

# MILLERCOORS 2013 SUSTAINABILITY REPORT

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# BREWING FOR GOOD



Cover photo:  
John Ardellini  
brewery worker, Milwaukee  
38 years tenure

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Tom Long, CEO

“A commitment to sustainability is part of our heritage, and it’s something our employees and consumers demand.”

# Message From Leadership

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We launched MillerCoors five years ago with the ambition of creating America's best beer company. From the very beginning, we put sustainability at the heart of that vision. We made that decision because a commitment to sustainability is part of our heritage, and it's something our employees and consumers demand. Quite simply, it's good business and the right thing to do.

The MillerCoors 2013 Sustainability Report outlines how we're "brewing for good" and our progress on this journey.

## **OUR COMMITMENT TO SUSTAINABILITY HAS FIVE KEY INGREDIENTS:**

**RESPONSIBILITY.** It's our duty to ensure our great beers are marketed and consumed safely and responsibly.

**ENVIRONMENTAL STEWARDSHIP.** We constantly strive to use less water, lower our energy emissions and cut back on waste.

**SUPPLY CHAIN.** We're working with everyone from our farmers to our distributors to improve sustainability and transparency throughout our supply chain.

**PEOPLE AND COMMUNITIES.** We support people and give back to the communities that give so much to us.

**ETHICS AND TRANSPARENCY.** We brew, market and sell our beers the right way.

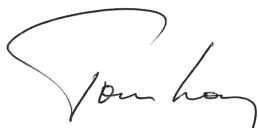
We've set specific goals and carefully track our progress in each of these areas. As you'll see in this report, our people consistently rise to meet or exceed our ambitious goals. Here are just a few examples:

Demonstrating our commitment to Responsibility, last year, we expanded our Respect 21<sup>®</sup> program to 18 new communities with 616 new retailers and encouraged more than 200,000 fans to pledge to be designated drivers at sports and entertainment venues.

We had a breakout year with water conservation. We achieved a 6.1 percent improvement in water efficiency in 2012. Our Eden Brewery led the way with a 3.34:1 average water-to-beer ratio—a record for MillerCoors.

Since 2009, we've spent approximately \$1.75 billion with minority- and woman-owned businesses. And in 2012, MillerCoors provided \$14.2 million in employee and corporate donations to nonprofits.

I am proud of how we've made MillerCoors a more sustainable company during our first five years, and we'll continue to raise the bar. The rigorous standards we set in our ongoing quest to brew, package and ship the highest quality beers are the same ones we'll use to measure ourselves as an employer, a business partner and a corporate citizen. Because that's how we'll ensure we're positioned to create America's best beer company today, tomorrow and well into the future.



Tom Long  
Chief Executive Officer

# About MillerCoors

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Built on a foundation of great beer brands and nearly 300 combined years of brewing heritage, MillerCoors continues to advance our founders' legacy of brewing the highest quality beers. We are the second-largest beer company in the U.S., capturing 29 percent of beer sales in the U.S. and Puerto Rico in 2012. We build our brands the right way through brewing quality, responsible marketing, and environmental stewardship and community impact. From the barley field to our breweries and throughout our business, we have 8,623 people (as of Dec. 31, 2012) working together to enhance the way America enjoys beer. MillerCoors is a joint venture of SABMiller plc and Molson Coors Brewing Co.

## Revenue Allocation

In 2012, MillerCoors generated total revenue of \$8.97 billion and returned \$7.78 billion to society through goods and services provided by suppliers, compensation for employees, taxes to the government and grants to nonprofit organizations as part of our community investment strategy.

## Brand Portfolio

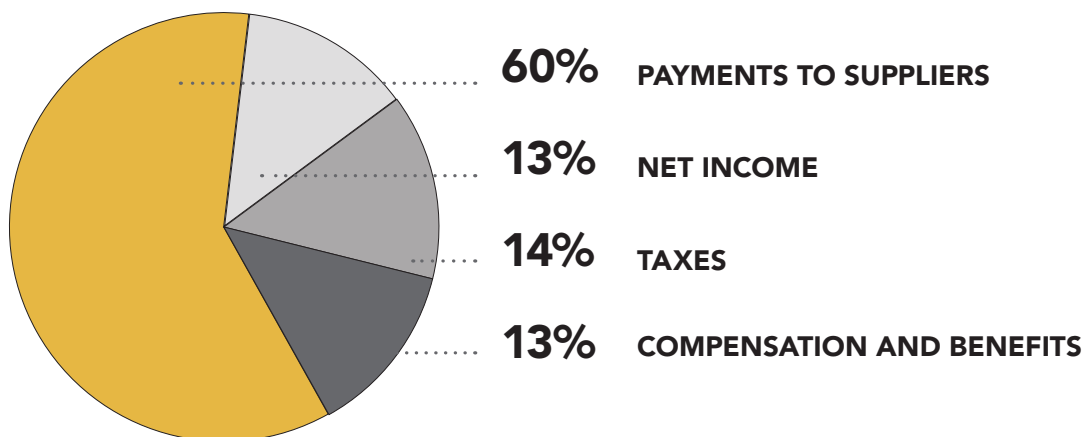
Led by two of the best-selling beers in the industry, MillerCoors has a broad portfolio of brands across every major industry segment. The portfolio is led by our premium light brands: Coors Light, Miller Lite and Miller64. We brew premium beers, Coors Banquet and Miller Genuine Draft, and economy brands, Miller High Life and Keystone Light. Tenth and Blake Beer Co., the MillerCoors craft and import division, imports Peroni Nastro Azzurro, Pilsner Urquell and Grolsch, and features Summer Shandy from the Jacob Leinenkugel Brewing Co. and Blue Moon Belgian White from Blue Moon Brewing Co., along with ciders from Crispin Cider Co.

## Locations

Headquartered in Chicago, MillerCoors operates eight major breweries in the U.S., as well as the Leinenkugel's craft brewery in Chippewa Falls, Wisc. We also operate two microbreweries—the Tenth Street Brewery in Milwaukee and the Blue Moon Brewing Co. at Coors Field in Denver. Additional information about our breweries is available at [MillerCoors.com/who-we-are/locations.aspx](http://MillerCoors.com/who-we-are/locations.aspx)

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## MillerCoors 2012 Revenue Breakdown



# About This Report

We plan to create America's best beer company in a sustainable way by transforming our portfolio, earning customer preference, fueling growth, engaging people and embracing sustainability. We embrace sustainability through responsible marketing and by promoting the responsible enjoyment of our beer, embedding environmental stewardship in our operations and supply chain, supporting people and communities, and conducting business in an ethical and transparent manner. It's these ingredients that comprise how we're Brewing for Good.

## Report Parameters

Since our company was formed in 2008, we have reported annually on our sustainability activities. Our MillerCoors 2013 Sustainability Report covers our activities for calendar year 2012. A key exception to this is our Sustainability Assessment Matrix (SAM) score results, which are aligned with the April 1, 2012, to March 31, 2013, fiscal year of our parent company SABMiller plc. The data in our 2013 report represents the business activities for which MillerCoors has direct control or ownership and the business activities of MillerCoors joint ventures with Ball Metal Beverage Container Corp. (Ball Corp.) and Owens-Brockway Glass Container Inc. (Owens-Illinois). The results of the MillerCoors annual sustainability report are included in the SABMiller plc and the Molson Coors Brewing Co. annual reports on a segment or geographic basis.

To develop this report, we adopted the same scope, boundary and measurement methods used to develop our previous reports, unless otherwise specified. Specific assumptions used in measuring or calculating data are explained within the relevant content areas. Note that our report does not include extensive information on our economic performance because that information is already disclosed at length in the annual reports of our parent companies.

## GLOBAL REPORTING INITIATIVE

The Global Reporting Initiative (GRI) is the reporting framework recommended by the U.N. Global Compact. It is an internationally recognized framework for sustainability reporting. It provides the opportunity to measure and report our performance in key sustainability areas against robust criteria. Our participation in the GRI is voluntary.

