community life and spirit. Our partnership with Fund for the Arts, which works to maximize the impact of the arts on economic development, education, and quality of life in Louisville, has helped build community engagement in our hometown. Our employees serve on the organization's Board of Directors, in its NeXt! leadership program, and by volunteering in the annual workplace campaign.



## GIVING BY THE NUMBERS

**\$10.8M**

TOTAL MONETARY  
CONTRIBUTIONS

**780**

EMPLOYEE  
VOLUNTEERS

**15k**

APPROXIMATE  
HOURS  
VOLUNTEERED

**132**

EMPLOYEES  
ON NON-PROFIT  
BOARDS



IMPACT  
BY PRIORITY  
AREA

- Healthy and Sustainable Living – \$2.9M
- Basic Living Standards – \$3.9M
- Intellectual and Cultural Living – \$4.0M

## GIVING TO METRO UNITED WAY

Brown-Forman has strong, lasting partnerships with many non-profit organizations our employees support. For over 30 years, we've been a proud partner of Metro United Way, a pillar of the Louisville community dedicated to improving education, financial stability, and health for those in need. Our employees serve as board leaders and committee members and lead internal campaigns to raise more money for its programs and greater awareness about its profound impact on our community.

A highlight this year was our employee volunteer day with a Metro United

Way agency, where our employees had the opportunity to actively give back using money they raised in an internal campaign. The chosen agency serves abused and neglected youth in Kentucky, providing residential psychiatric care, therapeutic foster care, community-based services, and more. Seventy-five of our employees spent a day painting two cottages and redoing bathrooms for 25 adolescent boys, along with landscaping and outside work. Our employees also set up a sandwich-making station for the children to make peanut butter sandwiches to donate to a homeless shelter, thus continuing the cycle of giving.

A powerful aspect of our giving is matching employee donations to institutions that drive change for good. In Fiscal 2017, we matched more than \$112,000 donated by our employees. Year after year, Brown-Forman is one of the top contributors to two Louisville institutions, Fund for the Arts and Metro United Way.

## CONTRIBUTING THROUGH OUR BRANDS

Our iconic brands are proud partners in our giving efforts, lending their storied names to causes that support giving back to the community. Our brands and our people have supported various causes, including training service dogs for veterans, supporting recovering addicts, and campaigning for land conservation or clean water.

We have more than 200 brand-building charitable events every year, such as Jack Daniel's and the Armed Services YMCA "Operation Ride Home" campaign that assisted military members from their place of service back home during the holidays for a sixth consecutive year in Fiscal 2017.

## SUPPORTING SERVICE DOGS FOR VETERANS

Giving back to veterans is a deeply held commitment across Brown-Forman. Our Early Times® Kentucky Whisky brand supports veterans in the Louisville community as a proud partner of K9s For Warriors, a non-profit organization that trains service dogs for veterans suffering from post-traumatic stress disorder (PTSD).

In Fiscal 2017, Early Times donated more than \$100,000 to K9s For Warriors — enough to fund training for five service dog teams. Our veteran employees at the Brown-Forman Cooperage made a special contribution by creating custom dog houses out of whiskey barrels. For a K9s For Warriors outreach campaign, Early Times also helped fund the production of "Reinforcements," a documentary raising awareness about veterans who return from combat only to face a new battle against PTSD. The film features the transformational journey of two veterans suffering from PTSD who found help from K9s For Warriors — highlighting the profound impact our support has on our community members.



Early Times' second sponsored dog, Sarge, recently graduated his training program alongside his veteran, Edna.

“

Every veteran who receives a service dog from K9s For Warriors has a story to tell, and we wanted to share those stories across the country. We hope that “Reinforcements” will increase awareness and support for K9s For Warriors, with the goal of pairing even more service dogs with veterans, empowering them to continue living life with independence and dignity after military service.”

- MARC HINDORFF, SENIOR BRAND MANAGER, EARLY TIMES KENTUCKY WHISKY

## ABOUT THIS REPORT

This is our sixth biennial Corporate Responsibility report covering activities during Fiscal 2016 and 2017. Unless otherwise noted, all data relates to Fiscal 2017 (ending April 30, 2017).

