



BROWN-FORMAN

PARTNERS IN RESPONSIBILITY

CORPORATE RESPONSIBILITY REPORT

2015 / 16

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LETTER FROM THE CEO

A warm welcome to our fiscal year 2015–2016 corporate responsibility report. Our longstanding commitment to doing business in a responsible way continues to be anchored in our culture and our values, as well as the founding Brown family's interest and involvement in the company. In our very first corporate responsibility report, I wrote about how we take a familial approach to responsibility issues, showing respect for our consumers, treating our employees and business partners well, contributing to our community, and acting with integrity in marketing our brands. I still believe this to be the case and I know it allows us to take a longer-term view in the best interests of society, our company, and our shareholders.

Brown-Forman first reported on corporate responsibility performance in 2007 and one of our biggest realizations since then is that relationships are an essential ingredient to progress. In this report, we describe many instances where we partner, engage, or simply talk with our stakeholders about what matters most to them and how we can work together to make a difference. We enjoy building friendships with individuals and organizations outside of our company, and we highly value these relationships as a source of guidance and a means to help achieve more collectively than we can on our own. Our partnerships with organizations like BeMyDD, which provides safe rides home, and Ceres, which helps and challenges us and others to do more to address climate change and water concerns, are invaluable to delivering meaningful results.



Significantly, this year we undertook a formal assessment to more specifically identify our key social, environmental, and ethical issues. Our assessment involved conversations with a wide range of independent external stakeholders and a cross section of employees responsible for different areas of our business.

The assessment confirmed that promoting responsible drinking and responsibly marketing our portfolio of brands remain our top issues, while advancing environmental sustainability and promoting an inclusive and secure workplace ranked high as well. The detailed findings are on [page 17](#) of this report.

We maintain a strong and lasting belief in the importance of encouraging responsible drinking through the way we market and promote our brands, while discouraging the misuse and abuse of alcohol. Our website, [Our Thinking About Drinking](#), addresses the many complex alcohol issues head-on through our own thinking and third-party research, as well as featuring regular contributions from external experts on various aspects of alcohol in society.

I am especially heartened by how we are embracing difficult issues in a straightforward and frank manner. For many years, Brown-Forman has supported organizations in our hometown of Louisville, Kentucky, that work to provide addiction treatment and recovery. Recently, we began to invite these organizations to speak to our employees about their work and open up greater internal awareness and dialogue. We are also actively exploring innovative ways to increase the availability of these services. I am particularly proud of our employee resource group SPIRIT, which creates an environment at Brown-Forman where all employees and guests feel welcome, regardless of their choice of whether or not to drink beverage alcohol (as phrased on [page 66](#)).

Although we met our previous environmental sustainability goals well ahead of schedule, we believe we should show further leadership in demonstrating how we can reduce our own environmental footprint. Brown-Forman was recognized by the U.S. Environmental Protection Agency for our climate change leadership in setting a new science-based, aggressive target on absolute greenhouse gas emissions. This is significant because as we grow our business, emissions will naturally tend to rise. Our absolute reduction target of 15% by 2023 detaches business growth from environmental impact, and is a first step toward true environmental sustainability. We have also set other more ambitious environmental targets, including our goal to send zero waste to landfill. In addition, we are working through organizations, such as the Field To Market Alliance For Sustainable Agriculture and Beverage Industry Environmental Roundtable, to help bring about broader change.

We work with enthusiasm to create an inclusive and safe workplace where our people are able to bring their best selves to work every day and enjoy rewarding careers with us. Our success shows in the results of our biennial employee engagement survey and in our status as a Global Best Employer. We owe our results to the diverse and talented people across the world who are committed to Brown-Forman's enduring success. I am delighted that, for the fifth year in a row, Brown-Forman scored a perfect 100 on the Human Rights Campaign's Corporate Equality Index, which continues to raise the bar on LGBT employment justice issues.

Brown-Forman and our employees play an important role in the communities where we do business. We have long been a leading corporate citizen in Louisville, given its unique importance to us. I am pleased that this tradition is expanding through a new multi-local global giving program to engage Brown-Forman employees in civic outreach wherever they are located.

15%

absolute greenhouse gas emission reduction target by 2023

We are advancing our Building Forever strategy that provides a foundation for future growth. An important component of this is considering our performance in terms of both what we achieve *and* how we achieve it. Companies that view their business performance more holistically, going beyond traditional financial or economic measures and stepping up to help solve fundamental social and environmental challenges, will be the most successful. I am excited to see the creative and positive impact that this will elicit and invite your participation and partnership in this endeavor.

Sincerely,



Paul C. Varga

Chairman & Chief Executive Officer

WHO WE ARE, WHAT WE DO, AND HOW WE DO IT

Brown-Forman is one of the largest American-owned spirits and wine companies and among the top 10 global spirits companies. Our company was founded in 1870 in Louisville, Kentucky, United States, by George Garvin Brown. His original brand, Old Forester® Kentucky Straight Bourbon Whiskey, was America's first bottled bourbon.

Today, our portfolio of more than 30 brands is sold in approximately 160 countries across the globe, and we employ more than 4,400 people on six continents.

As a family-controlled business we have always been guided by strong values in everything we do and take great care as we grow our company. Building on our rich heritage, our future successes will be founded on corporate responsibility, commitment to our craft, innovation, long-term orientation, and investment in our talented people.

ABOUT BROWN-FORMAN

Brown-Forman aims to enrich the experience of life by responsibly building beverage alcohol brands that thrive and endure for generations. We grew up an American company; today we span the globe as we work to fulfill our vision of Building Forever.

Innovation has been essential to our growth and success since our founding. We are constantly striving to improve what we do and how we do it.

We seek to create an enduring Brown-Forman with consistent top-tier growth, exceptional results, and total



shareholder return. We've continued with our global success over the past two years by developing unique products and capabilities matching consumer preferences and market trends, as well as limiting our exposure to any one market.

These results are grounded in how we do our work. Our people build our brands and we strive to live and work according to our values of integrity, respect, trust, teamwork, and excellence. We expect all our team members to display five behaviors we believe are key to success: be curious, courageous, collaborative, creative, and a champion. As we grow around the world we continue to invest in people to expand our global reach. Looking ahead, we see ongoing opportunity for growth for our brands, our people, and our connection with communities, the environment, and society.



BROWN-FORMAN THROUGH THE YEARS

1870 – 1950s Responsible from the Start

- **1870** George Garvin Brown started selling medicinal whiskey in sealed glass bottles to ensure quality — an innovative approach when whiskey was normally sold by the barrel.
- **1904** George Garvin Brown's son, Owsley Brown, becomes part of the business — starting a tradition of family apprenticeship that continues today.
- **1920** Owsley Brown, now CEO, applied for and received one of only 10 licenses to bottle whiskey for medicinal purposes following the adoption of the Prohibition amendment in the United States.
- **1933** Prohibition ends and Brown-Forman issues its first public stock. Owsley Brown and others organized the distilled spirits industry into what today is known as DISCUS and approved the voluntary Code of Good Practice.
- **1950s** The industry begins a long-term partnership with the National Institute of Health to collect data and publish annual reports about alcoholism.

1950s – 1970s Acquisitions and Growth

- **1956** Brown-Forman acquires the Jack Daniel Distillery in Lynchburg, Tennessee.

1980s – 1990s Innovation and Responsibility Continue

- **1991** The Century Council is established and funded by the industry to fight drunk driving and underage drinking. Today it is known as the Foundation for Advancing Alcohol Responsibility (Responsibility.org).
- **1994** Brown-Forman Beverages Worldwide is formed to expand the company's beverage business throughout the world, encompassing the previous U.S. and International business.
- **1995** Brown-Forman becomes a founding member of ICAP (now IARD — the International Alliance for Responsible Drinking), dedicated to open and balanced dialogue and partnership regarding alcohol in society.
- **1996** Brown-Forman begins direct support of The Healing Place, an addiction treatment and recovery center in Louisville.
- **1998** Brown-Forman establishes its own Responsible Marketing, Advertising, and Promotional Policy to guide brand teams and advertising agencies.

2000s – The Present, Refining Our Approach to Responsibility

- **2004** Owsley Brown II hosts the Chairman's Conference on Sustainability with Brown-Forman leaders and external stakeholders which leads to the formation of the Corporate Responsibility Group and elevates our sustainability and responsibility commitment and ambition.

● **2004** Jack Daniel's launches a marketing campaign with NASCAR centered around the responsible drinking message "Pace Yourself."

● **2007** Brown-Forman hires a Chief Diversity Officer and issues its first Corporate Responsibility Report.

● **2008** Brown-Forman named as a Restore America Hero by the National Trust for Historic Preservation for its longstanding commitment to historic preservation.

● **2009** Brown-Forman launches [Our Thinking About Drinking](#) website. The site more openly shares our position on alcohol-related issues and encourages opinions from others.

● **2010** Brown-Forman received its first perfect 100 score in the Corporate Equality Index by the Human Rights Campaign.

● **2012** A group of 13 CEOs of Beer, Wine, and Spirits companies, chaired by Paul Varga, announces 10 targeted global actions to reduce harmful drinking.

● **2013** Brown-Forman named one of the Top 25 Companies in America to work for by The Motley Fool based on our success serving investors, customers, employees, and the world at large.

● **2014** We set new, ambitious environmental sustainability goals, including an aggressive absolute greenhouse gas emissions reduction target based on climate change science.

GLOBAL BUSINESS

Brown-Forman is a global company, with our brands now sold in approximately 160 countries around the world. In Fiscal 2015, our global net sales amounted to \$4,096 million, and we sold 39.5 million 9-liter cases of our major brands worldwide.

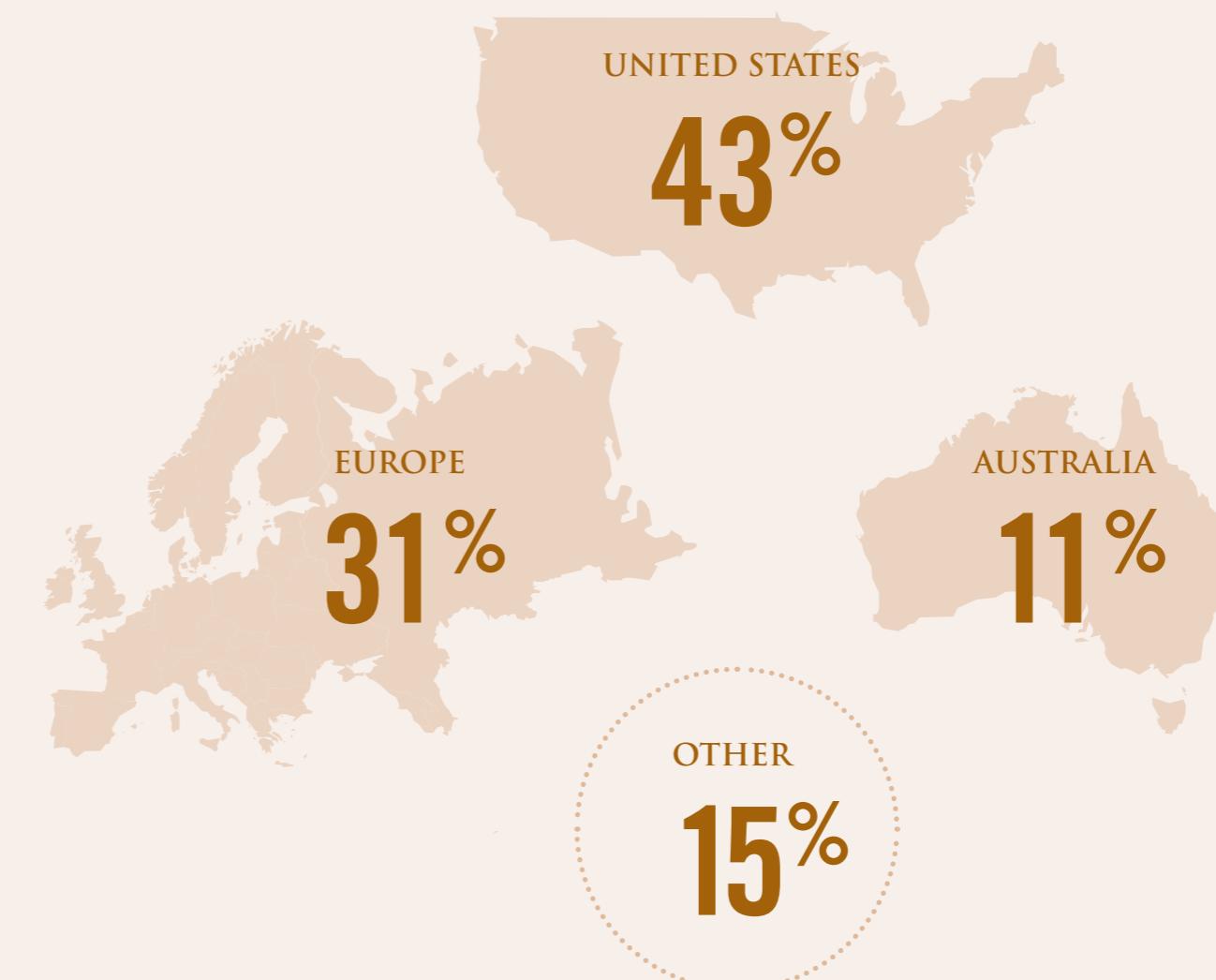
The company drove solid gains across most markets, emerging and developed. The United States accounted for 43% of reported net sales in Fiscal 2015, and remains our primary market. In Fiscal 2015, our underlying net sales in the United States grew 8%, in Turkey 32%, and in France 42%. Australia accounted for 11% of reported net sales in Fiscal 2015, and remains one of our largest international markets. In the emerging markets, underlying net sales grew 9%, a noteworthy performance in light of the prolonged slowdown by several competitors in the industry.

For more information on our operating and financial performance, please see our Annual Report and Form 10-K, available on our [website](#).

View our [2015 SCORECARD](#) for more data

TOTAL REVENUE \$4,096M

PERCENTAGE OF SALES



GLOBAL OPERATIONS

Our worldwide facilities include global offices, distilleries, a winery, bottling plants, warehouses, sawmills, and cooperages. This map shows the location of our most significant operations.



UNITED STATES	MEXICO	EUROPE	AUSTRALIA
Louisville, KY	Spencer, IN	Amatitán	Sydney
Lynchburg, TN	Jackson, OH	Guadalajara	Paris, France
Woodford County, KY	Irvine, CA	Mexico City	London, U.K.
Windsor, CA	Irving, TX		Prague, Czech Republic
Decatur, AL	Atlanta, GA		Hamburg, Germany
Clifton, TN	Baltimore, MD		Warsaw, Poland
Stevenson, AL		Collingwood	Amsterdam, Netherlands
SOUTH AMERICA	CANADA		ASIA
			Hong Kong



SHAREHOLDERS

Brown-Forman shares of common stock are traded on the New York Stock Exchange, and the descendants of our founder, George Garvin Brown, continue to retain a controlling interest in the company. This family leadership underpins our endurance and provides a multi-generational perspective which balances our decision-making in a way that delivers growth, independence, and long-term value creation for all shareholders.

The Brown Family Shareholders Committee, co-chaired by Brown-Forman's Chairman of the Board, Garvin Brown IV, and CEO Paul Varga, provides a forum for open, constructive, and frequent dialogue between the company and the family shareholders. Designed for broad family participation, and including several non-family company executives, the committee has formed subcommittees to engage Brown family members in Brown-Forman and the beverage alcohol industry. Over the past two years, the family has continued to invest time and energy in deepening its knowledge of the company.

View our [2015 SCORECARD](#) for more data



Brown Family Shareholders Committee

BRAND PORTFOLIO

Beginning in 1870 with Old Forester Straight Bourbon Whiskey™ — our first and founding brand — and spanning the generations since, we have built a portfolio of more than 30 spirit, wine, and ready-to-drink cocktail brands. Whiskey continues to be the leading spirit in our portfolio, spearheaded by the Jack Daniel's® brand. Jack Daniel's is

the fourth-largest spirits brand of any kind and the largest-selling American whiskey brand in the world. Our other whiskey brands include Woodford Reserve®, Old Forester™, Early Times™, and Canadian Mist®. Our other leading global brands include Finlandia® vodka, Southern Comfort® liqueur, and el Jimador® tequila.



CORPORATE RESPONSIBILITY AT BROWN-FORMAN

Our commitment to corporate responsibility is intrinsically linked to our values, guiding our decisions about the business and the way we do it. Adhering to our values means ensuring that we promote responsible consumption of our brands, provide a safe, inclusive, and engaging workplace for our employees, protect the environment, and make a positive impact in our communities — especially in our hometown of Louisville, Kentucky.

Our Kentucky roots also influence us across our global business. We know what it means to be deeply committed to a community, and we strive to bring that same spirit to other locations where we have a strong presence. We are achieving our global ambition for responsibility through local partnerships that can scale up to address social and environmental problems around the world.

Partnering for Responsibility

We cannot achieve our purpose of enriching life and building forever alone. We rely on the insights, expertise, and feedback of others to learn, challenge ourselves, and inform our corporate responsibility strategy. Partners enable us to expand and amplify the important work of promoting responsible consumption and reducing harmful drinking. By working in partnership with employees, non-profits, customers, and peers, we increase our impact.

We take a holistic view of our stakeholders, seeing them as friends and partners rather than just the people who work for us, the people who sell or consume our brands, the investors that help our business grow, or the non-profit organizations that improve the communities where we live and work. This means that we don't just tell them our corporate responsibility story, but rather we actively involve them to help shape and participate in it.

By building strong partnerships, we're able to leverage the expertise and capabilities of others, and because we share a common goal of thriving communities, our collaboration has a greater impact. Some of our key partnerships are highlighted throughout this report, detailing many of the ways that corporate responsibility is made real through these relationships.



"Brown-Forman has a history of doing the right thing. Today we take a more deliberate and comprehensive approach to corporate responsibility, with a special focus on our most significant societal impact — promoting responsible drinking and reducing abuse of alcohol. We learn from and partner with external organizations to increase our impact, and we actively seek others' perspectives through forums such as 'Our Thinking About Drinking.'"

ROB FREDERICK

VICE PRESIDENT, DIRECTOR OF CORPORATE RESPONSIBILITY

Engaging Stakeholders

Our engagement with stakeholders and partners is an ongoing process, and we invite them to share feedback and ideas with us. We seek targeted feedback on our corporate responsibility performance and communications through periodic formal stakeholder sessions that we have conducted since 2008.

We work with the non-profit organization Ceres to bring together experts for discussion about our corporate responsibility strategy with executive leaders from across our business. The discussion focused on greater integration of corporate responsibility into our business strategy, key sourcing impacts, and overall disclosure of risks, impacts, and opportunities. This feedback is forming the way that we evolve our approach and priorities, including ramping up our efforts going forward to address sustainability in our supply chain and the addition of a water target in our revised goals. The Ceres engagement was also an important input into our significant issues assessment conducted in Fiscal 2015 (see [Assessing Significant Issues](#)).

Internal stakeholders also provide valuable direction for our Corporate Responsibility strategy. Our employee engagement survey (see [Employee Relations](#)) includes questions about Brown-Forman's commitment to corporate responsibility, which helps us measure what matters to employees and evaluate how we are meeting their expectations. In 2014, 88% of surveyed employees agreed that Brown-Forman is a socially and environmentally responsible organization, 87% felt that the company has an excellent reputation in the community, and 77% said that they see how their team or business unit contributes to Brown-Forman's efforts to promote responsible consumption. These are good results, but we also see an opportunity to further increase the relevance of corporate responsibility activities to employees.



87%

of employees agreed that Brown-Forman has an excellent reputation in the community

77%

of employees said that they see how their team or business unit contributes to Brown-Forman's efforts to promote responsible consumption

STAKEHOLDER ENGAGEMENT ACTIVITIES AND INSIGHTS

HOW WE ENGAGE WITH THEM

Consumers

EXAMPLES

Our brands are our best ambassadors for engaging consumers through targeted campaigns, cause marketing, and programs that help educate and empower more responsible decisions. For example, we partner with organizations such as BeMyDD (Be My Designated Driver), and The Ad Council's *Buzzed Driving Is Drunk Driving* campaign to promote responsible drinking messaging on the radio, at point of sale, and in marketing campaigns.

The Regeneration Consumer Study,* co-sponsored by Brown-Forman, shows that two-thirds of consumers across six major markets aspire to consume products more responsibly and sustainably. However, significant barriers to sustainable purchasing remain — including a lack of information. We look for ways to connect with these aspirational consumers by giving them more information and confidence in the sustainability of our products, for example through Finlandia's partnership with 1% For The Planet.

Employees

We actively seek the participation of our employees through volunteerism, involvement in wellness activities, and more. In 2010, 2012, and again in 2014, we carried out an employee engagement survey to find out what our employees think about their employment experience at Brown-Forman. In Fiscal 2015, we conducted additional surveys on environmental sustainability and the role of drinking in our culture.

Our 2014 employee engagement survey showed that 78% of employees were highly engaged. For more details about the areas our employees were most positive about, and the areas they feel need improving, please see [Employee Relations](#).

Government and Regulators

[Our Thinking About Drinking](#) highlights our positions on issues related to responsible consumption, marketing and access, and alcohol policy. We also engage policy makers on key issues related to alcohol responsibility through organizations such as the International Alliance for Responsible Drinking (IARD), spiritsEUROPE, Foundation for Advancing Alcohol Responsibility (Responsibility.org), Fundación de Investigaciones Sociales A.C. (FISAC), the Portman Group, Distilled Spirits Council of the United States (DISCUS), and others.

In Kentucky, we joined Kentucky Distillers Association and Foundation for Advancing Alcohol Responsibility in support in support of mandatory ignition interlocks for all DUI offenders. In Europe, we have worked through spiritsEUROPE to support implementation of the EU Strategy to reduce alcohol-related harm and promote the need for a debate about the evidence used in EU public policy making. The aim is to ensure that research and evidence used by policy-makers is relevant, neutral, objective, fair, transparent and robust.

Industry and Retail Customers

In the U.S., we are engaged in partnerships with a number of retailer groups and industry coalitions, such as the Responsible Retailing Forum, Responsible Hospitality Institute, and National Alcohol Beverage Control Association (NABCA).

Retailers such as the New Hampshire Liquor Commission tell us they are pleased to team up to promote responsible alcohol consumption. Our yearlong campaign with them, Live Free and Host Responsibly, offers tips for responsible serving and hosting, reduced alcohol content or alcohol-free recipe versions, and [more](#).

* The study was carried out by BBMG, GlobeScan, and SustainAbility in 2012. The full report can be found on The Regeneration Roadmap's [website](#).

HOW WE ENGAGE WITH THEM

EXAMPLES

Issue Experts and Thought Leaders

Our website [Our Thinking About Drinking](#) invites opinion leaders to share their views on alcohol responsibility in an open discussion forum. We are members of the Beverage Industry Environmental Roundtable (BIER), a global partnership of leading beverage companies working together to advance environmental sustainability within our sector.

In the summer of 2015, we are launching a redesign of [Our Thinking About Drinking](#) to provide greater visibility for our positions on key issues and invite greater dialogue on the site. Also in 2014, we completed a water use benchmarking assessment through BIER. The assessment provides a basis for comparison among BIER members. See [Water Use in Operations](#).

The Brown Family

We proactively engage with Brown family members through the Brown Family Shareholders committee, DendriFund, education sessions, and other communications throughout the year.

The Brown family champions environmental sustainability, as can be seen through their support for DendriFund, and continually advocates for the company to excel in this area. In March 2015, following an invitation from Christy Brown, His Royal Highness Prince Charles visited Louisville and spoke inspirationally about climate change, soil depletion, and exploitation of natural resources.

Investors

We share our strategy and seek feedback on our activities through our annual meeting, quarterly calls, and road shows for investors. We also respond to various investor and institutional surveys, such as CDP, EIRIS, Newsweek, and IW Financial, which request information on our environmental, social, and corporate performance.

In order for Brown-Forman to inform and raise with mainstream investors, we are making this information more accessible by moving toward a more integrated approach to communications and reporting.

Non-Profits and Community Organizations

As members of [Ceres](#), we have the opportunity to learn from a global network of investors, companies, and public interest groups that promote sustainable business practices and policies.

We seek input through annual Ceres Stakeholder Dialogue sessions. We are committed to giving back in local communities and partner with non-profit organizations through philanthropy and volunteer programs. More than 130 employees sit on the boards of 190 non-profit organizations.

Non-profit stakeholders have encouraged us to increase our focus on supply chain sustainability, evaluate risks and opportunities in our sourcing, and increase transparency and disclosure.

Suppliers

Many of our packaging suppliers share with us innovative packing solutions that they are developing. By sharing ideas and experiences, we can foster more creative solutions. Our Supplier Guiding Principles with Respect to Human Rights communicate our expectations for human rights and labor conditions to suppliers.

Our packaging and sourcing teams consider sustainability in their purchasing decisions. Our Sustainable Packaging Guidelines and Scorecard provide guidance on packaging decisions and help quantify improvement opportunities.

Assessing Significant Issues

To help us prioritize the corporate responsibility issues that matter most to our business, we conducted an assessment of the areas of significant impacts on our business. The assessment helped us better understand the importance of these issues to our stakeholders and to the success of our business.

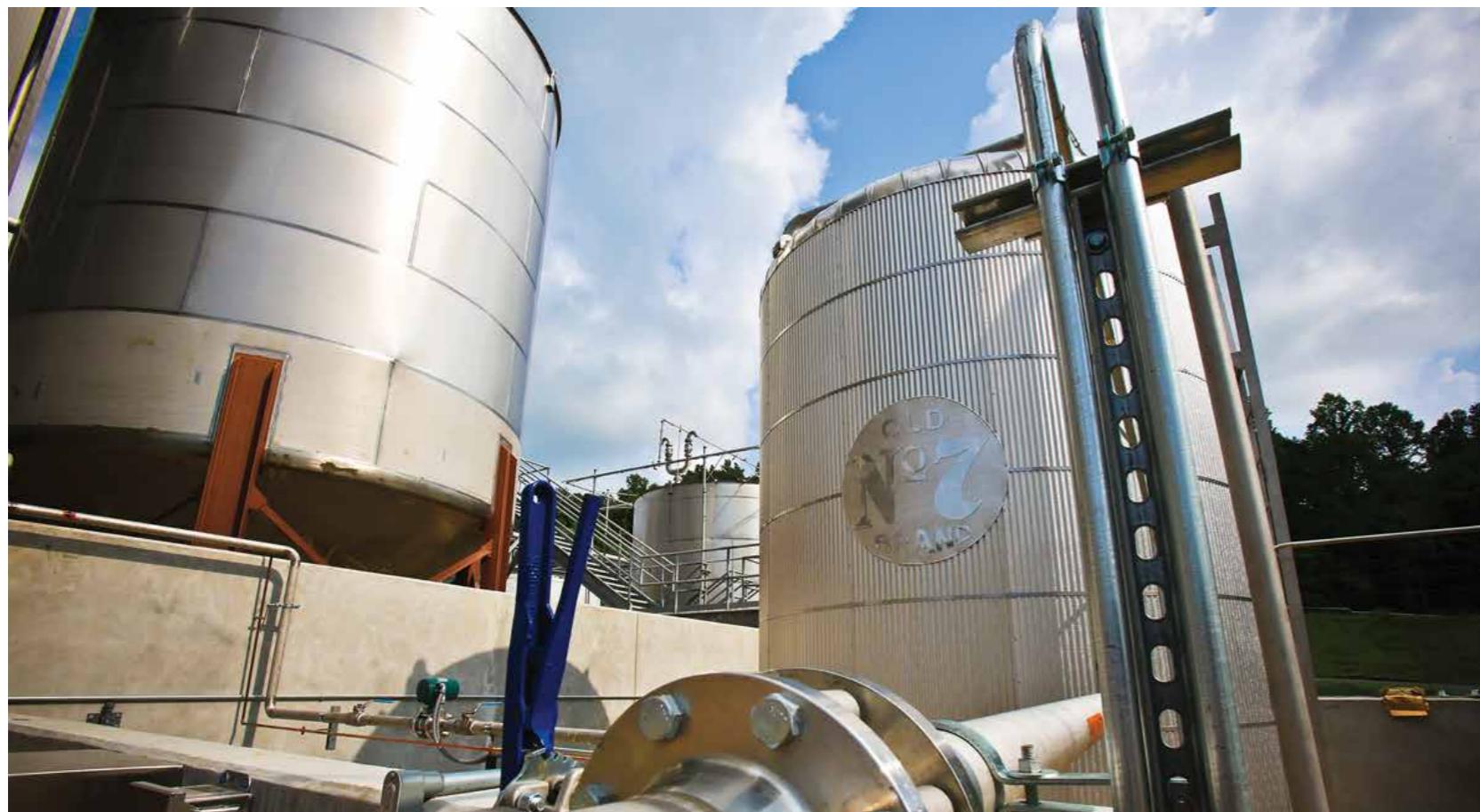
To define the content and scope of this report, we carried out a series of activities to develop our list of material issues:

- We assessed the current relevance of material topics identified in external and internal stakeholder workshops conducted in 2011, 2012, and 2014.

- Based on our findings we refined and developed a topic list for additional testing, reviewing this against relevant Global Reporting Initiative (GRI) aspects and definitions for completeness. GRI is the leading provider of a standard that enables all companies and organizations to measure, understand, and communicate this information.
- We tested a long list of issues internally, conducting a workshop that included employees from across a range of business areas to assess the importance of and impact to the business of the identified topics.
- We supplemented our understanding and prioritization of the issues through a series of external interviews

with subject matter experts in the areas of alcohol responsibility, alcohol distribution and marketing, industry ethics, agriculture, water, and other environmental concerns, as well as with Brown family representatives and investors. We worked with an independent consultant to conduct these interviews to help further guide our understanding of stakeholder perspectives on these issues.

- Taking into account the feedback from internal and external stakeholders, and through conversations involving senior leadership, we arrived at our current list of significant issues.



Our Value Chain

Our approach to corporate responsibility, encompassing social, environmental, and economic concerns, covers our entire value chain, from the way we source our raw materials, to the distillation and packaging of our spirits, through to distribution and sales, consumption, and product end-of-life.

To better demonstrate how each issue impacts Brown-Forman, we have mapped each topic to our value chain. The list of issues represents the culmination of our significant issues analysis. Note that some topics that are discussed in this report or in previous reports are not necessarily identified as significant issues. Despite not being included in the list, they may be embedded in other current issues and we continue to work to manage them effectively.

SIGNIFICANT ISSUES KEY

Higher Impact: Governance and Operating Context

Higher Impact: Resource Use, Scarcity, and Impacts

Higher Impact: Human Rights and People

Lower Impact



CORPORATE RESPONSIBILITY PRIORITIES

All of the issues analyzed in our assessment are important to Brown-Forman and contribute to corporate responsibility performance. We will, of course, continue to work to improve our performance in all areas; however, we will increasingly target our efforts where we can have the greatest impact. Key themes that emerged in our assessment focused on alcohol responsibility, employee relations, and environmental sustainability in our operations.

Alcohol Responsibility

Promoting responsible consumption is vital to the long-term health of our business and our consumers, as well as our social license to operate. We actively encourage responsible drinking — the moderate consumption of our products in a way that brings social enjoyment rather than harm — in several ways. We engage in partnerships, campaigns, and consumer communications that promote responsible drinking and reduce misuse. We ensure responsible marketing practices for ourselves and work with the industry to promote responsible sales and marketing practices across the board. Finally, we engage in thought leadership about the risks related to alcohol consumption and policy opportunities for mitigation of those harms. See [Alcohol Responsibility](#) for more information.

Employee Relations

The talent, creativity, commitment, and expertise of our employees enable us to grow and endure. This happens only when we provide employees with a safe, healthy, and inclusive workplace where their efforts are recognized, they can bring their whole selves to work, and they have opportunities to grow. Our promise to employees is to ensure that they are “Better for Being Here” and we work hard to live up to that every day. For more information about how we engage our employees, see [Employee Relations](#).

Environmental Sustainability

Our environmental sustainability priorities focus on the resources — mainly water and energy — that we use in our operations. Our environmental sustainability goals target reductions in absolute greenhouse gas emissions, an increase in the water efficiency of our products and processes, a reduction in wastewater discharge, and a target of zero waste to landfill at all of our production facilities. Our local approach to global issues is evident in the way that we identify a broad range of innovations and partnerships that achieve significant impact within individual facilities. We also know that stakeholders are increasingly focused on the environmental impacts of our agricultural supply chain and are beginning to identify opportunities to improve the way we source raw materials. See [Environmental Sustainability](#) for more information.

ABOUT THIS REPORT

This is our fifth biennial Corporate Responsibility report. Our aim for future reporting cycles is to more fully integrate our Corporate Responsibility reporting with our annual and financial reporting process and our corporate responsibility website in order to increase its accessibility for all our stakeholders. This year’s report is the first step in that process through the transition from printed to web reporting.

The report covers activities during Fiscal 2014 and 2015. Unless otherwise noted, all data relates to Fiscal 2015.

Our GHG emissions are externally verified annually by NSF International. 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.

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 Brown-Forman@b-f.com or write to us at Brown-Forman Corporation, Office of Corporate Responsibility, 850 Dixie Hwy., Louisville, Kentucky, 40210, U.S.A.

GOVERNANCE AND ETHICS

Guided by integrity, respect, trust, teamwork, and excellence, we are committed to sound governance and ethical behavior in the countries where we operate.

The Brown-Forman Board of Directors has ultimate responsibility for the overall performance of the company and oversight of the executive leadership team. In Fiscal 2015, the Board of Directors comprised 12 directors, six of whom were independent. The board works closely with our senior management team to embed sound governance practices into our operations and deliver long-term value to our stakeholders.

Visit our [Corporate Governance page](#) for more information about how our business is managed.

CORPORATE RESPONSIBILITY GOVERNANCE

Corporate responsibility is integrated into the day-to-day responsibilities of functional teams across Brown-Forman, including marketing and sales, human resources, legal and compliance, government relations, and corporate communications. The Corporate Responsibility team is part of Global Corporate Affairs, and works across the company to establish strategy and objectives and to help drive progress and innovation. Corporate Responsibility also takes the lead on corporate responsibility communications, facilitates engagement with diverse stakeholders, and helps create new responsibility programs and partnerships with marketing and sales.

Our Director of Global Corporate Affairs reports on our corporate responsibility progress through the Vice Chairman, who serves as a member of the Board.

For more information about our Corporate Responsibility strategy, [see page 12](#).

ETHICAL BUSINESS BEHAVIOR

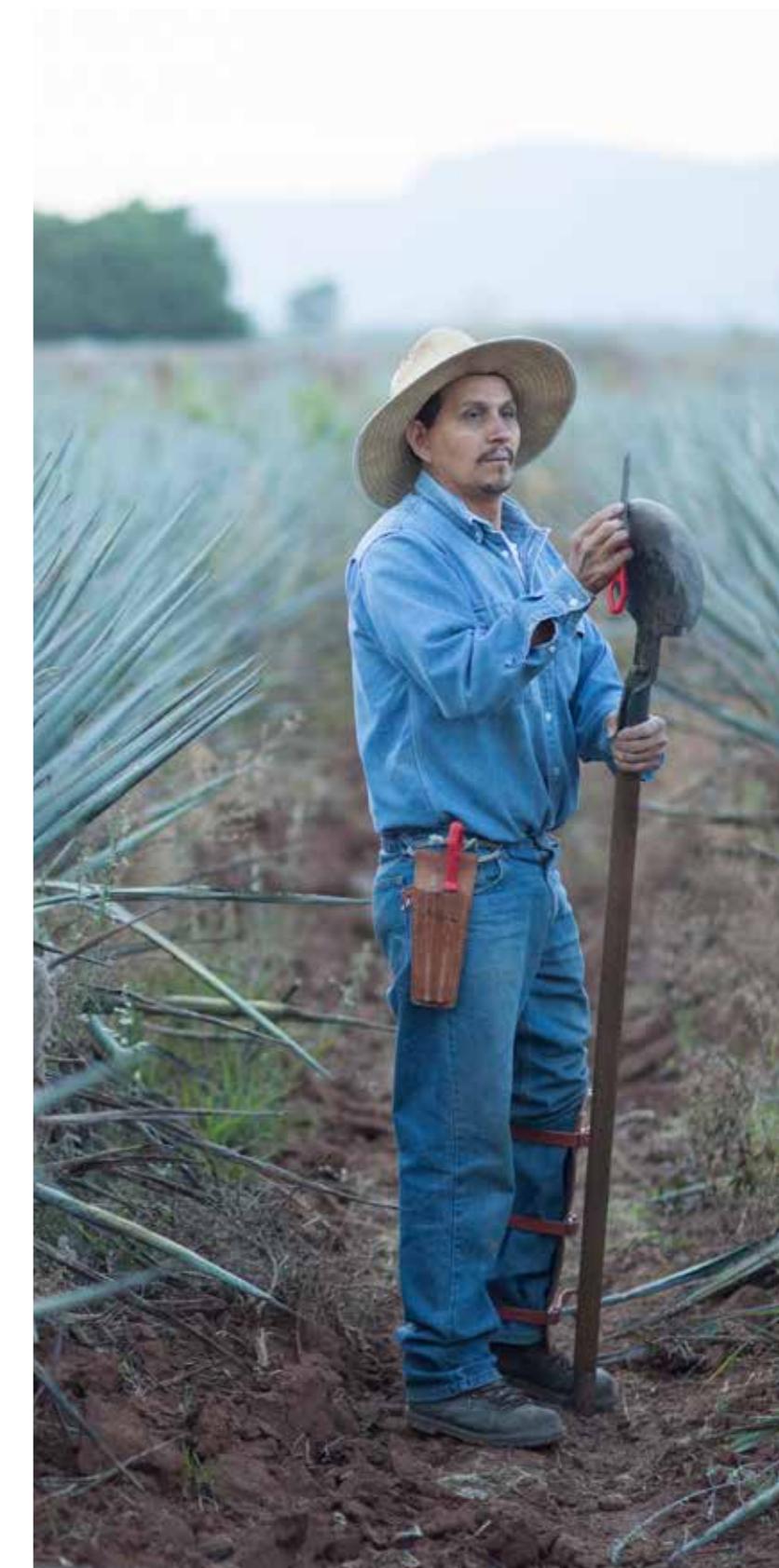
Our expectations for the ethical behavior of all Brown-Forman employees are laid out in the [Code of Conduct](#). The guidelines defined in the Code of Conduct reflect our core values and follow the simple premise that our business is only as ethical as our people.

The Code of Conduct is the foundation for our integrity and ensures that we uphold our values consistently as we grow in new markets. The Code of Conduct is available in 14 local languages, to reflect our diverse employee population and facilitate understanding by all employees.

Code of Conduct Training

Each year, all salaried employees are required to read and certify compliance with our Code of Conduct. The Code is written in simple, self-explanatory language and reinforced through a global training program. We also provide supplemental training for new employees and business partners through online and in-person training.

In Calendar Year 2015, 100% of employees completed training and certified compliance with the Code of Conduct.



Anti-Corruption

We are committed to avoiding corruption, or even the appearance of corruption, in all transactions with customers, suppliers, and others. Our anti-corruption guidelines (see Section 3 of the [Code of Conduct](#)) prohibit bribery and improper payments, mandate accurate bookkeeping, and require that all employees know and comply with all local laws and regulations.

Reporting Noncompliance

All employees are required to report known instances of Code violations and corruption. They can do so by reporting concerns directly to the Legal Department, a Compliance Officer, or through an anonymous compliance hotline. We ensure that employees can report concerns without threat of retaliation, and investigate all reported instances of noncompliance, escalating them as appropriate.

HUMAN RIGHTS

Beyond ethical business behavior, we apply our high ethical standards and core values to our commitment to doing the right thing and respecting the people, cultures, and communities where we operate. This approach is laid out in our [Global Human Rights Statement](#) that provides practical guidelines for decision-making with human rights in mind.

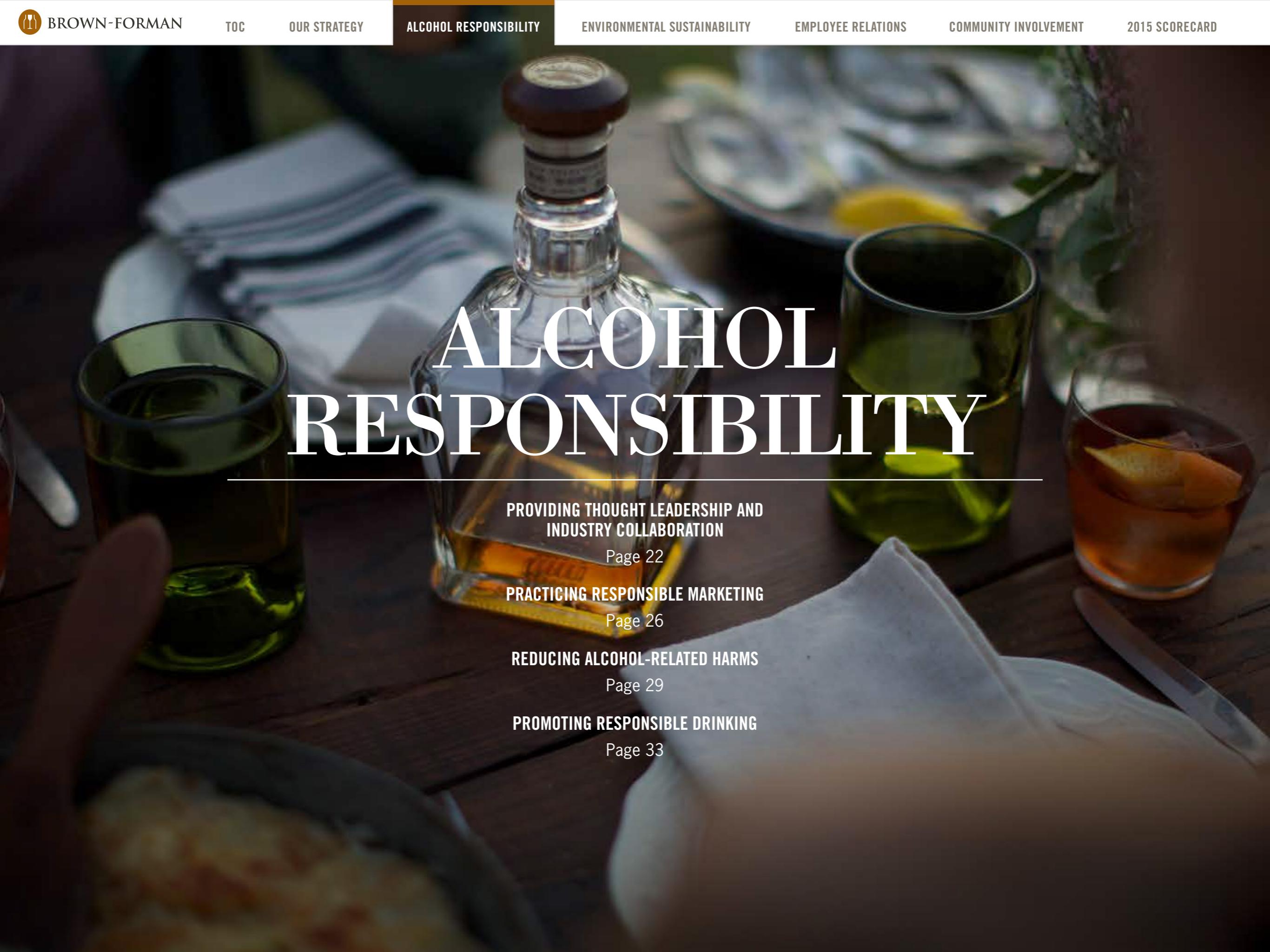
The Human Rights Statement goes beyond our Code of Conduct and defines expectations regarding:

- Child Labor
- Forced Labor
- Freedom of Association
- Non-discrimination and Harassment
- Wages and Working Hours
- Health and Safety
- Accountability



We supplement our Global Human Rights Statement with specific guidelines for our suppliers available in the [Supplier Guiding Principles with Respect to Human Rights](#), which take into consideration international labor standards set forth in the United Nations Universal Declaration of Human Rights as well as the eight fundamental International Labour Organization (ILO) conventions. We review our Human Rights Statement and Supplier Guiding Principles annually, and make updates as necessary to reflect the changing needs of our business and supply chain. We are currently evaluating opportunities for better communications internally so that all our employees fully understand the statement and know how to respond if they are concerned about potential violations.

In the U.S., we hold an annual Civil Treatment workshop to educate new employees about creating a harassment- and discrimination-free workplace. The training focuses on our policies and expectations, and what to do if employees learn that a policy has been violated.



ALCOHOL RESPONSIBILITY

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Alcohol Responsibility at Brown-Forman

Promoting responsible consumer enjoyment of our brands and reducing alcohol abuse and misuse is fundamental to Brown-Forman and is essential to our purpose of enriching the experience of life. As one of the largest American-owned spirits and wine companies and one of the top 10 global spirits companies, we have a strong interest in contributing to a culture of responsible consumption, which we take very seriously. It is in the interest of our business, and of society, that we play an active role in encouraging responsible alcohol consumption.

Beverage alcohol, consumed in moderation, can make social occasions more enjoyable. However, when consumed irresponsibly, in excess, or by people susceptible to addiction, alcohol can lead to damaging consequences for individuals, their families, and our communities. Our work to support a culture of alcohol responsibility extends from our own employees to our customers, consumers, business partners, stakeholders, and society at large.

Our tradition of leadership in alcohol responsibility began 75 years ago when Owsley Brown I founded what is now the Distilled Spirits Council of the United States (DISCUS), a trade association committed to responsibility. Today Brown-Forman continues to build on this legacy through our alcohol responsibility strategy with four components:

- Providing thought leadership and industry collaboration
- Practicing responsible marketing
- Reducing alcohol-related harms
- Promoting responsible drinking

PROVIDING THOUGHT LEADERSHIP AND INDUSTRY COLLABORATION

Brown-Forman encourages open discussion of alcohol-related issues and contributes to thought leadership in the field. Our website [Our Thinking About Drinking](#) presents independent third-party opinions and research about alcohol-related issues, and provides a forum for discussion and feedback. For example, this year we featured an interview about college drinking culture with Professor Thomas Vander Ven, the author of *Why College Students Drink Too Much and Party Too Hard*; an opinion piece about Moms Who Don't Drink by Stefanie Wilder-Taylor, author of *Sippy Cups are Not for Chardonnay*; and a discussion of the effects of alcohol on sleep patterns by Dr. Eliza van Reen of Brown University.



As a significant player in the global beverage alcohol industry, we foster collective action with our peers. Working together with other producers, we are able to leverage our views on a scale that can create change. For example, we are working with the 13 industry leaders that signed the [Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking](#) (the Commitments). In its first year, 2013, the group made significant progress. We defined specific, measurable targets for action areas, led more than 100 global education programs, and developed guidelines for responsible digital advertising. In 2014, the group's priorities were to reduce underage drinking and drunk driving, strengthen marketing codes of practice, provide consumer information through a dedicated website, and collaborate with retailers. An update on the group's progress is available at www.producerscommitments.org.

BROWN-FORMAN PARTNERS WITH INDUSTRY ORGANIZATIONS ACROSS OUR GLOBAL MARKETS TO MAKE AN IMPACT AT THE REGIONAL AND LOCAL LEVEL.

Canada

We support the **Canadian Association of Liquor Jurisdictions (CALJ)**, an association of representatives of the liquor board, commission, and corporation in each of Canada's 13 provinces and territories. The group convenes twice a year to work together on critical issues, including operations, alcohol policy, and social responsibility.

United Kingdom

In the United Kingdom, we influence responsible marketing practices as a board member of the **Portman Group**, an organization representing leading alcohol producers. In addition, we support **Drinkaware Trust**, a non-profit that works to reduce alcohol misuse and harm in the United Kingdom through public messaging campaigns and a popular website.

Poland

We are members of the **Spirits Employers Association of the Polish Spirits Industry (ZP PPS)**, an organization that promotes responsible drinking through partnerships with NGOs, a public information site with a web address that appears on spirit labels in Poland, including all Brown-Forman labels.

Germany

We support the **German Association of the Spirits Industry and Spirits Importers (BSI)**. BSI's Alcohol and Responsibility Task Force works with the spirits industry to create public education messages about responsible drinking for the German public.

United States

In the United States, we partner with **Responsibility.org**. The organization leads outreach to reduce drunk driving and underage drinking and advance alcohol responsibility in every state in the United States.

Mexico

We belong to the **Foundation of Social Investigations (FISAC)**, an organization that promotes responsible alcohol consumption through education and public policy.

France

Our involvement with **Enterprise & Prevention (E&P)** in France supports public awareness programs that focus on issues related to pregnancy and alcohol use, including Fetal Alcohol Spectrum Disorder (FASD).

Australia

In Australia, we support **DrinkWise**, a non-profit that promotes behavior change through informational and educational campaigns.



Jennifer Hancock, President and CEO, Volunteers of America of Kentucky

FEATURED PARTNERSHIP

VOLUNTEERS OF AMERICA

Volunteers of America is a faith-based organization that creates positive change in the lives of individuals and communities through a ministry of service that seeks to help America's most vulnerable populations.

How does your organization work with Brown-Forman to achieve your mission?

Volunteers of America has worked with Brown-Forman for 17 years, helping end homelessness for families through our Louisville Family Housing Services. For the past two years, we've partnered to end the cycle of addiction for parents, pregnant women, and their children, through our Freedom House program. Brown-Forman supported a capital project that doubled the capacity of Freedom House so that we could open the doors to women from our waiting list seeking recovery, along with their children.

What makes this partnership successful and how do you measure impact?

Our partnership is successful because of our shared mission and aligned values to address addiction in our community. To date, 94 healthy babies have been born to sober and drug-free mothers since we expanded Freedom House, ending the cycle of addiction and avoiding serious health risks. At the time of birth, for each baby delivered at Freedom House, we save the community \$250,000 in future healthcare costs.

What challenges and opportunities do you see ahead?

Heroin use is rising in our community, with 80% of mothers we serve identifying heroin as their primary drug. In response to continued growth and urgent need, in 2015 we will raise funds for a new building to serve pregnant women and their children and to provide additional space for activities and meetings.



Ralph Blackman, President & CEO

FEATURED PARTNERSHIP

FOUNDATION FOR ADVANCING ALCOHOL RESPONSIBILITY

The Foundation for Advancing Alcohol Responsibility (Responsibility.org) is an independent U.S. non-profit funded by the distilled spirits industry that works to reduce drunk driving and underage drinking, and promote responsible alcohol consumption.

How does your organization work with Brown-Forman to achieve your mission?

Responsibility.org worked with Brown-Forman to test the effectiveness of responsible drinking campaigns with Total Wine & More customers in several markets across the U.S. The exercise marked the first time data was collected with a national retailer, which will help inform our future messaging. Together, we also developed talking points and position statements that Brown-Forman used to testify for enacting more stringent and effective drunk driving laws in Kentucky.

What makes this partnership successful and how do you measure impact?

Our partnership with Brown-Forman is successful because both parties have something to offer the other. On messaging, Responsibility.org has campaign strategies that benefit from Brown-Forman's communications channels. On alcohol-related legislation, we develop research-based policies that guide Brown-Forman's alcohol responsibility strategy. Working in partnership helps Responsibility.org achieve results by getting our message out to a broader audience and passing legislation proven to have an impact on reducing drunk driving fatalities.

What challenges and opportunities do you see ahead?

Corporate and consumer brands can be powerful drivers of responsibility to a wide audience, when their messages are delivered in an authentic voice and to engaged consumers. To get there, each brand needs to find its own voice, understand what messaging will resonate with its audience, and determine how and when to deliver on the responsibility promise. We believe there is an opportunity for Brown-Forman to scale up its use of brands to positively influence responsible drinking attitudes and behaviors.

PRACTICING RESPONSIBLE MARKETING

Responsible marketing is an important part of our commitment and approach. We ensure that we market our products in a way that is appropriate and mature in content and targets the intended legal drinking age audience. In doing this, we not only comply with all regulations and codes, but also follow a strict, self-imposed code of conduct on marketing, which often goes above and beyond the industry-wide DISCUS and Wine Institutes Codes in the U.S., Australia's Alcohol Beverages Advertising Code, and other country level codes.

In 2012 we formed the Responsible Marketing Pact with seven other major beverage alcohol manufacturers that developed industry-led standards for responsible advertising and marketing in the European Union. The standards focus on decreasing exposure of those under legal drinking age to alcohol-related advertisements. Across all European Union markets, 92% of Brown-Forman's TV commercial spots and 96% of commercial views were compliant with the Responsible Marketing Pact's standards for underage audience exposure.

Informing Consumers and Responsible Product Innovation

As part of our commitment to responsible marketing and to enable our consumers to make more informed decisions, we plan to make nutritional information available either on our packaging or our brand websites in the coming year. We also continue to assess all new flavors and their presentation in the new product development

process to avoid pursuing products with a primary appeal to those under the legal drinking age. We have rejected flavors and names of flavors, as well as pre-packaged products that contain nutrients or additives that are marketed or promoted as delivering energy benefits through consumption.

Retail Support and Partnerships

We partner with associations to help retailers ensure that our products are not sold to people under legal drinking age. In 2014 Brown-Forman partnered with Charmer Sunbelt Group and Responsible Retailing Forum to develop a program that assessed retailer performance on underage ID checking and provided best practices to improve. Through the program, stores opt in for visits by "mystery shoppers" who provide confidential feedback on their employees' enforcement of ID checking. The goal is to provide retailers with the information they need to develop protocols and strengthen policies and practices to avoid selling to those under the legal drinking age.

In Russia, we partnered with retail chain Krasnoe & Beloe to raise awareness about responsible retail practices. As part of the effort, we distributed 5,000 badges to their staff to remind customers that they do not sell alcohol to those who are underage.

In the U.S. we partnered with RNDC, a Texas-based distributor, to bring awareness to the "We Don't Serve Teens" campaign to discourage underage purchase and consumption. This year, the campaign teamed up with the Texas Rangers baseball team and featured celebrity radio ads during targeted weeks for teen partying, including spring break, prom, graduation, and Fourth of July.

The ads reminded retailers not to serve teens and offered chances to win Texas Rangers tickets after signing a pledge not to serve teens.

In the United Kingdom, we sponsor the Responsible Server Training program through Bacardi Brown-Forman Brands, our U.K. distribution partnership with Bacardi. The program offers training materials for retailers to share with their staff about the law and best practices for promoting responsible alcohol retailing.

View our **2015 SCORECARD** for more data

Live Free and Host Responsibly

In partnership with the New Hampshire Liquor Commission (NHLC), Brown-Forman launched a yearlong campaign focused on educating restaurant and lounge owners throughout the state about responsible alcohol service and consumption. The *Live Free and Host Responsibly* campaign maintains a website full of resources that emphasize responsible consumption, including how to serve responsibly yet profitably, how to tell when a customer has been overserved, and downloadable cocktail and mocktail recipes. During Alcohol Awareness Month this year, the NHLC Enforcement Division led training sessions for restaurant owners, managers, and servers, as well as driver education courses emphasizing alcohol responsibility for the general public.



Jennifer Zenker, Vice President, Government and Regulatory Affairs

FEATURED PARTNERSHIP

THE CHARMER SUNBELT GROUP

The Charmer Sunbelt Group (CSG) is a beverage alcohol distribution company that serves retailers in 12 of the largest U.S. markets.

How does your organization work with Brown-Forman to achieve your mission?

Zero tolerance for underage drinking is a cornerstone of CSG's corporate responsibility strategy. CSG and Brown-Forman partnered in 2014 on a new responsible retailing initiative with the goal of preventing underage access to alcohol by increasing the diligence of CSG's retailers. Brown-Forman has been flexible, creative, and patient as we've formed a program that facilitates relationship-building between CSG associates and retailers to change behavior and curb underage access to alcohol.

What makes this partnership successful and how do you measure impact?

Our social responsibility program risked a negative reception from retailers and the prospect that it might not curtail underage access to alcohol as expected. Brown-Forman was willing to work through the details of the program and take on those challenges. To date, retailers have been open to engaging CSG associates on responsible retailing, and we are working with Brown-Forman on ways to measure the program's impact.

What challenges and opportunities do you see ahead?

It can be time- and resource-intensive for CSG associates to speak with retailers about underage access to alcohol, and we are finding the program difficult to scale. To make the initiative scalable and sustainable, CSG and Brown-Forman will need to find a way to keep retailers engaged on their own. Retail associations and community groups are potential partners to reinforce responsible retailing best practices. Together, we and Brown-Forman are committed to ensuring the program's success.



Karyn Hascal, President

FEATURED PARTNERSHIP

THE HEALING PLACE

The Healing Place in Louisville, Kentucky, reaches men and women suffering from drug and alcohol addiction, providing the tools for recovery and restoring productive lives.

How does your organization work with Brown-Forman to achieve your mission?

The Healing Place has had a relationship with Brown-Forman for many years. As a key community partner, the company's support is invaluable, and includes both generous financial contributions and providing employees' time and talent to assist us in our mission. We have also used the relationship to educate those in the company about addiction and open doors and engage other corporations that help move our mission forward.

What makes this partnership successful and how do you measure impact?

The Healing Place provides free intensive residential service to more than 600 men and women daily who struggle with drug and/or alcohol addiction. We do this at the very low cost of \$25 per day per client and with a high success rate of 75% remaining sober a year after leaving the program. Brown-Forman's support helps us build capacity that keeps the costs of housing and recovery services low. It takes the backing of an entire community to address alcoholism and addiction as treatable diseases, and it is important for the community to understand that distillers do not cause alcoholism. Brown-Forman helps us to have this conversation and make this important point.

What challenges and opportunities do you see ahead?

There is misinformation and a lack of understanding about addiction and alcoholism — illnesses that, when treated appropriately, return successful, productive people to their communities and families. The Healing Place struggles to meet all the needs in our community and is planning a large expansion. Our hope is to have a greater opportunity to serve all who are ready for help and assistance.

REDUCING ALCOHOL-RELATED HARMS

As part of our strategy to address harms that result from irresponsible alcohol use, we form partnerships with non-profits, universities, industry groups, and others. Together, we help to deliver communications and programs designed to reduce irresponsible drinking, including drunk driving, underage drinking, and alcohol abuse.

Drunk Driving

Drunk driving continues to be a public health and safety issue around the world, often a very personal and tragic one, even though proactive public policy and behavior change measures have helped to address the problem in many countries. In the United States, for example, drunk driving fatalities have declined 52% from 1982 to 2013.*

We believe that the most effective deterrent to drunk driving is awareness of the consequences to innocent victims and the drunk driver. In addition, it is important to provide access to practical alternatives for planning ahead and not driving drunk. We work in partnership with communities to promote alternative transport options and raise awareness through campaigns. Examples of our drunk driving partnerships are detailed below.

In Saskatchewan, Canada, we partner with PointZero8, a designated driver service that sends a driver to escort customers and their car home from the location of their choosing.

In the United States, on a local and regional level, we partner with BeMyDD to create safe rides home through their designated driver program. BeMyDD allows participants to plan their night out responsibly. The service provides a driver for the customer's vehicle throughout the entire night or at the end of a night, ensuring a safe option for going out and getting home.



For example, in February 2015, Jack Daniel's partnered with BeMyDD to offer promotions during rodeo season in Houston, Texas. At the Houston Barbecue, BeMyDD offered free rides home for attendees at the Jack Daniel's tent. Through our partnership, BeMyDD also offered all attendees of the rodeo a discount on their first booking.

In 2014, Brown-Forman partnered with Maryland's Montgomery County Department of Liquor Control and Reliable-Churchill, a Maryland distributor, to promote BeMyDD. Montgomery County Police Chief J. Thomas Manager was enthusiastic about the partnership. "Drunk drivers are a real threat to everyone's safety," he said. "Services like [BeMyDD] allow people to enjoy themselves responsibly, and keep our roadways safe. This is a step in the right direction."

With the rise in ride-booking platforms like Uber, we have used the opportunity to promote these services as a safe way home after a night out. In Atlanta, Chicago, and other U.S. cities, Brown-Forman partnered with Uber to run city-wide promotions. In South Africa, new Uber riders were offered a voucher for 70% off their ride through a partnership with Southern Comfort and Jack Daniel's.

We have a longstanding partnership with the U.S. Ad Council's *Buzzed Driving Is Drunk Driving* campaign.

Celebrating the Kentucky Derby Responsibly

In celebration of the 2014 Kentucky Derby, Early Times Mint Julep partnered with Yellow Cab, the oldest and largest taxicab service in the greater Louisville area, to encourage a safe celebration at the Kentucky Derby. Together, they offered more than 1,000 vouchers for rides with Yellow Cab in nine locations with taxis designed especially for the Kentucky Derby. Riders were asked to sign the taxi as a pledge to drink responsibly, and in exchange, received a \$15 voucher toward their ride with Yellow Cab.

This year, Brown-Forman partnered with the Oregon Liquor Control Commission (OLCC) on public service announcements promoting *Buzzed Driving Is Drunk Driving*. The Oregon ads featured the tagline "Buzzed, Busted, Broke" displayed on the back of 19 public buses in five Oregon cities.

"Placing the message on buses just makes sense since public transportation is a great alternative to drinking and driving," said Merle Lindsey, OLCC Interim Executive Director. "You don't have to blow a .08 [in the U.S.] to be ticketed for DUI. If you're going to be drinking, the safest bet is to plan ahead for a safe ride home."

Also in 2014, we supported an important piece of legislation in Kentucky that would require all DUI offenders to install an ignition interlock device in their vehicles. Ignition interlocks test the operator's breath for alcohol content before allowing the engine to start and have been proven to prevent alcohol-impaired accidents. We backed this important legislation to protect the public in collaboration with Responsibility.org, Kentucky Distillers Association (KDA), and Mothers Against Drunk Driving (MADD).

At the time of the legislation's introduction in Kentucky, approximately half of all U.S. states had passed all-offender ignition interlock laws. We believe Responsibility.org and KDA's explicit support for mandatory and effective use of ignition interlocks for all convicted drunk driving offenders will save lives. Brown-Forman's testimony at the hearing for this Kentucky legislation was important to it being adopted.

JeffersonCoAttorney
@JeffCoAttyKY



Sen Morgan McGarvey discussing the lives that can be saved by using interlock.

#kyga15



Preventing Underage Drinking

Underage drinking has detrimental consequences on young people's lives and is a public health concern across the world. A certain level of maturity is required to drink responsibly. It is essential that underage drinking be addressed through education and prevention, with involvement from communities, schools, parents, the alcohol industry, retailers, and others. We use our resources to help prevent underage drinking and support a minimum legal drinking age of at least 18 years globally, backed by effective enforcement strategies. Restricting young people from purchasing alcohol has proven to be effective in lowering underage alcohol consumption. Yet minimum age laws are only part of the solution. We collaborate with industry partners, local universities, and public agencies to advance education about, and prevention of, underage drinking. We follow the Responsible Marketing Pact's self-regulatory commitment, which seeks to minimize the marketing communications seen by those under legal drinking age.

Preventing underage drinking necessitates a shift in social norms for young people, a complex task given the many influences in society. We encourage conversations about the harmful and unhealthy consequences of underage drinking through awareness-building partnerships. Our focus is on groups who are at higher risk for drinking, such as college students, whom we reach through third-party partnerships.

We support the University of Louisville in leading initiatives that promote education and awareness about underage and high-risk drinking. Through a partnership with BRICC Coalition (Building Resiliency in Campus Community), Brown-Forman provides funding for programs that engage the University's entire student body. Through this initiative, all incoming freshmen are required to complete an alcohol awareness program before starting the school year.



These students receive personalized information and important resources that address alcohol misuse — which in turn helps them succeed in school.

Brown-Forman also supports the University of Kentucky's education programs promoting alcohol responsibility. The University's Office of Wellness Initiatives for Student Empowerment (WISE) educates students to help them make responsible choices about alcohol use. Through Brown-Forman's partnership, the University trains Student Wellness Ambassadors to engage with their peers about responsible alcohol consumption.

We partner with various organizations that build awareness about the consequences of underage drinking. In the United States, we support Responsibility.org, an organization with educational campaigns targeting teens and parents, including *B4Udrink*, a blog and interactive online program. In the United Kingdom, Bacardi Brown-Forman Brands is a member company of the Portman Group, a non-profit organization that encourages responsible marketing within the alcohol industry through a Code of Practice. The group has been recognized for raising standards of marketing across the industry, including efforts to ensure that alcohol marketing visibility is minimized for those under the legal drinking age.



Priscilla MacIntosh, CEO

FEATURED PARTNERSHIP

THE MORTON CENTER

The Morton Center in Louisville, Kentucky, restores the health of individuals and families struggling with alcoholism and other addictions by providing specialized counseling and educational services.

How does your organization work with Brown-Forman to achieve your mission?

Working with Brown-Forman's Corporate Responsibility team, we offer educational programs to company employees addressing many facets of addiction. Topics include: why some individuals are not able to drink responsibly; recognizing signs of addiction in our families, friends, and co-workers; talking to children about not drinking alcohol; and making a difference through community involvement.

What makes this partnership successful and how do you measure impact?

We love Brown-Forman's proactive approach to corporate responsibility and community involvement. Our initial workshop with its employees resulted in positive feedback from surveys, and multiple phone calls and inquiries to our resource center. With Brown-Forman, we can discuss differences between healthy and unhealthy drinking in a format conducive to participant engagement, further developing our educational tools that we can then take to other organizations.

What challenges and opportunities do you see ahead?

The Morton Center is constantly looking for new ways to educate people, but our impact is limited by available resources. Meanwhile, addiction in our community is growing at a rapid rate. There is significant opportunity to expand education and early treatment interventions — providing tools to promote health and wellness.



FEATURED PARTNERSHIP

THE AD COUNCIL, TOTAL WINE & MORE, BEMYDD

The Ad Council is a non-profit organization that produces, distributes, and promotes campaigns that improve everyday lives. The organization's work inspires ongoing dialogue, engagement, and action around significant public issues, creating a measurable difference in society. *Allison Palmer, Campaign Manager, The Ad Council*

Founded in 1991, **Total Wine & More** is the largest independent retailer of fine spirits, wine, and beer in the United States, with 117 superstores across 16 states. *Matt Indre, Senior Manager, Public Affairs*

Be My Designated Driver (BeMyDD) is the nation's largest designated driver service, currently operating in 76 markets in 31 states, providing drivers at a discounted rate by utilizing the customer's automobile. *Arthur Simanovsky, CEO*

How do your organizations work with Brown-Forman to achieve your missions and goals?

The Ad Council, Total Wine & More, and BeMYDD worked with Brown-Forman on the Buzzed Driving Prevention Campaign during the 2013 / 2014 winter holiday season. The campaign is designed to change behaviors and perceptions around impaired driving through advertising. While the advertising aired in donated time and space, with Brown-Forman's support, we were able to execute a multifaceted marketing campaign, ensuring that it reached target audiences — including beverage alcohol shoppers — with the message: "Buzzed Driving Is Drunk Driving." Total Wine & More created awareness by showcasing "Buzzed Driving Is Drunk Driving" visual displays in 65 of their store locations. Store team members talked about the program with customers and other educational takeaways were featured prominently. BeMyDD took the marketing effort from education to action — offering \$20 discounts to new customers, making the solution affordable and accessible, and encouraging first-time users.

In your view, what makes this partnership successful and how do you measure impact?

The [campaign website](#) features educational information and a pledge that calls for visitors to show their support by not driving buzzed. Total Wine & More sent an email newsletter to its more than one million subscribers, which drove traffic to the campaign website. We observed an increase in traffic to the online pledge — in December 2014, 1,672 people signed on, compared to a monthly average of 477 pledges for the rest of the year.

What challenges and opportunities do you see ahead?

More than 10,000 people still die each year in the U.S. due to drunk driving. We need to scale the partnership across the nation to additional stores and on-premise in bars and restaurants. We want more people to rely on designated drivers and safe rider providers like BeMyDD, so we need to keep raising awareness. Social media presents strategic opportunities to have the campaign engage influencers relevant to our audience and to cross-promote the messaging on multiple platforms. We could also extend our reach with a streamlined, jointly branded landing page with a user-friendly online experience that has educational resources and other promotions. As planning begins for the 2015 holiday season, we look forward to a partnership with targeted, strategic outreach in support of the Buzzed Driving Prevention Campaign.

Supporting Addiction Treatment and Recovery

Many of our efforts to encourage alcohol responsibility focus on prevention and behavior change. In our hometown of Louisville, Kentucky, we also provide support for those who need treatment for addiction and alcoholism.

We are proud to support many organizations in our community that provide addiction treatment and recovery facilities. One of our longstanding partners, The Healing Place, offers free inpatient recovery to hundreds of people each year, with 75% remaining sober after one year — five times the national average. Brown-Forman bolsters The Healing Place's offerings through donations and board leadership. We also host staff and clients from The Healing Place to teach our employees about addiction and recovery.

75%

remain sober one year after leaving The Healing Place — five times the national average

Volunteers of America Kentucky provides support to pregnant and parenting women recovering from addiction. This year, our partnership helped Volunteers of America Kentucky to expand housing options at its Louisville facility. Their new building, Freedom House, provides space for mothers to rebuild their lives. They receive prenatal care, therapy services, and parenting skills education, as well as safe housing.

We support The Morton Center, also in Louisville, an outpatient addiction therapy center. The Morton Center's approach focuses on treating individuals as well as their families and communities, which is shown to increase recovery rates.

We are also leading an effort to accelerate the expansion of addiction treatment services in the Louisville area through social impact bonds — an innovative financing model, often called Pay for Success. In this model, individuals, corporations, and foundations provide up-front funding for social services and take on the risk that an intervention will deliver the desired outcomes. If it does, funders will be repaid by the government. In 2014 we helped Louisville Metro Government and The Healing Place prepare for a feasibility assessment that begins to identify the cost savings, cost avoidance and social benefit that could result from substance abuse treatment expansion of this kind. The assessment also considers the target population as well as the metrics upon which success and repayment would occur. While alcoholism is our primary concern, the Louisville region is also suffering from a crisis in heroin usage with related negative impacts on individuals and the community. As the first potential Pay for Success program in Kentucky, Brown-Forman's participation offers a progressive solution to support addiction treatment and other pressing issues in the region and beyond.

80%

of Brown-Forman employees believe that promoting responsible drinking offers Brown-Forman and its brands a business advantage

PROMOTING RESPONSIBLE DRINKING

We believe alcohol responsibility starts with our own attitudes and behaviors and that our employees must have high standards as ambassadors for the beverage alcohol industry. We emphasize responsible drinking from the inside out, through employee engagement and education programs that will help us to learn and enable us to serve as positive examples to others. We're proud to say that global engagement about responsibility among our employees is strong and growing, and we are planning even more discussions, collaborations, and employee-led initiatives.

We are creative in our communications to educate our employees about alcohol responsibility, including an interactive board game designed to provoke discussion about responsibility topics. In 2010, we launched such a game, called Think and Drink Tavern, as an interactive online education module for our employees to access at their own pace. The module is based on Training for Intervention Procedures (TIPs), a specialist training program in alcohol responsibility education. Every year, we also bring speakers to Brown-Forman to present about the latest topics in alcohol responsibility.

EL JIMADOR TEAMS UP WITH PORTLAND TIMBERS

El Jimador partnered with the Oregon Bartenders Guild and the Oregon Liquor Control Commission to promote responsible drinking to Major League Soccer (MLS) fans in Oregon. Portland Timbers fans participated in a contest, voting for the official mocktail, or non-alcoholic cocktail, of the Timbers 2015 MLS season. Participation in the contest entered contestants in a lottery to win tickets to a Timbers match.

"As the official sponsor of the MLS, we are proud to be part of the mocktail contest to promote responsible drinking. Mocktails provide a responsible solution to those looking to drink in moderation."

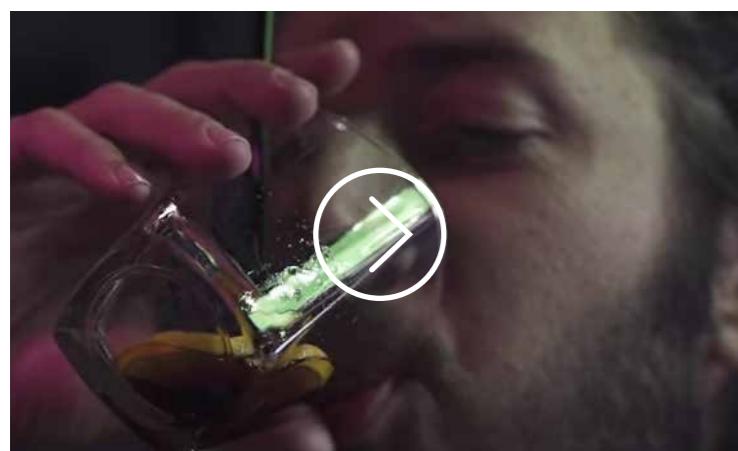
MARK GRINDSTAFF

GROUP BRAND DIRECTOR FOR BROWN-FORMAN TEQUILAS

The winning mocktail, The Timber Tantrum, is available at all Portland Timbers home games in 2015.



In Europe, our employees created a full month of programming and activities in February to encourage conversations and build awareness about responsible consumption. Highlights from Responsibility Month this year included:



Team Czech Republic

held a workshop with speakers from Alcoholics Anonymous telling their stories about how alcohol abuse impacted their lives.

Team Germany

participated in a daily quiz about alcohol responsibility, and each employee received an alcohol tester to discourage drinking and driving.

Team West Balkans

developed a series of humorous yet serious videos depicting the problems with over-consumption.

Team Poland created Responsibility Postcards with messages shared on colleagues' desks about responsibility awareness.

Team Turkey created a series of before-and-after portraits, with employees portraying the consequences of irresponsible drinking and the positive impacts of responsibility.

Brown-Forman Partners in Responsibility Include:

Industry Organizations

- ABC Committee
- Canadian Association of Liquor Jurisdictions (CALJ)
- Distilled Spirits Industry Council of Australia (DSICA)
- Drinks Canada
- Enterprise & Prevention
- Foundation for Advancing Alcohol Responsibility (Responsibility.org)
- The German Association of the Spirits Industry and Spirits Importers (BSI)
- International Alliance for Responsible Drinking
- National Alcohol Beverage Control Association (NABC)
- The Portman Group
- Responsible Hospitality Institute
- Responsible Retailing Forum
- Spirits Employers Association of the Polish Spirits Industry (ZP PPS)

Non-profit Organizations

- The Ad Council
- DrinkWise Australia
- The Foundation of Social Investigations (FISAC)
- The Healing Place
- The Morton Center
- TEAM Coalition
- Training for Intervention Procedures (TIPS)
- Volunteers of America

Universities

- University of Kentucky
- University of Louisville

Transportation Providers

- BeMyDD (U.S.)
- Cammeo (Croatia)
- CityScoot (U.S.)
- minicabit (U.K.)
- PointZero8 (Canada)
- Regiogroup (Slovakia)
- Uber (U.S., South Africa, Russia)
- Yellow Cab (U.S.)
- 02.8585 (Italy)



Christie Scott, Public Affairs Specialist

FEATURED PARTNERSHIP

OREGON LIQUOR CONTROL COMMISSION

The Oregon Liquor Control Commission (OLCC) is a state agency that provides consumer resources, including liquor licenses and service permits, and educates the public on Oregon's alcohol laws and responsible drinking.

How does your organization work with Brown-Forman to achieve your mission?

The OLCC engages and educates the public about responsible drinking. Brown-Forman shares our goals and together we get the message out in a way that the public does not confuse with advertising. Our partnership also brings creativity and innovation to messaging on responsible drinking. For example, we jointly developed the Portland Timbers' Mocktail Competition which featured a non-alcoholic drink with party appeal at the Timbers' soccer matches.

What makes this partnership successful and how do you measure impact?

Brown-Forman created the mocktail competition idea and brought in partners, including the Portland Timbers, the Oregon Bartenders' Guild, and local celebrity judges. The bartenders' guild developed 12 mocktails for voting by television viewers, and the judges then picked the winner. The winning beverage, Timber Tantrum, was featured at Portland Timbers' home games as the official mocktail of the 2015 season. Recipes for all 12 drinks were shared through social media.

What challenges and opportunities do you see ahead?

Alcohol education and encouraging responsible drinking will always be top priorities for the OLCC. Getting our message to the public is tough with constrained budgets, so we rely on partners like Brown-Forman to contribute to public service announcements. Campaigns about the cost of being arrested for drunk driving and the importance of a safe ride home remind people of alternatives to drinking and driving. We value our relationship with Brown-Forman for making these messages possible.



Fabiola Torres Villanueva, Communication and Strategy Director
Jessica Paredes Durán, Community Service Director

FEATURED PARTNERSHIP

FUNDACIÓN DE INVESTIGACIONES SOCIALES A.C.

Fundación de Investigaciones Sociales A.C. (Foundation of Social Research) (FISAC) is a non-profit established in 1981 by leading producers of wine and spirits and mass media leadership in Mexico. FISAC's mission is to contribute to a responsible drinking culture through health education and the promotion of balanced healthy living. FISAC focuses on drunk driving prevention, combating underage drinking, promoting responsible consumption in adults of legal drinking age, and respecting those who choose not to drink.

How does your organization work with Brown-Forman to achieve your mission?

Brown-Forman is one of six industry partners in Mexico that helps plan FISAC's national alcohol responsibility campaigns and healthcare programs. Together, we review concepts and objectives for these initiatives to improve their effectiveness. We also keep industry members updated on alcohol responsibility news, research, policies, and regulations.

What makes this partnership successful and how do you measure impact?

Every year, we work with leaders from Brown-Forman Mexico to evaluate our strategy, progress, performance indicators, goals, and opportunities for improvement. This establishes credibility for our organization and helps us garner support from scientific and academic communities. It also has helped us increase engagement with other businesses, non-profit organizations, educational and government institutions, and media outlets, so we can reach a wider audience.

What challenges and opportunities do you see ahead?

The challenge for FISAC will be how to increase the scope and scale of our programs so we continue to reach more people. To do so, we will need to ensure that our programs are part of the strategies and activities of our different allies in more institutions nationwide, and coordinate campaigns and programs with additional non-profits across Mexico. We look to work more closely with government and health agencies to align our messages about alcohol responsibility with Mexican culture.

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Environmental Sustainability at Brown-Forman

Brown-Forman's vision — Building Forever — is inherently linked to environmental sustainability. The long-term interests of our business align with society's need to protect natural resources for future generations. We require a healthy climate for growing grains, grapes, and agave; clean and readily available water to make our products; and thriving ecosystems to support forests. Our long-term orientation inspires us to value endurance and resilience over short-term advantage.

Environmental sustainability also benefits our bottom line. It influences our reputation, enhances the strength of our brands, contributes to responsible risk management, and creates significant opportunities for cost savings and efficiency in our operations.

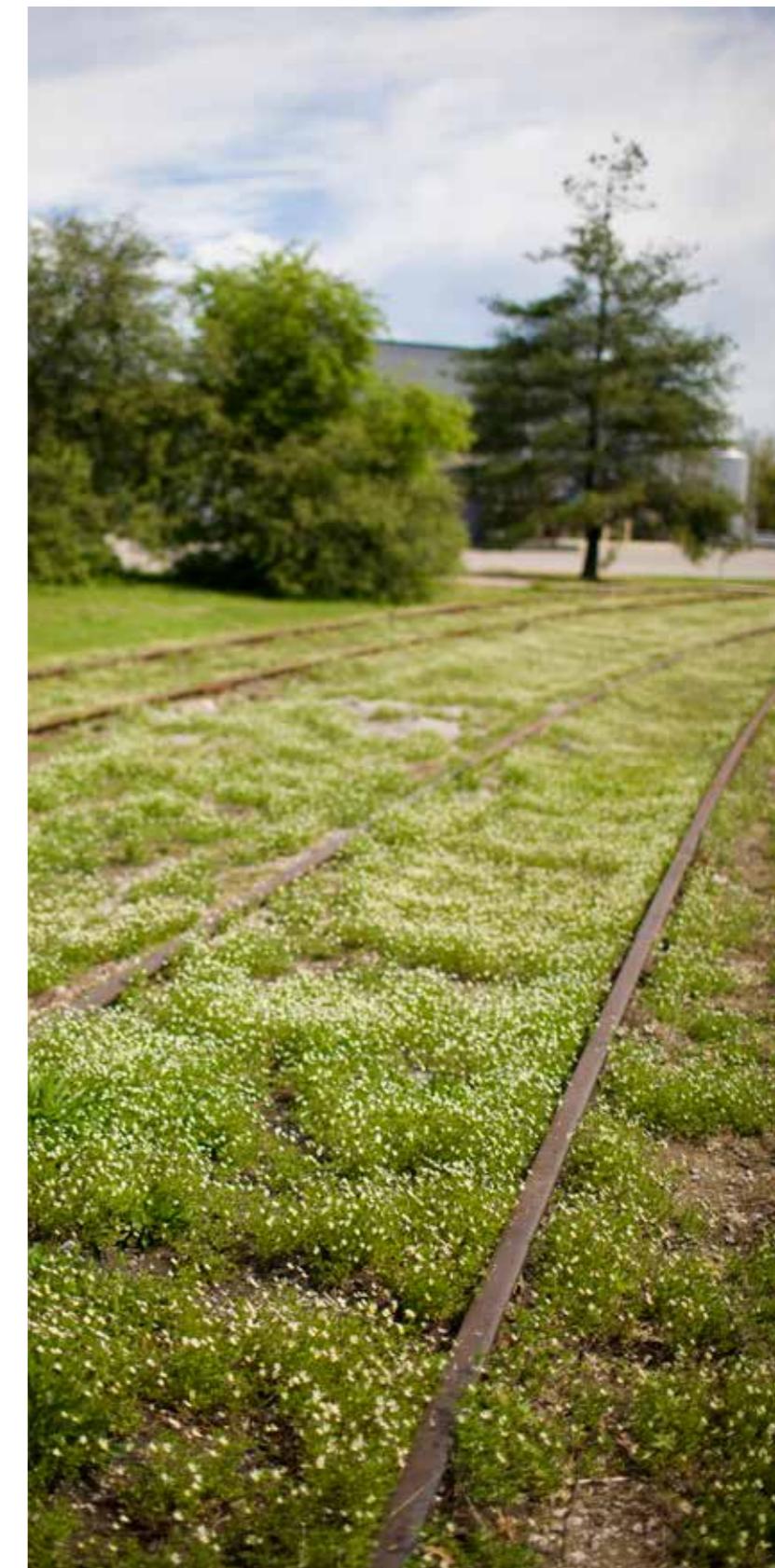
Increasingly, our stakeholders — from employees and potential employees, to customers and investors — expect us to address environmental sustainability. We value and respect the views of all stakeholders and aim to develop relationships to share ideas and collaborate on sustainability innovation. Partnerships with non-profits, businesses, and industry alliances help us refine our goals, provide valuable feedback, and inform our strategy.

While we are pleased to have surpassed our previous 2020 greenhouse gas (GHG) and water goals ahead of schedule, we are now committing ourselves to rise to a tougher challenge. In 2014, we set new, more aggressive environmental sustainability goals, focused on reducing our absolute greenhouse gas emissions, sending zero waste to landfill, and increasing the efficiency of our water use and wastewater discharges. These new goals support our ambition to be a sustainability leader, within our industry and in the countries where we have a significant presence. Furthermore, they will help us identify breakthrough approaches to improve our environmental performance across our key impact areas.

ENERGY AND GREENHOUSE GAS EMISSIONS

A key component of our environmental sustainability strategy is reducing our energy consumption and GHG emissions. In Fiscal 2014, we set a new GHG goal that, for the first time, targets a reduction in our *absolute* emissions.

We aim to cut absolute GHG emissions 15% by 2023, from a 2012 baseline. This goal covers all Scope 1 and Scope 2 emissions, as well as Scope 3 emissions from business travel. We decided on this goal after a rigorous strategic review of our corporate ambitions, projected growth, and industry benchmarking. Our understanding of the latest climate science led us to set an absolute emissions target rather than targeting an efficiency improvement per unit of product. This is our first step toward decoupling business growth from environmental impact, one of the fundamentals for achieving a more sustainable society. We have started to research energy and carbon reduction projects that will allow our business to continue growing while reducing our total GHGs. We also plan to meet our goals through energy efficiency programs, switching to fuels that generate lower GHG emissions, and waste-to-energy and renewable energy projects.



ENVIRONMENTAL SUSTAINABILITY 2023 GOALS

In 2010, we set 10-year goals for our business, using 2009 as our baseline year. Given our positive progress by 2013, we made the decision to revise our goals, as well as pursue more ambitious targets for the company. Our revised goals are set on a 10-year timeline with a 2012 baseline year. We will assess and periodically report on our progress.

View our [2015 SCORECARD](#) for more data

Commitment to GHG emissions reduction

Brown-Forman is committing to business leadership on climate change. In 2015, we signed on to a science-based GHG emissions reduction target as part of the [Road to Paris](#), organized by CDP. The Road to Paris is a platform for companies globally to act and be recognized ahead of the United Nations Climate Change Conference in Paris in December 2015.

PERFORMANCE AGAINST 2023 GOALS*

GHG EMISSIONS (ABSOLUTE)

↓15% ↑5.2%

Reduction by 2023 Increase

During CY 2013 and CY 2014 we did not have a notable increase in total emissions of scope 1, 2, and 3 emissions included within the scope of our target. However, in comparison to our baseline year of 2012, our absolute GHG emissions have increased due to the full-scale operation of new facilities and organic growth of operations superseding energy efficiency reductions.

WATER USE (PER UNIT OF PRODUCT)

↓30% ↑5.9%

Reduction by 2023 Increase

Our absolute water use decreased by 3.5% from our 2012 baseline year through a combination of water efficiency projects and operational changes resulting in lower production volume at some facilities. The lower production volumes at some facilities also caused our overall water use per unit of product to increase.

WASTEWATER DISCHARGE (PER UNIT OF PRODUCT)

↓30% ↑3.3%

Reduction by 2023 Increase

Our absolute wastewater discharge increased a small 0.6% from our 2012 baseline year. However, our wastewater per unit of product increased 3.3% due to a combination of lower production volumes at some facilities and changes in product mix that require more sanitation per unit of product.

ZERO WASTE FACILITIES*

100% 21%

Of Facilities are Zero Waste Of Facilities are Zero Waste

Three of our 14 facilities have achieved zero waste to landfill: Brown-Forman Cooperage, Jack Daniel Distillery, and Brown-Forman Tequila Mexico.

* Versus 2012 Baseline Year.

** As defined, less than 1% to landfill

Addressing climate change requires action on a global scale, and from business in all sectors. For this reason, we signed the Climate Declaration in October 2013.

The **Climate Declaration** is a cross-sector business effort, sponsored by the non-profit organization Ceres, to support stronger climate policies and seize the economic opportunities associated with addressing climate change proactively. To date, more than 1,000 businesses have signed the Climate Declaration.

We also report our emissions annually to the **CDP** (formerly the Carbon Disclosure Project), a non-profit that works with businesses and investors to publicly disclose environmental impacts.

View our **2015 SCORECARD** for more data

Production Efficiency and Clean Energy

To adapt to a low carbon economy and regulatory changes, we are focusing on transitioning to lower-emission fuels as well as improving the efficiency of our processes that use energy. Many of the innovations that will enable us to achieve our absolute GHG goal require a longer return on investment than our traditional financial criteria allow. Our executive leadership reviews and adjusts investment requirements for long-term energy efficiency improvements to prioritize sustainability in the capital budgeting process.

In 2014, we invested in a new biomass boiler to support our tequila production operations in Amatitán, Mexico. The system, which is being commissioned in 2015, is designed to use a combination of fuel sources including bagasse from agave, dried corn cobs, and wood chips (see **Waste** for more information about how this is helping us reach our zero-waste goal). The boiler is also designed to use biogas, which is produced by an on-site anaerobic digester that cleans wastewater from our operations. Initially, the boiler will reduce fuel oil consumption at the site by 40%, and replace oil use altogether after approximately three

years. In Mexico, where fuel oil is expensive, this project is expected to generate strong financial returns, paying for itself after about six years of operation.

Our Sonoma-Cutrer warehouse in California installed a rooftop solar array in 2013 that generates approximately 8% of the site's energy needs. The array has served as a pilot for the site, and we are currently evaluating a proposal to install additional solar capacity that will meet up to 80% of the site's energy needs and reduce annual electricity costs by approximately \$300,000. In 2015, the warehouse received Leadership in Energy and Environmental Design (LEED) Gold certification.

In addition to switching to low carbon fuels, energy efficiency remains an important element of our emissions reduction strategy. At our Woodford Reserve distillery, we completed upgrades to the steam boilers. New burners are more energy efficient and reduce natural gas consumption, and enhanced control systems provide greater flexibility to system needs. We expect the boiler upgrades to save approximately \$20,000 in annual energy costs.

We continue to focus on improvements across our operations such as LED lighting retrofits and installing high-efficiency HVAC equipment. In 2015, we implemented a Green Buildings project which identified opportunities to improve building energy performance, and we are evaluating the feasibility of many of the recommended measures.

Efficiency in Travel and Transportation

In addition to buildings, we measure greenhouse gas emissions from our company-provided vehicles.

Globally, our fleet is made up of 1,288 company-provided vehicles. We participated in a U.S. pilot program utilizing fuel cards to measure and track vehicle efficiency performance across vehicle models to better understand the impact of choices for our fleet. In 2010, we began downsizing the vehicles in our fleet from SUVs to smaller,



Sonoma-Cutrer Vineyards

In 2015, Sonoma-Cutrer Vineyards achieved certification from the California Certified Sustainable Winegrowing (CCSW) program. CCSW certification recognizes Brown-Forman's commitment to the use of sustainable growing practices and continual improvement.

more fuel-efficient passenger and crossover vehicles, positioning the fleet to better meet our business needs. In 2014, our U.S. fleet achieved savings of 25% in GHG emissions compared to 2013, emitting 2,152.7 tons of GHG, and we are on target for further improvement in the coming year.

In addition to incorporating efficient vehicles into our fleet, we train drivers to drive more efficiently as part of their annual driver safety training. Courses our drivers take include Managing Emissions on the Road, Fuel Efficient Eco-Attitude, and Eco-Driving Trip Preparation. In 2011, we expanded our global driver safety training for employees in Europe, Australia, and New Zealand to include fuel efficiency practices. In 2013, we rolled out the training to drivers in the U.S. and Canada. In Fiscal 2015, 870 employees in 18 countries were offered training.



Mary Ann DiMascio, Senior Manager, Corporate Program

FEATURED PARTNERSHIP

CERES

Ceres is a non-profit organization that mobilizes investor and business leadership to build a thriving, sustainable global economy.

How does your organization work with Brown-Forman to achieve your mission?

Since joining Ceres in 2011, Brown-Forman has engaged with independent stakeholders on important issues such as water use and sourcing to improve sustainability performance and extend its supply chain influence. The company has also supported our work on energy and climate challenges by signing the Ceres [Climate Declaration](#). This call to action urges policymakers and business leaders to seize the economic opportunity in tackling climate change.

What makes this partnership successful and how do Brown-Forman's contributions help achieve your goals?

Brown-Forman contributes to our goal of moving major U.S. companies to integrate sustainability considerations into business strategies and decision-making. As the first company in Kentucky to sign the Climate Declaration, its support extended the geographic reach of this critical effort. We evaluate member companies' progress over time with the Ceres Roadmap. Brown-Forman met a key Ceres Roadmap expectation in 2014 by citing climate change and water scarcity and quality as significant business risks in its annual report and Form 10-K.

What sustainability challenges and opportunities do you see ahead?

Brown-Forman relies heavily on agricultural inputs to produce its beverages. Food, water, energy, and climate are interrelated and impact the economy, people, and the environment. Expectations from investors and key stakeholders are for companies to manage complex supply chains transparently and to source ingredients responsibly. Through its sustainability efforts, Brown-Forman can improve competitiveness, realize savings from energy and resource efficiencies, invest in workers, and improve its supply chain resiliency.

WASTE

We continue to work toward our goal, set in 2010, of sending zero waste to landfill* from our owned production and office facilities.

Brown-Forman is committed to reducing, reusing, and recycling waste in our operations. Learn more about our journey toward zero waste in this [video](#).



In 2014, three of the largest 14 facilities covered by our waste goal — the Jack Daniel Distillery, the Brown-Forman Cooperage, and Brown-Forman Tequila Mexico — achieved zero waste to landfill. At Jack Daniel's, we achieved waste reductions by diverting many of our waste streams to other uses. At the Brown-Forman Cooperage, wood waste is used for fuel in the on-site boiler. Brown-Forman Tequila Mexico relies on a combination of composting, recycling, and waste-to-energy diversion to achieve zero-waste.

At other locations, we are experiencing monitoring and measuring challenges in obtaining accurate data for the material we send to landfill. However, waste audits

In 2014, three of the largest 14 facilities covered by our waste goal achieved zero waste to landfill.

ZERO WASTE FACILITIES



are helping us better understand the types of waste we produce and identify opportunities to improve processes, divert or reuse waste by-products, and engage our employees in recycling initiatives.

Our Green Buildings project (see [Production Efficiency and Clean Energy](#)) includes a Recycling and Waste Management initiative focused on working toward zero waste in our Louisville headquarters campus, production offices, and visitor centers. This initiative identified food service operations as a starting point.

At our headquarters in Louisville, Kentucky, our food service operations have embraced opportunities for waste reduction, such as moving to small-batch cooking to reduce buffet food waste. We are working with our food service vendor and recycling partner to pilot collection of food prep waste from our on-site kitchens. Once we have experience with this program, we will evaluate other opportunities to collect food waste from office kitchenettes and other areas in our offices

Office Recycling

While most of our waste reduction efforts focus on production facilities, we continue to improve recycling in our offices where our primary office waste stream is paper and cardboard.

In April 2015, we held Earth Day celebrations for our employees around a theme of zero waste. We provided education about what our zero waste target means, how they can help us achieve it, and what they can do at home to increase recycling. We held a recycling event at our headquarters in Louisville, Kentucky, partnering with local companies and non-profits that collected e-waste, used apparel, and home furnishings for recycling and resale by local secondhand stores.

Our in-office electronic waste (e-waste) recycling program has expanded from three to five sites and allows employees to recycle personal e-waste in addition to office e-waste. We are exploring vendors to expand this program throughout our U.S. operations.

CASA HERRADURA ENVIRONMENTAL AWARD

Casa Herradura received the 2015 Environmental Excellence Award from the Mexican Federal Attorney for Environmental Protection (PROFEPA). The award is PROFEPA's highest honor for companies that have demonstrated a commitment to environmental improvement, and Casa Herradura is the only tequila distillery among this year's honorees. Highlights of Casa Herradura's environmental performance include reducing waste-to-landfill to less than 1%, reusing 60% of water discharge for irrigation on-site, and cutting absolute greenhouse gas emissions by 52% since 2009. Prior to this award, Herradura received a Level 2 Clean Industry Certificate, reflecting Herradura's broad commitment to environmental stewardship, including energy and emissions reductions, water conservation and treatment, and more.

.....
ABSOLUTE GHG

52%

emissions cut since 2009

.....



MAKING IT THE BEST WE CAN SINCE 1866

Jack Daniel was known for his belief that “every day we make it, we’ll make it the best we can.” This tradition continues to guide the way that we make Jack Daniel’s whiskey. Resource conservation has been part of this tradition since 1866 and we have depended on the same natural spring water to make Jack Daniel’s for nearly 150 years.

The Jack Daniel Distillery is one of our first facilities to achieve our zero-waste goal, by identifying alternate uses for many of our waste streams — often a double win for our business through reduced waste management costs and new revenue streams. We sell grain and yeast by-products from the distilling process as cattle feed, and used charcoal from mellowing vats is turned into BBQ briquettes for use in homeowners’ backyard grills.

While our American White Oak barrels can only be used once in our process, we sell used barrels to other distilleries that reuse them to mature their products.

For Earth Day 2015, we encouraged employees at Brown-Forman to celebrate our history of resource conservation by learning more about our zero-waste progress.



PACKAGING

Primary packaging (the bottle) and secondary packaging (the case) are important components of our brand marketing and essential to delivering product undamaged to the retailer and consumer. We aim to balance the need for designing and creating packaging that is relevant to the consumer and has a premium look and feel with our desire for more sustainable materials, efficiency, and weight.

Our packaging teams are trained to optimize resources according to our Sustainable Packaging Guidelines, and a packaging scorecard helps quantify the sustainability performance of potential packaging during the design phase. The Guidelines focus on:

- Optimizing design
- Supplier selection
- Material selection
- Optimizing end-of-life

We believe that packaging can account for up to 70% of the waste generated across our product lifecycle and are researching innovations to reduce the waste impact of packaging at end-of-life. In 2014, we completed a benchmark study of our highest volume packaging formats – 700mL, 750mL, 1L, and 1.75L – using the spirits packaging scorecard. At present, we have developed scorecards for our spirits products, ready-to-drink products, and gift packaging.

Our packaging engineers will use the scorecards to guide new packaging design, highlight the biggest opportunities to reduce our packaging footprint, and identify ways to incorporate more recycled content into our packaging materials, including glass, cardboard, and plastic.



Climate Leadership Award

In Fiscal 2015, Brown-Forman received a [Climate Leadership Award](#) from the U.S. Environmental Protection Agency for Excellence in Greenhouse Gas Management (Goal Setting Certificate). Brown-Forman was one of eight companies recognized for setting aggressive GHG goals.

WATER

Clean and readily available water is a vital ingredient of our products, so we have always had a strong interest in protecting water quality and availability.

From the farmers who grow grain to our own production and operations to what goes into the bottle itself, water is an essential resource. In 2012, we completed the CDP Water Survey for the first time and we continue to pursue our goals to reduce water use as an input and wastewater generated by 30% per unit of product by 2023, both from a 2012 baseline.

View our [2015 SCORECARD](#) for more data

Water Use in Operations

In our facilities, our main water needs are as an ingredient in the products we make, and for cleaning and cooling our equipment. By focusing on both the quantity of water that we bring in, and the amount that we discharge as wastewater, we are working to use this essential resource more efficiently. In 2014, we completed a water use benchmarking assessment through the

Beverage Industry Environmental Roundtable (BIER), a global partnership of leading beverage companies.

The assessment was an input to the publication of industry water efficiency metrics and provides a basis for comparison among bottlers, breweries, wineries, and distilleries. While industry water efficiency improved over a five-year period, the distillery sector remained relatively flat. Distilleries require more heating and cooling processes that use more water than other beverage types. The study also factored in water scarcity, evaluating beverage production in water-stressed regions using the World Business Council for Sustainable Development's Water Tool and the World Resources Institute's Aqueduct Water Risk Atlas. We use the results of the benchmarking

.....
500,000

gallons reduced
in annual water
use at our Jack
Daniel Distillery

study to evaluate our performance compared to the industry and identify any sites that may need additional work on water efficiency.

Our Jack Daniel's and Canadian Mist facilities are leading the way on water reduction. Our Jack Daniel Distillery introduced a new procedure for charcoal rinsing that has reduced annual water use by 500,000 gallons, or approximately 0.1%. In addition, the new system improves production efficiency, recovering whiskey that would otherwise be lost, worth about \$100,000 to our business. Canadian Mist retired old, inefficient equipment and streamlined processes to improve water use efficiency by 25% in 2014, compared with 2012.

Understanding Local Water Risk

Water quality and availability, unlike climate change, are local or regional issues, and must be managed according to more targeted conditions and needs. We are working to understand where our operations face the greatest risk of water shortages. We are in the process of developing a watershed management strategy using water accounting methodologies and water risk assessment tools from non-profit organizations like the World Business Council for Sustainable Development and the World Wildlife Fund.

In California, where water scarcity is a pressing issue, our Sonoma-Cutrer® vineyards have begun plans to expand our purchase of tertiary (treated) wastewater from local municipalities for irrigation, which will reduce

Viva con Agua

Brown-Forman Germany partnered with Viva con Agua, a charity based in Hamburg, Germany, that campaigns for clean drinking water worldwide. During cultural events and music festivals, our employees helped Viva con Agua raise funds to benefit their programs and services.

dependence on local groundwater. We are also improving the efficiency of the water used to protect vines against frost, by segmenting vineyards into smaller areas, and monitoring temperature and frost risk in each area. When implemented, this project will reduce the need to irrigate an entire vineyard during frost events.

Most of our facilities discharge wastewater to municipal treatment authorities. At three locations where we treat wastewater ourselves, we met all local water discharge quality standards in Fiscal 2014 and 2015 and ensured that the quality and quantity of wastewater does not alter the local ecosystem.

Water reuse is one of the most effective ways for us to reduce the amount of water we consume and wastewater we discharge. At our Brown-Forman Distillery in Louisville, Kentucky, we implemented a water reuse project that captures and reuses clean water from the water softener system that was previously discharged to the sewer. We estimate the practice will reduce annual water consumption and wastewater discharge by three to four million gallons. We plan to share relevant learnings with other Brown-Forman production sites so that similar projects can be implemented elsewhere.

RESTORING NATIVE VEGETATION AT WOODFORD RESERVE

In 2014 and 2015, we continued our longstanding partnership with the [The Nature Conservancy of Kentucky \(TNC\)](#). The local pond at our 100-acre Woodford Reserve Distillery is more than just beautiful scenery. It serves as an important firefighting water supply, but recent hot summers and decreasing water quality had led to high growth of algae, creating safety concerns.

In partnership with TNC we launched a multi-year restoration project replanting the area along the creekbed upstream from the pond with native vegetation like Virginia wild rye, and wildflowers like purple cone flower and black-eyed Susan to attract pollinators. The restoration project also includes native trees and shrubs, including the white oak that we use to make the barrels to age our bourbon (see [A Long Term Perspective on White Oak](#)).

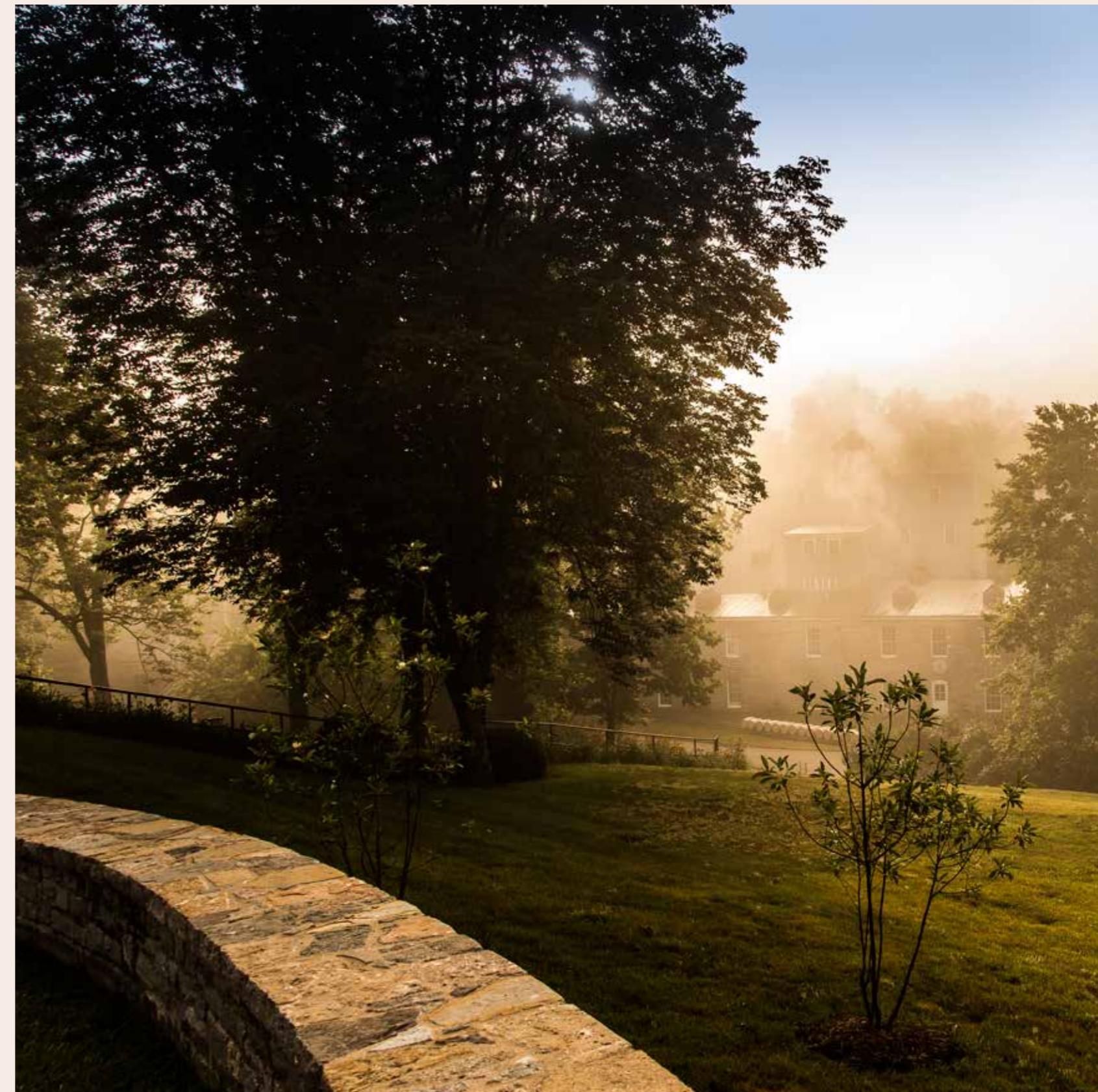
The native plants act as a natural stormwater filter by preventing pollutants from entering the stream, an important ecosystem service in this agricultural region, improving water quality both in the pond and further downstream.

The project has been a clear win for Brown-Forman.

"We believe in being an industry that cares about the landscapes and communities where we have a presence."

CONOR O'DRISCOLL

PRODUCTION MANAGER AT WOODFORD RESERVE





David Phemister and his children, State Director

FEATURED PARTNERSHIP

THE NATURE CONSERVANCY

The Nature Conservancy (TNC) is the leading conservation organization working around the world to protect ecologically important lands and waters for nature and people.

How does your organization work with Brown-Forman to achieve your mission?

The Nature Conservancy Kentucky has worked with Brown-Forman since the founding of our Kentucky Chapter in 1975. The company is a generous contributor and a strong partner. We currently work together on a number of projects, ranging from stream restoration at the Woodford Reserve Distillery in Versailles, Kentucky, ([see page 45](#)) to promoting urban conservation at Brown-Forman's headquarters in Louisville. We also collaborate on improving the sustainability of Brown-Forman's supply chain.

What makes this partnership successful and how do Brown-Forman's contributions help achieve your goals?

Our partnership with Brown-Forman is successful because of strong personal relationships, mutual trust, and shared objectives. Deepening people's relationship with nature is perhaps the most significant outcome of our joint restoration project at the Woodford Reserve Distillery, where in the first phase we planted trees to restore habitat along Glenn's Creek. Thousands of visitors to the distillery learn about the project, which we hope inspires them to take steps to protect water quality around their homes or businesses.

What are the sustainability challenges and opportunities you see ahead?

The Nature Conservancy and Brown-Forman face the same challenge — ensuring that the planet's growing population will have the resources to thrive while conserving the natural systems that ultimately support all life. We also know that nature has great value to business and are beginning to understand how to better account for this natural capital. We have seen success when people commit to this vision and work together to craft real solutions. Brown-Forman acts boldly now while keeping an eye on the future. This is the type of partner TNC needs in order to scale impact and make a positive difference globally.

SUSTAINABILITY IN OUR SUPPLY CHAIN

Over the past two years, we have begun to focus more intently on the environmental impacts of our supply chain. Product lifecycle assessments have shown us that most of the emissions, waste, and water associated with our products occur in our supply chain. These impacts, which fall outside of our direct control, are harder to mitigate than our own operations.

Our procurement teams consider sustainability when they source raw materials to make our products. In 2015, we plan to formalize this approach through a set of Sustainable Purchasing Guidelines that will help us standardize procurement practices in alignment with our biggest social and environmental impacts.

The development of these guidelines will be informed by a supply chain materiality assessment that will help us pinpoint the biggest impacts in our supply chain — including agricultural inputs, packaging, and other resources. We have also begun work to build environmental sustainability metrics into our existing quality assurance audit program.

In addition, we are part of the supply chain for our biggest customers — distributors. Since 2011, we have responded to the CDP Supply Chain disclosure questionnaire.

Agricultural Supply Chain

Our product ingredients are mainly agricultural commodities — grain, grapes, agave, etc. Our agricultural supply chain has impacts on water, land use, biodiversity, soil quality, greenhouse gas emissions, and more. In fact, our Lifecycle Assessment (LCA) studies have shown that agriculture can account for more than 35% of our lifecycle GHG emissions and more than 20% of our total waste.



In 2014 Casa Herradura, as a part of the Clean Industry Certification program, implemented a Supply Chain audit program of its largest 50 suppliers by volume. We requested information from the suppliers on environmental performance, including possession of certification, water performance, and waste performance. In the first year, approximately 70% of the suppliers responded and in the upcoming year we plan to visit more suppliers as a part of the program.

Genetically Modified Organisms

The North American corn supply is largely dependent on the use of genetically modified (GM) crops, and more than 90% of the corn grown in the U.S. and Canada is now GM.

While some of our stakeholders have raised asked about our use about the use of GM corn in our whiskey distillate, we have considered the science of distilling and our focus on minimizing greenhouse gas emissions. During distillation, all genetic materials are removed from the resulting distillate. In light of this and the reduced carbon footprint from sourcing GM corn closer to our distilleries, we do not have any ongoing commitments related to reducing or eliminating GM corn from our supply chain. Our full position on GM corn can be found [here](#).

Partnerships Across the Value Chain

In general, we purchase ingredients from commodity markets, so we view partnerships with others in our industry, retailers, and non-profit organizations as an important lever for engaging our suppliers in sustainability.

In 2014, we joined [Field to Market: The Alliance for Sustainable Agriculture](#), a multi-stakeholder initiative dedicated to improving the agricultural supply chain with respect to productivity, environmental quality, and human well-being. Field to Market brings together a diverse group of grower organizations; agribusinesses; food, beverage, restaurant, and retail companies; conservation groups; universities; and public sector partners to focus on defining, measuring, and advancing the sustainability of food, fiber, and fuel production in the U.S.



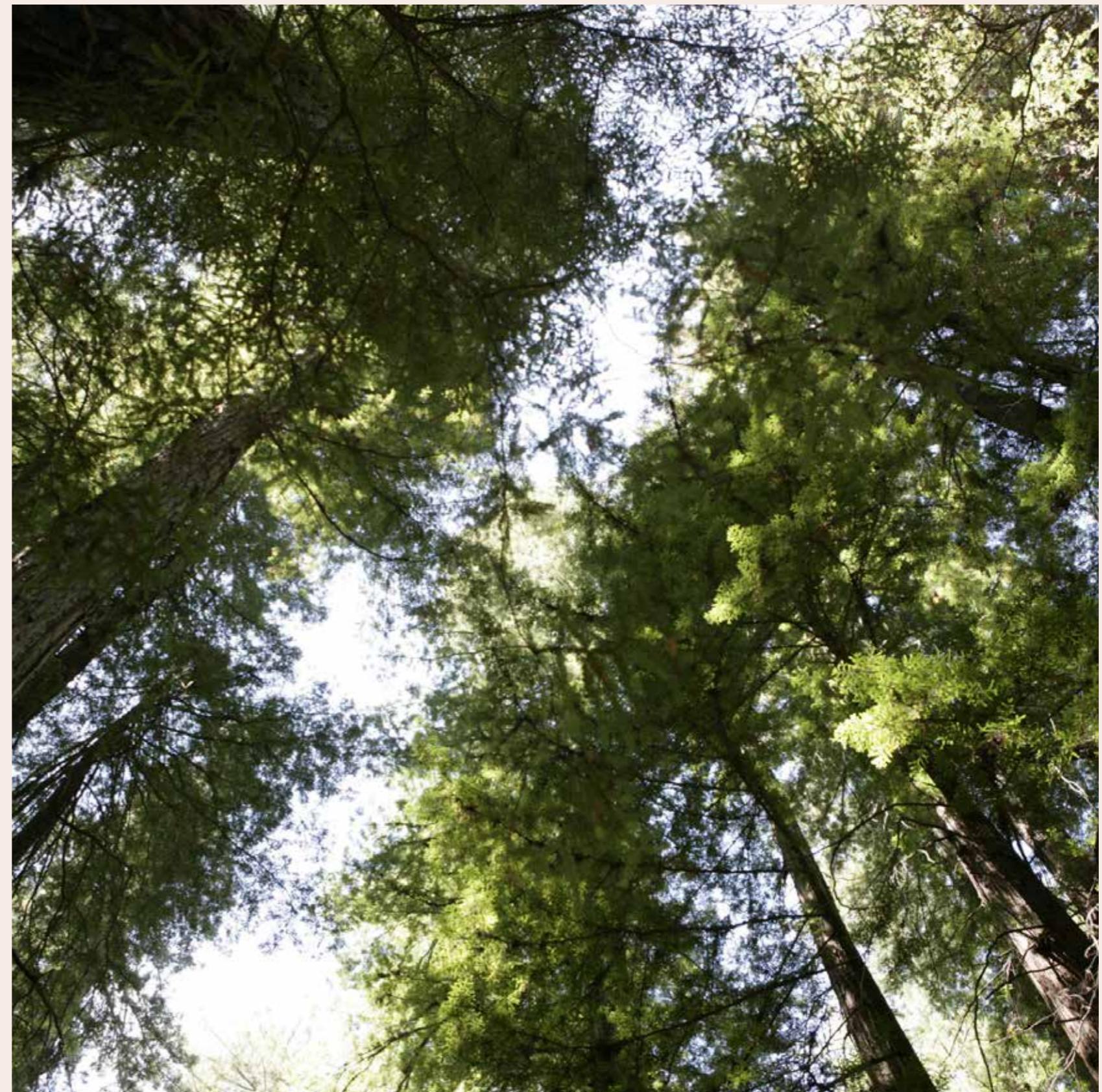
A LONG TERM PERSPECTIVE ON WHITE OAK

So that we can endure forever, we aim to protect the health of the forests our products depend on. White oak, used to make the barrels that we age our tequila, whiskey, and bourbon in, is an integral resource for our business, and we know our stakeholders are thinking about it, too.

In 2013 we embarked on a study to gain a deeper understanding of the sustainability of the U.S. white oak supply. Using data from the U.S. Forest Service, we evaluated the current white oak inventory, and developed a model to predict long-term availability through 2064.

We found that in the near term, white oak forests are growing faster than the demand for white oak for commercial use, indicating a strong availability of white oak. However, as we look beyond the next generation, there is more uncertainty due to natural causes such as pests, diseases, or changes in growth patterns due to climate change, potential growth of the hardwood industry, and other factors.

With this in mind, we have developed a white oak procurement policy that is helping us engage our log buyers, sawmills, and vendors to ensure protection of white oak resources. We seek to source white oak from suppliers that employ certified Master Loggers, incorporate forestry best management practices, and engage with state forestry associations.



ENVIRONMENTAL MANAGEMENT

Responsibility for achieving our environmental sustainability ambitions is shared across our business functions and among our employees. Oversight is managed collaboratively by our Corporate Responsibility group and the Environmental Performance and Governmental Compliance Group, who ultimately report to the Vice Chairman and Chief Production Officer, respectively. See [Governance and Ethics](#) for more information about Corporate Responsibility oversight.

These groups work closely with our executive leadership team to set and execute our environmental sustainability strategy. In Fiscal 2014, we conducted an in-depth strategic review which was presented to the executive

leadership team and was an input into the development of our new environmental goals.

Our Vice Chairman, Chief Financial Officer and Chief Production Officer play a significant role in the decision-making and resource allocation processes that support our environmental performance efforts. Along with other members of the leadership team, these executive sponsors challenge us on raising our level of ambition and developing action plans to deliver on our goals.

Our history as a family company supports our long-term approach to environmental sustainability. The importance of preserving resources for future generations is ingrained in our way of doing business and allows us to set more ambitious goals than if we took a shorter-term view.

Tracking and Reporting on Progress

We use a web-based performance metrics system to report our environmental performance internally from operating sites to corporate. This data is collated, validated, and disclosed publicly in our Corporate Responsibility Report and through third-party organizations such as CDP. The system enables us to compare performance from year to year and between facilities, and also allows employees across the business to access and track data. This encourages site environmental managers to learn from each other and share best practices.

We act in accordance with local laws and regulatory requirements in the regions where we operate. In Fiscal 2015, Brown-Forman was not subject to any fines for environmental noncompliance.





Tod Christiansen, Director

FEATURED PARTNERSHIP

BEVERAGE INDUSTRY ENVIRONMENTAL ROUNDTABLE

The Beverage Industry Environmental Roundtable (BIER) brings together the sector's global leaders to collectively advance environmental sustainability by driving an agenda that helps accelerate reducing resource consumption and mitigating environmental impacts.

How does your organization work with Brown-Forman to achieve your mission and goals?

We engage all our member companies, including Brown-Forman, on benchmarking, best practices, analytic methods and tools development, and external stakeholder engagement. Brown-Forman provides technical knowledge, insights, and experience that help BIER to accelerate solution development, and enable the sector to speak as an allied voice and inform the development of global standards.

In your view, what makes this partnership successful and how do you measure impact?

Each member organization is at a different place along the sustainability journey, with differing experiences and expertise. Brown-Forman provides thought leadership, readily engages fellow BIER colleagues, is open and transparent, and is willing to challenge the industry status quo. On the technical side, Brown-Forman contributes to learning opportunities that help our members solve sustainability challenges.

What challenges and opportunities do you see ahead?

Water quality and availability is the priority sustainability issue across our value chain. BIER seeks to lead the industry in developing water stewardship practices that ensure business resiliency, as well as benefit local communities. BIER can also make a meaningful impact through supply chain engagement — focusing on agricultural inputs and packaging materials.

Disclosure expectations are growing across the private sector and increased transparency is becoming the norm. A key challenge for our members is to define what this means, both for the beverage sector, and for individual organizations, and to respond effectively.

Engaging Our Employees

Our employees implement our environmental sustainability programs on the ground. We encourage them to share their ideas and innovations, and work hard to educate and empower them throughout the year. Their enthusiasm is seen through Earth Day teams across the globe, the eco team in Mexico, and the continuous improvement team in Canada. In Fiscal 2015, we conducted a survey of our North American employees to gather feedback on our environmental sustainability efforts, and received nearly 800 responses. Their feedback was largely positive, and 80% indicated an interest in getting more involved in promoting environmental sustainability through committees or special projects.

Partnering for Progress

Just as our sites learn from each other, we learn from others in, and beyond, our industry. We were the first beverage alcohol company to join [Ceres](#) in 2011, and work closely with them to evaluate our progress and performance. In 2014, we hosted a stakeholder engagement session with Ceres, which brought together external non-profit stakeholders representing a variety of issues related to our corporate responsibility strategy and reporting. Stakeholders focused on the impacts of our water use and sourcing activities, which is helping us to develop our strategy going forward.

Many of our brands take on partnerships of their own. Finlandia Vodka launched several cause marketing campaigns in support of water conservation initiatives and created the hashtag #4PureWater to promote them on social media and [video](#). The partners benefitting from these efforts included the Oyster Recovery Partnership, the Surfrider Foundation, and 1% for the Planet.

IN OUR 2015 ENVIRONMENTAL SUSTAINABILITY SURVEY, EMPLOYEES TOLD US:

87%

agree Brown-Forman is an environmentally responsible organization

77%

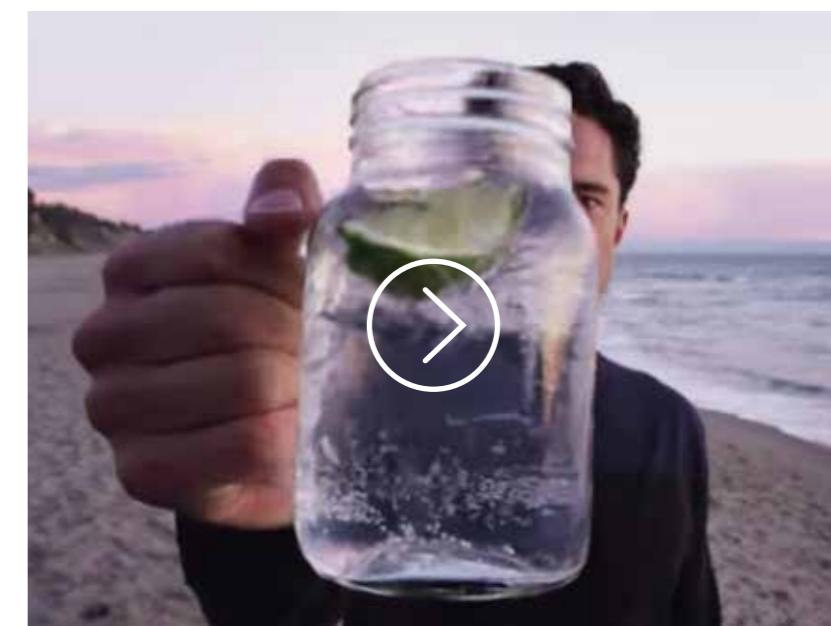
agree Brown-Forman cares about waste reduction

63%

agree Brown-Forman communicates sustainability information to employees

78%

agree environmental sustainability offers Brown-Forman a business advantage

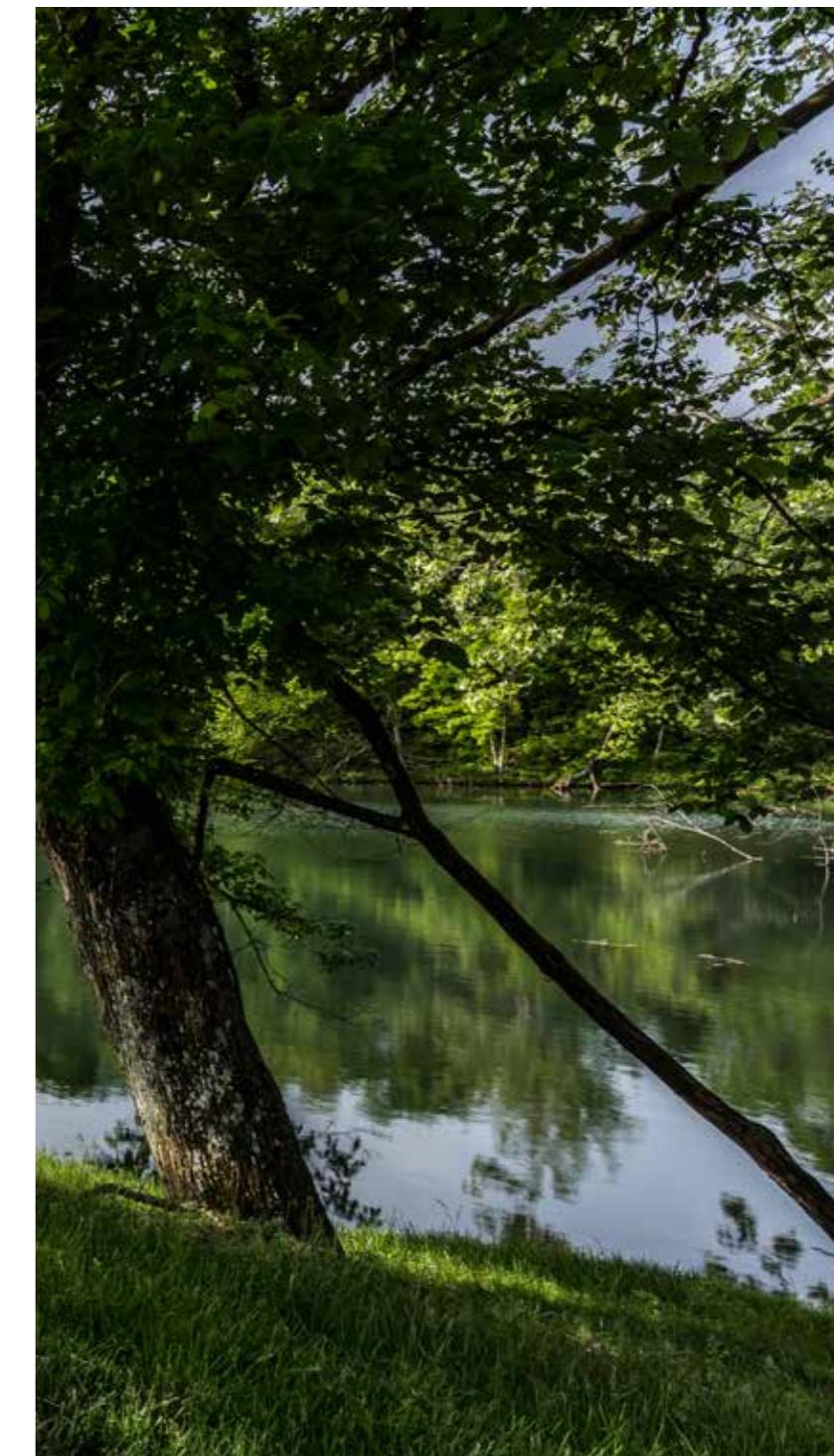


Making A Grassroots Difference With DendriFund

DendriFund is a separate 501(c)(3) that was founded using the proceeds from Brown-Forman's sale of Fetzer. It is jointly governed by family, company, and independent directors. The mission is to enrich life by advancing environmental sustainability in our communities by leveraging the unique abilities and heritage of Brown-Forman and the Brown family. This guides our efforts to fund high-impact grassroots environmental organizations.

In Fiscal 2015, DendriFund made grants to seven community environmental- and sustainability-focused organizations:

- **Accelerating Appalachia:** Funding helps this nature-based business accelerator in many ways, including the creation of healthy jobs, the development of vibrant communities and supply chains, supportive peer and mentor networks, and farmland and forest restoration.
- **The Food Literacy Project:** Support will help the Field-to-Fork Program to engage local youth in experiential education opportunities to build healthy relationships with food, farming, and the land.
- **The Kentucky Resources Council:** Support for ongoing pipeline campaigns and general operating expenses for the Frankfort, Kentucky, based environmental advocacy group.
- **The Kentucky Waterways Alliance:** Funding for environmental protection activities in Beargrass Creek, which runs through Louisville, Kentucky. Kentucky Waterways Alliance is a non-profit that supports watershed protection in Kentucky's rivers, lakes, and streams.
- **The Land Institute:** Support to help advance their research to find corn and other related species that don't require conventional amounts of fertilizer and enhance soil quality.
- **The Louisville Sustainability Council:** Support helps to improve health and quality of life in the community by identifying gaps and creating community action to close them.
- **New Roots, Inc.:** Contributions to the Fresh Stop project efforts support local non-profit that works to make affordable, fresh food from local farmers accessible year-round for communities in Louisville, Kentucky.





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Employee Relations at Brown-Forman

Our employees are the people who build our brands and are essential to our success. They are also the heart, soul, and face of our company. We aim to nurture a work environment that enables all our people to grow continuously, thrive in their careers, and succeed to their highest potential. As a global company, we want Brown-Forman to be diverse and inclusive, truly reflecting our consumer base and allowing employees to bring their best selves to work each and every day.

We're focused on creating rewarding career experiences for all our employees, regardless of how long they've been with us, and providing opportunities to improve all aspects of their well-being. We promise our employees that they are "better for being here" and believe we're living up to that promise. Our people are engaged — giving more than is required and producing more than is expected.

We are proud to be a company where people want to stay. On average, our employees in the U.S. stay with us for 11–12 years, three times the national average. Our ability to retain employees over many years is evidence that we are fulfilling our promise, and gives us the expertise we need for our company to thrive and endure.

BROWN-FORMAN'S ESSENTIAL

5 BEHAVIORS

- Be Curious
- Be Courageous
- Be Collaborative
- Be Creative
- Be a Champion

View our [2015 SCORECARD](#) for more data

EMPLOYEE ENGAGEMENT

From our American beginnings, Brown-Forman has grown into a global company with offices and employees around the world. In the last year, around 270 new employees joined the Brown-Forman family, largely in our international markets. We are excited about the opportunities this brings for our business as well as the diversity it brings to our workforce. Global growth also brings challenges such as ensuring a consistent experience for our employees, and creating understanding about our company and its culture across all our brands and locations.

We ask all our employees to hold each other accountable to our values, and commit annually to upholding them when they interact with each other and with our external partners.

Our recruitment processes are designed to identify candidates who will intuitively emulate the five behaviors critical to our growth ambitions (see box), which we reinforce through our performance management and recognition programs.



OUR GLOBAL WORKFORCE

4,444
total employed

2,774
salaried

1,471
hourly

199
temporary/part-time

We believe our culture allows our people to contribute and execute their best ideas, and is a key differentiator for creating value. While our company has grown and experienced significant changes over the past four years, we've been able to maintain a high 78% overall level of employee engagement. We're asking our employees to do more — to learn, grow, and evolve along with our business — and they are relishing that opportunity. We are certified as an Aon Hewitt Best Employer in Australia, China, the Czech Republic, France, Germany, Poland, the United Kingdom, and the United States.

Employee Engagement Survey

In 2014, we once again partnered with Aon Hewitt to conduct our biennial employee engagement survey to understand what employees think the company is doing well, and what could be done better. We made our survey available in 14 languages this year and increased our response rate: 87% of our employees worldwide participated in the 2014 survey, compared with 83% in 2012.

The results show that Brown-Forman is a place where people want to work. Employees speak highly of the organization, want to be part of the company over the long term, and work harder than expected to produce results. These three behaviors are the key indicators of engagement. Our overall engagement score is 78%, a 1% increase from the previous survey. This score places us in the Aon Hewitt Global Best Employer category, and is far above the average score of 58% for the worldwide beverage industry.

These results are important to us. Aon Hewitt's analysis of 94 global companies over four years shows there is a strong positive correlation between employee engagement and sales growth. That means we're not just building a better today for our employees by providing a great place to work, we're building a company that can endure.

KEY RESULTS FROM EMPLOYEE ENGAGEMENT SURVEY

89%

are proud to be part of this organization

88%

agree that this is a socially and environmentally responsible organization

88%

feel that workplace safety and security are considered important here

87%

think that people here are treated fairly regardless of sexual orientation

87%

believe that the organization has an excellent reputation among its community

IN 2014

53%

feel positively about career opportunities available at B-F, up 8% from 2012

54%

feel positively about the recognition they receive, up 4% from 2012

57%

feel positively about our performance management program, up 4% from 2012

The 2012 survey highlighted three areas of focus for improvement: career development, performance management, and recognition. We followed up with a series of focus groups to help us further explore our employees' views in these areas, and found that in all three, employees wanted more clarity and simplicity in our programs. As a result, we created a new performance management process that emphasizes growth and are in the process of upgrading our online recognition platform. Although we are still in the early stages of implementing these changes, we're already seeing a positive response from employees. See the [Rewards and Recognition](#) and [People Development](#) sections for more information.

We want to see these scores improve further, and by designing solutions that are informed by employees, we are confident that employee satisfaction will increase in future surveys.

Another area we are working to address as a result of this survey is our People Focus, which saw a 3% decline in score this year. We are working to improve how we communicate to individuals and departments their value to the overall organization. Our "B-F Way of Feedback" training has been designed to increase the quality of feedback we give and receive from one another, and we believe this will help create the value culture that employees seek. See [Performance Management](#) for more information.



Troy Yocum, Founder and President

FEATURED PARTNERSHIP

ACTIVE HEROES

Active Heroes is a non-profit in Louisville, Kentucky, whose mission is to reduce veteran suicide and assist military families.

How does your organization work with Brown-Forman to achieve your mission and goals?

Active Heroes partnered with one of Brown-Forman's employee resource groups, BRAVE, which supports, develops, and promotes the unique characteristics and needs of military veterans and their families. BRAVE members volunteered twice at our Military Family Retreat Center in Shepherdsville, Kentucky, to assist with cleanup efforts and the construction of benches. Thanks to BRAVE's contributions, we were able to open the retreat for several camping dates which we would not have been able to do without their help.

In your view, what makes this partnership successful and how do you measure impact?

Our partnership with Brown-Forman and BRAVE is successful because it helped maximize the use of our retreat center. In 2014, more than 650 veterans and their families were able to visit the center and participate in activities and seminars. The feedback we received from visitors is that they love the peacefulness of the retreat. On surveys we received an average rating of 4.9 stars out of 5.

What challenges and opportunities do you see ahead?

Veteran suicides are on the rise in the U.S. and reducing these numbers may be difficult as more veterans return from current conflicts. Active Heroes can help reintegrate veterans and their families into American life after years of deployments. Our five-year goal is to move our community center to a larger location in Louisville, Kentucky, where thousands of veterans in our community can build camaraderie and connect with job and education opportunities.



Rewards and Recognition

Our corporate reward and recognition programs are designed to attract, motivate, and retain the best talent to grow our business, and to bring attention to employees who live by our Brown-Forman behaviors every day.

Benefits

All Brown-Forman employees receive certain benefits, including paid time off, medical benefits, a safety net for disability, a mechanism for retirement savings, and holistic well-being activities. Please see the [Employee Wellness](#) section of this report for further details about our Global Wellness program, Live Well.

We strive to provide total pay and benefits that are above the midpoint of our competitive benchmark companies around the world, and we regularly re-evaluate our offerings to ensure that we stay competitive. In Fiscal 2015, we changed our retirement plan provider and significantly enhanced our offer in the U.S. — for example, we now cover recordkeeping and consulting costs ourselves, instead of passing these on to employees as is typical. As a result, we were recognized as a finalist in the 2015 Plan Sponsor of the Year awards by *PLANSPONSOR* magazine for offering a top-tier savings plan.

Recognition Programs

We believe our employees should be recognized for their hard work and contribution to the success of the company. For eligible employees, performance is rewarded through annual and long-term incentive programs. We celebrate employees' dedicated service with a commemorative award at their first and every fifth anniversary of employment, as well as at their retirement, through our Brown-Forman Milestone Recognition Program. At the beginning of Fiscal 2015, we thanked all our employees for their hard work, creativity, and commitment that contributed to an exceptional year for Brown-Forman.

All employees, with the exception of our most senior leaders, were given a special one-time award of significant value.

Our global performance recognition program — That's the Spirit! — allows employees and managers to show appreciation for their peers and team members for their efforts and successes. Employees use an online platform to nominate their peers for awards. In Fiscal 2015, 885 e-cards and 3,731 monetary awards were given to 1,796 employees. The Spirit of Brown-Forman Award is our highest accolade and is reserved for employees whose achievements enhance and improve the way our entire company does business. These team members distinguish themselves as invaluable leaders who inspire others to reach higher and achieve more. Our online platform is in the process of being upgraded to improve the user experience, and the new platform will be launched in June 2015.

We run regular communication campaigns to improve employee awareness of the program and encourage them to use it. For example, in February 2015, we ran a global "Share the Love" campaign. As a result of the campaign, 25% more employees made nominations during the month, and we saw use of our appreciation e-cards increase by 50%. In March, we followed up with an Employee Appreciation Month — our employees received a tip each day on how to show appreciation and recognize their colleagues.

People Development

Our approach to developing people is shaped by the current and future needs of our business: we design assignments, roles, and programs that allow our employees to continue growing throughout their careers. People at every level of the organization are given opportunities to learn and develop by broadening their knowledge and skills.

Top 100 Best Employer in Germany

We established our own distribution company in Hamburg, Germany, in October 2010, and in just five years we've managed to become one of the best employers in the country. In 2015 we were voted one of the Top 100 Best Employers in Germany in the 50-500 employees category by the Great Place to Work® Institute. Brown-Forman was the sole company in the fast-moving consumer goods category among the Top 100.

"We are part of an international company — but we've been similar to a start-up over the past couple of years, with an entrepreneurial approach and great team spirit. We have very talented people working here in our Germany office. At the same time, the experience and helpfulness of our international colleagues provides us with the opportunity to learn more and seek opportunities for development. This combination is the basis for making Brown-Forman Germany such a Great Place to Work."

SVENJA DIMKE

HUMAN RESOURCES DIRECTOR, BROWN-FORMAN GERMANY

Global Strategy

Toward the end of Fiscal 2015, we re-organized our HR function to move people development resources and activities closer to our business units to better reflect our company's global strategy. Each region will have a people development consultant, whose role will be to ensure that our learning approaches are tailored to local needs, while maintaining global relevance.

Performance Management

Performance management was one of three key areas identified for improvement in our last employee engagement survey. We've been working over the past two years to address this and develop a new system that better meets the needs of our business and our employees. In April 2015, we launched our new performance management system, called "Performance and Growth Planning," which is fully integrated with our company-wide talent management system. This new process connects conversations about development and performance with greater emphasis on how to effectively give and receive feedback.

One of the specific issues our employees told us they wanted more information about in the performance management process was how their work contributes to the broader business strategy and activities. Our new system includes a feature called Cascading Goals which allows employees to see how their individual goals contribute to the broader organizational goals.

Another concern many employees shared was that they felt they did not know how to give feedback effectively — a crucial element of our high-performance culture. To address this, we launched a new training module called "The B-F Way of Feedback" as part of our new Performance and Growth Planning program. This is the first step in our journey toward a culture of ongoing constructive and appreciative feedback. All our employees

worldwide participated in this training during our first "People Day" sessions, held across the globe between March and May 2015.

Learning and Development

We make learning and development a priority for employees at all levels of the organization, and at every stage of their careers. This happens on the first day of employment. We ensure that our new employees are grounded in our brands, our business, and our culture and provide over 100 hours of on-boarding support to each of them in their first year on the job.

Every employee identifies development needs as part of the annual Performance and Growth Planning process. We then rigorously assess our employees' abilities, aspirations, and engagement to identify our high-potential leaders, and we offer differentiated development plans depending on the results of this analysis.

In 2011 the Talent Council was created in response to the company's Talent Development strategy to make leadership development a company priority. The Talent Council has provided the Executive Leadership Team (ELT) a forum to focus on our talent management strategy and leader development, ensuring that we continue to grow a pipeline of leaders to meet future business needs.

The Talent Council includes a majority of ELT members, in addition to a number of Human Resources representatives and meets six times over the course of the year.

Recently the Talent Council's work has focused on initiatives that advance efforts around:

- Developing our Talent Strategy Framework
- Defining our process for high-potential identification
- Accelerating the development of leaders to fill our most critical roles
- Differentiating leadership development to customize learning

Looking ahead, the Talent Council will continue to build on this important foundational work and focus on Leadership Development, growing our leaders for both current and future needs. The Talent Council membership will also continue to evolve, providing opportunities to bring in new ideas, perspectives, and experiences that will support the continued progress of this work.

In Fiscal 2015, more than 1,500 employees spent a total of around 20,000 hours completing more than 4,000 training activities. In addition, in the U.S., we invested \$500,000 in tuition reimbursement programs to further our employees' formal education.

Formal learning is just one of the many ways people learn and grow. We provide on-the-job learning experiences, coaching and mentoring opportunities, and challenging assignments such as cross-functional responsibilities to stretch our employees and allow them to continue to grow.

Our employee development approach, like all our workplace strategies, is based on our Join, Grow, Thrive, Endure model.

JOIN

We're not just filling jobs — we want talented people to join Brown-Forman and become a part of it.

GROW

Our success is based on every employee's commitment to forever growing the business, their teams, and themselves.

THRIVE

Our focus on personal and company growth makes Brown-Forman a place where employees can realize their fullest career, development, and learning potential — a culture in which people can thrive.

ENDURE

Leaders emerge at all levels and in every part of the organization, furthering our ability to endure for generations.

Career Progression

Since our employees typically have long careers with us, we ensure that we continue to provide career development for those with both short and long tenure. One of the ways we achieve this is by allowing our employees to step into new roles in different parts of the company. Over the last two years, more than 700 people have taken on new or expanded roles that developed their careers — about 40% of our global salaried workforce.

DIVERSITY AND INCLUSION

At Brown-Forman, we consider that having a diverse and inclusive workforce is central to our success. As we work to increase the relevance and appeal of our brands to diverse consumer groups, we need a diversity of experiences and outlooks within our own workforce. We also want employees to feel comfortable in contributing their whole selves and different perspectives to the work they do.

Over the past year, we've made progress with diverse representation at a senior level. Three women serve on our Board of Directors, and in Fiscal 2015 Michael A. Todman became our first African-American appointee. Four of our 15 Executive Leadership Team members are women. Two out of the 15 members are minorities, appointed in Fiscal 2015.

Although we have made progress in some areas at the Director, Manager, and Professional levels in the U.S., we know we have more to do to improve our representation. Over the past two years, we've stepped up our efforts to identify and recruit diverse candidates, and we hope to see this begin to take effect over the coming years.

Changing the overall demographic of our workforce will take time. Our employees stay with us for many years, which provides a depth of experience, but limits the availability of openings for new employees of diverse backgrounds. We aim to create a clear and demonstrable culture of inclusion that respects, maximizes, and celebrates

SPIRIT

SPIRIT (Showing Pride in Respecting Individual Tastes) is a unique ERG dedicated to supporting Brown-Forman's commitment to creating an environment where all employees and guests feel welcome, regardless of their own choice of whether or not to drink. As well as being a sincere expression of our corporate value of respect for all individuals, SPIRIT helps non-drinkers feel included, helps Brown-Forman to recruit and retain talented individuals who might choose not to drink, helps our brands to connect with consumers through non-alcoholic beverages, and helps make the decision not to drink comfortable and acceptable for anyone.

SPIRIT held a panel discussion with members of the executive leadership team during fiscal 2015 exploring the nuance around not drinking, ensuring that employees feel comfortable making their own choices and affirming that a decision not to drink will not adversely affect their career.

In fiscal 2015, SPIRIT partnered with the research firm IQS to conduct an assessment of the role that drinking

individual differences and experiences. In 2015, Brown-Forman was once again awarded a perfect score of 100% by the Human Rights Campaign in their Corporate Equality Index. This makes us one of the "Best Places to Work for LGBT equality" in the U.S. for the fifth consecutive year.

Diversity Councils

Enhancing the diversity and inclusiveness of our business is so important to us that our Executive Leadership has its own Diversity Council. The Executive Leadership Diversity Council develops and oversees our strategy, and the implementation of its four main components:



and non-drinking plays in our company culture and in the experiences of Brown-Forman employees in the U.S. More than 800 U.S.-based employees participated in the online survey, and follow-up focus groups and phone interviews were oversubscribed. Eighty-two percent of respondents strongly agreed that Brown-Forman is supportive of non-drinkers, but the research also uncovered that there is a misperception that drinking is necessary for some roles in the company. SPIRIT is now focused on facilitating internal dialogue and awareness, providing training, and improving the employee and consumer experience at our events.

- Leveraging our unique capabilities
- Building the capacity of our supplier partners
- Reflecting the demographics of the markets in which we do business
- Engaging in supportive community development activities

We have 18 additional diversity councils focused on localizing the diversity and inclusion strategy. There are six councils in our North American Region, five within Global Production (which focuses on addressing diversity and inclusion within an hourly workforce), one in Mexico, two in Europe, two in Asia, and one in Australia. Lastly, we have a Supplier Diversity Council to drive our supplier diversity strategy.

FEATURED PARTNERSHIP

HUMAN RIGHTS CAMPAIGN FOUNDATION

The **Human Rights Campaign** (HRCF) improves the lives of lesbian, gay, bisexual, and transgender (LGBT) people by working to increase understanding and encourage the adoption of LGBT-inclusive policies and practices.



Deena Fidas, Director, Workplace Equality Program

How does your organization work with Brown-Forman to achieve your mission?

Brown-Forman has worked with HRC to support our mission since 2009, when it began participating in the annual Corporate Equality Index (CEI) — the organization's national benchmarking tool on corporate policies and practices pertinent to LGBT employees. The company has continually demonstrated a commitment to incorporating diversity and equality education in all aspects of its operations. Brown-Forman is a model for inclusion with a CEI score of 100% and recognition as one of [HRC's Best Places to Work for LGBT Equality](#).

What makes this partnership successful and how do you measure impact?

The thoughtful and authentic engagement between Brown-Forman's leadership and the community at large is a model for other companies. In 2009, Brown-Forman scored 20% in the Corporate Equality Index, which spurred conversations and decisions that allowed the company to reach 85% the following year, and 100% in 2011, a status it has maintained in the four years since. By adopting a best practice approach to LGBT inclusion, Brown-Forman's impact reaches far beyond its four walls in changing hearts and minds, as well as corporate policies.

What challenges and opportunities do you see ahead?

While HRC's work with Brown-Forman and other corporate partners has enabled enormous progress in inclusive policies and practices for LGBT equality over the past 13 years, there is much more to be done. By working with companies that are truly committed to continual improvement, to making difficult choices and changing behaviors, and to educating their employees, we can help others ensure that inclusive policies align with everyday practices. We look forward to continuing to point to Brown-Forman as an example of how an employer can truly set a tone of inclusion across its ranks and how the company can reap the benefits of greater diversity and inclusion.

DIVERSE EMPLOYEE ENGAGEMENT

While our overall employee engagement scores remained stable again this year, we've seen some changes in the engagement levels among some of our diverse groups — with improvements among some groups, and declines in others. Drilling down our analysis to this level helps us focus our efforts to ensure that all of our employees feel positively about working here and make the extra effort to contribute to business success, regardless of their ethnicity, gender, or any other markers of diversity. In the 2014 survey:

76% ➔ 83%

Engagement scores among LGBT employees increased 7% to 83%.

76% ➔ 74%

Engagement scores in Latin America, Asia and Australia, New Zealand, and Southeast Asia improved, but declined in our other regions. Average scores in our international operations declined slightly from 76% to 74%. As we de-centralize our HR strategy to reflect our company's global strategy, we hope to see improvements in our regional scores in future surveys.

75%

REMAINED UNCHANGED IN THE U.S.

Engagement scores of women globally remained unchanged at 75% due to lower scores among women working outside of the U.S. However, although the scores among our international women are lower than for their U.S. peers, 66% and 83% respectively, they are above the norm for female engagement scores in their regional markets.

78% ➔ 69%

Engagement scores among our Black and African-American groups in the U.S. declined from 78% in 2012 to 69%. We have looked into reasons for the change, conducting focus groups and holding our first-ever Black Female Summit. SPLASH, our ERG for African-Americans, has gained new members and is key to enhancing the Black employee experience at Brown-Forman.

82% ➔ 85%

Engagement among Hispanic and Latino groups in the U.S. increased by 3% to 85%.

80% ➔ 95%

Engagement among Asians in the U.S. increased to 95%, up from 80% in 2012, and 69% in 2010.

Employee Resource Groups

As part of Brown-Forman's Diversity and Inclusion (D&I) strategy, Employee Resource Groups (ERGs) enable a diverse and inclusive work environment that drives a high-commitment, high-performance organization, and encourages employees to bring their individuality to work. In Fiscal 2014, our newest ERG — BRAVE — was formed to support, develop, and promote the unique characteristics and needs of our military veterans and their families.

Since its launch, BRAVE has run a Veterans Month event series, fostered a strong partnership with the veterans charity Active Heroes, organized a retreat for veterans and their families, and hosted Team USA athlete Dallas Robinson and Kentucky Department of Veterans Affairs Commissioner Heather French Henry. For more information on our ERGs, please see our [website](#).

Supplier Diversity

Our commitment to diversity includes building relationships and capabilities with small and diverse suppliers. In 2012, we developed metrics to track the number of diverse suppliers we hire, and set an aggressive goal to source 16% of our procurement from businesses owned by ethnic minorities, women, LGBT persons, people with disabilities, and veterans by 2020. By 2015, we have reached 5.75% thanks to the efforts of a number of internal groups who are actively seeking out diverse suppliers to include in our bid process. Our Supplier Diversity Council meets quarterly to track our progress and discuss approaches to identifying and hiring diverse suppliers. We also have a team that meets regularly to focus on supplier diversity in production and IT.

View our **2015 SCORECARD** for more data

HEALTH AND SAFETY

Brown-Forman is dedicated to providing a safe workplace and instilling a culture of working safely through our global “Spirit of Safety” program. Our largest safety risks are in our production and warehouse facilities, and that is where we focus our efforts to identify and eliminate unsafe practices. We’ve integrated our office-based efforts with our Live Well program (see [Employee Wellness](#)) by launching a Work Well program focused on office ergonomics and emergency preparedness, as well as recognizing signs of health emergencies and how to respond.

We also require all of our sales team members and fleet drivers to complete safe driving training. Around 700 employees around the globe completed online courses and watched training videos focused on the safe driving issues most relevant in their country.



Ownership over Safety

We often work in historic buildings, use traditional machinery, and follow processes that require high levels of involvement and skill from our people. As a result, we take extra precautions to protect our employees from the safety risks inherent in this method of production. Risk management relies on production workers following procedures, so we place emphasis on ensuring that our people are highly trained in the use of equipment and are regularly reminded about safe ways of working.

We believe that one of the key reasons for the success of our safety program is that we have given our employees the information and awareness they need to take control over their own safety. We do this through Job Risk Assessments, regular training events, engaging communications, and guidelines that are easy to understand and follow.

Reducing Hand Injuries

Hand injuries can be a significant risk in our production facilities if safety precautions and guidelines are not followed correctly. To reduce hand injuries, we launched an ongoing campaign in Fiscal 2013 called “Safety: It’s In Your Hands.” The campaign aimed to discourage our employees from taking unnecessary risks during activities such as rolling barrels and operating machinery by constantly reminding them of the dangers. Each quarter we introduced a new element to our communication campaign; for example, video interviews with three employees who had suffered a hand injury explaining the impact it had on their lives.

In Fiscal 2014 and 2015 we introduced color-coding to our training barrels and barrel ricks at Jack Daniel’s to

We strive to ensure that our employees:

- Recognize hazards
- Know how to respond when they see one
- Avoid risky behaviors
- Operate within a culture where working safely is an inherent part of the job

Job Risk Assessments are a critical tool that helps employees understand the safety risks associated with their jobs and the actions that need to be taken to reduce or eliminate those risks. Depending upon the job, risk reduction involves engineering modifications, the use of personal protective equipment, behavior controls, or administrative measures such as training. We ensure that employees are learning during our regular training events by making sessions interactive and engaging.

remind employees on every barrel they roll where it’s safe to place their hands and where it’s not. This has been so successful that we are expanding the program to all our other barrel houses. We also introduced color-coding to help our wood mill employees understand where to place their hands while working. All mill employees have been trained on the color-coding and Jack Daniel’s warehouse workers will receive further training during the summer of 2015.

The campaign has been very successful, and we have seen a reduction in hand injuries as a result of our efforts. The next stage is a new training video that blends the nostalgia for our craft with the modern process improvements that ensure safety. This will be introduced to all our current and new employees throughout our barrel warehousing operations.

Plant Safety

We have our own machine safety standard that all our suppliers are required to meet to ensure consistency worldwide. This standard was implemented for the first time to build the Jack Daniel Cooperage, where we installed machinery with the latest safety solutions and technologies.

Our compliance self-assessment web tool allows plant safety teams and supervisors to monitor safety compliance and identify and promptly resolve any problems. The assessment can be accessed from a tablet device to make completion easier and findings scheduled for correction in real time. The information is sent to the appropriate manager electronically for resolution.

At each site worldwide there is a designated employee who is accountable for the safety performance at that site. Our safety leaders participate in an annual Safety Summit that allows them to share insights and receive updated training on relevant issues. In Fiscal 2015, our summit was held at the Jack Daniel Cooperage and included a keynote speech from an external safety expert.

View our [2015 SCORECARD](#) for more data

Compliance & Assurance

We aim to be in compliance with all relevant regulations wherever we are located. Should any irregularities be found in safety audits, we correct them and take action to ensure that incidents do not reoccur. All of our manufacturing locations are audited biennially by third-party certified safety consultants.

EMPLOYEE WELLNESS

Brown-Forman attaches importance to families. That's why our vision for employee wellness is to Build Healthier Families. We motivate and empower people to be healthy and productive when they are at work, in the community, and at home through our holistic Live Well program. Live Well provides tools, resources, and benefits that support physical, emotional, social, financial well-being, and more.

Live Well

We strive to cover a wide range of topics such as exercise, nutrition, financial health, and stress management through our Live Well information campaigns, awareness activities, and events. Both online and on-site participation opportunities are offered to make sure employees who work in both office and production environments have the opportunity to participate in the manner that best suits them. Employees across the globe can receive online wellness coaching, and are incentivized to participate in challenges focusing on exercise, nutrition, and stress management through prizes and rewards.

We partner with internal departments and groups such as ERGs to incorporate relevant Live Well elements into their programs and events. For example, although heart disease is the number one killer of all Americans, Latinos and Hispanics are at an even higher risk. That's why we took advantage of events during Hispanic Heritage Month to raise awareness of cardiac health to our Hispanic population. In conjunction with COPA, the ERG for Latinos, we distributed information, and hosted activities such as heart-healthy recipe competitions and a live cooking demonstration. COPA members also formed teams to participate in the American Heart Association's Kentuckiana Heart Walk.



Over the past two years, we've been working on empowering employees to be proactive in managing their health and well-being by providing access to tools, challenges, and events that encourage active engagement. By using social media, employees from across the organization have been able to connect and communicate with one another about Live Well topics and activities such as group fitness classes, healthy eating options, and "walking meetings" on dedicated walking trails. We aim to expand this capability over the next two years and provide an enhanced technological experience through mobile apps and more to make it as easy as possible to get involved. By growing our technological capabilities as well as our Live Well Champions network, our goal is to support more employee-led initiatives and enable our employees to take ownership of the program.

Live Well across the Globe

Wellness priorities vary by culture and geography. We use local Human Resources experts and Live Well Champions to help us identify priorities in our different regions, as well as the best ways of building awareness and participation in each area. For example, in Germany we've been increasing understanding of ergonomic issues among our sales force, in the United Kingdom financial wellness and retirement planning has been an area of concern for our employees, and in central Europe preventative medicine and healthy eating is the focus.

We now have a network of 40 Live Well Champions globally, who are critical to helping us reach our diverse employee population. Live Well Champions enable direct communication and feedback from employees in our many locations across the globe, as well as running events and activities.

Live Well was launched first in the U.S., where many of our employees are based, and is our most established program. Healthcare costs are high in the U.S., and one of the objectives of our Live Well program is to help reduce these costs. We offer U.S. employees incentives for participating in preventative activities such as medical examinations and working with a wellness coach.

Additional benefits available to our U.S. employees include:

- Free biometric screenings
- Free personalized wellness coaching and condition management programs
- A wellness website featuring interactive online learning programs, health assessments, and tools to track health conditions

- **Live Well Incentive Accounts:** Brown-Forman funded tax-free spending accounts that eligible participants may use to help offset medical costs. Incentives are earned by completing pre-defined activities including biometric screenings, online wellness programs, and an annual physical.
- **Wellness fund:** In 2014, we introduced a new payroll reimbursement program in the U.S. that provides employees and their family members with financial support up to \$250 per employee for qualifying wellness-related activities and services. These activities include fitness club memberships, financial planning, nutrition counseling, and even ergonomic purchases such as a standing or adjustable-height desk for their home office. Around 60% of our U.S. employees take advantage of this benefit, with almost equal participation by hourly and salaried employees.

We also conduct on-site biometric screening events to measure body mass index, blood pressure, cholesterol, and non-fasting blood sugar in our largest U.S. locations. Participation in these annual events is voluntary and incentivized. As such, the data can't be used to compare our progress over the two years, but is useful to help us identify priorities for our program. Our current data reflects trends seen among the general U.S. population in all categories except blood glucose, which was at better than average levels.

Healthy Workplaces and Facilities

We try to offer our employees a healthy environment in which to work. A dozen treadmill desks are available for use in common areas at our Louisville offices, as well as a paved outdoor walking trail where we encourage our employees to have "walking meetings." Walking trails are also available at our Jack Daniel's facility in Lynchburg, Tennessee, and our Sonoma-Cutrer vineyard in Windsor, California. During a recent renovation to our administration building in Louisville, we installed adjustable-height desks, making it easier for employees to adjust between standing and sitting positions throughout the day. We will introduce more of these desks during future renovation projects.

During Fiscal 2015, we expanded our smoke-free office policy to include all tobacco products, including e-tobacco, in order to better protect the health of our employees.

#LIVEWELLCNSE

Live Well was launched in our Central, Northern, and Southern Europe (CNSE) region in November 2014 with around 20 of our employees in Istanbul, Turkey, and their friends and family running a marathon crossing the Europe-Asia border. With more than 10 offices in the region spread from Finland to Turkey, the challenge is to develop a Live Well strategy that is relevant across all locations.

To help us identify the opportunities and interests at each local site, we recruited Live Well Champions from each office who communicate directly with their colleagues, raise awareness, and host activities on-site. Our 20 volunteer champions identified a number of themes that resonated across the region, which was turned into a five-week poster series on topics such as the importance of drinking water, eating fruits and vegetables, using the stairs instead of elevators, reducing stress, and quitting smoking.

We've also used social media and the hashtag #LiveWellCNSE to engage our employees and highlight the relevance of the campaign in their region. All communications have been in local languages, and our Champions have been submitting photos and blogging regularly from their localities. So far, we've seen great levels of engagement across the region.



"With the #LiveWellCNSE movement, we are aiming to make our Live Well brand relevant to and part of our people's lives, touching their families and creating the highest engagement possible. The enthusiasm of our local Champions has been key to getting the message across."

For example, one of our Champions in Hungary took it upon himself to turn our water poster into a label for water bottles that he handed out to each of his colleagues. I'm delighted to see our Champions take ownership like that, it helps our employees see the relevance of Live Well for them personally."

CEREN BAYRAKTAROGLU

HUMAN RESOURCES COORDINATOR

TARGETING DIABETES AT OUR LOUISVILLE COOPERAGE

In Fiscal 2015, we piloted an initiative at the Brown-Forman Cooperage in Louisville that aimed to target Type II Diabetes prevention through weight loss. In partnership with the YMCA of Greater Louisville, University of Louisville, and KentuckyOne Health, we ran a 12-week program that included weekly group sessions and a bi-weekly personal coaching with a nurse practitioner. Participants received financial incentives as well as a six-month free family membership to the YMCA located opposite our facility.

Of the 33 participants who completed the 12-week program, 30 lost weight, and 15 met their 12-week goals. All of our participants said they would recommend the program to others. As a result of these positive results, we launched a second phase of the program in Louisville in April 2015, and are planning on expanding the program to other locations in the future.