		Standard Disclosures		
Report Application Level		G3 Profile Disclosures	G3 Management Approach Disclosures	G3 Performance Indicators & Sector Supplement Performance Indicators
		OUTPUT	OUTPUT	OUTPUT
C		Report on: 1.1 2.1 – 2.10 3.1 – 3.8 3.10 – 3.12 4.1 – 4.4 4.14 – 4.15	Not Required	Report on: 1.1 2.1 – 2.10 3.1 – 3.8 3.10 – 3.12 4.1 – 4.4 4.14 – 4.15
C+		REPORT EXTERNALLY ASSURED		
B		Report on all criteria listed for Level C plus: 1.2, 3.9, 3.13 4.5 – 4.13, 4.16 – 4.17	Management Approach Disclosures for each Indicator Category	Report on a minimum of 20 performance indicators, at least one from each of Economical, Environmental, Human Rights, Labor, Society and Product Responsibility
B+		REPORT EXTERNALLY ASSURED		
A		Same as requirement for Level B	Management Approach Disclosures for each Indicator Category	Report on each core G3 and Sector Supplement Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.
A+		REPORT EXTERNALLY ASSURED		

\*Sector Supplement in final version

Burns & McDonnell Engineering Inc. reviewed our report and concluded that the MillerCoors 2013 Sustainability Report fulfills the requirements of GRI application level B. GRI application levels indicate the extent to which the GRI guidelines are followed in a report. The GRI defines three application levels: A, B and C. Level C indicates the most limited compliance with the GRI guidelines, and level A indicates full compliance with the GRI guidelines. View our GRI index online at: [MillerCoors.com/GBGR/Brewing-for-Good/GRI-Index.aspx](http://MillerCoors.com/GBGR/Brewing-for-Good/GRI-Index.aspx)

## Performance

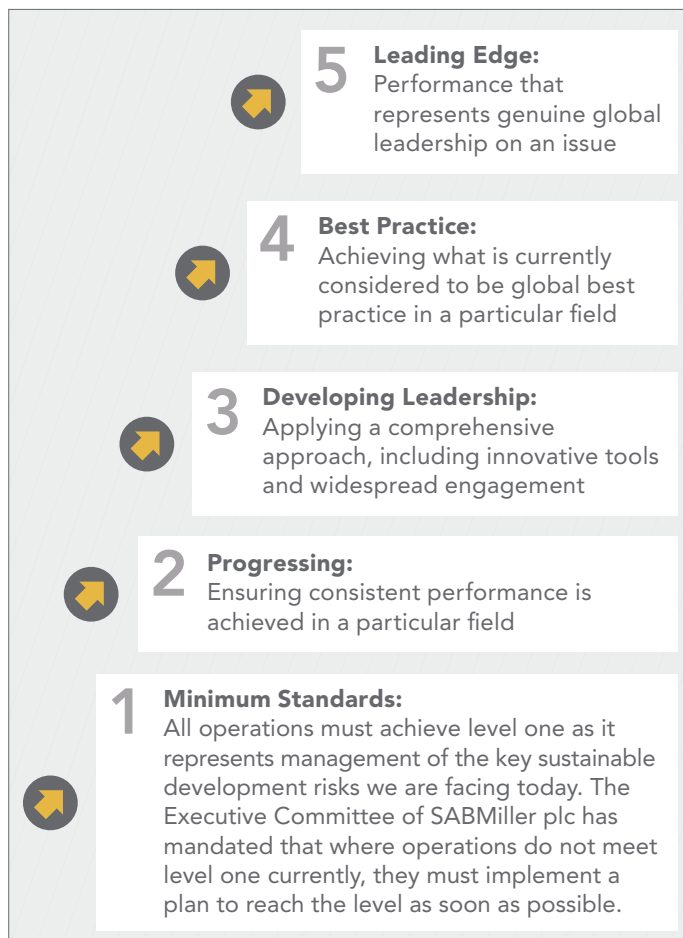
Our aspiration is to lead the U.S. beer industry in sustainability. We track our annual progress through our 2015 goals and our Sustainability Assessment Matrix (SAM). We report on our progress to our parent companies and to our stakeholders. We address our progress on each of these metrics and goals in the respective sections of this report.