Our GHG emissions are externally verified annually by Stantec.

The report contains Standard Disclosures from the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

See the GRI Content Index for a full list of our disclosures. Our GRI Index, CR web pages and Data Scorecard also contain additional information.

We are also involved in developing reporting standards for the alcoholic beverages sector through the Sustainability Accounting Standards Board,

where we are members of the “Consumption I” industry working group. Insights gained through that process have helped guide the structure and content of this report.

If you would like to get in touch with us about our corporate responsibility activities, or any of the issues discussed in this report, please email our Corporate Responsibility team at [corporate\\_responsibility@b-f.com](mailto:corporate_responsibility@b-f.com) or write to us at:

**Brown-Forman Corporation,  
Office of Corporate Responsibility,  
850 Dixie Hwy., Louisville, Kentucky,  
40210, U.S.A.**

This report contains statements, estimates, or projections that are “forward-looking statements” as defined under U.S. federal securities laws. Words such as “aim,” “anticipate,” “aspire,” “believe,” “continue,” “could,” “envision,” “estimate,” “expect,” “expectation,” “intend,” “may,” “plan,” “potential,” “project,” “pursue,” “see,” “seek,” “should,” “will,” 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:

- Unfavorable global or regional economic conditions and related low consumer confidence, high unemployment, weak credit or capital markets, budget deficits, burdensome government debt, austerity measures, higher interest rates, higher taxes, political instability, higher inflation, deflation, lower returns on pension assets, or lower discount rates for pension obligations
- Risks associated with being a U.S.-based company with global operations, including commercial, political, and financial risks; local labor policies and conditions; protectionist trade policies or economic or trade sanctions; compliance with local trade practices and other regulations, including anti-corruption laws; terrorism; and health pandemics
- Fluctuations in foreign currency exchange rates, particularly a stronger U.S. dollar
- Changes in laws, regulations, or policies – especially those that affect the production, importation, marketing, labeling, pricing, distribution, sale, or consumption of our beverage alcohol products
- Tax rate changes (including excise, sales, VAT, tariffs, duties, corporate, individual income, dividends, capital gains) or changes in related reserves, changes in tax rules (for example, LIFO, foreign income deferral, U.S. manufacturing, and other deductions) or accounting standards, and the unpredictability and suddenness with which they can occur
- Dependence upon the continued growth of the Jack Daniel’s family of brands
- Changes in consumer preferences, consumption, or purchase patterns – particularly away from larger producers in favor of small distilleries or local producers, or away from brown spirits, our premium products, or spirits generally, and our ability to anticipate or react to them; bar, restaurant, travel, or other on-premise declines; shifts in demographic trends; or unfavorable consumer reaction to new products, line extensions, package changes, product reformulations, or other product innovation

- Decline in the social acceptability of beverage alcohol in significant markets
- Production facility, aging warehouse, or supply chain disruption
- Imprecision in supply/demand forecasting
- Higher costs, lower quality, or unavailability of energy, water, raw materials, product ingredients, labor, or finished goods
- Route-to-consumer changes that affect the timing of our sales, temporarily disrupt the marketing or sale of our products, or result in higher implementation-related or fixed costs
- Inventory fluctuations in our products by distributors, wholesalers, or retailers
- Competitors’ consolidation or other competitive activities, such as pricing actions (including price reductions, promotions, discounting, couponing, or free goods), marketing, category expansion, product introductions, or entry or expansion in our geographic markets or distribution networks
- Risks associated with acquisitions, dispositions, business partnerships, or investments – such as acquisition integration, termination difficulties or costs, or impairment in recorded value
- Inadequate protection of our intellectual property rights
- Product recalls or other product liability claims, or product counterfeiting, tampering, contamination, or quality issues
- Significant legal disputes and proceedings, or government investigations
- Failure or breach of key information technology systems
- Negative publicity related to our company, brands, marketing, personnel, operations, business performance, or prospects
- Failure to attract or retain key executive or employee talent
- Our status as a family “controlled company” under New York Stock Exchange rules
- For further information on these and other risks, please refer to the “Risk Factors” section of our annual report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC.