



MILLERCOORS 2012
SUSTAINABILITY REPORT

GREAT THINGS ON TAP



“At MillerCoors, we recognize that we have great responsibility for the way we conduct our business. We share our communities' concerns. And we know that to be America's best beer company, we must be a leader.”

—Tom Long, chief executive officer

Message from Leadership

At MillerCoors, we know what it takes to be a great brewer. We need water for our beer, energy to fuel our operations, people to sustain our company and strong communities. We also must minimize our impact on the environment and have a positive influence on the communities where we live and sell our products. The *MillerCoors 2012 Sustainability Report* outlines our progress over the past year in this endeavor.

We believe in identifying our challenges, setting specific goals and carefully tracking our progress. For instance, preventing drunk driving is an important issue for our communities and the sustainability of our industry. We sponsor programs to provide alternative transportation, encourage people to drink responsibly and always have a designated driver. In 2009, we set a goal to have 6 million people pledge to take a safe ride by 2015. By 2011, more than 4.6 million people took the pledge not to drink and drive. We then stretched our goal to 10 million pledges by 2015.

Because our products are rooted in agriculture and brewed with water, we need a healthy environment. Increasing demand for high-quality water can affect all aspects of our business from the barley field to the bottling line. We strive to tap our water resources sustainably, not only for the long-term success of MillerCoors, but also to protect the communities we serve. We set a goal to reduce water usage in our breweries by 15 percent between 2008 and 2015. We are making good progress toward that goal, but we can and will do more. In 2011, we started developing a comprehensive strategy to evaluate every way in which we touch water. We look forward to providing updates in next year's report about our complete water strategy.

We are committed to fostering greater transparency at MillerCoors. We ask our top suppliers to disclose their sustainability practices so we can reduce risk throughout our supply chain. As in prior reports, we have solicited input from outside stakeholders to provide third-party perspectives on our successes and suggest areas for improvement. We are proud to announce that in this year's report, we are formally disclosing our management approaches to sustainable business practices at MillerCoors—a final step in achieving a B application level through the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines* version 3.1.



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—Tom Long, chief executive officer

When you review our *MillerCoors 2012 Sustainability Report* on our new interactive website, I hope you will share our pride in what we have accomplished. All of our people—from the brewhouse to our supply chain—help us achieve our sustainability goals. Our people do more than just implement our strategies. They share in the responsibility of developing new ideas and initiatives that drive sustainability. We are on a perpetual journey to improve.

At MillerCoors, we recognize that we have great responsibility for the way we conduct our business. We share our communities' concerns. And we know that to be America's best beer company, we must be a leader.

Tom Long
Chief Executive Officer



Report Overview

Welcome to the *MillerCoors 2012 Sustainability Report*, where we communicate our challenges and successes in embracing sustainability at MillerCoors. From the barley field to the brewery floor, we strive to promote responsible beer consumption, reduce our environmental impact and support our people and communities. At MillerCoors, we strive to lead our industry in sustainable business practices as we create America's best beer company. To create America's best beer company, we must report openly about our ongoing commitment to sustainable business practices. In our fourth annual report, available in full at www.millercoors.com, we share all that we have accomplished over the past year and the great plans we have on tap to embrace sustainability at MillerCoors.

Sustainability Strategy

Our *MillerCoors 2012 Sustainability Report* is an opportunity for us to share our challenges and successes in sustainability. Our model for sustainable business practices identifies five primary areas for growing our business the right way:

- Responsibility
- Environmental stewardship
- Supply chain
- People and communities
- Ethics and transparency

This model helps our stakeholders understand which issues are the most relevant for our business, and our report is organized in accordance with this five-part model.

This summary report presents an abbreviated overview of our efforts and progress against our key five areas, with a more comprehensive set of information available through our online *2012 Sustainability Report* found at www.millercoors.com/great-beer-great-responsibility.

We follow the Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines* version 3.1 as the framework for our annual sustainability report, and we work with internal and external stakeholders to evaluate the sustainability of our business, set goals and report on our progress toward those goals. We also share a commitment to the U.N. Global Compact and other external initiatives.

We track our annual progress through our Sustainability Assessment Matrix (SAM) and our 2015 goals. SAM is a measurement tool and benchmarking system based on input from the GRI guidelines and U.N. Global Compact Principles. Twice yearly, we report our SAM scores to our parent companies, SABMiller plc and Molson Coors Brewing Co. Separately, we set goals for 2015 for our most material issues in each of our five primary areas of responsibility. We also annually report on our progress toward our 2015 goals. This summary report shares our progress against our 2015 goals in particular, and greater detail about the GRI and our SAM measures is available through our online report.

By the Numbers

Following is a snapshot of noteworthy numbers for each of our five primary areas of focus.

RESPONSIBILITY

We encourage responsible beer consumption and believe it is essential to growing our business the right way.



- **\$230,000** in grants through the Great Plays Grant Program to encourage preventing underage access and reduce harm-related behavior at eligible college campuses
- **794,754** phone calls to 1-800-TAXICAB
- **556,675** free rides provided through the Miller Lite Free Rides™ program
- **5.5 million** people participated in a MillerCoors safe ride home program, 2009 through year end 2011
- **5,356** Gold Cup soccer fans pledged to drink responsibly or received taxicab vouchers

ENVIRONMENTAL STEWARDSHIP

We strive to represent environmental stewardship throughout the life cycle of our products.



- **100-million-gallons-per-year** reduction in water consumption through use of a new cooling system using recirculated water at our Milwaukee Brewery
- Five of our eight breweries achieved water-to-beer ratios less than 4.00:1
- **4.3 percent** reduction since 2008 in our overall energy consumption per barrel of beer across our eight major breweries
- **100 percent** landfill-free for waste from our Trenton, Irwindale, Eden and Shenandoah Breweries
- **17.2-million-pound** reduction in the weight of packaging materials

SUPPLY CHAIN

We ask our suppliers to share in our commitment to sustainable business practices from the barley field to the delivery truck.



- **10,000-plus** businesses providing barley, hops, malt, water, transportation, containers, packaging, advertising and marketing, wholesaler services, retail outlets and other services comprise our supply chain
- **80 percent** of our overall procurement each year comes from our top 100 suppliers
- **124.5 million** gallons of water saved while increasing barley yields in the first year of our Showcase Barley Farm
- **800** barley growers in our Grower Direct program provide 75 percent of our barley
- **\$1.27 billion** spent with minority- and women-owned businesses since 2009

PEOPLE AND COMMUNITIES

We sustain our company and support our communities through our people.



- **53,000+** hours of volunteering donated by employees and their families
- **23 percent** drop in our workers compensation claims between July 2008 and July 2011
- **\$12.7 million** in employee and corporate donations to nonprofits
- **380,000-plus** hours of classroom and online training in business and leadership provided to employees through MillerCoors University
- **\$550,000-plus** investment in tuition reimbursement to 177 employees

ETHICS AND TRANSPARENCY

We consider ethical behavior and transparency vital to creating America's best beer company.



- **2008** is the year MillerCoors was formed as a joint venture of SABMiller plc and Molson Coors Brewing Co.
- **Four times** per year, our Board of Directors' Audit Committee meets to oversee our responsibility efforts across all functions, including sustainability
- **36** employees from all aspects of our business comprise our Sustainability Leadership Council, which sets goals and guides the MillerCoors sustainability strategy
- **3.92** overall SAM score for the fiscal year ending March 31, 2012, a 7 percent increase from the past fiscal year
- **\$0** in fines for instances of noncompliance from April 1, 2011, to March 31, 2012



Responsibility

At MillerCoors, we believe Responsibility is an essential part of our growth as America's best beer company. We care how our products are portrayed in advertisements and how our products are used by our consumers. So we partner with distributors and retailers, parents, and public and private organizations to promote the responsible marketing and enjoyment of our beers. We promote responsibility not only because it protects our reputation, but also because it protects our friends, our neighbors and our communities.



WEB CONTENT

[millercoors.com/great-beer-great-responsibility/
Responsibility.aspx](http://millercoors.com/great-beer-great-responsibility/Responsibility.aspx)

2015 GOAL

Participate in a safe ride home program.

2015 Goal	10 M
2011	5.5 M
2009 Baseline	1.8 M



Our 2015 goal for responsibility was originally to encourage 6 million people to participate in a safe ride home program over the period from 2009 to 2015. Because we expect to reach our goal well in advance of 2015, we've adjusted the goal to 10 million participants.

Responsible Marketing Practices

At MillerCoors, our marketing must meet strict requirements that go above and beyond simple regulatory compliance and industry standards. We self-regulate our marketing and advertisements to confirm they focus on legal-drinking-age audiences and meet our rigorous internal



We care greatly how our advertisements and marketing are perceived.

standards. We care how our products are portrayed not only because our advertisements are a reflection of our brand, but also because responsible advertising shows our respect for our consumers and our communities.

MillerCoors complies with the Federal Trade Commission's standards, including that the content of our advertisements should appeal primarily to people age 21 years and older. MillerCoors is a member of the [Beer Institute](#), an organization working to develop sound public policy for the beer industry.

10 MILLION STRONG BY 2015

-  **794,754** phone calls to 1-800-TAXICAB*
-  **556,675** free bus rides*
-  **53,776** designated driver pledges*

*Measures from 2011.

MillerCoors abides by the [Beer Institute's Advertising and Marketing Code](#), which is regularly updated to reflect changing social, commercial and technological conditions. We more than just meet federal and industry standards for alcohol advertising—we exceed these standards through our own internal policies that rigorously self-govern how we advertise and market our products. We have written our own Marketing Compliance Code for use in TV, radio, print and online advertising, on college campuses and at sports and entertainment events. Our Marketing Compliance Committee (MCC) includes representatives from MillerCoors responsibility, marketing, communications and legal teams.

Drunk Driving Prevention

We want people to get home safely, so we have developed several initiatives to help consumers choose safe alternatives to driving drunk:

- Sponsoring 1-800-TAXICAB
- Providing free rides
- Pledging to use a designated driver

10 Million Strong At MillerCoors, we established a goal in 2009 to encourage six million people to plan ahead and take a safe ride home over the time period of 2009 to 2015. Cumulatively, from 2009 through the end of 2011, we engaged more than 5.5 million people in planning ahead and taking a safe ride home. Rather than just celebrate our success in approaching our goal early, we set our standards higher. We have now raised the bar on our 2015 goal to target 10 million people.

“We want fans to enjoy the game, get home safely and remember the occasion for all the right reasons.”

—Kim Marotta, director sustainability

1-800-TAXICAB MillerCoors is the exclusive sponsor of 1-800-TAXICAB, a toll-free phone number that connects passengers to locally owned taxicab companies. In 2011, consumers made 794,754 phone calls to 1-800-TAXICAB, visited the www.1800taxicab.com website more than 1.3 million times and used 1,877 discounted taxicab vouchers issued by MillerCoors.

Miller Lite Free Rides™ The Miller Lite Free Rides™ program is one way people celebrating can get home safely on holidays and during special events. By working with transit authorities and other partners, we sponsor free bus, light rail and taxicab rides as well as free shuttle service along designated routes in certain cities. From its initial launch in 1988, more than three million people have taken advantage of a safe ride through this program. In 2011 alone, we provided 556,675 free rides.

Underage Access Prevention

MillerCoors position on underage drinking is simple—we do not want underage consumers. But our strategy to reduce underage drinking is complex. We work with stakeholders, including the Federal Trade Commission, local law enforcement, parents, distributors, retailers and community groups to help prevent underage access to alcohol. We care greatly about preventing underage drinking. After all, we are parents, too.

Case Study: Great Plays Grant Program

Each day college students have the ability and opportunity to make decisions that result in positive outcomes—the great plays in their lives—that help them thrive and be successful. Choosing not to abuse alcohol is one of the greatest plays a student can make.

To encourage students to make responsible choices and reinforce our responsible college marketing guidelines, we formed our Great Plays Grant Program in 2011. Each year, all universities that agree to participate in MillerCoors college sports marketing partnerships are eligible for a \$10,000 Great Plays grant. Schools can then use the grant on programs such as drunk driving prevention, efforts to change students' drinking behaviors and to raise awareness of harmful behavior that results from dangerous levels of

consumption. Grants were issued for the first time in 2012. To date, 23 schools submitted successful applications to receive \$10,000 grants, for a total of \$230,000 in grants supported by MillerCoors. We are also sponsoring a competition in 2012 for a one-time \$75,000 grant to an eligible college or university to research the most effective prevention programming used on its campus.

We partnered with the Alcoholic Beverage Medical Research Foundation (ABMRF) to administer the program. ABMRF is a private foundation that supports research to understand the effects of alcohol on health and behavior. ABMRF serves as an independent, scientific consultant for the review of the grant applications.

Parents Matter Research shows that parents have the single greatest influence on whether underage people drink. At MillerCoors, we cooperate with experts in the fields of education, family therapy, law enforcement and student health and wellness to help parents find ways to teach their kids to make responsible decisions. We want the best for our kids, and we want the best for your kids, too.

“Our distributors are essential allies in our efforts to prevent the sale of alcohol to anyone under age 21.”

—John Gavin, general manager, sales

Distributors and Retailers: Essential Allies Our distributors are essential allies in our efforts to prevent the sale of alcohol to anyone under age 21. They help us bring consistent, important messages to educate retailers, inform consumers and bring solutions to communities. We have developed or sponsored a number of programs to support our distributors in their efforts to reduce underage access to our products, discourage irresponsible consumption and help prevent drunk driving. Together, we are building a multipart strategy to achieve one simple goal—zero underage consumers.

Preventing Underage Access at Retail MillerCoors developed the Respect 21™ program with Brandeis University and the Responsible Retailing Forum to help communities raise awareness and guide retailers in improving practices to prevent underage access to alcohol. We provide our distributors with point-of-sale materials and a guide to responsible retailing practices to share with retail accounts in Respect 21 communities, and then track and report on effectiveness based on mystery shopper visits. We believe the Respect 21™ program has real and immediate results in reducing underage access to alcohol. That is why we expanded the program in 2011 to four new cities. We also extended the program model from a six-month to a 12-month approach. Since its inception, 23 communities and 1,198 retailers around the U.S. have benefited from Respect 21.

Preventing Underage Access at Bars and Restaurants

Responsible alcohol service at bars and restaurants is in everyone's best interest. To help prevent underage drinking, drunk driving and alcohol abuse, we are a founding sponsor of [Training for Intervention Procedures](#) (TIPS), a nationwide program that trains servers to recognize and intervene in potential alcohol-related irresponsible behaviors. In the past 20 years, TIPS has trained more than three million bartenders and servers on how drinking can affect behavior, how to prevent underage access and how to prevent alcohol abuse.

Responsibility on College Campuses

We play an important role in preventing underage access and promoting responsible decision making on college campuses. MillerCoors works with local communities, our distributors and universities to establish appropriate marketing guidelines and develop programs to encourage responsible behavior.

Our goal is to create awareness and education about:

- Legal drinking age
- Drinking responsibly
- Getting home safely and designating a driver

Responsible Fan Behavior

We applaud our fans who enjoy our beers responsibly at sporting and entertainment venues. Together with our sports leagues and concessionaires, we promote designated driver programs and encourage fans to stay in control and get home safely. We prepared a Sports Alliance Responsibility Playbook and Special Events Guide to provide our partners with tools and products to promote responsible fan behavior. Whether at a baseball game, soccer game or music festival, we ask our fans to step up and pledge to drink responsibly or designate a driver—because when our fans make smart choices, everybody wins.

As sponsors for the Gold Cup 2011, we fielded our own team to score a goal for responsible fan behavior. While fans gathered to cheer on their favorite soccer team, MillerCoors educated consumers that drunk driving is completely preventable. We encouraged fans to pledge to be

designated drivers and rewarded them with Miller Lite promotional items and great prizes throughout the tournament. A total of 5,356 fans either pledged to drink responsibly or received taxicab vouchers through our 2011 Gold Cup soccer responsible consumption program.

The Arizona Diamondbacks and Colorado Rockies competed in a MillerCoors sponsored designated driver challenge, vying for the most fans to pledge to be designated drivers during the 2011 Major League Baseball season. MillerCoors sponsored the program with the [Techniques for Effective Alcohol Management \(TEAM\) Coalition](#), state offices of highway safety, state patrol offices and the concessionaires at both Chase Field and Coors Field. Over 81 games, the Diamondbacks obtained 18,419 designated drivers versus the Rockies' 11,025 designated drivers. Both teams will take on the challenge again in 2012 with the goal of increasing the number of fans who pledge to be a designated driver at both stadiums.



We encourage fans to drink responsibly, use designated drivers and never drive drunk.

Employee Training

At MillerCoors, we are serious about the issues surrounding irresponsible drinking. As employees, we are proud to work at MillerCoors—our beers are enjoyed responsibly by millions of adults every day—but we realize that we have a special obligation to model responsible behavior whether we are inside our workplaces, at a bar with friends or cheering on our favorite teams at an arena.

Employee Alcohol Policy As employees at MillerCoors, we recognize that our choices can affect MillerCoors reputation, safety in our workplaces and compliance with applicable laws. Because we care about the harmful effects of irresponsible alcohol consumption, we strive to set uniform standards for employee behavior inside and outside of the workplace. To help guide employees in making appropriate decisions, MillerCoors has established a clear Employee Alcohol Policy. Our Policy covers employee personal conduct, company-sponsored events, driving while impaired by alcohol and providing alcohol to anyone not of legal drinking age. We expect every employee to read and acknowledge the Policy annually. And we ask every employee to support our Policy in both their professional and personal lives.



As ambassadors for MillerCoors, employees enhance our reputation by demonstrating a responsible attitude towards drinking.

Alcohol, Behavior and Communication (AB&C) Training We launched a company-wide training program, Alcohol, Behavior and Communication (AB&C), to address key alcohol issues affecting our industry, prevent employee alcohol abuse and promote responsible consumption. AB&C Training also addresses societal concerns regarding alcohol consumption and helps employees find positive ways to communicate about these topics with others both inside and outside the workplace. AB&C training is provided to new employees when they initially join MillerCoors. Current employees repeat the training every three years, with the next round of training scheduled for 2013.

2011 Highlights

- Launched the Great Plays Grant Program to provide eligible colleges and universities \$10,000 grants to support responsible consumption efforts for legal-age students.
- Implemented the Respect 21™ program in a total of 23 communities and 1,198 retailers around the U.S. since the program's inception.
- Achieved a record 794,754 phone calls and more than 1.3 million webpage visits to 1-800-TAXICAB.
- Hosted our Gold Cup soccer responsible consumption program in which a total of 5,356 fans pledged to drink responsibly or received taxicab vouchers.
- Received more than 1,500 fan pledges to be designated drivers at the National Hockey League Winter Classic.



Environmental Stewardship

At MillerCoors, we strive to represent environmental stewardship throughout the life cycle of our products. Because our beers are rooted in agriculture, brewed with water, produced with energy and stored in packaging, we have focused on reducing our environmental impacts related to:

- Water
- Energy and emissions
- Packaging
- Waste



WEB CONTENT

[millercoors.com/great-beer-great-responsibility/
Environmental-Stewardship.aspx](http://millercoors.com/great-beer-great-responsibility/Environmental-Stewardship.aspx)

2015 GOAL

Reduce water usage by 15% to achieve a 3.5:1.0 water-to-beer ratio.

2015 Goal	3.5:1.0
2011	4.07:1.0
2008 Baseline	4.1:1.0



Our 2015 goal for water efficiency is a water-to-beer ratio of 3.5 to 1. This is equivalent to a 15 percent reduction in water use from our baseline ratio of 4.1 to 1.

Water Resources

Water is a significant part of every stage of our business, from the barley field to the brewery to the bottle. The availability of quality fresh water is critical not only to MillerCoors, but also the communities we serve. For the long-term success of our business, our communities and the environment, we strive to tap our water resources sustainably.

Strategy for Preserving Water Great beer needs great water. To help protect our most essential ingredient, we have established a five-part water stewardship strategy:

- Water Usage: Improve water efficiency in our operations
- Wastewater: Protect water quality through strict wastewater management controls
- Water Footprinting: Understand our water footprint and reduce water usage in our supply chain
- Watershed Assessments: Understand our brewery watersheds through risk assessment
- Community Partnerships: Support water stewardship in our communities

Water Footprinting We are working to understand our full water "footprint"—how, when and where we use water in our business and supply chain. Water is used to grow crops, brew beer, clean equipment, produce packaging materials, generate energy and chill beer. We found that more than 95 percent of the water used to produce beer comes from the agricultural supply chain. For this reason, in 2011, we began studying how water is used in our agricultural chain.

Watershed Assessments Water is a finite resource, and the availability of quality water is critical to the sustainability of MillerCoors. We have evaluated the eight watersheds that serve our largest breweries

to better understand the physical, regulatory and social factors that affect our long-term access to quality water.

Water Usage

Sustainability at MillerCoors requires brewing great beer while using less water in our processes. Three of our eight major breweries and parts of our agricultural supply chain are located in or near water-stressed regions, so we emphasize advancing water efficiency initiatives at these locations.



Farm owners John and Elizabeth Stevenson stand in front of an irrigation tower on Hillside Farms, where they grow barley used in MillerCoors beer.

“Thanks to the support and leadership from MillerCoors, thousands of people around the country are actively engaged with projects that will have long-term benefits for water resources in their community and state.”

—Todd Ambs, president of River Network

Key Achievements in Waste Reduction



1. New Recycling Center at the Eden Brewery
2. Paper Reduction at Milwaukee Campus
3. More Efficient Truck Trips from the Trenton Brewery
4. Operation Zero Waste at the Golden Brewery
5. Earth Week at the Chicago Headquarters

Water Usage in 2011 Meeting our high-performance goals to improve water efficiency has been a challenge. In 2011, we achieved a water-to-beer ratio of 4.07:1 averaged across our eight major breweries. The Fort Worth Brewery performed best with a 3.53:1 water-to-beer ratio. Five of our eight breweries achieved water-to-beer ratios under 4.00:1, which is below the industry average of 5.00:1.

We track our water usage and beer production separately at each of our breweries. Each year, we use those numbers to calculate a weighted average for the company's overall water-to-beer ratio. Individual breweries that make relatively large volumes of beer each year have a greater influence on the companywide ratio. In 2011, two breweries producing larger volumes of beer had higher water-to-beer ratios than the six other breweries. That drove our average water-to-beer ratio to more than 4.00:1, despite five breweries recording significantly lower ratios.

Reducing Our Dependence on Water We continuously investigate ways to reduce water usage in our breweries. Where possible, we are replacing water-dependent processes with new technologies and systems that do the same job, either with less water or without water entirely.

Case Study: South American Brewery Benchmark Trip

In January 2011, a team from MillerCoors visited three SABMiller plc-affiliated South American breweries that have successfully reduced water and energy use in their operations and reduced their environmental footprint in the region. The Arequipa and Ate Breweries in Peru and the Boyacá Brewery in Colombia were chosen for this benchmark trip because they have achieved strong results in reducing energy and water use, improved process efficiency and decreased beer loss.

When the MillerCoors team visited, they observed first-hand the South American breweries' sustainable environmental practices. To improve energy efficiency, the breweries recover and reuse heat energy and recover and reuse steam energy from brewhouse operations. The breweries are filled with windows that take advantage of natural light, thereby reducing demand for electric lighting. To reduce water usage, the breweries optimize beer pipe and beer tank cleaning systems and, where possible, use their last rinse cycle to start the next cleaning cycle. Brewery grounds are landscaped with drought-tolerant plants to reduce demand for irrigation. To reduce waste, the breweries carefully maintain their equipment for

maximum operational efficiency with a focus on avoiding spilling or wasting product.

The MillerCoors team was particularly impressed by the South American breweries' use of short-interval controls, a process by which employees monitor brewery performance in real time at several intervals within a work shift. Short-interval controls give brewery managers a chance to quickly correct problems or take advantage of opportunities as they arise and directly engage employees in day-to-day brewery operations.

Based on the MillerCoors team's experiences, we developed a plan to incorporate the South American breweries' short-interval control and other best practices into our U.S. operations. We focused on how we can achieve our sustainability objectives in part through capital expenditures for new innovative technology or for upgrades to older equipment to improve efficiency. However, we also asked our management and all of our employees to help identify and implement improved work practices with the end goal of using water and energy more efficiently.



Given our roots in the Rocky Mountains and near the shores of Lake Michigan, we take water stewardship very seriously.

One example is with our water reclamation system at the Milwaukee Brewery: In 2011, MillerCoors completed construction of a \$5 million new cooling system at this brewery. The new system uses recirculated water rather than fresh incoming water, saving 100 million gallons of water annually—enough water to fill 1 billion 12-ounce cans.

Water Quality

Great Water Quality MillerCoors breweries employ a variety of water treatment processes designed to provide safe and consistent water quality from batch to batch and brewery to brewery. More than 150 water quality checks are performed throughout the brewing process to verify that water used to make our products not only meets all U.S. Environmental Protection Agency drinking water requirements, but also meets our own internal standards for producing high-quality beers with consistent flavor.

Safe Wastewater After the brewing process, we capture and reuse water in our operations—although we do not reuse water as an ingredient in our beer or in any area where it would come into contact with our products. When we do discharge wastewater, we do so carefully to minimize effects on the environment and comply with applicable laws and regulations. Our wastewater discharges are governed by the U.S. Clean Water Act, National Pollutant Discharge Elimination System and other federal, state and local regulations.

Water Stewardship

Our breweries are located near high-quality water supplies because water is an essential ingredient in beer. We want to have a positive impact on the water supplies in our communities, and we provide support, grant funding, community outreach and other resources to a range of organizations involved in local water stewardship activities.



The availability of quality fresh water is critical not only to MillerCoors, but also the communities we serve.

September Is Great Water Month Each September, we support our communities' watersheds during Great Water Month, our company-wide month of water stewardship. In 2011, more than 1,100 employees, distributor partners and retailers logged more than 3,300 cumulative volunteer hours working with local nonprofits focused on improving and preserving water resources. Employees participated in a variety of events, including cleaning up rivers and beaches, testing water quality, removing invasive species, repairing river banks, planting trees and other activities.



MillerCoors employees volunteering during Great Water Month in 2011.

Leinenkugel's Canoes for a Cause In recognition of our strong ties to lakes, rivers and freshwater waterways in the upper Midwest, Jacob Leinenkugel Brewing Company's Canoes for a Cause initiative sponsors water conservation and watershed protection activities.

Leinenkugel's teamed with [Friends of the Chicago River](#) to sponsor the 19th annual Chicago River Day in May 2011. Leinenkugel's sponsored 400 volunteers to clean up trash, improve trails and plant native seedlings at four sites along the Chicago River. In July 2011, Leinenkugel's hosted the Friendly Float, a canoe ride down the Chicago River. Jake and John Leinenkugel led a fleet of 75 canoes to draw awareness to the need to improve the Chicago River watershed.

2011 River Network Grant Competition MillerCoors and [River Network](#), a national nonprofit conservation organization focused on improving the health of rivers and watersheds, joined together to award grants to support nonprofit organizations focused on water conservation and education across the country. MillerCoors donated \$80,000 to River Network in support of the program. Grant winners were announced in March 2011. North Carolina Big Sweep claimed first place and was awarded \$30,000 to use toward a statewide cleanup effort and to implement a litter awareness campaign to help improve water quality in all 100 counties in North Carolina.

Energy and Emissions

At MillerCoors, we are rising to the challenge of meeting our energy usage goals. We are reducing our energy consumption, exploring new opportunities to use renewable energy sources and shrinking our carbon footprint. We are on target to reduce our overall energy usage by 15 percent across our eight major breweries by 2015.

New Calculation Method, Same Goal Our parent company SABMiller plc adopted the Greenhouse Gas Protocol Initiative method for reporting total energy usage and fossil fuel emissions for more

transparent and consistent global reporting. This method is derived from the [Intergovernmental Panel on Climate Change](#) established by the U.N. Environment Programme and the World Meteorological Organization. Starting in 2011, we adopted this new method for calculating energy usage, which necessitated the recalculation of our 2008 baseline and 2015 target.

After accounting for fuel used by vehicles on the brewery sites and for inefficiencies from using wastewater-derived biogas to produce electricity, we have calculated a new 2015 target of 137 megajoules (MJ) of energy to brew one hectoliter (hl) of beer. This represents a 15 percent reduction from a 2008 baseline of 161 MJ/hl. Although our method for calculating energy usage has changed, our goal has not—we still aim to reduce our overall energy usage by 15 percent across our eight major breweries by 2015.

Energy Usage in 2011 We successfully met our goal in 2011 to improve energy efficiency. We reduced energy usage across our eight major breweries to 154 MJ/hl, a 4.3 percent decline from our 2008 baseline. We have established detailed plans for both operational improvements and engineered solutions to continue progress towards our 2015 goal of a 15 percent reduction in energy usage.

2015 GOAL

Reduce total energy use by 15%.

2015 Goal	137 MJ/hl
2011	154 MJ/hl
2008 Baseline	161 MJ/hl



Our 2015 goal for energy use is 137 MJ/hl. Reaching the goal requires a 15 percent reduction in energy use from our baseline ratio of 161 MJ/hl.

Cutting Our Carbon Footprint At MillerCoors, we are working to reduce our greenhouse gas emissions from our brewery operations and the energy sources that support those operations. By improving our energy efficiency, we also reduce our greenhouse gas emissions. We are evaluating alternative energy sources and plan to increase our use of biogas from brewery wastewater treatment.

Reducing Our Energy and Emissions Environmental responsibility means developing new ways to reduce energy consumption, minimize our greenhouse gas emissions and use alternative energy sources. Following are select examples of our activities in this area:

- **Cool Roof Coating:** On approximately 500,000 square feet of the packing hall roof at our Albany Brewery, we have applied a white coating that reflects 87 percent of the sun's rays. This "cool roof" coating makes the building interior cooler and more comfortable

for our employees and reduces the amount of energy needed to operate air handling units and other motors in the building.

- **Renewable Energy from Wastewater:** MillerCoors uses wastewater as a source of renewable energy. At our Irwindale, Fort Worth and Shenandoah Breweries, we generate biogas from wastewater. We use the biogas in place of fossil fuels to power our boilers and to generate electricity.

Sustainable Packaging

In 1959, Coors revolutionized the beverage industry with the introduction of the recyclable two-piece aluminium can to replace the tin cans used at the time. At MillerCoors, we still see our packaging as an opportunity to deliver great beer with less environmental impact. We work with our suppliers to develop new ways to lighten materials and eliminate unnecessary packaging in our beverage containers, in our operations, at retailers and throughout our supply chain.



Did You Know? We used a lighter gauge metal on bottle crowns, allowing us to save 600,000 pounds of packaging annually.

Reducing Packaging in 2011 Our 2015 goal is to reduce the overall annual weight of all of our packaging throughout the supply chain by 2 percent, or 68 million pounds in packaging materials. By the end of 2011, we reduced the weight of our packaging materials by 0.66 percent, or 17.2 million pounds of packaging. That is equal to the weight of more than 1 million full kegs of beer.

Innovative Solutions to Reduce Paperboard In 2011, we reduced our paperboard and corrugated board use by approximately 1.6 million pounds. Our new initiatives are listed below:

- We reduced our 2011 paperboard usage by more than 1 million pounds by standardizing our six-pack bottle paperboard containers to a single design.
- In October 2011 at our Irwindale Brewery, we switched from full cartons to trays for the manufacture and distribution of our 24-ounce-can 12-packs. In just three months, we saved nearly 560,000 pounds of corrugated paper.
- We use paperboard trays to manufacture and distribute our aluminum pints. In November 2011, we lowered the height of the trays by one-half inch and saved an estimated 31,000 pounds of paperboard in just two months.



At MillerCoors, we see our packaging as an opportunity to deliver great beer with less environmental impact.

Also in 2011, our engineers tested new lighter paperboard for our 12-pack bottle containers. We fully implemented the new containers in February 2012 and will reduce our annual paperboard use by an estimated 4.2 million pounds.

Reusable Plastic in Our Distribution Historically, we used lumber, plywood and corrugated cardboard to package and protect our products during truck and rail transportation from our breweries to our retailers. By working with our distributors to replace these disposable materials with reusable plastic, we save more than 41,000 trees and keep an estimated 17,000 tons of material out of landfills each year.

2015 GOAL

Reduce all packaging throughout the supply chain by 2%.

2015 Goal	2%
2011	.66%
2008 Baseline	—



Our 2015 goal is to reduce the overall annual weight of all of our packaging throughout the supply chain by 2 percent. Since 2008, we've reduced the weight of our packaging materials by 0.66 percent.

Waste Reduction

We are professionals at recycling. More than 50 years ago, Bill Coors began a program called Cash for Cans, offering consumers a penny per

can or bottle returned for recycling. By 1965, the company collected more than 13 million cans with a nearly 85 percent recovery rate. We still believe that waste can be reduced, reused or recycled and are working to achieve zero waste to landfill at our eight major breweries.

Waste to Landfill in 2011 Our employees are at the root of our tremendous success with reducing waste sent to landfills (waste to landfill). Four years ago, we established a goal to reduce waste to landfills by 15 percent by 2015 from a 2008 baseline. By the end of 2010, we coasted right past our goal and succeeded in reducing waste by 32 percent. We increased our goal to reduce waste to landfill by 50 percent by 2015. By the end of 2011, we exceeded our goal again and reduced waste to landfill by 55 percent. We are now working to establish a new target. Congratulations to our Trenton, Irwindale, Eden and Shenandoah Breweries for achieving zero waste to landfill.

Waste Is a Resource out of Place We reuse or recycle more than 99 percent of our brewery waste, from the protein-rich residual brewer's grain and spent yeast to glass cullet, aluminum, plastic, wood and other materials. We turn "waste" into energy, compost and soil conditioner for our own use. We send the remaining by-products to companies that use them for many other beneficial purposes. For instance, by-products from our Albany Brewery are used to fertilize crops on an on-site 600-acre hay farm and 700-acre tree farm. Our Golden Brewery was the nation's first major brewery to supply the feedstock that a third-party uses to manufacture pure ethanol—which is then used to power flex fuel vehicles.

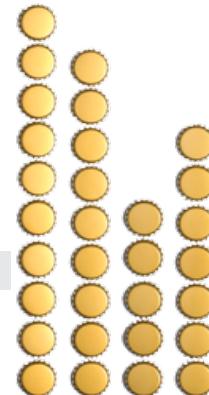
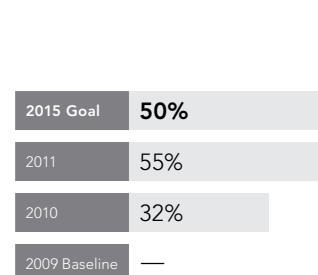


We reuse or recycle more than 99 percent of our brewery waste.

Vinyl Billboards Recycled into Coors Light Reusable Bags At two retail stores in Portland, Ore., and Vancouver, Wash., in 2011, we provided complimentary reusable grocery bags with purchase of our 24-packs of Coors Light cans. The reusable bags were made from recycled Coors Light vinyl billboards. Based on the program's success, we are growing the program to bring sustainability initiatives to new stores in 2012.

2015 GOAL

Reduce waste to landfill by 50%.



Our 2015 goal for waste reduction was a 15 percent decrease from a 2008 baseline. By the end of 2010, we achieved an overall reduction of 32 percent and 4 of our major breweries went all the way: none of their waste went to landfill. Before the year was over, we decided to set a new goal for 2015: a 50 percent reduction compared to 2008.

Coors Light Is an Official Recycling Partner at NASCAR As official sponsors of NASCAR, MillerCoors partners with Coca-Cola Co. to support a recycling program at NASCAR. By providing NASCAR fans with banners, recycling bags and corrugated recycling bins at races, we have created the largest recycling program in professional sports. We began the recycling program in 2010 at three tracks and expanded to five tracks in 2011. In 2012, we plan to expand the program to five or more additional tracks, including Charlotte and Talladega.

2011 Highlights

- We formed the MillerCoors Environmental Council to help us remain a world-class environmental partner in the communities where we work.
- We installed a new cooling system that uses recirculated water, saving 100 million gallons of water annually—enough to fill more than 1 billion 12-ounce cans.
- We reduced our energy consumption across our eight major breweries by 4.3 percent since 2008.
- By the end of 2011, we reduced the weight of our packaging materials by 17.2 million pounds. That is equal to the weight of more than 1 million kegs of beer.
- The Eden Brewery established a new recycling center as part of its ongoing commitment to remain zero waste to landfill.

WEB CONTENT

[millercoors.com/great-beer-great-responsibility/
Supply-Chain.aspx](http://millercoors.com/great-beer-great-responsibility/Supply-Chain.aspx)



Supply Chain

As one of America's largest beer companies, we have an opportunity to model leadership by promoting sustainability throughout our supply chain. From the barley field to the delivery truck, we ask our suppliers to share in our commitment to sustainable business practices. We ask our suppliers to support increased transparency, responsible sourcing and other sustainable environmental practices. We are committed to supplier diversity and are focused on increasing the participation of minority- and woman-owned businesses in our supply chain. In response, our suppliers help us achieve our sustainability goals and build a strong economy in our communities.

2015 GOAL

Cumulatively spend more than \$2.5 billion with diverse suppliers.

2015 Goal	\$2.5 B
2011	\$1.268 B
2010	\$834 M
2009 Baseline	\$353 M



Our 2015 goal for cumulative spend with diverse suppliers is \$2.5 billion. In 2011, we stayed on track, committing 8.8 percent of our addressable spend to diverse (minority- and woman-owned) businesses.

Responsible Sourcing

At MillerCoors, we are constantly evaluating the sustainable practices in our supplier networks. Our goals are to promote sustainability and to gain a better understanding of our social and environmental risks from the barley field to the delivery truck. As a critical step in meeting our goals, we are working on improving transparency throughout our supply chain.

Our Top Suppliers Historically, our top 100 suppliers by spend represented 80 percent of our overall procurement activity each year. Annually, we involve our top suppliers regarding their consistency with our responsible sourcing principles. Among other initiatives, we monitor their spending with small and diverse suppliers and look for opportunities to team up on environmental projects and programs. In 2011, we expanded our assessment to include our top 150 suppliers, and we are now re-evaluating our risk mitigation plans to account for this larger supplier group.

Supplier Ethical Data Exchange One of the major opportunities we see within our supply chain is to create a more robust and standardized environment for companies to share information about their sustainability practices. Just as we report on our sustainability goals and progress so that others can evaluate our sustainability, we benefit from similar data about the progress in sustainability achieved by our suppliers.

To help us select suppliers that are aligned with our values and reward their sustainability efforts with our purchasing power, we asked a number of our top suppliers to join the nonprofit [Supplier Ethical Data Exchange \(Sedex\)](#) in 2011. Sedex provides a standardized format, based on internationally recognized protocols, for companies to voluntarily report on their sustainability practices.

HIGH EXPECTATIONS FOR BARLEY FIVE MAJOR STANDARDS

COLOR PROTEIN

DAMAGED &
DISEASED KERNELS

PLUMPNESS MOISTURE

MillerCoors has the highest standards in the industry, which the barley must meet in order to be purchased.

Our short-term goal is to collect data on our highest risk priority areas of agriculture, packaging and promotional spend. In 2011, 11 suppliers with a total of 31 plants joined Sedex and are in the process of completing reports. Our long-term goals are to understand the effects of our procurement strategy on responsible sourcing, use the information provided by our suppliers to assess specific risks in our supply chain and implement independent auditing protocols.

Responsible Sourcing Principles We adopted our responsible sourcing principles in 2008, and we continue to utilize them to ensure that basic human rights are acknowledged and respected by both our own procurement initiatives and the initiatives of our suppliers. Our responsible sourcing principles are contained within our MillerCoors [Business Code of Conduct](#) and [Supplier Code of Conduct](#). These principles provide guidance regarding business conduct, working conditions, forced employment, child labor, wages, diversity, freedom of association and environmental issues.

“While being respectful of cultural differences, MillerCoors expects their primary suppliers to provide development of equal opportunities without discrimination on the grounds of races, religion, gender or any other arbitrary means.”

—Supplier Code of Conduct

Sustainable Agriculture

At MillerCoors, we take a hands-on approach to sourcing the high-quality grains we need to brew our high-quality beers. We work directly with hundreds of barley growers to develop great quality barley and long-term sustainable barley production. We support initiatives to protect the water and land in barley-growing regions.



We foster strong relationships with our barley growers.

Grower Direct Program Our Grower Direct program provides as much as 75 percent of the barley we use to make our beers. Through this program, MillerCoors contracts directly with approximately 800 barley growers in Colorado, Idaho, Montana and Wyoming. Our growers agree to use our barley seeds, and their resulting barley crops must meet high standards. The MillerCoors team of expert agronomists

Case Study: Better Barley

To meet current and future challenges in our barley supply chain, the MillerCoors research and development team focuses on developing new:

- Winter-hardy barley varieties
- Dry land barley varieties that can be grown without irrigation
- Irrigation techniques and other agricultural practices for barley farming

R&D for Improving Barley Varieties We are developing new barley varieties by targeting select traits to:

- Introduce shorter, stronger stems to increase the "standability" of the barley plant. Standability means the barley can remain upright under all growing conditions, so that it will fill with the maximum number of barley seeds, thereby increasing yield.
- Optimize the protein concentrations in barley and reduce variability in protein concentrations from year to year. Protein concentration is critical to barley quality.
- Improve the reliability of the barley crop over a range of growing conditions, including cold winters and dry conditions.

Once we develop new barley varieties or agricultural practices, we test them on our company research farms. On our 160-acre farm in southern Idaho and our 1,200-acre irrigated farm in southern Colorado, we test different farming techniques and strategies and implement best practices for growing our thousands of experimental barley lines, as well as our MillerCoors Moravian barley varieties.

Winter Hardiness in Barley Varieties Barley varieties with greater cold tolerance can survive the winter, which benefits our growers, MillerCoors and the environment. Winter-hardy barley increases yields, reduces water requirements and provides continual ground cover that reduces soil erosion and improves water quality. Our teams are evaluating new barley varieties developed by the U.S. Department of Agriculture's Agricultural Research Service team for their winter-hardiness and a malting quality that meets our high standards.

Dry Land Barley Varieties To reduce reliance on water in barley production, we are also continuing to develop and test dry

land barley varieties—barley varieties that can be grown without irrigation. These dry land barley variety trials have been successful and we are now planning the next steps towards approving the variety, developed by Montana State University, for use in our beers.

Protecting Silver Creek Valley Silver Creek is a unique, high desert spring creek system surrounded by fertile agricultural ground in southern central Idaho. [The Nature Conservancy](#) manages a large nature preserve surrounding the headwaters of Silver Creek. Since we source some of our barley from the Silver Creek Valley, we teamed up with our growers and the Nature Conservancy starting in 2008 to restore wetland habitat, conserve water and monitor stream flows and water temperatures at Silver Creek.

