



# GREAT BEER, GREAT RESPONSIBILITY

MillerCoors • 2010 Sustainable Development Report





# GREAT BEER, GREAT RESPONSIBILITY

These are words we live by at MillerCoors. We brew great beer brands and strive to make a difference throughout the lifecycles of each one, from implementing sustainable growing practices to encouraging consumers to recycle our packaging after enjoying the finished product.

With every barrel of great beer we brew, we work to uphold our great responsibility.

We partner with retailers, distributors and community groups to ensure our beers are enjoyed responsibly by legal drinking age consumers. In 2009, we expanded the Miller Lite Free Rides program to four new markets. To date, the program has provided safe alternative transportation to more than 2.3 million riders.

Great responsibility also means reducing our impact on the environment and creating new ways to operate more efficiently. Last year, MillerCoors renewed its commitment to the U.S. Environmental Protection Agency's Climate Leaders program, pledging to reduce corporate-wide greenhouse gas emissions eight percent by 2015.

We recognize the opportunity we have to make a positive difference across our entire supply chain. We work with our suppliers to find more efficient solutions for delivering brewing materials to our facilities and help embed sustainability into their businesses.

Ultimately, it is our people who make our great beers and lead the fulfillment of our great responsibility. We are committed to creating a safe, rewarding and diverse workplace. That means being a great employer and active member of our communities, through corporate giving and volunteerism. In 2009, we donated \$1.6 million to the United Way through our employee giving program, and employees collectively volunteered nearly 20,000 hours.

We consistently hold ourselves to the highest ethical standards.

We track our performance and transparently report our progress through the Sustainability Assessment Matrix, a measuring tool and benchmarking system based on inputs from the Global Reporting Indicators G3 guidelines and the UN Global Compact Principles.

Throughout the pages of this report you will find examples of ways our proud brewing heritage and commitment to responsibility are reflected today in each stage of brewing every one of our great beer brands.

Because we know that with great beer comes great responsibility.





# OUR MOST IMPORTANT INGREDIENT



You can't beat the best ingredients.

In today's current environment, companies are working harder than ever to bring together the right ingredients to gain a competitive edge. However, the desire to win can't come at the expense of growing a business the right way. For brewers, it means brewing great beers while making the least impact on the environment.

MillerCoors made a commitment to implement sustainable practices throughout our business, from minimizing the amount of water we use in the brewing process to reducing our carbon footprint. Our sustainable practices include being good stewards of society,

as well as valuing and leveraging diversity and preventing drunk driving.

But our achievements would not have been made possible without our most valuable asset: *Great people.*

Our people are at the heart and soul of everything we do. We work as one, we grow as one and we make a difference in our communities, as one.

Throughout these pages you'll see that our people are behind every statistic and accomplishment. You'll also see that we've collaborated with a wide range of stakeholders – distributors, suppliers and partners –



who are committed to making a positive difference in our world.

These great ingredients, blended together with passion and commitment help us brew, sell and deliver our great beers responsibly. These great ingredients help us achieve our vision of creating America's Best Beer Company.

*Leo Kiely*

**LEO KIELY**  
CHIEF EXECUTIVE OFFICER

## OUR SUSTAINED COMMITMENT TO SUSTAINABLE DEVELOPMENT

For MillerCoors, sustainable development is a journey, not a destination. It is a journey that requires an enduring commitment to continuous improvement as we work to grow our business the right way. Each day, each year and with each beer we brew, we seek to make meaningful progress on this critical course.



We have charted our way with a clear strategic focus on sustainable development grounded in five key responsibilities:

- Alcohol Responsibility
- Environmental Sustainability
- Sustainable Supply Chain
- People and Community Investment
- Ethics and Transparency

In this report we take a moment to reflect on the places we've been and on some of the ways we've made significant progress on our five responsibilities during the last year. We are making progress every day in our efforts, as a company, as individuals and together with our stakeholders.

We are also working to help the people who enjoy our beers take responsibility by choosing to never drive drunk, reduce their environmental impact and become more involved in their communities. After all, this great responsibility extends to each and every one of us.

We are proud of where we are, but we're even more passionate about putting in the ongoing effort needed to grow our business the right way for years to come. As we continue on our sustainable development journey, we've set aggressive targets – incremental destinations we'll seek with passion in our persistent pursuit of the great responsibilities we've put before our business.

It will be an enduring effort. It will be a sustained commitment to sustainable development.

*N. Cornell Boggs*

**N. CORNELL BOGGS**  
CHIEF RESPONSIBILITY AND ETHICS OFFICER

# TABLE OF CONTENTS

## MILLERCOORS • 2010 SUSTAINABLE DEVELOPMENT REPORT

### ABOUT MILLERCOORS

5



#### ALCOHOL RESPONSIBILITY

6

- Helping Prevent Drunk Driving..... 6
- Working to Reduce Underage Drinking..... 8
- Adhering to Our Strict Marketing Standards ..... 8
- Partnering to Address Campus Issues ..... 9



#### ENVIRONMENTAL SUSTAINABILITY

10

- Ensuring a Secure Future Through Water Stewardship..... 10
- Reducing Our Energy and Carbon Footprint..... 12
- Driving Packaging Sustainability ..... 16
- Moving Towards Zero Waste Operations ..... 17



#### SUSTAINABLE SUPPLY CHAIN

18

- Reducing Our Environmental Footprint..... 18
- Encouraging Our Responsible Sourcing Principles ..... 19
- Supporting Local Enterprise Development..... 19



#### PEOPLE AND COMMUNITY INVESTMENT

20

- Building a World Class Safety Culture ..... 20
- Investing in Our People..... 21
- Investing in Our Communities..... 23
- Supporting Multiculturalism ..... 23
- Engaging Employees in Volunteerism ..... 24



#### ETHICS AND TRANSPARENCY

26

- Utilizing Best in Class Ethical Practices..... 26
- Maintaining Transparency ..... 26
- Measuring Our Progress ..... 26

### THIRD PARTY VIEWPOINTS

27



#### EXTERNAL COMMENTARY

28

by Corporate Citizenship

### STAKEHOLDER ENGAGEMENT

Engaging our stakeholders and listening and responding to their feedback is essential to our role as a responsible corporate citizen. MillerCoors works with its stakeholders in many ways, including one-on-one dialogue, establishing formal partnerships, participating in forums and joining industry associations. Within this report, we outline our work with various stakeholder groups.

#### DISTRIBUTORS

.....6, 8, 14, 24, 26

#### RETAILERS

..... 6, 8, 19, 26

#### SUPPLIERS

.....16-19

#### INDUSTRY FORUMS

.....8, 10-12, 16, 19, 26

#### GOVERNMENT AGENCIES

..... 8, 12, 14, 19-20

#### NON-PROFIT ORGANIZATIONS

.....6-9, 12, 19, 21-25

#### LOCAL COMMUNITIES

..... 6, 8, 20-25

### AVAILABLE ON

**[www.GreatBeerGreatResponsibility.com](http://www.GreatBeerGreatResponsibility.com)**

- MillerCoors adherence to United Nations Global Compact
- Summary of MillerCoors goals





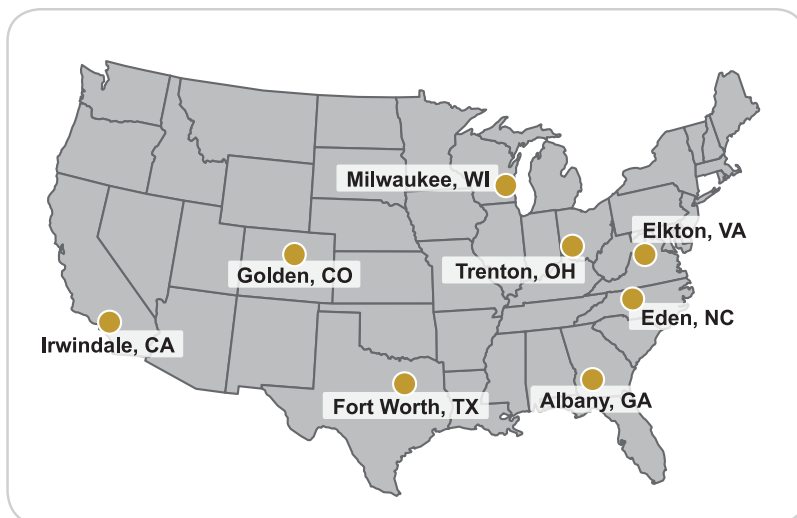
# ABOUT MILLERCOORS

Built on a foundation of great beer brands and more than 288 years of brewing heritage, MillerCoors, a joint venture of SABMiller plc and Molson Coors Brewing Company, continues the commitment of its founders to brew the highest quality beers and grow its brands the right way through responsible marketing and a focus on the environment and community.

MillerCoors is the second largest beer company in America, capturing nearly 30 percent of U.S. beer sales. Led by two of the best-selling beers in the industry, MillerCoors has a broad portfolio of highly complementary brands across every major industry segment. Miller Lite is the great tasting beer that established the American light beer category in 1975, and Coors Light is the brand that introduced consumers to refreshment as cold as the Rockies. MillerCoors brews premium beers Coors Banquet and Miller Genuine Draft, and economy brands Miller High Life and Keystone Light. The company also imports Peroni Nastro Azzurro, Pilsner Urquell, Grolsch and Molson Canadian.