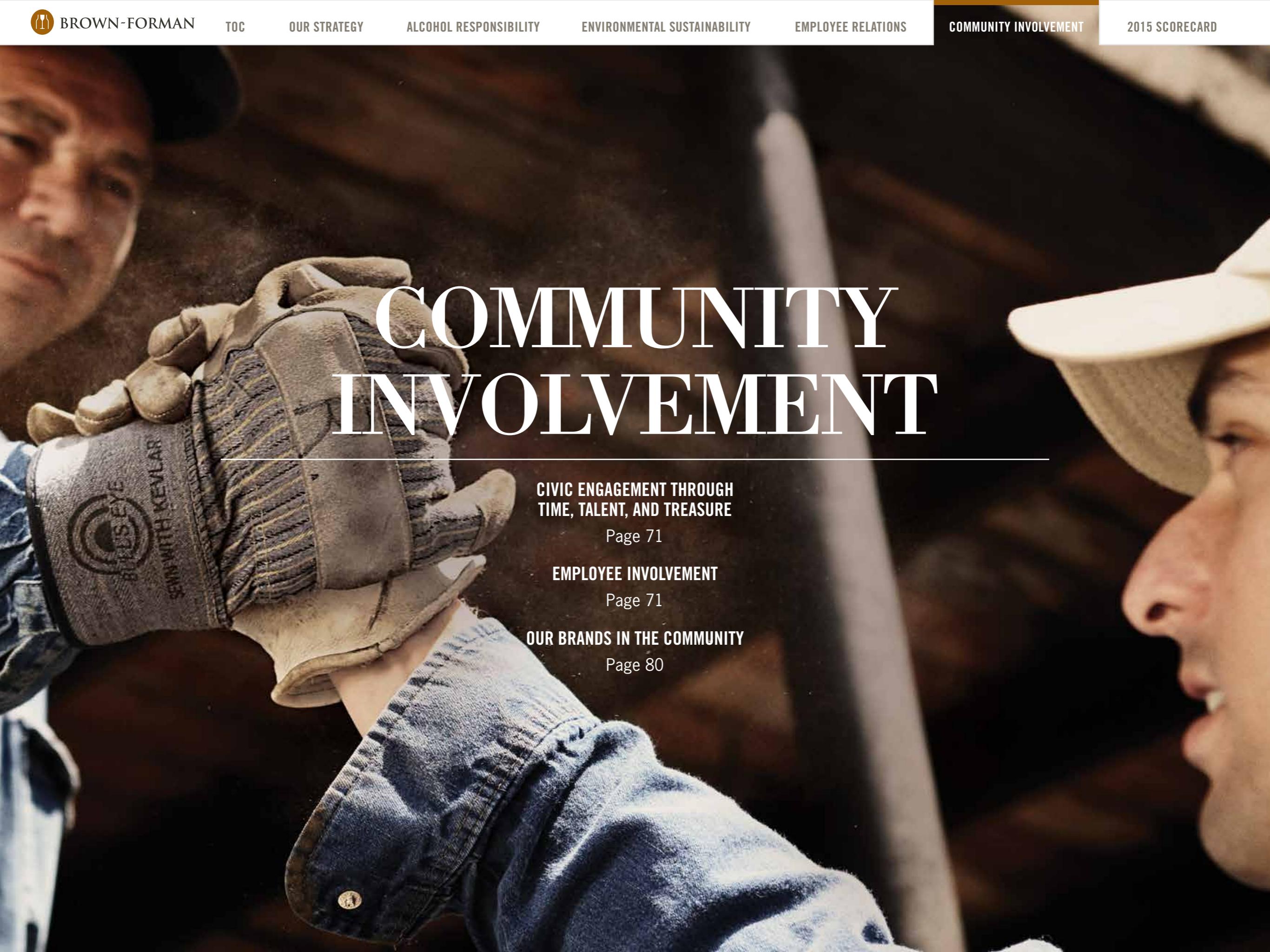
33

participants completed the 12-week program

30

participants lost weight





COMMUNITY INVOLVEMENT

CIVIC ENGAGEMENT THROUGH
TIME, TALENT, AND TREASURE

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EMPLOYEE INVOLVEMENT

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OUR BRANDS IN THE COMMUNITY

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CIVIC ENGAGEMENT THROUGH TIME, TALENT, AND TREASURE

Brown-Forman and our employees play an important role in the communities where we do business. We strive to be a leading corporate citizen in our hometown of Louisville, Kentucky, and active in other places around the globe. Nearly 85% of our community investment is in Louisville because of our long history and deep roots.

Our commitment to Louisville is a chance to make a profound and deep impact close to home. As a significant employer in the area, we're deeply invested in helping to make Louisville a robust, dynamic city to live, work, and raise families in. We are also heavily involved in other communities critical to the company and our employees, especially in Lynchburg, Tennessee, where all of our Jack Daniel's whiskey is made, and Amatitán, Mexico, where we have our Casa Herradura distillery.

We give back because it's good for our communities, our employees, and our business — and because it meets the critical needs of our neighbors. We donate our time, talents, and treasure (cash contributions) to support organizations focused on arts and culture, social welfare, environment, youth and education, and other specific areas determined by local needs.

Over the last six years, we've gone more global with our "hometown pride," establishing a multi-local global giving program to engage all Brown-Forman employees in civic outreach wherever they are. Globally, each regional office has a Civic Engagement Committee to determine the best way to allocate their budgets to match local community needs.

View our **2015 SCORECARD** for more data

EMPLOYEE INVOLVEMENT

Our employees take pride in being part of the global Brown-Forman team, so it's no surprise that much of our civic engagement is employee-driven. Employees give through donations (matched by Brown-Forman), volunteering, and by serving on boards of organizations.

In Fiscal 2015, Brown-Forman matched more than \$110,000 given by our employees for educational institutions, and more than 1,100 employees volunteered approximately 20,000 hours, including 130 employees serving on 190 non-profit boards. Our employee donations — combined with Brown-Forman corporate gifts — contribute significantly to the Louisville community. Annually, Brown-Forman is one of the top five contributors to both Metro United Way and the Fund for the Arts.

In addition, Brown-Forman employees in our U.S. offices raised \$12,000 for community non-profits through weekly fundraising efforts, by donating to wear jeans to work. This initiative is an opportunity for our employees to highlight and raise awareness for causes they personally support.

We have developed deep partnerships with many of the non-profit organizations that Brown-Forman and our employees support. Case studies highlighted throughout this report demonstrate the impact of our commitment in key areas of giving.

Total cash contributions

\$10.6M

More than

1,100

employees volunteered
approximately 20,000 hours

130

employees serving on
190 non-profit boards

Highlighted Giving Areas



Arts & Culture



Youth & Education



Social Welfare



Christen Boone, President & CEO

FEATURED PARTNERSHIP

FUND FOR THE ARTS

Fund for the Arts maximizes the impact of the arts on economic development, education, and quality of life for everyone in Louisville, Kentucky, by generating resources, inspiring excellence, and creating community connections.

How does your organization work with Brown-Forman to achieve your mission and goals?

Fund for the Arts works to build a stronger, more vibrant community through the arts and Brown-Forman is an incredible local partner, investing time, people, thought leadership, and resources to help achieve our mission. Brown-Forman believes that arts engagement fosters business innovation, creativity, and problem-solving, so its leaders integrate the arts into corporate culture. Brown-Forman is represented on our Board of Directors, in our NeXt! leadership program, and by employee volunteers in our workplace campaign.

What makes this partnership successful and how do you measure impact?

Brown-Forman is a cornerstone of the Louisville, Kentucky, arts ecosystem, providing leadership essential in facilitating discussion about the impact of the arts. As a result, the conversation has shifted from the case for supporting the arts to how arts support community. Exciting recent developments include plans for an Economic Impact and Peer Cities report and an arts master plan for Louisville.

What challenges and opportunities do you see ahead?

A key challenge for us, like many other non-profit and for-profit organizations, is to adapt to rapidly changing demographics and maximize the benefits of emerging technologies and big data. If we approach these changes creatively, we can leverage tremendous opportunities, to engage with the Arts and transform our communities.

SUPPORTING ARTS AND CULTURE IN KENTUCKY

We are proud to play an influential role in fostering the arts in our hometown. Louisville is one of few cities of similar size that have access to major performing arts, including ballet, opera, and theater. In part, our contributions have helped build the foundation for these arts opportunities. We prioritize arts and culture in Louisville because we believe access to the arts enriches lives and communities.

Brown-Forman donates resources to the Fund for the Arts and the Speed Art Museum — among other important arts organizations in Kentucky, including the Actor's Theater, Louisville Ballet, Kentucky Opera and Louisville Orchestra. We assist all of these organizations through board member leadership, and we believe our close engagement with them maximizes the impact the arts have in the Louisville area.

Brown-Forman recently donated \$1.5 million toward a \$50 million expansion of the Speed Art Museum for a new building to help create a state-of-the-art space including new galleries and a family education welcome center. The Speed Art Museum is Kentucky's largest and oldest museum. The museum boasts a permanent collection of art including African, Native American, and European art, and hosts traveling exhibitions, offering Louisville residents and visitors a unique opportunity to experience art from around the world.

\$1.5M

toward a \$50 million expansion of the Speed Art Museum



We also support the Fund for the Arts, a non-profit that runs programs that enrich the lives of our community and support economic development. One program, the EVERY CHILD Arts Education Initiative, is designed to increase opportunities for Louisville area children to have access to the arts at school. The program serves all grade

levels and promotes a variety of arts disciplines including theatre, music, and visual arts. This year, our donation to the Brown-Forman employee campaign was the second-largest employee campaign contributor with more than \$758,000 donated to their annual campaign in 2014.



SUPPORTING CHILDREN AND FAMILIES IN LOUISVILLE

For more than 20 years, Brown-Forman has lent a helping hand to schoolchildren and their families at Wheatley Elementary School — just a few blocks from Brown-Forman's Louisville offices. The K-5 school's students come from primarily low-income families, with more than 85% qualifying for the National School Lunch Program. Families often struggle to afford celebrations during the holiday season, so at Christmas, our employees donate food and wrapped gifts for more than 75 families.

Our association with the Wheatley School is a long-lasting partnership that brings our employees together all year long. In addition to holiday donations, several employees connect throughout the year by assisting in their reading program each week, building a continuous relationship, and sharing their love of reading.

DONATIONS FOR MORE THAN

75

families

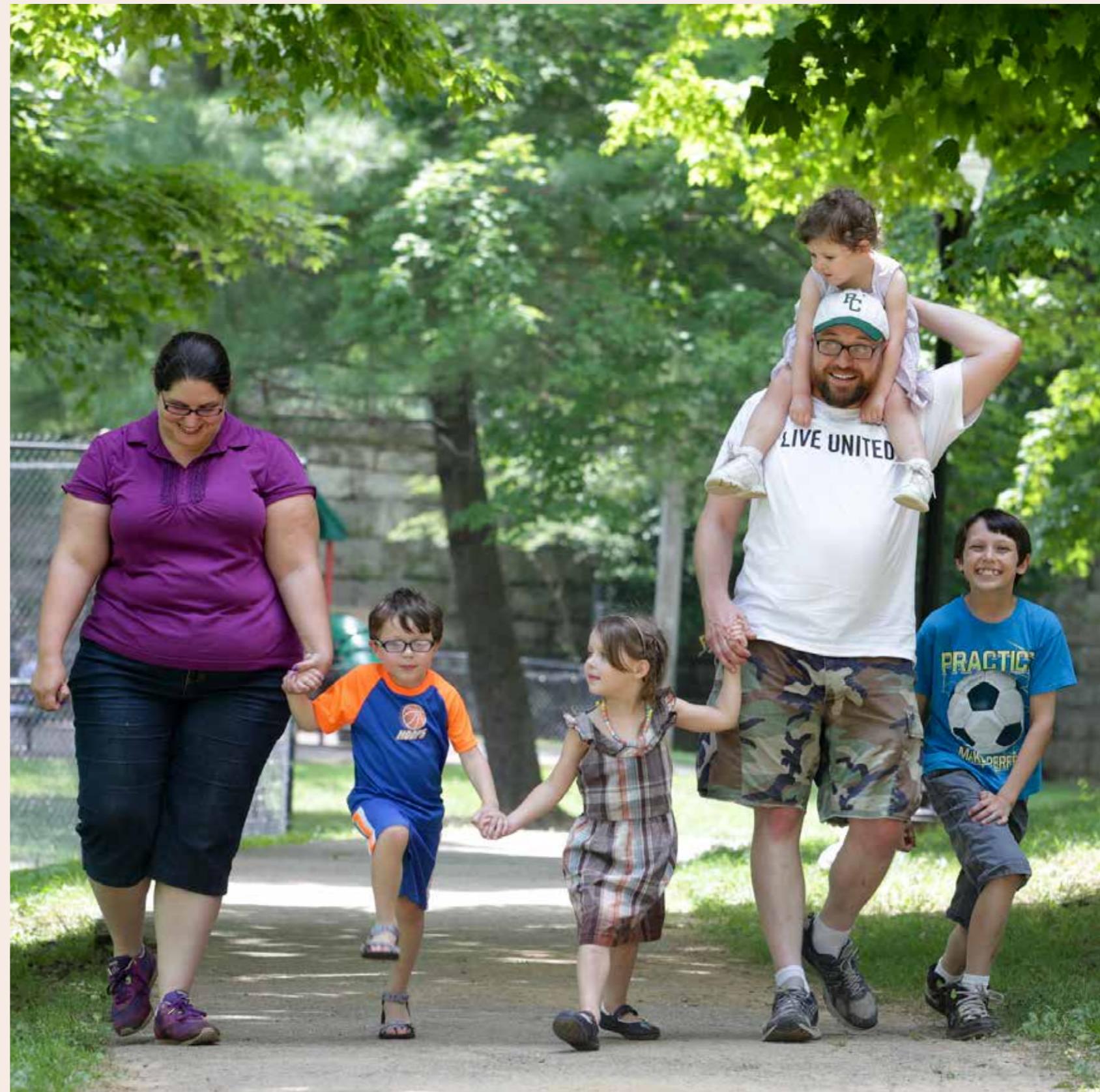




HELPING LOUISVILLE THRIVE WITH METRO UNITED WAY

For more than 30 years, Brown-Forman has partnered with Metro United Way through board leadership and an internal employee campaign led by 25 committee members who raise money and awareness about the organization. Our support bolsters Metro United Way's impact on the Louisville community. The organization invests in programs that support education, financial stability, and healthy lives for all.

We also support Metro United Way's Kindergarten Readiness Program. This year Brown-Forman employees donated more than 2,000 books for infants, toddlers, pre-schoolers, and kindergarteners in Louisville and surrounding communities. We are proud to foster the literacy skills needed to build the foundation for fruitful education and opportunity.



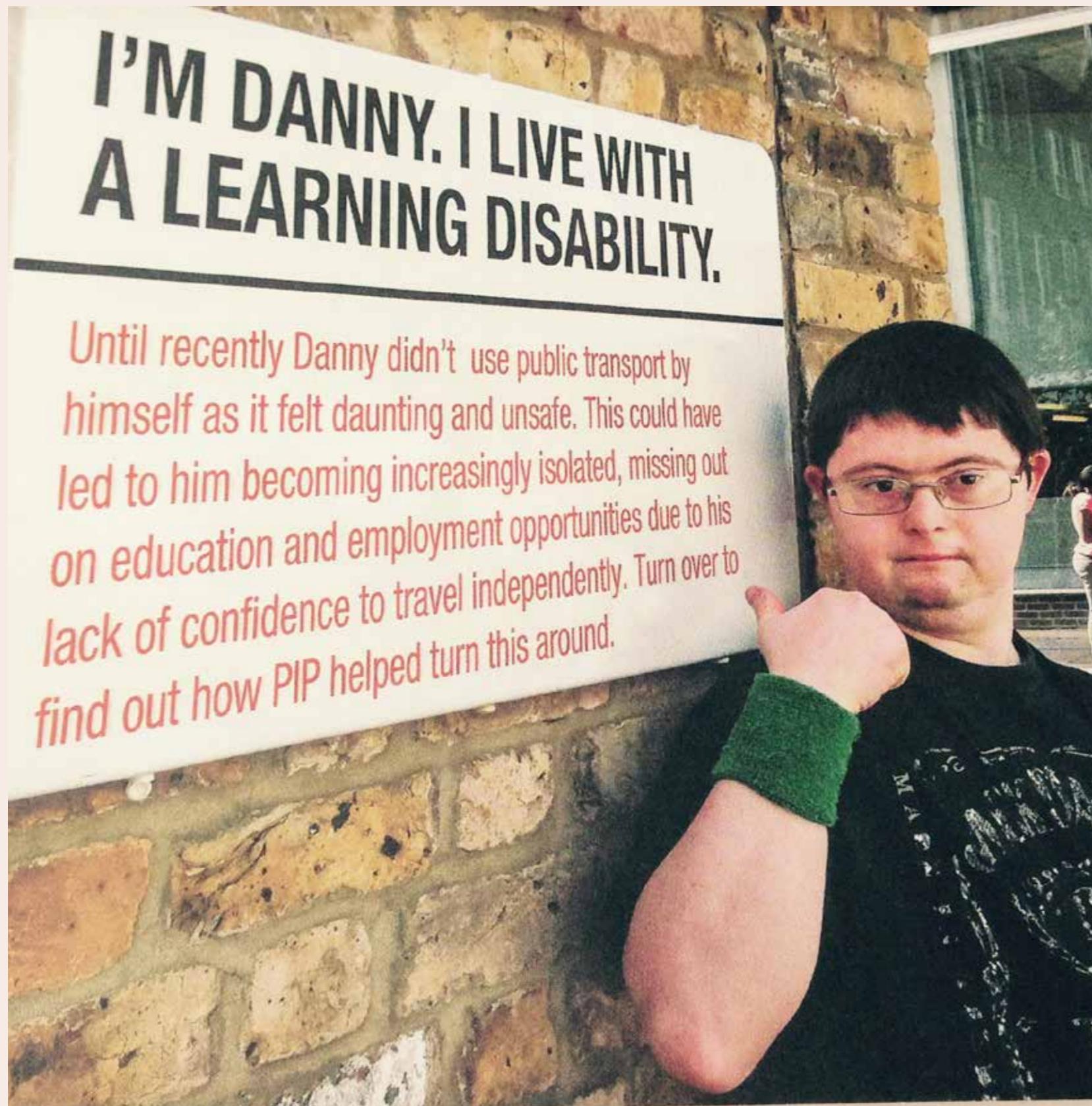


HELPING THE HOMELESS IN CANADA

Our employees give to causes that relate to their personal passions by lending their professional expertise. Brad Fletcher, Brown-Forman's Managing Director in Canada, developed a partnership with Hockey Helps the Homeless, a charitable organization that offers amateur hockey players a chance to play tournaments with National Hockey League pros and Olympic gold medalists. The events raise money for the homeless in Canada.

Brad joined the Executive Steering Committee of Hockey Helps the Homeless last year and has made a lasting impression through his leadership in planning the 2014 tournament in Markham, Ontario. He leveraged his business partnerships at Brown-Forman, by connecting Hockey Helps the Homeless with The Hive, one of our suppliers, to launch a new Sponsorship Strategy. The event was a success, surpassing the sponsorship commitment of any other event this year — and helping the estimated 250,000 homeless individuals in Canada.





SUPPORTING ADULT EDUCATION IN THE U.K.

Pursuing Independent Paths (PIP) is a small charity local to our London office that helps adults with learning difficulties achieve their potential. PIP provides a flexible and dynamic range of services, including literacy and numeracy education, vocational and employment skills, work placements, and support transitioning into mainstream education. Fiona West, Brown-Forman's Marketing Director for Northern Europe, has been mentoring Bill Feeney, the CEO of PIP, for about one year — a partnership that has been fruitful for both.

 SUPPORTING LITERACY IN LOUISVILLE

We partner with Leadership Louisville Center, a non-profit that builds a network of diverse leaders to serve as catalysts for community change. Each year one Brown-Forman employee participates as a Bingham Fellow with a group of local leaders to address a need in the Louisville community. The group launched The Little Libraries project this year to help children access reading materials in an impoverished area of Louisville. Colorful little libraries shaped like mailboxes were set up around the area with books free to borrow inside. A book drive at Brown-Forman donated hundreds of books to the project.





SUPPORTING CHILDREN WITH MEDICAL NEEDS IN TORONTO

Project Sunshine, a Toronto, Ontario-based non-profit, provides support to over 10,000 children with medical challenges by offering free educational and recreational programs. Volunteers and staff work on-site with children to facilitate fun activities that also build courage and confidence in the face of challenging medical procedures.

Our Brown-Forman team in Canada spends time assisting Project Sunshine by assembling art and craft kits that are given to children in pediatric hospitals. Each kit contains all the materials needed to make a craft project — delighting and distracting the children with a creative activity.

The staff of Project Sunshine Canada is grateful for the lending hand of Brown-Forman.

"Brown-Forman's support, both financially and in hands-on work, has enabled us to continue to increase the quality of the lives of over 10,000 children and their families. Brown-Forman has shown great commitment in ensuring that their employees and the company at large give back to their community."

SARA DA SILVA-ABRAHAM

PROGRAM & EVENTS COORDINATOR



OUR BRANDS IN THE COMMUNITY

In addition to our corporate contributions, our individual brands are committed to giving back to communities through more than 200 brand-building events each year.

The Jack Daniel Distillery supports the Lynchburg, Tennessee, area through charitable contributions. In Fiscal 2015 we contributed financially to more than 50 local charities in Lynchburg, including Moore County High School, the Tennessee Environmental Council, and The Moore County Friends of Animal Shelters. The Animal Shelter received an empty signed barrel and gift baskets for fundraising efforts plus office furniture and pro bono building maintenance.

"It's just about pitching in and doing our part. That's what Lynchburg is all about...helping out your neighbor."

STEVE MAY

DIRECTOR OF JACK DANIEL'S HOMEPLACE

JACK DANIEL'S — CELEBRATING 20 YEARS OF BIKE TO JACK AND BACK



Each year since 1995, the Jack Daniel Distillery has partnered with the Mid-South Chapter of the National Multiple Sclerosis Society to raise awareness and funds for the organization through a fundraising bike ride. Highlights of the ride feature both the scenic surroundings of the

Lynchburg area and an inside look at the Jack Daniel Distillery. For 20 years, Jack Daniel's has been proud to support people with multiple sclerosis through this partnership through donations and volunteerism.



Melissa Mershon, President & CEO

FEATURED PARTNERSHIP

SUPPLIES OVER SEAS

Supplies Over Seas is a Louisville, Kentucky, based non-profit that meets critical healthcare needs in medically impoverished communities around the world by collecting and distributing surplus medical supplies and equipment.

How does your organization work with Brown-Forman to achieve your mission?

Supplies Over Seas promotes environmental stewardship through reuse, partnering with hospitals and others to recover and distribute supplies that would otherwise go to landfill. When Brown-Forman learned there was no medical clinic in Amatitán, Mexico, the town where the Casa Herradura tequila distillery is located, the company worked with the Mexican Red Cross to build a clinic. They then partnered with Supplies Over Seas to stock the clinic with supplies and equipment. Without our partnership, these life-saving supplies would not have reached the region so affordably and sustainably.

What makes this partnership successful and how do you measure impact?

Our partnership with Brown-Forman is strong and meaningful because the company acts on its convictions, leads by example, and like Supplies Over Seas, the company is committed to environmental sustainability. The citizens of Amatitán have 24-hour access to healthcare, supplies, and equipment thanks to this partnership, which is helping relieve the critical shortage of healthcare in the region.

What challenges and opportunities do you see ahead?

In 2014, Supplies Over Seas collected more than 270,000 pounds of surplus medical supplies and equipment from Indiana, Ohio, and Kentucky. We believe this is the tip of the iceberg. Our challenge is building the capacity to educate more hospitals and medical institutions in how to recycle their surplus materials. As we meet this challenge, we will unlock the opportunity to match more surplus medical supply donations to global needs.



BRINGING SERVICE MEMBERS HOME FOR THE HOLIDAYS

For the fourth consecutive year, Jack Daniel's and Armed Services YMCA teamed up to raise funds for Operation Ride Home, a campaign to help service members travel home to spend time with their families for the holidays. Jack Daniel's donated \$100,000 to kick off and promote the campaign. The donations are allocated by Armed Services YMCA to junior enlisted service members across the country who have financial needs. Brown-Forman employees also donated airline miles to the campaign to support these efforts.

What began as a local effort led by Jack Daniel's at the Armed Services YMCA in Fort Campbell, Kentucky, has grown into a national campaign. We are proud to lead this effort that brings families together during the holidays and supports service members nationwide.





GIVING BACK BY BEING A GOOD NEIGHBOR

The Jack Daniel Distillery's hometown of Lynchburg, Tennessee, benefits greatly from the company's presence. The Jack Daniel Distillery provides an important economic drive for the rural county. It gives back, in part, by creating a stable base for business for the town. With more than 600 employees, the Jack Daniel Distillery is Moore County's leading and most stable employer. The Distillery also brings significant tax revenue with more than one-third of total local government revenues accounted for by the Distillery's operations.

This year we expanded the Distillery to meet the growing worldwide demand for our Tennessee Whiskey. More than 90 new jobs will come along with it — an economic growth that will benefit Lynchburg by helping more area families find good jobs and attracting new people to the area.



BROWN-FORMAN – ECONOMIC IMPACT REPORT SUMMARY

While Brown-Forman is a company with global reach, perhaps the biggest impact is close to home, in our headquarters location of Louisville, Kentucky. As the ninth-largest private employer in the Louisville area and one of eight Kentucky-based companies among the Fortune 1000, the company's impact on its economy and residents is far-reaching and complex. In order to better understand the scale and breadth of the difference Brown-Forman makes, in 2015 we commissioned University of Louisville Emeritus Professor of Economics Paul Coomes to conduct an economic impact analysis. The study focused on the annual impact of Brown-Forman jobs on the Louisville region and the business generated by our local operations. Dr. Coomes organized data by two types of Brown-Forman jobs — distillery (including headquarters operations) and cooperage (wood barrel manufacturing) employment — as each requires different skills and training and a unique set of goods and services.

The study concluded that Brown-Forman's presence results in the following estimated annual benefits for the Louisville region:

4,800 **\$340M**

Jobs

in wages and salaries

\$34M

in tax revenues to Kentucky state and local governments jurisdictions

Our company also makes significant contributions to the local travel and hospitality industry, the report found. Each year, our employees and business partners book over 2,200 rooms at downtown hotels, and generate enough airline business for at least 10,000 flights through the Louisville airport. This activity, in turn, directly supports a wide variety of local businesses, including restaurants, entertainment venues, transportation companies, and retail businesses.