### SUSTAINABILITY ASSESSMENT MATRIX

Our SAM is a measurement tool and benchmarking system based on the 10 sustainable development priorities of our parent company, SABMiller plc. It has been developed with input from the GRI guidelines and U.N. Global Compact principles. Twice per year, we report our SAM scores to our parent companies, SABMiller plc and Molson Coors Brewing Co., which have also embraced this reporting method for their interest in MillerCoors.

The SAM scale specifies five levels of performance.

### SAM PERFORMANCE LEVELS



## 2015 GOALS

For our most material issues, we have established goals for the year 2015 as part of our strategic plan for sustainability. We set our 2015 goals for environmental stewardship in 2008, and in 2009 we set our 2015 goals for responsibility, supply chain, people and communities, and ethics and transparency. Our people consistently rise to meet, and in various cases exceed, our challenges.

### 2015 GOAL: IMPROVE OVERALL SAM SCORE 25 PERCENT

#### BASELINE

2009 3.19

#### RESULTS

2010 3.65

2011 3.93

2012 4.04

#### GOAL

2015 4.00

MillerCoors 2015 goal is to improve our SAM score by 25 percent. In 2012, we increased our SAM score to 4.04, which was nearly 27 percent improvement from our 2009 baseline.

A photograph of a male worker in a brewery. He is wearing a white button-down shirt with a logo, a black cap, safety glasses, and black gloves. He is using a mallet to work on a large wooden barrel. The background shows industrial equipment and pipes.

# 2015 Goals

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## RESPONSIBILITY

Encourage 10 million people to participate in planning ahead and taking a safe ride home

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## ENVIRONMENTAL STEWARDSHIP

Reduce water usage in our breweries by 15 percent to achieve a water-to-beer ratio of 3.5:1.0

Reduce total energy use by 15 percent to 137 megajoules/hectoliter of beer

Reduce all packaging throughout our supply chain by 2 percent by weight

Reduce waste to landfill by 50 percent

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## SUPPLY CHAIN

Cumulatively spend more than \$2.5 billion with diverse suppliers

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## PEOPLE AND COMMUNITIES

Exceed \$2 million annually in United Way contributions

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


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## ETHICS AND TRANSPARENCY

Improve our overall SAM score by 25 percent

# By the Numbers in 2012

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-  **Responsibility**.....
- **Nearly 3.2 million people** were encouraged to join our 10 Million Strong campaign; the program promotes drunk driving prevention and includes several initiatives to help consumers find a safe ride home
  - **18** new communities and **616** new retailers participated in our Respect 21® program
  - **\$335,000** in new grants to 27 colleges through our Great Plays grant program
  - **More than 200,000** fans pledged to be designated drivers at sports and entertainment venues

-  **Environmental Stewardship**.....
- **6.1 percent** water efficiency and **5.4 percent** energy efficiency improvements year-over-year
  - **3.34:1** average water-to-beer ratio at Eden Brewery in 2012—a record low for MillerCoors
  - **5.32 percent** improvement relative to a 2008 baseline in packaging material per barrel of beer
  - **Four of our eight** major breweries reduce, reuse or recycle 100 percent of their waste and send zero waste to landfill

-  **Supply Chain**.....
- **More than 14,000** businesses make up our entire supply chain—providing barley, hops, malt, transportation, containers, packaging, advertising and marketing, wholesale, retail and other services
  - **Nearly 77 percent** of our procurement activity came from our top 150 suppliers
  - **Approximately 270 million** gallons of water cumulatively saved on our Showcase Barley Farm through just its second year
  - **Approximately \$1.75 billion** spent with minority- and woman-owned businesses from 2009 to 2012