Irrigation Techniques on Our Showcase Barley Farm Because barley is an integral ingredient to beer, we have experimented with precision irrigation techniques to grow high-quality barley with less water. In 2011, we partnered with the Nature Conservancy to test multiple water conservation practices on a Showcase Barley Farm in Silver Creek Valley, Idaho.

In the first year of the farm, precision irrigation techniques actually increased crop yields while reducing demand for energy and water. In one year, the farm saved 124.5 million gallons of water, which is enough water to meet the needs of a family of four for more than 850 years. The water savings equates to a 9 percent reduction in total water use for a farm that uses more than a billion gallons of water a season.

Increasing Barley Yields By developing new barley varieties and improving agriculture production systems, we have improved barley yield and quality over time. The increase in yield is achieved without increasing water usage. As a result, our growers are able to produce more barley with less water. In Idaho, barley yields increased 35 percent since the 1970s, from 100 bushels per acre to 135 bushels per acre. Improved barley yields in 2011 saved 7.35 billion gallons of water relative to our barley yields in the 1970s. That is enough water to meet the domestic water needs for more than 20,000 people in the U.S. for 10 years.

Water As A Crop™ MillerCoors is proud to be a primary sponsor of the [Water As A Crop™](#) pilot project aimed at implementing conservation practices on private lands along the Trinity River, a vital water source for Dallas, Fort Worth and Houston, Texas. Located southeast of our Fort Worth Brewery, the Water As A Crop project supports our commitment to sustainable water management.

Through this initiative, the Sand County Foundation teams with landowners and conservation groups to protect and restore watersheds on private lands. To encourage voluntary conservation practices, MillerCoors provides financial support to reimburse farmers and ranchers for the costs to implement watershed projects that naturally manage water runoff, improve water quality and improve the economic viability of farms.

“Barley is to beer as grapes are to wine. You can't make a good wine out of bad grapes and you can't make a good beer out of bad barley.”

—Bill Coors, chief technical advisor to the MillerCoors Board of Directors

Transportation and Delivery

At MillerCoors, we recognize the benefits of working with our transportation suppliers to improve fuel efficiency and reduce emissions. With more than 6,000 rail cars and more than 420,000 trucks taking part in the distribution of our beer, we realize that transportation in our supply chain can have an impact on transportation facilities, greenhouse gas emissions and the environment.

Supporting the SmartWay™ Transport Program The U.S. Environmental Protection Agency's (EPA) [SmartWay](#) Transport program helps freight companies improve fuel efficiency, increase environmental performance and increase supply chain sustainability. As a SmartWay Transport Partner, MillerCoors is working to voluntarily improve fuel efficiency and reduce environmental impacts from freight transportation.

We also encourage our transportation suppliers to join the SmartWay program and take steps towards becoming more environmentally responsible. Because our suppliers provide most of our transportation services, we do not directly control much of our transportation-related fuel efficiency and emissions. By encouraging our suppliers to participate in a program like SmartWay, we can improve the environmental performance of our transportation services.

It's All Connected When we implement sustainable initiatives with one group of suppliers, we can reap benefits throughout the supply chain. For instance, when we reduce our packaging, we reduce the consumption of raw materials and generate less waste. The reduced packaging also allows us to reduce the total number of truck and rail shipments we need because we can increase the amount of beer we can load in a single shipment. By reducing the number of shipments, we reduce greenhouse gas emissions.



We are improving fuel efficiency and reducing emissions from transportation in our supply chain.

Supplier Diversity

Relationships with Diverse Suppliers MillerCoors is dedicated to working with suppliers who are as diverse as our consumers. In 2011, we engaged nearly 600 minority- and woman-owned suppliers to provide essential products and services. We spent a total of \$448 million with diverse suppliers, or 8.8 percent of our total supplier spend. Since 2009, we spent a total of \$1.27 billion with minority- and woman-owned businesses.

Second-Tier Supplier Diversity MillerCoors is focused on strengthening our second-tier supplier diversity program and asks first-tier suppliers to join in this economic development initiative by meeting mutually agreed upon goals for spend with minority- or woman-owned businesses.

We collaborate with our first-tier suppliers for contracting with minority- and woman-owned businesses by conducting educational meetings regarding supplier diversity, introducing minority- and woman-owned businesses to prime suppliers and co-presenting at events where minority- and woman-owned businesses are present. We currently have approximately 50 suppliers who report second-tier spend on a quarterly basis in our supplier diversity management system. Second-tier spend comprises 20 percent of our total spend with minority- and woman-owned businesses, and it is an important factor for consideration in our supplier of the year award.

Involvement in Organizations for Supplier Diversity

MillerCoors engages with national organizations supporting supplier diversity. In 2011, we sponsored, coordinated and participated in more than 20 diverse supplier events, hosted supplier diversity professionals roundtable events with five suppliers and participated as speakers or panelists at six conferences.

2011 Highlights

- We are asking our top suppliers to report on their sustainability practices through the nonprofit [Supplier Ethical Data Exchange](#).
- In the first year of our Showcase Barley Farm, we conserved nearly 124.5 million gallons of water—enough to meet the needs of a family of four for more than 850 years.
- Improved barley yields in 2011 saved 7.35 billion gallons of water relative to our barley yields in the 1970s.
- We received the Colorado Motor Carriers Association and the Regional Air Quality Council's 2011 Green Shipper Award for our efforts to promote fuel efficiency and reduce emissions.
- In 2011, we engaged nearly 600 minority- and woman-owned suppliers and spent a total of \$448 million with diverse suppliers, 8.8 percent of our total spend on all suppliers.

United Way



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WEB CONTENT

[millercoors.com/great-beer-great-responsibility/
People-and-Communities.aspx](http://millercoors.com/great-beer-great-responsibility/People-and-Communities.aspx)



People and Communities

At MillerCoors, success is about more than just financial results. We believe success is also about supporting our employees and the communities where we operate. We are committed to building world-class workplace safety, engaging our employees, promoting diversity and inclusion and investing and volunteering in our communities.

2015 GOAL

Achieve recognition as FORTUNE 100 Best Companies to Work For.[®]

2015 Goal

1 of 100



Our 2015 workplace goal is to win recognition as one of the FORTUNE 100 Best Companies to Work For. We submitted our application for the second time in 2010. While we were not selected, we are using what we have learned to refine our overall business strategy, improve our approach to diversity and inclusion and reinforce our commitment to addressing the challenges identified in our employee engagement survey.

Workplace Opportunity

At MillerCoors, we develop our people's skills, appreciate our diversity and create a safe environment where all employees are engaged. We strive to bring out the best in our people—because we need the best people to create America's best beer company.

Labor Practices MillerCoors adheres to all labor and employment laws wherever we operate, including those respecting freedom of association, privacy and equal opportunity. As of March 31, 2012, we employ more than 8,800 people. One third of our employees are represented by independent trade unions, covered by collective bargaining agreements or represented by formal joint management-worker health and safety committees.

Diverse Workplace

We support an inclusive work environment. Our goal is to empower all employees to confidently contribute their best. We must leverage our diverse experiences to create America's best beer company—because we all represent MillerCoors.

Leadership for Diversity and Inclusion Our company is committed to diversity and inclusion. Our Diversity and Inclusion Steering Committee, comprised of department and employee leaders and led by MillerCoors Chief Executive Officer Tom Long, helped shape a new diversity and inclusion strategy in 2011. Our strategy focuses on leadership, talent and relationships and emphasizes a broad definition for diversity and inclusion. Attendance at our annual Diversity Summit increased 20 percent in 2011 compared to 2010, and we celebrated our third Diversity and Inclusion Awareness Week as a company in April 2011.



MillerCoors asks every employee to share the responsibility of making our workplace injury-free.

Inclusion and Diversity Advisory Council MillerCoors builds and maintains partnerships with external organizations that provide insight and bring value to our diversity and inclusion strategy. In 2011, we created an Inclusion and Diversity Advisory Council comprised of outside business and community leaders recognized for their visionary approaches to enhancing diversity and inclusion.

In 2011, we announced our inaugural nine-member council to advise MillerCoors on best practices, strategies, tools and research that advance diversity, inclusion and multiculturalism. While our committee members are not paid as employees or contractors, MillerCoors made a contribution on behalf of each of these advisors to the United Way charities of their choice. Our total contribution to United Way charities through this program was \$225,000 in 2011.

Professional Development

At MillerCoors, we invest in the professional development of our people by providing training, mentoring and financial support for continuing education.