MillerCoors operates eight major breweries in the U.S.; two microbreweries: the 10th Street Brewery in Milwaukee and the Blue Moon Brewing Company at the Sandlot in Denver, Colorado; as well as two wholly-owned subsidiaries: the Leinenkugel's craft brewery in Chippewa Falls, Wisconsin, and Coors Distributing Company in Golden, Colorado. MillerCoors also owns five grain elevators in the western U.S. and has partnerships in place for the Rocky Mountain Bottle Company with Owens Illinois Inc., and the Rocky Mountain Metal Container Plants with Ball Corporation. The company headquarters office is located in Chicago, Illinois.

## MillerCoors Eight Major Breweries



### MILLERCOORS 2009 ECONOMIC IMPACT

- Employed nearly 8,700 people
- Paid \$1.2 billion in wages and benefits
- Contributed \$1.3 billion in tax revenue
- Spent \$4.3 billion with its network of more than 10,000 suppliers
- Garnered total net revenue of \$7.6 billion; (\$8.9 billion pre-excise tax)

### SUSTAINABLE DEVELOPMENT

MillerCoors defines sustainable development as: "managing our environmental, social and economic risks and opportunities in a strategic way to protect our reputation and maximize business value."

We are committed to growing our business the right way and established a five-point sustainable development model that defines our responsibilities as:



**ALCOHOL  
RESPONSIBILITY**



**ENVIRONMENTAL  
SUSTAINABILITY**



**SUSTAINABLE  
SUPPLY CHAIN**



**PEOPLE AND COMMUNITY  
INVESTMENT**



**ETHICS AND  
TRANSPARENCY**



## A GREAT RESPONSIBILITY

MillerCoors believes there is no greater responsibility than promoting the responsible consumption of our products. Responsibility is the core of our business and we work every day to:

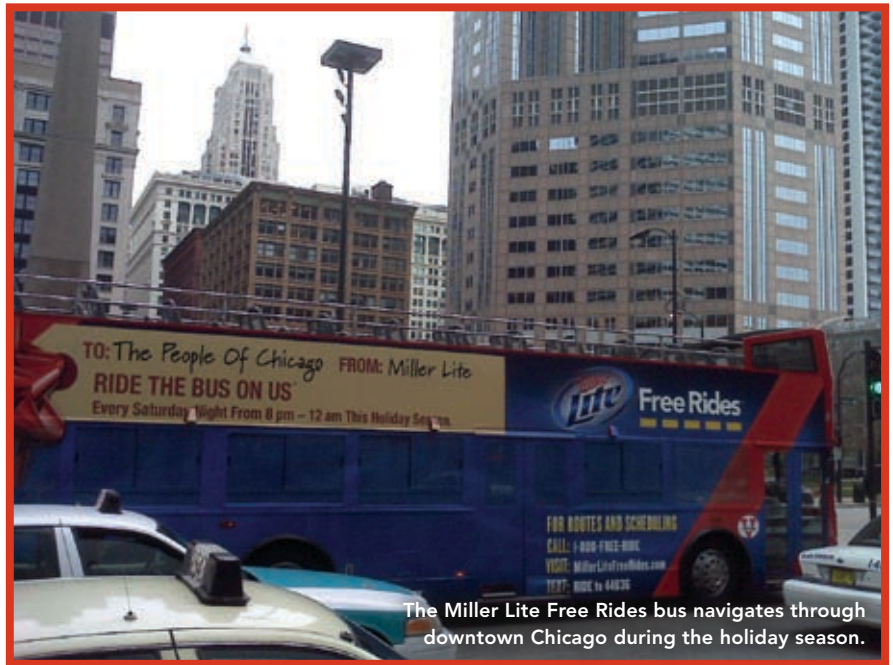
- Help prevent drunk driving
- Reduce underage access to alcohol
- Ensure adherence to our strict marketing standards
- Partner to address college campus issues

### RESPONSIBILITY ON THE ROAD

We believe that drunk driving is preventable. In 2009, MillerCoors provided alternative transportation to hundreds of thousands of people through drunk driving prevention efforts, including Miller Lite Free Rides, 1-800-TAXICAB and other designated driver programs. We're committed to expanding our efforts and asking consumers to join in our commitment to being "one million strong" in 2010 by pledging to be a designated driver or planning ahead for safe transportation.

In 2009, we expanded our Miller Lite Free Rides program to four new markets: Panama City Beach, FL; Louisville, KY; Nashville, TN; and Chicago, IL.

MillerCoors is also the exclusive partner to 1-800-TAXICAB, the largest transportation-related responsibility program in history. In 2009, in partnership with 1-800-TAXICAB, we launched the Miller Lite Taxi Finder iPhone application, which helps consumers locate a cab using GPS technology.



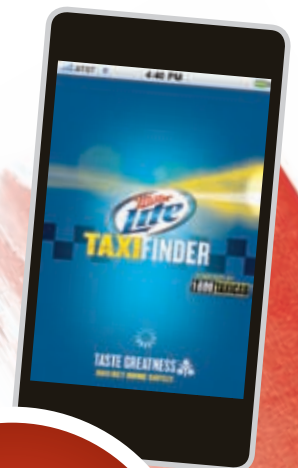
The Miller Lite Free Rides bus navigates through downtown Chicago during the holiday season.

**"After a 10-year history, the 1-800-TAXICAB program continues to grow in terms of volume, reach and programming elements. MillerCoors has helped us to assist millions of consumers take a taxi through phone, online and taxi voucher field efforts."**

**Mark Adkins, President, 1-800-TAXICAB, Inc.**

MillerCoors works collaboratively with our community stakeholders to prevent drunk driving:

- MillerCoors teamed with Coors Distributing Company and Colorado State Patrol to distribute 1,000 cab vouchers on the opening day of baseball.
- We distributed 13,000 cab vouchers at Applebee's restaurants during the holiday season as well as educational materials to help prevent drunk driving.
- Together with TEAM Coalition and other partners, we succeeded at encouraging more than 25,000 fans at five NFL stadiums to pledge to be designated drivers during the 2009 football season.



### 2015 GOAL

Encourage six million people to pledge to plan ahead and take a safe ride





# DIAL 1-800-TAXICAB

Drunk driving is preventable. MillerCoors encourages consumers to plan ahead for safe alternative transportation. We partner with 1-800-TAXICAB, the largest transportation-related responsibility program in history, to help people plan ahead by providing cab vouchers and generate awareness of the program. Since 2006, MillerCoors has worked with 1-800-TAXICAB to offer nearly 149,000 cab vouchers.





## 21 AND OVER, ONLY

MillerCoors knows it takes collective action to help reduce underage drinking. We work closely with our stakeholders, including the Federal Trade Commission, local law enforcement, parents, distributors, retailers and community groups, to help prevent youth access to alcohol.

Our Respect 21™ Responsible Retailing Program, developed in partnership with Brandeis University and the Responsible Retailing Forum, helps communities raise awareness and guides retailers in improving practices to prevent underage access to alcohol.

In 2009, we worked with our distributors to expand the program to four new locations: State College, PA; Salt Lake City, UT; Madison, WI; and Fort Myers, FL. In Respect 21's five-year history, we've introduced the program to 15 communities, with measurable improvements recorded in all locations. In La Crosse, Wisconsin, the program helped the community join together to

address the issue of underage drinking. In Albany, New York, mystery shopper results improved from 77 to 100 percent over a five-month period.

We also recognize the role parents play in preventing underage drinking. MillerCoors partners with the Search Institute to provide education information specifically for parents. In 2009, we launched a digital marketing campaign for MVParents.com, recently renamed ParentFurther.com, driving 50,000 parents to the website monthly to find tools to empower teens to make the right decision not to drink.

The website is grounded in Search Institute's 40 Developmental Assets™, a framework of positive characteristics that help youth thrive and avoid negative behaviors, such as underage drinking. Search Institute's research shows youth with 31–40 of the Assets are 15 times less likely to abuse alcohol than teens with 10 or fewer.

### GETTING HOME SAFELY TASTES GREAT

**We encourage consumers to plan ahead. In the past 22 years, more than 2.3 million people have participated in the Miller Lite Free Rides program on key holidays.**



### ACCOUNTABILITY THROUGH SELF-REGULATION

According to a 2008 FTC report, self-regulatory practices by alcohol companies are successful at ensuring content does not appeal to underage audiences.

We recognize that consumers and stakeholders interact with our brands in the marketplace, and we strive to responsibly advertise.

MillerCoors has a strict self-regulation process

and reviews all marketing for adherence to state and federal regulations. Our advertising is intended only to reach legal-aged adults and our policies and verification process ensures that at least 70 percent of any programming audience is 21 and over.

To ensure that our commitment to responsibility is represented consistently, we train sales and marketing employees, as well as external advertising agencies, on the MillerCoors Marketing Compliance Code (MCC). In 2009, we set a goal to train all teams on the new MCC, and by the close of the year we succeeded in training 85 percent of sales and marketing employees, and 75 percent of agencies. To reach our goal, our in-person training efforts are continuing in 2010.

We also adhere to external compliance codes, such as the Beer Institute's Compliance Review Board process, which involves a third-party review panel for advertising-related consumer complaints.

MillerCoors is constantly engaging external stakeholders, and makes changes when necessary to its advertising. In 2009, we voluntarily pulled our Miller Lite Taste Protector television advertisements following objections from one special interest group.

Our distributors are also dedicated partners in supporting our commitment to responsibly sell and promote our beers. We offer tools to help distributors educate retailers, inform consumers and bring solutions to communities.







## GREAT PARTNERS ON CAMPUS

MillerCoors works with its stakeholders to ensure that alcohol is consumed responsibly on college campuses. We engage our community partners to develop long-term solutions to help prevent underage access to alcohol and overconsumption.

We work with the W.I.N. Foundation to help empower women on college campuses through the Raise Your Standards Program. The goal of the program is to educate college-aged women about the dangers of overconsumption and alcohol abuse, as well as safety and prevention. From 2008 to 2009, we increased our outreach on campuses by nearly 40 percent – connecting with 3,250 students across seven college campuses.

### LEADING RESPONSIBLY

MillerCoors executives and employees lead our company in growing our business the right way. We hold our employees to high standards and work to ensure that our people are informed, engaged representatives – inside and outside of the company.

Researched and developed over the course of 2009, we're launching a new Alcohol, Behavior and Communication (AB&C) training program to help employees better understand the issues associated with alcohol consumption.

In addition to educating employees on the company's employee alcohol policy, the AB&C training will drive employee engagement by facilitating an open dialogue. For example, employees discuss how alcohol affects the body, what it means to drink responsibly and the importance of their role as an employee of a beer company.



Employees at Fred's Pub, located on our Milwaukee campus.

### GREAT BEER, GREAT RESPONSIBILITY.COM

In 2009, we launched a new website, [www.GreatBeerGreatResponsibility.com](http://www.GreatBeerGreatResponsibility.com), to engage stakeholders and consumers on responsible beer consumption.



### LOOKING BACK.

In 2009, we exceeded our drunk driving prevention goals, providing several hundred thousand safe ride alternatives and implementing more than one hundred drunk driving prevention programs in partnership with local distributors. We expanded our Respect 21 program to four new markets and are continuing to train all sales and marketing employees, as well as external agencies, on the MillerCoors Marketing Compliance Code to achieve our 2009 target to train 100 percent.

### LOOKING AHEAD.

- Expand Free Rides program to five new markets
- Increase designated driver programs to three new venues
- Leverage exclusive sponsorship of 1-800-TAXICAB to promote safe alternative transportation
- Expand Respect 21 program to four new markets
- Engage and educate 100 percent of employees through Alcohol, Behavior and Communication training







## OUR GREATER ENVIRONMENT

MillerCoors is committed to brewing its great beers in the most efficient and environmentally responsible way. Our core environmental commitments include:

- Ensuring a secure future through water stewardship
- Reducing our energy and carbon footprint
- Driving packaging sustainability
- Moving towards zero waste operations

### A CRITICAL RESOURCE

We recognize that water is a finite resource, and its availability is a growing concern in many parts of the world. We have a responsibility to manage our water use and protect this resource for future generations.

Water is also essential to the brewing process and MillerCoors focuses its efforts on:

- Water efficiency
- Wastewater management
- Water supply assessment
- Water footprinting
- Community investment

In 2009, MillerCoors recorded a ratio of 4.11 barrels of water to every barrel of beer, a slight increase from 2008. Following the joint venture of Miller and Coors, we shifted 12 percent of our production volume, the equivalent of eight million barrels, across our eight major breweries. Incorporating new products and different yeast streams impacted our water usage due to the intense cleaning practices required to maintain the distinct taste and quality of our great beers.

Three of our breweries maintained a water-to-beer ratio under 4.00, and our Texas brewery led the way at 3.40:1.00. Now that we've completed our production shift, our focus in 2010 will be to evaluate our processes and further optimize operations.

We are also taking steps to achieve our 2015 goal of reducing water usage by 15 percent. Specifically, we are evaluating technology to reduce evaporation rates in our breweries and exploring packaging water reclaim systems.

**2015 GOAL**  
Reduce water usage by 15% to achieve a 3.50:1.00 water-to-beer ratio



MillerCoors Golden brewery sits on the banks of Clear Creek.

**“We need to protect and conserve our water supplies for the future, and corporations like MillerCoors play an important role in advancing sustainable water management.”**

**Brian Richter, Co-Leader, Global Freshwater Program, The Nature Conservancy**

### LEADING THE WAY

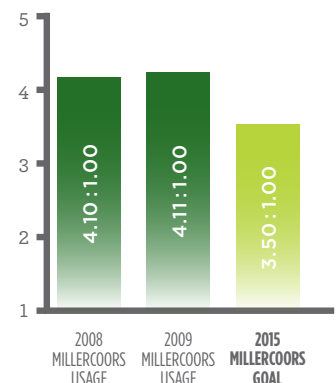
We understand that water management and conservation is a global challenge. MillerCoors actively works with its parent companies, SABMiller, which partners with the World Wildlife Fund to conduct water footprinting and watershed protection projects around its plants, and Molson Coors, a strategic partner to Circle of Blue, to identify and address our water risks.

Through our parent companies, MillerCoors supports the United Nations CEO Water Mandate, a voluntary initiative to help companies develop, implement and report progress on water sustainability.

As a member of the Beverage Industry Environmental Roundtable, a group of leading beverage manufacturers, MillerCoors participates in collecting and sharing data and benchmarks against best practices for water conservation and reuse.

### Water Usage

(water per barrel of production)





# A VALUABLE RESOURCE

Our Virginia brewery sits on the banks of the Shenandoah River, a tributary to the Chesapeake Bay. The brewery, led by Vice President Amy Michtich, pictured here with Director of Process Operations Andy Pickerell, is a founding member of the Shenandoah Valley Pure Water Forum. The Forum works to address water quality issues regionally, including concerns over nitrogen and phosphorus discharges from surrounding states into the Bay. To help address water quality, we began installation of a state-of-the-art, \$10 million membrane bioreactor (MBR). The MBR, designed to ensure regulatory compliance, helps remove phosphorous and nitrogen from the wastewater and reduce the levels discharged into the Bay. This is one of the largest industrial installations of the MBR technology in the U.S. and will serve as a best practice for nutrient reduction.





## PLANNING AHEAD

MillerCoors is committed to water stewardship and is focused on better understanding water risks in our communities. We work closely with community stakeholders, including local governments and non-profit organizations, to understand the challenges of water scarcity and quality, and the potential impact on our business.

According to the World Business Council for Sustainable Development, water scarcity refers to an excess of demand for water over available supply for agricultural, industrial and domestic needs. MillerCoors Texas and California breweries are located in water scarce regions, while our Golden, North Carolina and Georgia breweries are located in water stressed regions. We are conducting an assessment to strategically evaluate the long-term water outlook in these regions. MillerCoors also plans to complete a water footprint in 2011, evaluating our water use throughout the entire supply chain to better understand our overall direct and indirect water usage.

## MAJOR SAVINGS

We constantly strive to find innovative and creative ways to manage our water usage.

- At our Virginia brewery, water reduction projects saved nearly 5.3 million gallons of water annually, reducing water usage by nearly 16 percent in 2009.
- Leinenkugel's invested in a new pasteurizer that will reduce water usage by 25 percent, an annual savings of 15–20 million gallons of water.
- Our California brewery partnered with a local university to identify areas of the brewery's campus best suited for a desert walking trail that would not require any watering.
- Our Milwaukee brewery was the first in the MillerCoors system to install a green roof to absorb rainwater and help reduce storm water runoff.



SABMiller Group Head of Manufacturing Maurice Egan and Milwaukee brewery employees Joan Giuliani and Deon Van As on the Milwaukee brewery's green roof.

## GREAT ENERGY

MillerCoors is committed to reducing its total energy use across all operations by:

- Reducing its carbon footprint
- Focusing on renewable energy
- Lessening emissions

In 2009, MillerCoors reduced its overall energy consumption by 3.6 percent per barrel of beer across its eight major breweries. This reduction was accomplished as we shifted production of 12 percent of our beer portfolio, the equivalent of eight million barrels, to different breweries as a result of the joint venture between Miller and Coors.

We are also taking steps to achieve our 2015 energy reduction goal. We are making capital improvements at our breweries, investigating heat recovery options and implementing utilities equipment replacement projects to improve efficiency.

In 2009, MillerCoors reduced its greenhouse gas emissions by 1.2 percent across all operations and facilities. We renewed our commitment to the U.S. Environmental Protection Agency's Climate Leaders program, pledging to reduce corporate-wide greenhouse gas emissions eight percent by 2015. The company has an accomplished history with the program, as Coors Brewing Company was recognized for

### 2015 GOAL

Reduce  
total  
energy use  
by 15%

exceeding its goal early, reducing emissions 20 percent per-production index from 2005 to 2008.