-  **People and Communities**.....
- **\$14.2 million** in employee and corporate donations to nonprofits
  - **Nearly 53,600** volunteer hours at more than 500 organizations
  - **More than 247,000** hours of classroom and online training provided to employees through MillerCoors University
  - **\$515,000** investment in tuition reimbursement to 171 employees

-  **Ethics and Transparency**.....
- **Twice** yearly, we report our sustainability progress to our parent companies
  - **100** percent of required employees completed the Code of Business Conduct training in 2012
  - **Four** times per year, the Business Integrity team reports to our board of directors' Audit Committee and our Business Integrity Committee
  - **Our 11-**person Senior Leadership Team reviews and approves our strategic plans for sustainability initiatives

# Corporate Citizenship



Corporate Citizenship is pleased to provide an external commentary again this year for MillerCoors Sustainability Report. For the second year in a row, the company has produced an online interactive report while also maintaining a stand-alone summary report. We applaud MillerCoors for its demonstrated commitment to continuous improvement regarding both its sustainability initiatives and reporting efforts.

For our review, we examined the Brewing for Good PDF report as well as the Materiality section of the website, but did not review the full website. MillerCoors 2013 sustainability reporting includes notable areas of progress. We are pleased to see more detailed information on MillerCoors progress against internal goals and metrics across its five strategic areas, which help to demonstrate the sustainability strategy's measurable impact.

We also commend MillerCoors recent improvement in water efficiency. The company's continued focus on short-interval controls, a process where employees review performance data multiple times within a shift and make any necessary modifications, helped drive the water-to-beer ratio down from 4.07:1 to 3.82:1 for 2012. As a result, MillerCoors made a 6.1 percent improvement over 2011 with little or no capital spent.

Overall, the report illustrates how MillerCoors uses the range and depth of its sustainability initiatives to drive towards its sustainable development goals. As MillerCoors continues to advance its responsible business practices, the company should continue to evolve its communication, both in terms of content and structure, to further convey its progress toward realizing its vision to create America's best beer company.

The comments below highlight areas where we believe future reporting may be further improved.

## **Explain how sustainability aligns with business vision**

MillerCoors has set a strong, aspirational vision to create America's best beer company. We believe MillerCoors could strengthen this vision even further by providing more concrete examples of how sustainability fits into this vision and aligns with business objectives. MillerCoors could speak more specifically to how these sustainable initiatives contribute to trusting, durable relationships with partners, both internally and externally, and strengthen the company's long-term viability.

## **Assess report structure for opportunities to improve readability**

The five primary ingredients provide a strong backbone for the Sustainability Report. During our review, we found that MillerCoors could build an even more detailed outline for the reader. For example, the report currently lays out the order in which it will address each of the five ingredients, but it could go even further to outline the key subcategories within each section, such as "Responsibility Near College Campuses" and "Responsible Marketing Practices."

MillerCoors could also help readers understand the context of the report by clearly defining processes and programming at first mention. In the same vein, MillerCoors could seek further opportunities to make the document more concise, such as condensing the case studies in the Responsibility Section and maintaining an even ratio between case studies and quantitative results and targets. These efforts will help achieve parity between section lengths and strike a balance in information types. Overall, relatively small changes will help enhance overall readability.

## **Provide greater breakdown of stakeholder issues in materiality map**

The materiality map helps readers to understand how MillerCoors prioritizes sustainability issues as well as how the company determines which issues to address in various internal and external communications. MillerCoors could build on the current materiality map by further segmenting focus areas into granular issues, such as sustainable agriculture within the supply chain focus area. This detailed mapping will help MillerCoors better plan and strengthen readers' understanding by further delineating what components of high-level issues have the greatest impact on stakeholders and the business. MillerCoors could also expand the range of issues beyond those covered in the report to help readers gain a stronger understanding of MillerCoors priorities.

We appreciate the opportunity to share our feedback and look forward to following MillerCoors progress during the year ahead.