We are proud of our longstanding commitment to the vitality of our hometown, a contribution that extends beyond dollars and cents. Our philanthropic endeavors focus on improving residents' well-being by funding programs that support the arts, education, alcohol responsibility, environmental sustainability, and other areas.

In addition to the annual impact of jobs, wages, and salaries, the impact of the ownership by Louisville-area families is also significant. Many high-level employees and family members reside in the area, receiving dividends partly spent and invested in the greater Louisville Metro economy. Philanthropic investments cover the gamut of Louisville's non-profit landscape, including support for organizations focused on building capacity in areas such as education, arts, health and social services, and the environment.

Our periodic economic impact reports serve as a valuable indicator of our prominent role in the Louisville community. Although companies sometimes commission these types of studies when they consider leaving a community, nothing could be further from our intent. Our aim was to discover how the ongoing presence of the company and its employees benefits the community at large. Please visit our [Downloads page](#) to read the full study.



2015 SCORECARD

COMPANY HIGHLIGHTS

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ALCOHOL RESPONSIBILITY

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ENVIRONMENTAL SUSTAINABILITY

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COMMUNITY INVOLVEMENT

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COMPANY HIGHLIGHTS*

NUMBER OF
EMPLOYEES

4,444

FISCAL YEAR
NET SALES

\$4.1B

DEPLETIONS
WORLDWIDE

39.5M

9-liter cases

TOP 5 EMPLOYEE LOCATIONS

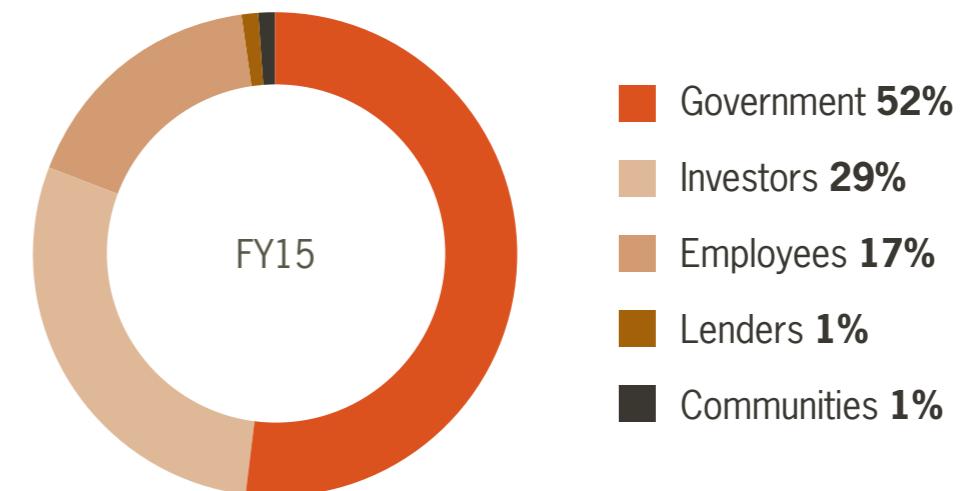


Company Highlights Scorecard

REPORTED EARNINGS PER SHARE, DILUTED



CASH DISTRIBUTED TO STAKEHOLDERS*



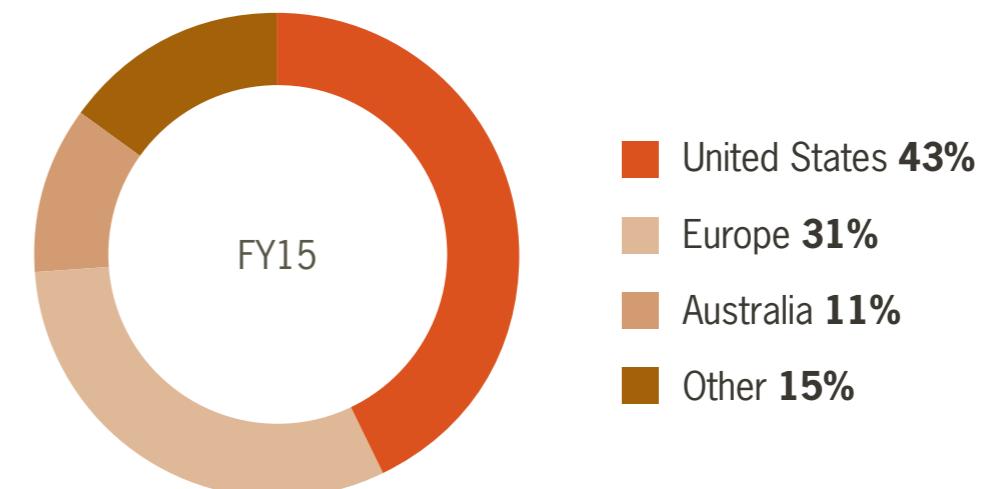
* We create economic value for stakeholders, including shareholders and employees around the world. We also donate funds and time to the communities where we live, work, and do business, and generate revenue for our lenders and for governments through taxes. This chart illustrates the estimated percentage of total cash distributed by stakeholder group in Fiscal 2015. Numbers may not add to 100% due to rounding.

Company Highlights Scorecard

TOTAL SHAREHOLDER RETURN VS. INDEX*



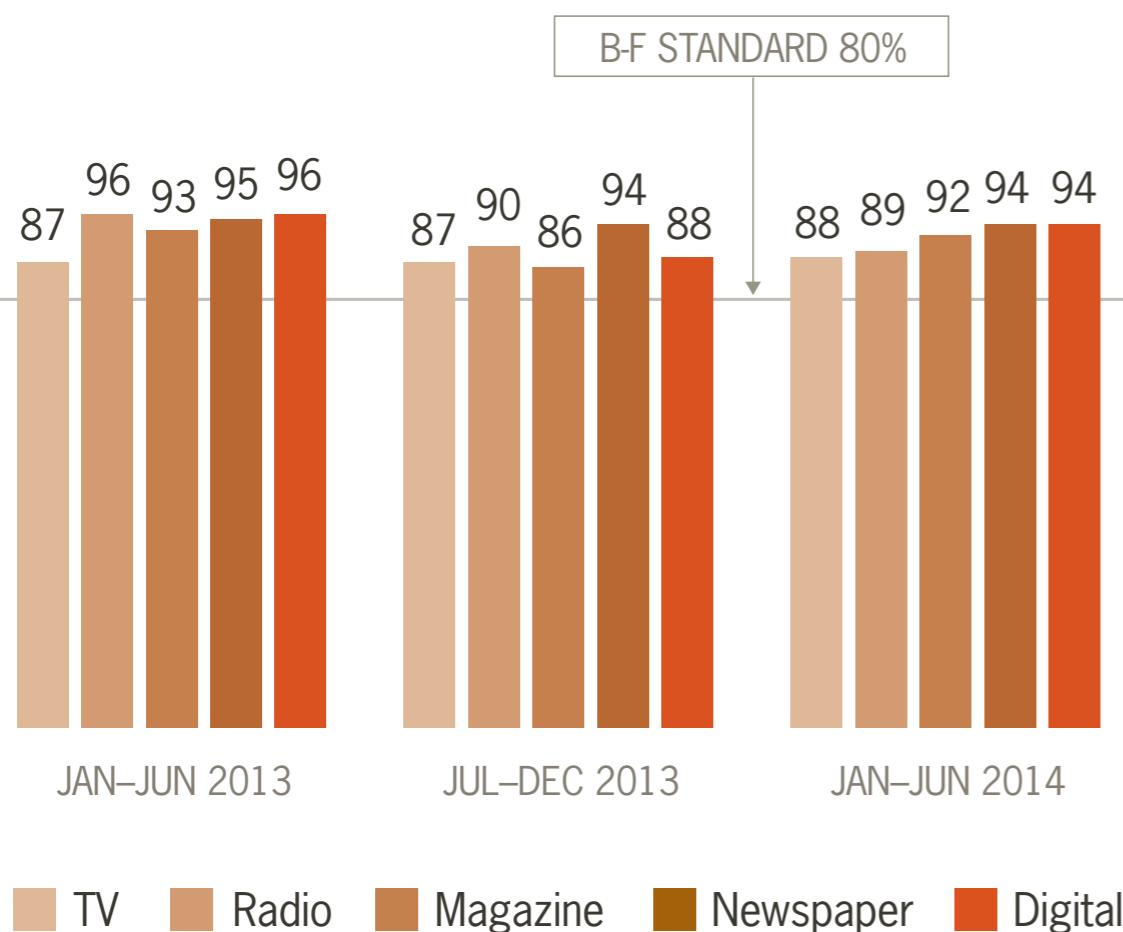
TOTAL REVENUE BY REGION



Read more about our company highlights [here >](#)

ALCOHOL RESPONSIBILITY

MEDIA IMPRESSIONS LDA AND ABOVE, U.S.



GLOBAL ADVERTISING COMPLAINTS
COMPLAINTS UPHELD

January 2013 – December 2014

	Complaints	Complaints Upheld
France*	1	0
Ireland**	1	0
Australia***	1	0

Read more about our commitment to alcohol responsibility [here >](#)

* Complaint filed through Jury de Déontologie Publicitaire (JDP). Complaint withdrawn under amicable resolution procedure.

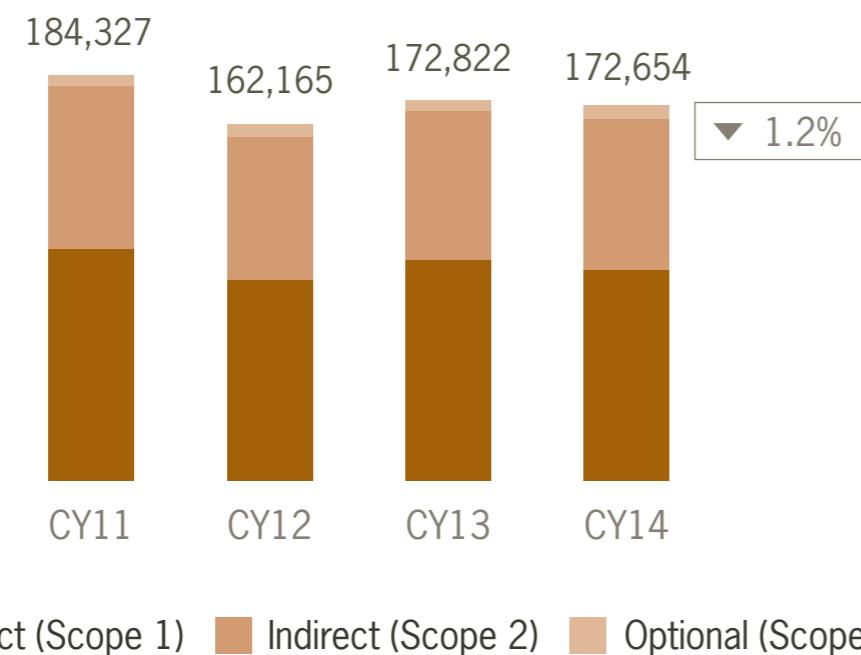
** Complaint filed through Advertising Standards Authority for Ireland (ASAI). Complaint not formally pursued by the regulator following our response.

*** Complaint filed through the Alcohol Beverage Advertising Code (ABAC). Complaint dismissed following our response.

ENVIRONMENTAL SUSTAINABILITY

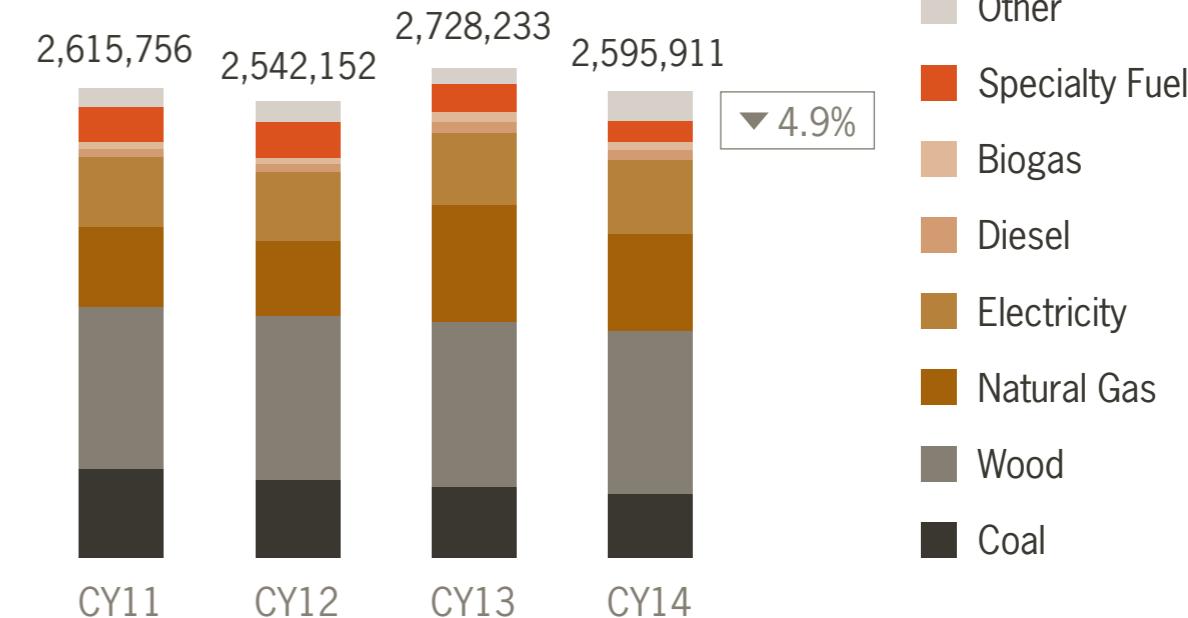
GREENHOUSE GAS EMISSIONS*

Metric tons CO₂e by Scope 1, Scope 2, and Scope 3



ENERGY**

Total usage, MMBTUs



■ Direct (Scope 1) ■ Indirect (Scope 2) ■ Optional (Scope 3)

Read more about our environmental sustainability [here >](#)

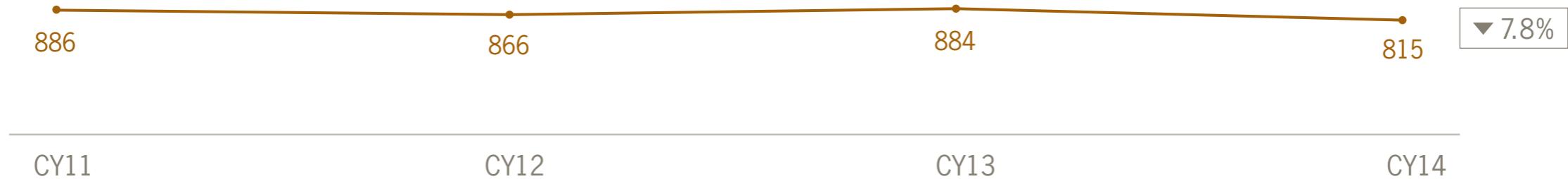
* More detailed reports of Brown-Forman's verified greenhouse gas inventories, from 2005-2014, are available at The Climate Registry's website at <http://www.climateregistry.org/tools/carrot/carrot-public-reports.html>. At the time of publishing this report, the 2014 GHG emissions are undergoing verification. Direct (Scope 1) emissions include use of fuel for stationary and mobile uses, including coal, natural gas, and gasoline. Indirect (Scope 2) emissions include use of electricity. Optional (Scope 3) emissions are emissions associated with business travel. During the year, facilities implemented emissions reduction projects including energy efficiency, renewable energy, and waste-to-fuel projects. Full scale operation of new facilities, organic growth of operations, and an increase in business travel resulted in increased emissions, offsetting the decreases. Percent change is from CY2013 to CY2014.

** Energy usage is determined from either direct metering or utility invoices. Numbers may differ slightly from previous reports due to refining of data management systems. Energy usage decreased as facilities continued to implement energy efficiency projects and process improvements. Other includes propane, gasoline, fuel oil and kerosene. Percent change is from CY2013 to CY2014.

Environmental Sustainability Scorecard

TOTAL WATER USE*

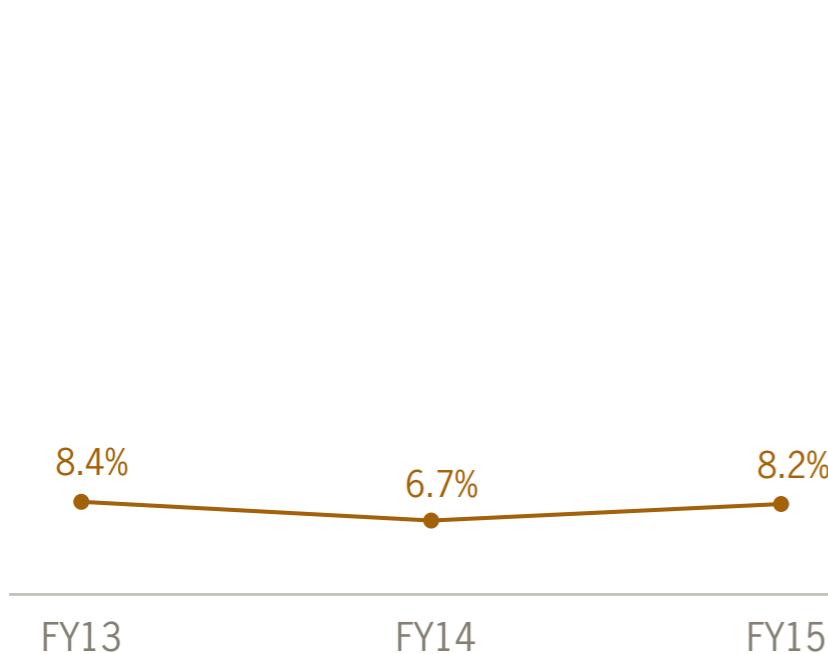
Gallons used, millions

[Read more about our water use here >](#)

* Water use includes production usage in the U.S., Canada, and International owned production operations. Data excludes field offices and vineyard irrigation use. Our absolute water use decreased through a combination of water efficiency projects and operational changes resulting in lower production volume at some facilities. Percent change is from CY2013 to CY2014.

EMPLOYEE RELATIONS AND DIVERSITY

GLOBAL VOLUNTARY TURNOVER



Read more about employee engagement [here >](#)

SUPPLIER DIVERSITY, U.S.*

\$ (millions) spent with minority- and women-owned businesses (% of total procurement spend)

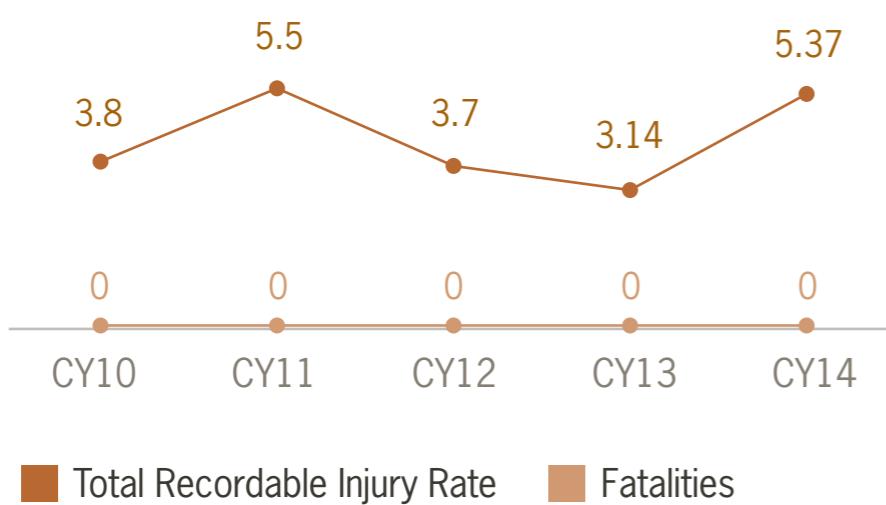


More about supplier diversity [here >](#)

Employee Relations and Diversity Scorecard

SAFETY*

Total incident rate per 100 full-time employees



GLOBAL WORKFORCE**

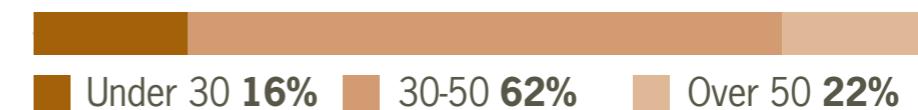
Job Type



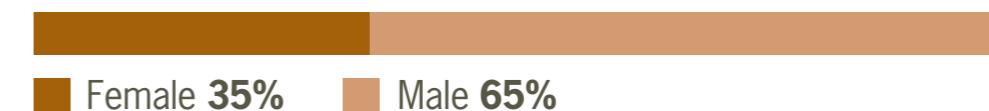
Location



Age



Gender

[Read more about health and safety](#) >[Read more about diversity and inclusion](#) >

* 2012-2014 rate indicates any work-related accident involving global production and Louisville Corporate Personnel. Prior years included only U.S. production and Louisville Corporate Personnel. Data indicates any work-related fatalities globally. In 2015 we saw a rise in ergonomic injuries primarily due to our increased need for barrels and wood associated overtime, and new employees in these operations. Programs to reduce the incident rates in these operations are being created and some are in place to drive engineering controls and behavioral awareness to the risks.

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

Employee Relations and Diversity Scorecard

GENDER AND RACIAL DIVERSITY BY LEVEL, U.S.*

Percentage of total employees

	MALE	FEMALE	WHITE	BLACK	HISPANIC	ASIAN	OTHER
Board	77	23	92.3	7.7	0	0	0
Executive Officers	70	30	90	0	10	0	0
Senior Managers/Directors	77	23	88	6	5.3	0.8	0
Managers/Directors	62	38	86.7	4.9	5.2	2.2	1
Lead/Sr. Professionals	52	48	85.4	3.1	6.2	3.5	1.8
Professionals	45	55	81.3	8.6	6.7	1.5	1.9
Entry-Level/Sr. Administrative	21	79	81.7	10.7	3	2.4	2.4
Administrative (Non-exempt)	10	90	83.9	9.7	3.2	0	3.2
Non-exempt	12	88	83.3	12.5	4.2	0	0
Hourly Production	84	16	81.8	11.1	6.2	0.1	0.8
Temporary/Seasonal	36	64	81.4	8.5	7.4	1.6	1.1

Read more about diversity and inclusion [here >](#)

Employee Relations and Diversity Scorecard

DIVERSITY BY JOB CATEGORY*

Percentage of total employees

	MALE	FEMALE	WHITE	BLACK	HISPANIC	ASIAN	OTHER
Corporate, Sales & Marketing	51	49	84.7	7.1	5.6	2.4	0.8
Production/Hourly	76	24	82.6	9.7	5.8	0.3	1.5
Temporary/Seasonal	36	64	81.4	8.5	7.4	1.6	1.1
Total Company	65	35	83.1	8.7	5.9	1.1	1.2

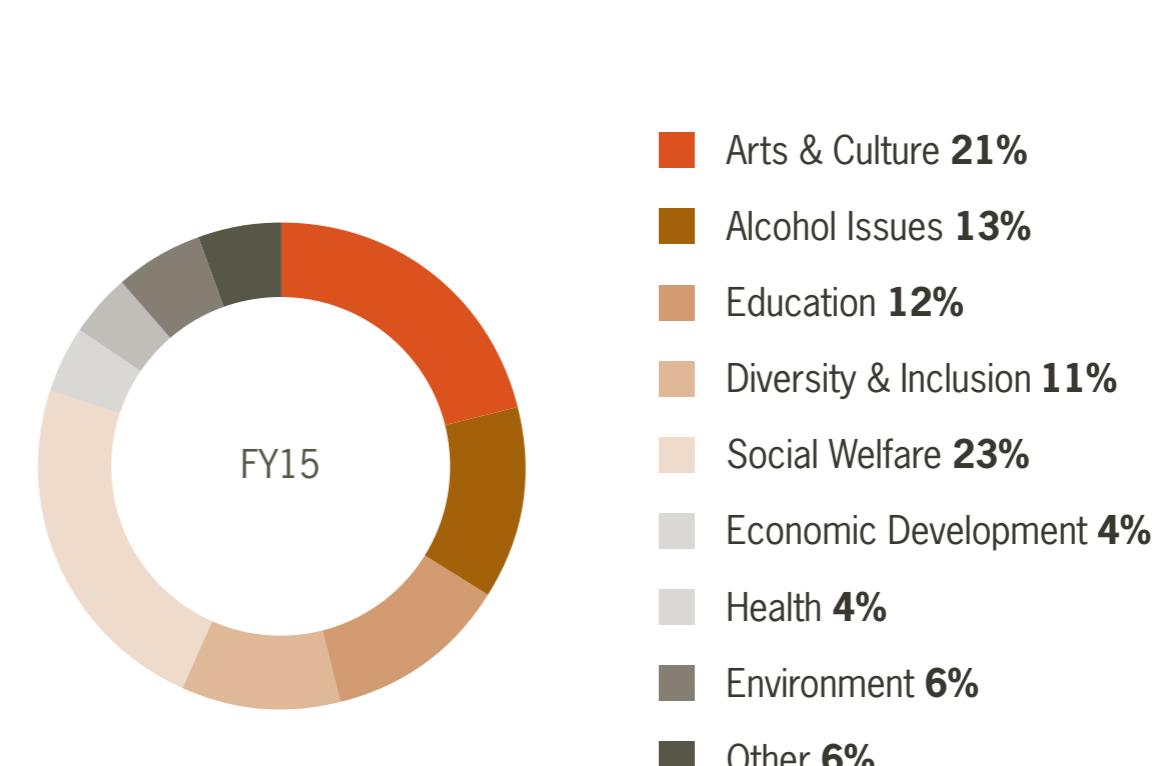
Read more about diversity and inclusion [here >](#)

COMMUNITY INVOLVEMENT

TOTAL CASH CONTRIBUTIONS



CHARITABLE CONTRIBUTIONS BY TYPE*



More on community involvement [here >](#)



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 smaller 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; unfavorable consumer reaction to new products, line extensions, package changes, product reformulations, or other product innovation
- Decline in the social acceptability of beverage alcohol products 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, or termination difficulties or costs, or impairment in recorded value
- Inadequate protection of our intellectual property rights
- Product recalls or other product liability claims; product counterfeiting, tampering, contamination, or product quality issues
- Significant legal disputes and proceedings; government investigations (particularly of industry or company business, trade or marketing practices)
- 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.

CONTACT US

For more information on Brown-Forman's Corporate Responsibility Efforts, please write to Brown-Forman Corporation, Office of Corporate Responsibility, 850 Dixie Hwy, Louisville, Kentucky, 40210, U.S.A. or via email at Brown-Forman@b-f.com.

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