## LOOKING BACK.

We did not meet our goal of reducing our water usage to a 3.96:1.00 water-to-beer ratio. In 2009, we shifted 12 percent of production to different breweries as a result of the joint venture, and clearly felt the impact on our water usage. We are investing in capital improvements to achieve our 2015 goal, and also aligned our CSR investments in support of water sustainability initiatives in all of our brewery and corporate communities.

## LOOKING AHEAD.

- Complete water supply assessments, including a 10-year forward look at our water scarce regions
- Conduct capital improvements for water reduction projects to achieve 2015 goal
- Explore packaging water reuse opportunities

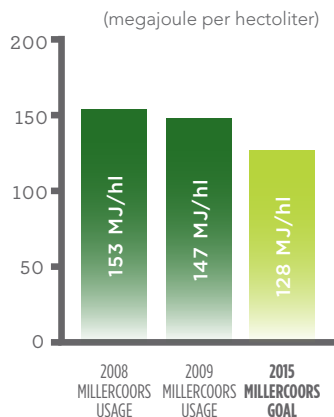




## SMALLER FOOTPRINT

In order to reduce our energy usage, we recognize the need to operate efficiently and develop innovative ways to save energy.

### Energy Consumption



- In Milwaukee, we installed a new ammonia compressor that conserves energy through automated controlling of pressure and temperatures, an energy savings of 3.3 million kilowatt hours.
- At our Leinenkugel brewery, heat that would normally be exhausted into the atmosphere is recovered and reused to pre-heat boiler water, a savings of nearly 38,000 therms per year.
- At our Texas brewery, we upgraded the ammonia refrigeration system to reduce energy use by 3.6 percent – eliminating energy-wasting pressure drops and effectively utilizing the evaporative condenser.

**In 2009, our Georgia brewery lowered by 19 percent its energy usage per barrel of beer.**



## A BROADER PORTFOLIO

As we work to reduce our carbon footprint, we continue to partner with energy suppliers who share the same sustainability principles. In 2009, renewable energy comprised just 2.9 percent of our overall energy portfolio. We're committed to increasing our renewable energy mix and utilizing wind and solar power. We're currently exploring a trial wind turbine project at our Milwaukee brewery and experimenting with the use of fuel cells at our California brewery.

Additionally, four of our breweries are home to anaerobic wastewater treatment systems. At our Texas and California breweries, we generate biogas, a renewable energy source, from the wastewater for use in our boilers and for electricity generation, and have begun engineering at our Virginia brewery to reuse biogas for generating electrical power.



The wastewater treatment plant at our California brewery.

## ENERGIZING THE TEAM

MillerCoors commitment to reducing its carbon footprint is a team effort being undertaken by employees across the company.

Employees in Georgia raised awareness of energy conservation by charting usage and creating checklists for shutting down equipment.

The North Carolina brewery celebrated "ECAA Madness" (Energy Conservation Awareness Activity) in conjunction with the NCAA tournament. Employees submitted energy savings ideas for the brewery and the company paid the electric bill of the winning employee.

## ARTFULLY CRAFTED

Blue Moon, born in 1995, is brewed with an artistic approach. We paint flavors with hops, barley and wheat, and then add twists like orange peel and coriander.



## OPTIMIZING TRANSPORTATION

We are also dedicated to ensuring our great beer arrives to distributors with the smallest environmental footprint possible. As a result of the joint venture between Miller and Coors, we substantially reduced the distance our beer travels by millions of miles, a reduction of tens of thousands of tons of carbon emissions.

Beer that was once made in only two breweries is now made in eight. For example, Coors Light is brewed in Ft. Worth and shipped locally to our Dallas distributor rather than from Golden, Colorado, reducing by 770 the miles traveled for each of approximately 3,000 truck load shipments.

## DISTRIBUTING SUSTAINABLY

As a means to conserve energy and reduce emissions, we strive to improve efficiency in every mode of transportation our beer takes to reach consumers.

- By reconfiguring railway shipments to increase the amount of beer each railcar carries, we reduced by nearly 40 percent the number of railcars, an estimated savings of 3,000 metric tons of carbon dioxide.
- We increased the number of kegs and pallets distributors put on return trucks, reducing by 13 percent the number of trucks on the road, or 1,400 trucks per year.
- We're saving energy, emissions and costs as a result of consolidating inventory from nine warehouses, down to five, that store beer before being sent to distributors.
- We replaced non-recyclable, single-use wood structures that secure beer in trucks with 100 percent recyclable plastic separator pads, which are lighter, easier to use and carry an average lifespan of eight years.

## PARTNERS IN SUSTAINABILITY

MillerCoors is committed to working with its carriers and distributors to be more energy efficient. Our goal is to have 100 percent of our carriers join the U.S. Environmental Protection Agency's SmartWay™ program, which drives carriers to reduce transportation-related emissions. In 2009, 90 percent of our carriers were enrolled in the program, a 44 percent increase from 2008.

Forbee Distributors, of Brooklyn, N.Y., is building a co-generation system that will recycle excess heat to provide cooling and heating for beer storage and offices. The facility will be 50 percent more efficient than natural gas generation facilities.

O & W, Inc., a MillerCoors distributor in Michigan, recently completed a two-year project to change 160 energy inefficient light fixtures in its 100,000 square foot warehouse, resulting in an energy savings of 60 percent.



### LOOKING BACK.

MillerCoors successfully met its energy targets for 2009, reducing its total energy usage by 3.6 percent per barrel of beer across its eight major breweries. We renewed our commitment to EPA's Climate Leaders program, and reduced our greenhouse gas emissions by 1.2 percent across all of our facilities.

### LOOKING AHEAD.

- Incorporate transportation-related GHG emissions into EPA's Climate Leaders goal
- Increase percentage of renewables in energy portfolio
- Explore anaerobic wastewater treatment technologies at two additional breweries



# CARBON SAVINGS

MillerCoors works closely with carriers to reduce its carbon footprint. MillerCoors Director of Logistics and Transportation Erik Given and carrier partner Andy Cole, president of TTS, are working to pursue federal legislation to increase load weight on trucks and subsequently add a sixth axle for safety. Each truck that leaves our brewery is only 65 percent full and slightly increasing the allowed weight – the equivalent of adding five pallets of beer – would take approximately 100,000 trucks off the road each year, a reduction of 54 million tons of CO<sub>2</sub>.







## GREAT PACKAGING

Packaging is a critical component of the beer production process, and we are conscious of its impact on the environment. MillerCoors approach to packaging focuses on:

- Packaging elimination and lightweighting
- Increasing recycled content
- Supporting consumer recycling initiatives
- Evaluating environmental impact

Recognizing the role packaging plays in our overall carbon footprint, MillerCoors engaged third-party help to determine our carbon footprint – from ingredients to suppliers to brewing and distribution – for 13 product SKUs.

The carbon footprint study, conducted in accordance with the Beverage Industry Environmental Roundtable sector guidance, revealed that packaging makes up 21 to 44 percent of our total packaged product carbon footprint. From these results, we are actively working to reduce our packaging carbon footprint, from source reductions to material substitutions.

### ALWAYS SMOOTH. ALWAYS RECYCLABLE.

The smooth taste of Keystone Light is packaged in a recyclable aluminum can.



More than 50 years ago, Bill Coors implemented the “Coors Cash for Cans” program, promising a penny per can returned to the brewery - helping spark the recycling revolution.

### LOOKING BACK.

MillerCoors packaging sustainability team was proactive in 2009 and made progress against its goals. MillerCoors successfully implemented more than 11 million pounds of source reductions and is working closely with its first- and second-tier packaging suppliers to collectively reduce energy.



Cold-activated Coors Light bottles coming down the packaging line.

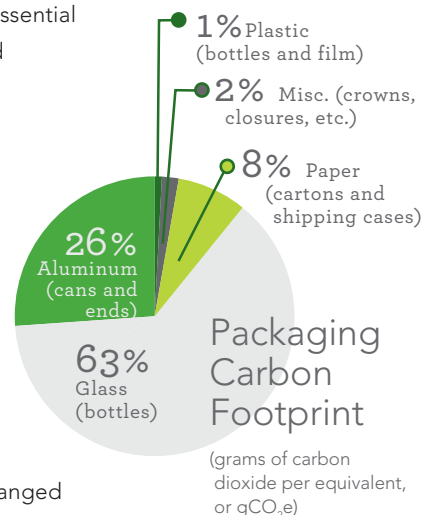
### 2015 GOAL

Reduce retail packaging by 2%

### SAVING MORE BY USING LESS

As we invest in new packaging, it is essential to keep in mind the growing demand by consumers and retailers for more sustainable options. We are actively working on lightweighting our packaging, and in 2009, we achieved an estimated annual savings of 11 million pounds of packaging materials. For example, in Coors Light and Coors Banquet 12-pack cans, we eliminated unnecessary corrugated fiber board, saving 5.8 million pounds of cardboard, the equivalent of 8,700 trees. We also changed the corrugate in Coors 18- and 20-pack bottles, substantially reducing the amount of cardboard used.