MillerCoors University Our MillerCoors University offers both online and classroom training at our state-of-the-art facility in Milwaukee and at additional satellite facilities in Chicago and Golden, Colo. We offer courses in business, leadership, diversity, ethics, and health and safety. In 2011, MillerCoors University provided more than 380,000 hours of classroom and online training.

Mentoring Programs In our group mentoring programs, one or two mentors work with a group of 10 to 12 employees to help guide and grow their careers at MillerCoors. We expanded our group mentoring programs from three programs to more than 20 groups and 200 individuals in 2011.

Tuition Reimbursement We encourage employees to continue their education. In 2011, MillerCoors provided tuition reimbursement to 177 employees for a total investment of more than \$550,000.

Workplace Safety

At MillerCoors, regulatory compliance is only part of our focus on safety. To maintain high safety standards, we also must engage and empower every person working here to share the responsibility of making our workplace free of injury and illness.

VOLUNTEERING IN 2011



Environmental, Health and Safety Leadership Strong environmental, health and safety leadership is essential to embracing sustainability at all levels of MillerCoors. In 2011, Chief Executive Officer Tom Long and Chief Integrated Supply Chain Officer Fernando Palacios signed the MillerCoors Environmental, Health and Safety Commitment, which outlines our principles for a safe workplace, responsible citizenship in our communities and good environmental stewardship. We believe that work injuries are preventable and we engage all of our employees to build a safe working environment.

MillerCoors Safety Council Professionals from across MillerCoors join together to form our Safety Council, a subcouncil of our Environmental, Health and Safety Council. The Safety Council works to reduce risks to employee health and safety by focusing on regulatory compliance and workplace risk reduction programs.

Promoting Workplace Safety Safety is not only about numbers. Safety is also about caring and trust. In 2011, 49 safety teams worked across 10 facilities to address our attitudes and beliefs regarding safety in the workplace. Our safety teams emphasize this simple point: Every employee shares the responsibility of making MillerCoors safe.

Community Investment

MillerCoors has a long tradition of supporting the communities where we live and work. Every year, we dedicate our time and resources to support the causes that matter to us most, including responsibility, water stewardship, education and economic empowerment.



MillerCoors employees spent more than 53,000 hours in 2011 volunteering in our local communities.

Volunteer Hours Continue to Climb Contributing to the communities where we live and work is a key ingredient to creating America's best beer company. Our employees have a tangible impact on our communities by participating in [Great Water Month](#) projects to improve the watersheds around our breweries, supporting local nonprofit organizations, or joining the thousands of MillerCoors employees who volunteer on their own.

MillerCoors employees spent more than 53,000 hours in 2011 volunteering in our local communities, a 50 percent increase in the total hours reported for 2010. Nearly 2,100 employees, or 24 percent of the MillerCoors workforce, volunteered in 2011—a 40 percent increase in the number of employees who volunteered in 2010.

\$12.7 Million Investment in Our Communities in 2011

MillerCoors donations to nonprofits play an important role in supporting our local communities. Our employees' personal contributions, including nearly \$960,000 to the United Way, are a key part of our total community investment. Together, MillerCoors employee and corporate donations to nonprofits exceeded \$12.7 million in 2011.

While we do not include the donation of our time when calculating our total monetary investment for the year, our hours spent volunteering in 2011 could be valued at more than \$1.1 million in capacity-building work for local nonprofit organizations.^A

Economic Empowerment

At MillerCoors, we increase economic opportunities for persons of diverse backgrounds because we believe we need the best of all our people to grow economically strong communities. We provide scholarships to promote higher education among people of color, an entrepreneurial competition for seed money to grow a business and recognition and support to develop leaders in diverse communities.



We promote education, entrepreneurship and leadership to drive economic empowerment in diverse communities.

2011–2012 MillerCoors Urban Entrepreneurs Series The award-winning [MillerCoors Urban Entrepreneurs Series \(MUES\)](#) promotes economic empowerment through entrepreneurship. The national business plan competition has awarded nearly \$1.7 million in grants and given hundreds of aspiring entrepreneurs the tools to grow their businesses since 1999.

MillerCoors distributed \$125,000 in grants to urban entrepreneurs to start-up or expand their businesses through the MUES 2011–2012 program. The top winner received a grant of \$50,000, and three runners-up received grants of \$25,000 each. In addition, we enhanced the MUES program to align the competition categories with business needs, further enabling MUES winners to potentially become MillerCoors and stakeholder suppliers.

We congratulate this year's top winner, Ola Ayeni, CEO of Dining Dialogue. Ayeni's business helps food and beverage companies grow their customer base through a mix of effectively proven customer acquisition and retention marketing programs.

^ABased on Independent Sector's Value of Volunteer Time of \$21.79 per hour in 2011. Reference http://www.independentsector.org/volunteer_time.

“This is a big step for me and my business. This will help me get the resources I need to succeed and one day do the same thing MillerCoors is doing—help other entrepreneurs bring their businesses to life.”

—Ola Ayeni, CEO of Dining Dialogue and 2011–2012 Top Winner of the MillerCoors Urban Entrepreneur Series

Investments in the Thurgood Marshall College Fund We are the founding corporate sponsor of the [Thurgood Marshall College Fund \(TMCF\)](#), which provides four-year merit scholarships to students attending the 47 historically black public colleges and universities. For 25 years, the program has awarded more than \$100 million in scholarships and support to students and member schools.

Our total support for TMCF in 2011 was \$368,000, including annual scholarship programs and special promotions and donations.

iAdelante! U.S. Education Leadership Fund We partnered with the Hispanic Association of Colleges and Universities (HACU) in 1993 to establish the [iAdelante! U.S. Education Leadership Fund](#), offering a unique model for investing in Latino students through scholarship, internship and leadership training programs. As the founding sponsor of iAdelante!, MillerCoors contributes \$200,000 annually. In 2011, the program provided 30 scholarships for MillerCoors scholars.

MillerCoors Líderes Since 2006, MillerCoors [Líderes](#) has supported and honored leaders within the Hispanic community for their achievements, vision and commitment by highlighting them in a national diversity campaign. Each year, we recognize 12 Hispanic leaders who are helping advance Latino communities across the country. Following an online public voting campaign, one leader is chosen as the MillerCoors *Líder* of the year and awarded \$25,000 toward the development of a community leadership program.

We congratulate Andrea Delgado, senior policy analyst and communications manager at the Labor Council for Latin American Advancement, as the MillerCoors 2011 *Líder*.

Community Partnerships

MillerCoors has a rich history in supporting the communities where we live and work. We donate our funds, time, equipment and knowledge to help our neighbors flourish and create sustainable communities which, in turn, help sustain our business.

\$1.9 Million to United Way in 2011 In 2011, nearly 1,900 employees contributed nearly \$960,000 to [United Way](#). MillerCoors matched employee donations and also donated \$2 for each volunteer hour logged by employees, for a total investment of \$1.9 million to United Way.

In each MillerCoors community, we put teams in place to focus on United Way donations and coordinate volunteer efforts locally.

Project C.U.R.E. Project C.U.R.E. (Commission on Urgent Relief and Equipment) was founded in 1987 to help meet the need for medical supplies, equipment and services around the world. MillerCoors is a corporate donor to Project C.U.R.E., and employees volunteer each quarter to pack and send medical equipment and supplies to developing countries.

Give a Veteran a Piece of the High Life

MillerCoors partnered with Iraq and Afghanistan Veterans of America (IAVA) to donate up to \$1 million in cash and activities to “Give a Veteran a Piece of the High Life.” For each specially marked Miller High Life and Miller High Life Light bottle cap and can tab returned to participating retail stores or via mail between June 1 and Sept. 30, 2011, MillerCoors donated 10 cents to IAVA to provide veterans with a variety of “High Life” experiences such as tickets to sporting events and concerts or weekend getaways.

MillerCoors Supports LGBT Nonprofits MillerCoors supports collaboration and partnership with the lesbian, gay, bisexual and transgender (LGBT) community. In 2011, MillerCoors invested more than \$382,000 in charitable partnerships with nonprofit LGBT organizations. We have developed national and regional initiatives to support LGBT employees and nonprofit partnerships. Annually, we support a wide range of LGBT sports teams and leagues, national and local community groups and nationwide pride events. Inside our organization, we provide sensitivity training and offer educational, social and support opportunities including through our employee resource group Lesbian and Gay Employee Resource (LAGER).

Environmental Stewardship We provide financial support, grant funding and volunteer hours to programs that promote environmental stewardship, particularly water stewardship. For instance, MillerCoors donated \$500,000 to create the interactive THIRST Freshwater Innovation Lab at Discovery World.