Utilizing aluminum also remains a prime consideration as it has a lower carbon footprint and the most recycled content of any beverage container, at approximately 68 percent. In 2009, we introduced the Miller Lite aluminum pint, and in 2010, two of our craft beers, Blue Moon Belgian White and Leinenkugel's Summer Shandy, will be released in cans for the first time.



### LOOKING AHEAD.

- Translate carbon footprint research to potential packaging changes
- Continue consumer research into new sustainable packaging
- Collaborate with industry coalitions to proactively influence recycling regulatory environment



# GREAT ACHIEVEMENT: ZERO WASTE

We have always believed that waste is a resource out of place. That's why we challenge ourselves every day to find new opportunities to reduce, reuse and recycle our brewery waste.

Specifically, MillerCoors focuses on:

- Waste generation and disposal
- Waste management
- Upstream waste minimization

In 2009, we exceeded our 2015 goal, reducing the total amount of waste sent to landfill by more than 20 percent.

Two of our breweries – Virginia and Ohio – recently achieved their goals of zero waste to landfill. The breweries reduced their solid waste by cutting usage, recycling and finding creative ways to reuse brewery materials.

**At our Ohio brewery, we reused scrap metal and old grating found in the brewery to make ergonomic upgrades to the high speed can packer.**

Any remaining non-recyclable materials, ranging from 0.2–0.4 percent, are sent to a nearby waste-to-energy facility, where they are used beneficially to produce steam.

We're committed to further improving our performance. We're working to gain a better understanding of upcoming regulations in order to finalize a new 2015 goal for waste reduction. We expect to announce our updated target in late 2010.

## INNOVATIVE REUSE

In 2009, MillerCoors reused or recycled more than 99 percent of its brewery waste, including spent grain and spent yeast, wood, aluminum, cullet, metals, plastic and paperboard.

This represents a nearly one percent improvement from 2008.

Across our breweries, much of the waste is recycled and supplied to external groups for reuse. Bio-solids generated at the wastewater treatment plants are used to fertilize local farms and the lime from the wastewater treatment plant is reused as a

soil conditioner. Fly ash is reused by a local cement manufacturer for cement mix, landfill cover and reclamation refill. In another example of creative material reuse, discarded glass is ground into mulch to landscape our Ohio brewery.

We also search for new ways to reuse the materials in which our suppliers deliver our ingredients. In Golden and Virginia, we clean and reuse the hop drums in the brewery. We also recycle the five-gallon pails that store hop pellets and flavoring.

## EMPLOYEE GREEN TEAMS

From senior management to hourly workers, MillerCoors employees are helping to reduce our waste stream. A true grassroots effort, members of

## FROM WASTE BEER TO FISH FOOD

In 2009, our Ohio brewery teamed up with Oberon FMR to run a full-scale trial of an innovative technology to create a fish food ingredient from brewery wastewater that will help alleviate dependence on natural fisheries. The high-protein ingredient, derived from nutrients found in the brewery process wastewater, is intended to replace fishmeal used for farm-raised fish. The trial showed promising results, proving the old adage, "One man's trash is another man's treasure."

our brewery green teams act as recycling ambassadors to fellow employees and take a leadership role in organizing activities aimed at reducing waste.

Several of our offices are leading the charge to eliminate waste. At our Milwaukee corporate office, employees "stashed their trash," voluntarily forfeiting their office waste bins. Their efforts resulted in a savings of more than 15,000 plastic trash bags from entering the landfill. The Vice President of our Ohio brewery gave up her office trash bin, and now only uses the community bins. Additionally, the Golden Brewery Vice President issued reusable aluminum water bottles to all employees to eliminate the use of plastic water bottles.

**2015 GOAL**  
Reduce waste to landfill by 15%

## LOOKING BACK.

MillerCoors exceeded its waste goals in 2009, surpassing its 2015 goal five years ahead of schedule. Two of our breweries also achieved zero waste to landfill for a period of months. We've maintained a commitment to finding creative ways to reuse brewery waste, and expanded our recycling efforts across all facilities.

## LOOKING AHEAD.

- Further improve waste collection methods at all breweries to increase recycling rates
- Set new, aggressive waste reduction target for 2015
- Achieve zero waste to landfill at one additional brewery





## GREAT SUPPLIERS

MillerCoors recognizes that its supply chain carries a tremendous impact and therefore represents a significant opportunity. We work together with suppliers to effectively demonstrate our commitment to sustainability by:

- Reducing our environmental footprint
- Supporting local enterprise development
- Encouraging our Responsible Sourcing Principles

### GREAT INGREDIENTS

We believe in using only the best ingredients in our great beers and are actively involved with the growers and suppliers who provide us with raw materials. Through its Grower Direct Program, MillerCoors employs a team of eight agronomists to work alongside barley farmers to help provide insight into decisions for planting, irrigation and crop rotation.

In conjunction with the American Malting Barley Association, we continue to seek additional regions to grow winter barley, which requires less water and energy due to the off-peak growing cycle. After completing a successful trial of the crop in 2009, we estimate a further savings of five million gallons of water and 3,000 kilowatt hours of electricity in 2010.

In addition to our work with growers, we work closely with our malt suppliers to implement sustainability in their operations. One of our malt suppliers,



### A PIECE OF THE HIGH LIFE

We value small businesses, as many of MillerCoors network of 10,000 suppliers are small business owners. In support of enterprise development, Miller High Life featured four small businesses in its commercial that aired during The Big Game in February 2010.



The mash tuns at our Golden brewery.

Canada Malting Co. Ltd., recovers biogenic heat generated by the germinating grain and uses it to heat its malt houses. In some sites, it is the only heating source, removing all dependency on external energy.

Through our malt optimization program, MillerCoors was able to reduce the distance its malt traveled by analyzing in-house capability alongside our supplier network. As a result, our Golden facility produces all the malt needed for the brewery and our supplier, Cargill, now ships malt in larger quantities, resulting in 15 percent fewer rail cars across shipments.

### SUSTAINABLE FARMING

Hops are essential to beer, helping maintain flavor and stability. Hops growing is a small industry, with only about 25 U.S. growers. MillerCoors works with the top seven who provide a consistent quality product.

Our hops farmers are committed to sustainable farming practices, and as such we work together to find opportunities to be more efficient. Together, we've increased the use of drip irrigation to reduce the amount of water needed for the crop. Any waste from the growing stages is recycled as compost, and when used in the brewing process, is recycled as feed for cattle.





# RESPONSIBLE SOURCING

MillerCoors constantly evaluates its supplier network to gain an understanding of social and environmental risks within its supply chain.

In 2009, we embedded our global Responsible Sourcing Principles in all procurement contracts, providing guidance across eight areas: business conduct; working conditions; employment; child labor; wages; diversity; freedom of association; and environment.

We researched and validated a self-audit tool, putting the pilot methodology in place for our top-tier suppliers to evaluate their performance. This resource, called SEDEX, sets benchmarks on a global International Labour Organization standard scale to assess internal practices as well as our suppliers' to identify risks and opportunities.

## COLLECTIVE IMPACT

MillerCoors has more than 10,000 suppliers, and we work closely with the Top 100, who represent 80 percent of our total procurement spend. Many of our suppliers share our commitment to embedding sustainability across operations.

- Foodliner, a supplier, is expanding its fleet with units powered by compressed natural gas for an oxygen-free exhaust.
- MillerCoors partnered with two syrup suppliers, Cargill and Corn Products International, to increase truck shipment efficiencies by increasing load weights and reducing trailer tare weights.

**“We are delighted to partner with MillerCoors to reduce our environmental impact. We are working to reduce water usage in our supply chain and collaborating on new, long-term initiatives to reduce fuel and energy consumption.”**

**Pat Bowe, Corporate Vice President, Cargill**

Recognizing the importance of the supply chain for businesses worldwide, MillerCoors became a Founder Level Member of The Sustainability Consortium to help develop global sustainable development measurement and reporting standards in collaboration with suppliers, retailers, non-governmental organizations and government officials. The standards will consistently quantify sustainable attributes of a manufactured product across its entire life cycle.

MillerCoors also hosted a Sustainability Summit with its procurement team in Golden and Milwaukee. During the Summit, we completed our goal of conducting sustainability training for all procurement staff.

## SUPPLIER DIVERSITY

In 2009, MillerCoors spend with diverse suppliers was 7.4 percent of the company's total spend. We exceeded our supplier diversity program target by 14 percent, working with a total of 579 minority- and women-owned businesses.

We collaborate with industry peers to drive business growth for diverse suppliers. MillerCoors partners with the National Black Economic Development Coalition and the Hispanic Association on Corporate Responsibility on supplier diversity initiatives. We are also actively involved in the Conference Board's Supplier Diversity Leadership Council and have a seat on the Board of Directors for the National Minority Supplier Development Council.

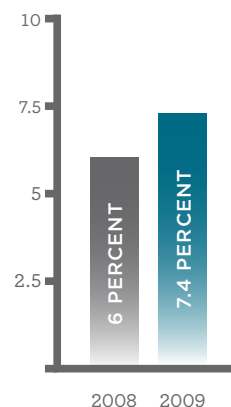
In 2009, MillerCoors continued to foster relationships with second tier suppliers, hosting a networking event for the Women's Business Enterprise National Council. One supplier, CH2M Hill, recognized the business value of the program and introduced it in its own community practices.

## 2015 GOAL

Spend more than \$2.5 billion cumulatively with diverse suppliers

## Supplier Diversity

(MillerCoors spend percentage with diverse suppliers)



## LOOKING BACK.

In 2009, we made progress with our Top 100 suppliers, sharing our Responsible Sourcing Principles and putting the pilot methodology in place for suppliers to perform self-audits against the Principles. We surpassed our overall supplier diversity spend goal, increasing to 7.4 percent of total spend. We also exceeded our spend goal by nearly 25 percent with Hispanic suppliers, but did not meet our target spend goal with African-American suppliers.

## LOOKING AHEAD.

- Establish pipeline of joint projects between MillerCoors and suppliers
- Focus on projects impacting water, packaging, waste and energy
- Focus on suppliers in agriculture, promotional items and packaging
- Leverage The Sustainability Consortium membership to participate in development of sustainability measurement and reporting standards



## A GREAT INVESTMENT

MillerCoors is committed to growing its business the right way. We make it a priority to support our people and the communities in which we live, work and sell our beers. Specifically, we are working on:

- Building a world-class safety culture
- Investing in our people
- Investing and volunteering in our communities
- Supporting our multicultural stakeholders

**Our Texas brewery has gone one million hours without a lost time incident – the equivalent of two years.**

### SAFETY CULTURE

At MillerCoors, the safety of our employees is of the greatest importance. We work to ensure our employees have a safe work environment and strive for zero work-related injuries. In 2009, our DART rate – Days Away, Restricted or Transferred due to injury – was 1.06 percent, below MillerCoors threshold of 1.46 percent.

We are committed to reducing injuries on the job and instilling a new safety culture at our breweries. In 2009, we launched the transformation process at our California and Milwaukee breweries to engage workers in building the safety culture they want at their facility.

Grassroots teams implemented changes based on their culture assessment. For example, in Milwaukee, the packaging team made changes to shift the culture towards glove use after determining most work-related injuries stemmed from cuts to hands. Prior to implementation in 2009, the team had 11 hand injuries and after the project there was only one injury the remainder of the year.

Additionally, several MillerCoors facilities, including the Virginia brewery, were recognized by OSHA's Voluntary Protection Program, which sets performance-based criteria for worksites.



Employees at our Milwaukee brewery.

**“We’ve been impressed with MillerCoors leadership and commitment to workplace safety and health excellence.”**

**Bob Glover, Assistant Regional Administrator, OSHA Region VIII**



The home draft bottle rinser at our Eden brewery.

### LOOKING BACK.

MillerCoors surpassed its safety goals in 2009. We held a grassroots safety summit with representatives from nine of our facilities and piloted our safety culture transformation at two breweries. Importantly, brewery employees are actively engaged in the safety culture shift.

### LOOKING AHEAD.

- Launch safety culture process at two additional breweries
- One additional facility to participate in OSHA's VPP
- Complete Environmental, Health and Safety management system and process





## GREAT PEOPLE

MillerCoors supports the growth of its talent and is committed to investing in the professional development of its employees. Through MillerCoors University, we offer training in areas such as leadership development and understanding of the commercial business. In 2009, 4,810 employees participated in a MillerCoors University learning opportunity for a total of 160,000 training hours.

We also encourage employees to pursue continuing education opportunities. In 2009, MillerCoors provided more than \$700,000 in tuition reimbursement to nearly 300 employees.

**2015 GOAL**  
Achieve recognition  
as FORTUNE 100  
Best Companies  
to Work For®

### 64 REWARDING CALORIES

MGD 64 is the official sponsor of the Rock 'n' Roll Marathon Series™, and in 2009 recognized 64th place finishers of 14 marathons with a special MGD64 prize package.



### DIVERSITY AND INCLUSION

Growing and leveraging diversity is a business priority and starts with our people. In 2009, our employee engagement index increased by three percent in the area of diversity and inclusion, an indication that we are making strides. Employees across the company participated in an online training that explains how diversity and inclusion helps MillerCoors win in beer. According to a post-training

survey, more than 75 percent indicated that they will be able to apply the knowledge gained to better perform their jobs.

We also launched the MillerCoors Mentoring Program. By pairing emerging talent with our senior leaders, we create one-on-one learning opportunities and foster the transfer of diverse ideas. Through action and experiential learning, emerging leaders have the opportunity to grow professionally.

### EMPLOYEE NETWORKS

MillerCoors employees are as diverse as our portfolio of great beer. Employee Affinity Groups at our breweries and corporate offices work together to advance the business strategy and promote MillerCoors in communities. In 2009, Employee Affinity Groups:

- Joined with the Latin American Educational Foundation to provide students with college scholarships, raising nearly \$25,000.

### LOOKING BACK.

In 2009, MillerCoors focused on growing and developing its talent. We conducted an employee engagement survey that established baseline measurements, then set goals based on the results. We participated in talent sourcing with multicultural organizations and built a strategy in 2009 to focus on areas of the workforce where diverse candidates are underrepresented.

### LOOKING AHEAD.

- Engage employees in their development through MillerCoors University
- Launch 360° feedback tool for managers
- Facilitate human resources efforts in recruiting diverse talent



Our great beer is made by great people. To engage employees, we implemented an employee campaign titled, “Be Great,” that highlights different employees each month for their responsibility efforts.

- Organized an employee fundraiser that resulted in a \$15,000 donation to Toys for Tots during the holidays.
- Served Thanksgiving and Christmas dinners at The Center on Halsted in Chicago.
- Held Veteran’s Day events at many of our breweries, honoring current and past employees who served in the military.
- Held our annual Dragon Boat Race festival in Colorado and Wisconsin.
- Partnered with the Rocky Mountain

Deaf School to build awareness and support for the hearing impaired.



# CELEBRATING WATER STEWARDSHIP

MillerCoors launched its first company-wide volunteer water stewardship initiative by dedicating September as MillerCoors Water Stewardship Month. Employees from all brewery and corporate office locations volunteered to improve access to clean waterways, rejuvenate stressed watersheds and restore native ecosystems. In total, 528 employees volunteered 1,658 hours of their time at activities across the U.S. In Virginia, volunteers planted 60 trees and restored streambeds and river banks. In Chicago, employees conducted water quality testing and removed invasive plant species along the Chicago River.







## GREAT COMMUNITIES

Meaningful community investment is integral to growing our business the right way. MillerCoors focuses on strategic corporate social investment priorities, including water, enterprise development, multicultural communities and the United Way. In 2009, our total community investment spend was \$10.6 million.

In connection with our strategic priorities, we invest in water conservation and stewardship initiatives in our brewery communities. In 2009, MillerCoors:

- Invested \$500,000 to fund the MillerCoors THIRST Freshwater Innovation Lab at Milwaukee's Discovery World Museum.
- Donated \$10,000 to help restock the fish in a lake near the Wisconsin Dells after a berm collapsed and

drained the lake. A local Leinenkugel distributor matched our contribution.



### COMMUNITY-ACTIVATED

As the official sponsor of the Puerto Rican Day Parade, the Coors Light team provided \$75,000 in scholarships to the National Puerto Rican Day Parade and Diversity Foundation Scholarship Fund in 2009.

- Issued \$52,000 in watershed protection grants to organizations in our brewery communities through a partnership with River Network, a national non-profit organization.

### SUPPORTING MULTICULTURALISM

We work with our multicultural stakeholders and community partners to develop programs that:

- Focus on leadership development
- Provide educational opportunities
- Promote entrepreneurship

In 2009, we celebrated the 10th anniversary of the MillerCoors Urban Entrepreneur Series business plan competition by giving \$200,000 in grants.

MillerCoors is the founding corporate sponsor of the Thurgood Marshall College Fund, which for 23 years has provided support and scholarships to the 47 public Historically Black Colleges and Universities. In 2009, we donated a record \$1.3 million to the Fund. We also donated \$60,000 in scholarships during the Historically Black Colleges and Universities Football Classics.

We continue our commitment to helping Latino students pursue higher education through a partnership with MillerCoors ¡Adelante! In 2009, we donated \$200,000 in scholarships and sponsored 30 students to attend the ¡Adelante! Leadership Institute in San Antonio, Texas.

**MillerCoors received the 2009 Corporation of the Year Award from the U.S. Hispanic Chamber of Commerce.**



### CHICAGO HEADQUARTERS EARNS LEED SILVER CERTIFICATION

MillerCoors officially opened its Chicago headquarters in June 2009, bringing a commitment to environmentally-friendly design. The space features energy efficient lighting with motion sensors, and the open layout harvests 90 percent daylight. In total, 96 percent of the construction waste was recycled.

The building recently earned Leadership in Energy and Environmental Design (LEED) Silver certification from the U.S. Green Building Council, which encourages global adoption of sustainable green building and development practices.