2011 Highlights

- We founded an Inclusion and Diversity Advisory Council of outside leaders who will advise MillerCoors on the best strategies to advance diversity, inclusion and multiculturalism.
- In 2011, MillerCoors University provided more than 380,000 hours of classroom and online training.
- MillerCoors employee and corporate donations to nonprofits exceeded \$12.7 million in 2011, including nearly \$1.9 million to the United Way.
- MillerCoors employees spent more than 53,000 hours in 2011 volunteering in our local communities, a 50 percent increase from 2010.
- In 2011, MillerCoors provided tuition reimbursement to 177 employees for a total investment of more than \$550,000.



WEB CONTENT

[millercoors.com/great-beer-great-responsibility/
Ethics-and-Transparency.aspx](http://millercoors.com/great-beer-great-responsibility/Ethics-and-Transparency.aspx)



Ethics and Transparency

At MillerCoors, sustainability means engaging our people, partners and communities as we report on our challenges and successes over the past year. In our interactions with our employees, business partners, communities or consumers, we commit to:

- Use best in class ethical practices in managing our business
- Maintain transparency in measuring and reporting our progress
- Sustainably grow our great brands

2015 GOAL

Improve overall SAM score by 25%.

2015 Goal	4.00
2011	3.92
2009 Baseline	3.19



Our 2015 goal for our overall SAM score was to improve by 15 percent. At the close of this year's SAM reporting periods, our aggregate score was 3.92. Since we surpassed our goal, we have now established a new 2015 goal to improve our overall SAM score by 25 percent.

Governance

Since MillerCoors was formed in July 2008 as a joint venture of SABMiller plc and Molson Coors Brewing Co., we have built internal leadership and external sources of oversight to address our business ethics and transparency. Our customers and business partners trust that we will always do the right thing, ethically and legally.

Senior Leadership at MillerCoors^B Our Chief Executive Officer, Tom Long, leads our [Senior Leadership Team \(SLT\)](#). Throughout 2011, our SLT included N. Cornell Boggs, III, Chief Responsibility and Ethics Officer. However, following the reorganization of our communications department in February 2012, Chief Public Affairs and Communications Officer Nehl Horton now leads our responsibility, sustainability, community and multicultural affairs strategies. Our SLT reviews and approves our strategic plans for sustainability initiatives, including those related to ethics and transparency.

MillerCoors Board of Directors^C MillerCoors is a privately held company with two owners: SABMiller plc and Molson Coors Brewing Co. Leaders from both parent companies form our [board of directors](#). The chair of the MillerCoors board is not a MillerCoors executive officer, and the board does not include independent directors or minority shareholders. The board's Audit Committee meets four times annually to oversee our responsibility efforts across all functions, including sustainability.

Sustainability Leadership Council Our Sustainability Leadership Council, comprised of more than 35 employees from all aspects of our business, meets quarterly to set goals and guide the MillerCoors sustainability strategy.

The Council includes three subcommittees—Great Partners, Great Water and Great Culture—focused on developing initiatives with our retail partners and in our sponsorships to embrace sustainability at MillerCoors.



We have built internal leadership and external sources of oversight to address our business ethics and transparency.

External Oversight We use external oversight to supplement our internal procedures for ethics and transparency.

- **We maintain the MillerCoors Ethics Helpline.** Our Helpline is run by a third party, EthicsPoint, to help field issues of ethical concern to all employees or business partners. When appropriate, issues are directed to the board's Audit Committee.
- **We solicit external perspectives.** We have asked a representative group of external stakeholders to provide an analysis of our performance for this year's report and give input on how we can best focus our efforts moving forward.
- **We participate with external organizations.** To confirm our governance programs and processes meet high standards, we joined [Corpedia Advisory Board](#) and the [Corporate Executive Board Compliance and Ethics Leadership Council](#).
- **We adhere to the principles of the U.N. Global Compact.** We are also committed to the principles of the [U.N. Global Compact](#), to which both our parent companies are signatories.
- **We listen to our customers.** We maintain our consumer phone line 800-645-5376 and a [feedback form](#) for sending emails to our customer service department. Consumers are invited to contact us with questions regarding alcohol responsibility, healthy environments, community outreach and other issues.

MATERIALITY MAP



We have developed a materiality map that graphically shows which issues are most relevant to our stakeholders and to MillerCoors business.

Opportunities and Risks

We believe MillerCoors can and should adapt to reflect current concerns about climate change, resource availability and social equality. We have identified opportunities to further impact sustainability at MillerCoors:

- Increase awareness of sustainability issues among consumers and employees and show how people can make a positive difference
- Drive sustainability into our supply chain through partnerships, purchasing decisions and other programs

^BBecause MillerCoors is a privately-held company, we do not disclose details regarding executive compensation.

^CBecause MillerCoors is a privately-held company, we do not disclose details regarding director compensation.

- Establish new standards for resource conservation in the beverage industry, particularly regarding water, energy, packaging materials and waste
- Continue to help reduce underage drinking and drunk driving in our society
- Support small and diverse businesses and multicultural entrepreneurs
- Increase multicultural diversity in our supply chain and workplace
- Differentiate MillerCoors in the marketplace based on our sustainability performance

Tracking Our Performance

Our vision is to create America's best beer company by:

- Elevating our brands
- Earning customer preference
- Fueling growth
- Engaging people
- Embracing sustainability



Our goal is to lead the U.S. beer industry in sustainability.

Embracing Sustainability Embracing sustainability is a critical strategic objective. At MillerCoors, we strive to:

- Promote and protect the responsible enjoyment and marketing of beer
- Embed environmental stewardship in the way we operate
- Increase the commercial impact of community and multicultural partnerships

Our Goal: Lead the U.S. Beer Industry in Sustainability

We define sustainability as managing our environmental, social and economic opportunities and risks in a strategic way to protect our reputation and maximize business value. To lead the beer industry in sustainability, we:

1. Evaluate our challenges and opportunities related to sustainability.
2. Establish sustainable development goals and regularly measure our performance.
3. Report on our progress to our parent companies and to our stakeholders.

Sustainability Assessment Matrix

At MillerCoors, we measure our performance through our Sustainability Assessment Matrix (SAM). We report our SAM scores to our parent companies twice each year, and we group our SAM scores to correlate with the five focus areas addressed in our annual Sustainability Report.

Our parent company, SABMiller plc, has developed 10 priorities for sustainability, and our other parent company, Molson Coors Brewing Co., has embraced this reporting method. We measure our progress using SABMiller plc's SAM priorities, and we describe our progress on these 10 priorities as our SAM scores. More detail and our SAM scores are all available on our website, at www.MillerCoors.com/great-beer-great-responsibility.

Compliance

We aim for 100 percent compliance. Our policy is to meet or exceed all laws and regulations governing our business and to protect the safety of our employees, communities and environment. We strive to be flawless, but if we do have an instance of noncompliance, we conduct necessary abatement activities. We did not receive any fines during the April 2, 2011, to March 31, 2012, reporting period.

Accidents and Injuries Our accident and injury rates have steadily decreased due in part to our success in making safety a top priority.

- In 2011, the number of employees injured and requiring medical treatment decreased 13 percent relative to 2010.
- To reduce the potential for accidents and injuries, we share safety alerts with our employees. In 2011, we shared four times as many safety alerts as we did in 2010. As of July 2011, our overall workers compensation losses decreased nearly 42 percent since our first insurance policy year at MillerCoors—July 1, 2008, to June 30, 2009.

2011 Highlights

- Our board of directors' Audit Committee meets four times annually to oversee our responsibility efforts across all functions.
- We use a variety of approaches to solicit stakeholder feedback, and we use that feedback to shape our sustainability strategies.
- Our sustainable business practices focus on issues that are material to our company and important to our stakeholders.
- We track our progress using a Sustainability Assessment Matrix. Twice annually, we report our progress to our parent companies.
- We had no environmental, health and safety fines in the April 1, 2011, to March 31, 2012, reporting period.

What Do You Think?

Please send any questions or comments you have related to the *MillerCoors 2012 Sustainability Report* or its contents to:

MillerCoors
Attention: Kim Marotta, director sustainability
3939 W. Highland Blvd.
Milwaukee, WI 53208
kim.marotta@millercoors.com

Environmental Impact Results



4,302 LBS of wood, which is equivalent to 14 trees that supply enough oxygen for 7 people annually.



6,282 Gallons of water, which is enough water to for 365 eight-minute showers.



4mln BTUs of energy, which is enough energy to power the average household for 17 days.



381 LBS of solid waste, which would fill 83 garbage cans.



1,304 LBS of emissions, which is the amount of carbon consumed by 15 tree seedlings grown for 10 years.

Environmental impact estimates for savings pertaining to the use of post consumer recycled fiber are based on the Environmental Defense Fund Paper Calculator and research done by the Paper Task Force, a peer reviewed study of the lifecycle environmental impacts of paper production and disposal.

Calculations based on research by Environmental Defense Fund and other members of the Paper Task Force.



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