## GREAT DEDICATION



MillerCoors employees are committed to community. At a young age, Anita Hernandez was instilled with the belief, “see a need, fill a need.” A procurement specialist at our Irwindale, California brewery, she remains inspired by these words and displays a remarkable commitment to community

service. In her 14 years with MillerCoors, Anita has coordinated dozens of volunteer events. In 2009, she helped organize more than 120 volunteers to participate in the Coastal Clean-Up event in Los Angeles County. Anita also serves as chair of the Board of Directors for the Irwindale Chamber of Commerce and was recently honored with the 2010 Women of Achievement Award for the 57th Assembly District for her dedication to the Irwindale community.



MillerCoors southwest sales team and Glazer's Distributing teamed up with Habitat for Humanity.

## VOLUNTEERISM

MillerCoors employees help make a difference in our communities through volunteerism. We launched a new internal website to help employees track volunteer opportunities and hours. In 2009, employees logged nearly 20,000 volunteer hours.

- More than 60 volunteers helped restore a damaged wetland during the third annual Friends of the Forest Day in Golden.
- The Irwindale brewery teamed with Shoes That Fit, a United Way agency, to run a children's shoe drive, collecting 250 pairs of shoes prior to the start of the school year.
- Employees at the Leinie Lodge wrapped holiday gifts for community guests with Leinenkugel beer labels unusable for packaging and collected contributions for a local food pantry.
- Each quarter, employees spend hundreds of hours at Project C.U.R.E., a non-profit relief group that delivers donated medical supplies and equipment to developing countries.

## TEAMING WITH DISTRIBUTORS

Our distributors also know that with great beer comes great responsibility.

MillerCoors southwest sales region teamed with Glazer's Distributing Company to build a Habitat for Humanity home in Dallas. Collectively, 30 MillerCoors and Glazer's volunteers dedicated eight Saturdays to construct the home, a total of 1,400 volunteer hours.

Through our Coors Light Compartiendo Mesa Food Basket Program, we work with distributors and community organizations to assemble food baskets for families during the holidays. In 2009, we donated more than 6,000 baskets in seven communities.

## 2015 GOAL

Exceed  
\$2 million annually  
in United Way  
contributions

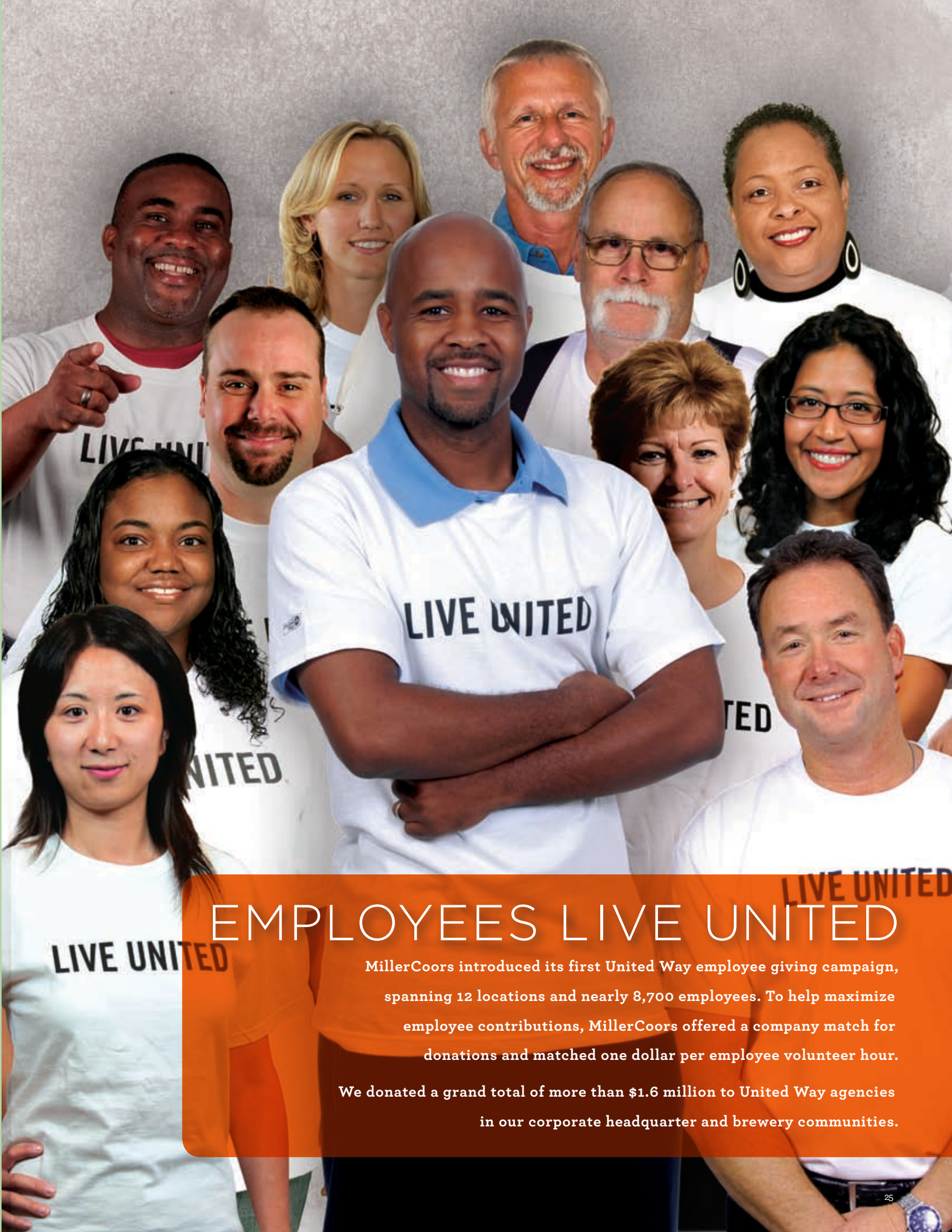
## LOOKING BACK.

MillerCoors successfully met its corporate social investment goals in 2009, establishing a three-year strategy and launching an enterprise-wide United Way campaign that resulted in a donation of more than \$1.6 million. Progress was also made in the company's multicultural relations strategy in aligning strategic partnerships.

## LOOKING AHEAD.

- Increase employee participation in Water Stewardship Month by five percent
- Grow the United Way campaign participation rate by 10 percent
- Leverage multicultural programs and relationships into sales and marketing objectives
- Increase employee volunteer hours by five percent





# EMPLOYEES LIVE UNITED

MillerCoors introduced its first United Way employee giving campaign, spanning 12 locations and nearly 8,700 employees. To help maximize employee contributions, MillerCoors offered a company match for donations and matched one dollar per employee volunteer hour.

We donated a grand total of more than \$1.6 million to United Way agencies in our corporate headquarter and brewery communities.



## GREAT PRACTICES

Great Beer, Great Responsibility means we are committed to growing our business the right way. Ensuring ethical practices both within the organization and throughout our entire value chain is a top priority.

In 2009, we redesigned our Code of Business Conduct and issued a new training tool to all employees, who affirm the Code annually. We also achieved our goal of issuing the Code to distributors and top retail chain accounts. Furthermore, in every purchase order and supplier contract we include requirements to abide by provisions of our Code.

MillerCoors plays an active role with external organizations, including the Corpedia Advisory Board, the Corporate Executive Board Compliance and Ethics Leadership Council, and the Ethics and Compliance Officer Association, to conduct benchmarking and maintain leading edge techniques for ethics and transparency.

### SUSTAINABLE LEADERSHIP

MillerCoors is a joint venture wholly owned by our parent companies, SABMiller and Molson Coors. Both parent companies are global leaders in sustainable development and actively guide MillerCoors progress. MillerCoors Board of Directors includes members from both parent companies. One of three Board-level committees, Corporate Responsibility and Ethics, charts our progress and meets at least three times each year.

Our Sustainability Leadership Council includes 36 employees from all functions of the business and meets quarterly to set goals and guide MillerCoors sustainable development strategy. MillerCoors also has an internal Compliance Committee that meets quarterly to review ethics issues.

**2015 GOAL**  
Improve overall Sustainability Assessment Matrix (SAM) scores by 5%

Members of our Sustainability Leadership Council discuss sustainability initiatives.



### TRACKING OUR PROGRESS

MillerCoors utilizes the Sustainability Assessment Matrix (SAM), a measurement tool and benchmarking system based on inputs from the Global Reporting Indicators G3 guidelines and UN Global Compact Principles, to track its progress. Twice yearly, we complete a SAM assessment on 10 global sustainable development priorities, and the results are shared publicly at [www.sabmiller.com/files/reports/sdreporting](http://www.sabmiller.com/files/reports/sdreporting).

Each priority has a 'stairway' that plots a course through four levels of performance from minimum standard to best practice.

During the most recent reporting period, MillerCoors overall SAM score improved by 3.5 percent, from 3.08 to 3.19. In addition, more than 60 percent of our scores are at a level three or higher.

MillerCoors operations are governed by federal and state regulations. In 2009, we paid three environmental penalties from violations at our California, Texas and Golden breweries, and received an OSHA citation regarding electrical safety standards at our Golden brewery. We have since made improvements to ensure compliance.

#### THE FOUR LEVELS

		4	<b>BEST PRACTICE</b> Achieving what is currently considered to be global best practice in a particular field.
		3	<b>DEVELOPING LEADERSHIP</b> Applying a comprehensive approach including innovative tools and widespread engagement.
		2	<b>PROGRESSING</b> Ensuring consistent performance is achieved in a particular field.
1			<b>MINIMUM STANDARD</b> All operations must achieve level 1 as it represents management of the key sustainable development risks we are facing today. The Executive Committee has mandated that where operations do not meet level 1 currently, they must implement a plan to reach this level as soon as possible.

### LOOKING BACK.

We met our 2009 ethics and transparency targets. We further embedded sustainability into the business, established a cross-functional Sustainability Leadership Council, as well as several working subcommittees. MillerCoors also improved its overall SAM score and established corporate and brewery "green teams."

### LOOKING AHEAD.

- Improve stakeholder dialogue through [GreatBeerGreatResponsibility.com](http://GreatBeerGreatResponsibility.com)
- Provide ethics advice to the field sales organization via townhall meetings
- Improve and enhance Integrity Program through online training with MillerCoors University
- Engage employees in culture of sustainability



# THIRD PARTY VIEWPOINTS

MillerCoors brews great beer, but we also have a great responsibility to our people, partners and communities. A key part of our strategy is to meaningfully engage our stakeholders and work together on our sustainable development commitments. MillerCoors asked a representative group of stakeholders to provide an analysis of our performance in 2009 and give input on how we can focus our efforts moving forward.

## SEARCH INSTITUTE | Peter L. Benson, Ph.D., President and CEO



“MillerCoors has been a respectful, honest and collaborative partner for Search Institute for more than half a decade. Our partnership is innovative on a number of fronts and built on a strong research foundation that emphasizes what parents can do to keep their teens from using alcohol—beyond just talking about it.

The company has taken a bold and innovative approach to corporate social responsibility that is worthy of emulation by other companies. We have appreciated how MillerCoors has spurred us to grow and think beyond our current approaches. The company has shown its commitment over the long term to focus its investments and commitments in places that are effective in the long-term, even when the results may not be easy to see right away.

The year 2009 was pivotal for the Search Institute, and with support from MillerCoors we were able to revamp the website to ParentFurther.com [one of Search Institute’s most important education tools] and expand its content. Their investment in our work has been leveraged to attract other corporate sponsors, key national partners and other leaders, who have made this work on parent engagement a top priority and strategy for Search Institute.”

## THE NATURE CONSERVANCY | Dayna Gross, Silver Creek Preserve Manager



“The Silver Creek Preserve in Central Idaho is a recipient of a MillerCoors grant that has allowed us to embark on a watershed planning effort, something we have needed for many years. We are working closely with stakeholders, including many MillerCoors barley farmers, to develop a vision for the watershed which includes water conservation on working farms and ranches. The stakeholders have been surprised and impressed that MillerCoors is funding much of this work.

The goal of this pilot project is to create an example of how you can make simple changes and save substantial amounts of both water and energy to keep more water in the aquifer and in Silver Creek. For example, the retrofitting of one pivot could save 125,000 gallons of water every time the pivot completes a circle—roughly once every two days.

The hurdles we face with this project are not unique. We first have to get stakeholders on board, find matching funds and implement the conservation strategies. This grant has allowed us to develop a plan and begin implementation. And if successful, we will have several more years of implementation required to maximize the benefits.”

## THE SUSTAINABILITY CONSORTIUM | Dr. Jon Johnson, The Sustainability Consortium Co-Director, Professor, Sam M. Walton College of Business, University of Arkansas



“The current sustainability measurement and reporting environment for manufacturers and retailers is fragmented and has no standardized method. Few, if any, existing systems account for a full product life cycle analysis and most focus on a single dimension of sustainability. The Sustainability Consortium is working with MillerCoors to develop integrated sustainability measures and reporting standards.

MillerCoors research shows that much of its environmental impact lies outside its own boundaries, throughout the supply chain. With this comes an appreciation of the need for a comprehensive, credible system, both affordable and accessible to its supply chain. Our partnership is still young, but in the early stages we have been impressed with the level of commitment – actions in addition to resources – MillerCoors has exhibited. From the company’s past success in reducing its water and carbon impact, and from its aggressive goals for further reductions, I believe the company is well positioned to lead the beverage industry on several key dimensions of sustainability.

As impressive as the company’s gains have been, I’m anxious to see how much additional progress it can make through its ongoing efficiency improvements, and would like to see water and carbon goals extended to include more of their supply chain. We are looking forward to MillerCoors continued participation in the Consortium, but beyond that it would be particularly exciting to work together to find innovative ways to use the information and tools we are co-creating.”

## HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY | Carlos Orta, President and CEO



“The partnership between MillerCoors and the Hispanic Association on Corporate Responsibility (HACR) dates back nearly 25 years, when Coors Brewing Company provided a seed grant to launch HACR. Our objective today remains to work with companies in a proactive manner with a single focus: the U.S. Hispanic community.

We have an outstanding working relationship with MillerCoors. They have a strong commitment to multicultural communities, and they understand these communities will fuel their growth and profits over the next several decades and they are investing accordingly.

MillerCoors willingness to be transparent sets them apart from their direct competitors as well as other companies. MillerCoors senior leadership is fully committed to diversity and Hispanic inclusion, and that is reflected throughout the rest of the company.

There is always room for improvement and we are confident that MillerCoors is willing to invest the resources needed to create America’s Best Beer Company. Our partnership with MillerCoors is very important to our organization and it is a partnership that we tout as a role model for other corporations. MillerCoors has not only set the standard, but continuously raises the bar through innovative and strategic products, programs and initiatives.”

# STATEMENT BY CORPORATE CITIZENSHIP

MillerCoors as a single entity has existed for two years. The sustainable development commitment from both parent companies continues to serve as a foundation for MillerCoors; however, MillerCoors has moved forward significantly in advancing its own sustainable development activities over the past year. The next few years will continue to require the company to focus on developing and fine-tuning its policies, systems and practices to meet its sustainable development commitments.

MillerCoors second sustainable development report highlights the progress the company has made in just one year. The company has undertaken many of the commitments made in last year's report, especially in the "Looking Ahead" section, and recommendations we outlined in our commentary last year, which together have improved their sustainable development program and their reporting. MillerCoors has completed a carbon footprint for 13 product SKUs, set 2015 goals for non-environmental areas such as alcohol responsibility and included stakeholder perspectives on the company's partnerships.

This year's report includes other aspects of best practice reporting. The addition of charts that show performance, trends from last year and distance to the 2015 goals, as well as a qualitative and quantitative explanation of the company's carbon footprint from packaging, makes it easier for readers to understand MillerCoors impact in key areas. The report aims to improve transparency by discussing a few challenges last year, noting how MillerCoors performed on its commitments in last year's report across each area (i.e. "Looking Back, Looking Ahead") and highlighting the call to action from a few partners.

Going forward we identify three main areas that MillerCoors should address. First, MillerCoors has a five-point sustainable development model, which provides a starting point for managing and reporting sustainable development. MillerCoors can take the next step by focusing on a handful of issues where it has the most impact as an alcoholic beverages company, which could include alcohol responsibility, water and climate change.

Second, the inclusion of third party viewpoints, summary of stakeholder engagement methods and signposts to the company's work with each stakeholder group does increase MillerCoors credibility. However, during our conversations with MillerCoors we got the impression that stakeholder engagement could be expanded into a more systematic approach that involves greater two-way dialogue with a variety of internal and external stakeholders. In turn, MillerCoors should report in greater detail on its stakeholder engagement process, including stakeholders' main concerns and the company's responses, and on the results from its company's employee and customer satisfaction surveys.

Third, the report includes a variety of points that help create a comprehensive picture of MillerCoors sustainable development activities. Still, some topics could be covered in greater detail, such as additional health and safety metrics (e.g. fatalities), supply chain risks stemming from domestic suppliers (e.g. illegal workers) and community investment focus areas.

MillerCoors report provides a good view into the company's sustainable development activities. The Great Beer, Great Responsibility website offers an opportunity for MillerCoors to expand upon and update the information provided in the annual Sustainable Development Report. Furthermore, the website could provide a forum through which to create conversations with and gather feedback from interested groups.

**Corporate Citizenship**

**May 19, 2010**

**[www.corporate-citizenship.com](http://www.corporate-citizenship.com)**

## ABOUT CORPORATE CITIZENSHIP AND OUR ROLE



Corporate Citizenship is a specialist management consulting company advising corporations that seek to improve their economic, social and environmental performance.

We provide assurance services of SABMiller's Sustainability Development Report and Molson Coors environmental data. Our assurance statements are available on the parent companies' websites.

MillerCoors commissioned us to prepare an external commentary on this report. Our work was comprised of interviews with a cross-section of managers from relevant departments, a review of best practice reporting by other brewing companies and a review of the company's inputs into the Sustainability Assessment Matrix (SAM).

This statement does not constitute independent assurance as we have not verified the report's content nor assessed inclusively, materiality or responsiveness to stakeholders.





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