**Corporate Citizenship**  
**New York**  
**August 2, 2013**

## **About Corporate Citizenship and our role**

Corporate Citizenship is a global corporate responsibility consulting company that uses insights and a simplified approach to sustainability to deliver growth and long-term value for business and society.

We provide assurance services of Molson Coors Brewing Co. environmental data. Our assurance statements are available on the parent company's website.

MillerCoors has commissioned us to prepare an external commentary for this report. Our work was composed of interviews with a cross-section of managers from relevant departments, a review of the report based on our knowledge of the industry and best-practice reporting, 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 inclusiveness, materiality, or responsiveness to stakeholders.



Sherry Courtney, digital marketing manager, was instrumental in securing the CTA Penny Rides partnership and field sales team support for the program.



“Encouraging responsible consumption is a key ingredient in how we’re Brewing for Good.”

– Sherry Courtney, digital marketing manager



## RESPONSIBILITY

We’re expanding our successful programs that encourage responsible marketing and enjoyment of our beers, provide safe transportation alternatives to drunk driving, prevent underage drinking, address risky drinking behaviors on college campuses and assist our employees in consuming responsibly.

### 2012 Highlights

- Over 25 years, we’ve grown Miller Lite Free Rides® across the nation. In 2012, we sponsored the Chicago Transit Authority (CTA) Penny Rides, providing more than 130,000 safe rides home on New Year’s Eve
- We expanded Respect 21® to 18 new communities and 616 new retailers
- In our second year of the Great Plays grant program, we partnered with ABMRF/The Foundation for Alcohol Research to award \$335,000 in grants to 27 universities
- We encouraged more than 200,000 fans to pledge to be designated drivers at sports and entertainment venues
- We continued to expand and strengthen our Marketing Code for College Communities

# Brewing Responsibility

Our commitment to responsible beer marketing and consumption is rooted in these core beliefs:

- We believe that with great beer comes great responsibility
- We recognize that our beers are enjoyed responsibly by millions of adults every day
- We engage consumers and stakeholders and work collectively with them to promote responsible enjoyment of our products
- We care about the harmful effects of irresponsible beer consumption
- We respect that beer consumption is for legal-age adults and is a matter of individual judgment and accountability
- We ensure that our marketing practices comply with laws, regulations and voluntary advertising and marketing codes
- We value responsibility in our business culture, and our employees model high levels of conduct

Our responsibility strategy focuses on promoting the responsible consumption of our beers and includes drunk driving prevention, underage access prevention, and promoting responsible consumption near college campuses and at athletic, music and cultural events. We also hold our employees to a high standard, and we work to ensure they are informed, engaged representatives inside and outside the company. We also work closely with our distributor partners and communities to help them prevent underage access to our products.

As part of our strategic plan for responsibility, we set a 2015 goal to encourage 10 million people to participate in planning ahead and taking a safe ride home.

## Progress Toward Goals

In 2012, we helped nearly 3.2 million people with free rides, taxicab services or opportunities to drink responsibly and participate in a safe ride home program. That brings our cumulative total to more than 10 million people who have joined our campaign since 2009.

## 2015 GOAL: BECOME 10 MILLION STRONG AGAINST DRUNK DRIVING

### BASELINE

2009 1.8 M

### RESULTS

2010 4.1 M

2011 7.1 M

2012 10.2 M

### GOAL

2015 10 M

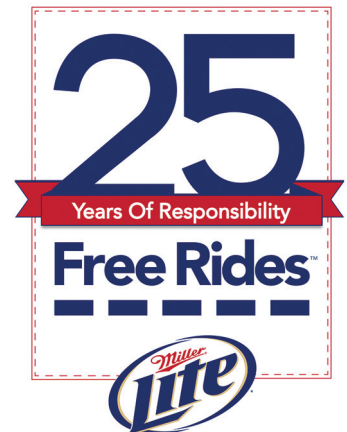
All results rounded down to hundreds of thousands. 2010 and 2011 numbers were updated from reported numbers in *The MillerCoors 2012 Sustainability Report* to accurately show the cumulative number of people.

## Drunk Driving Prevention

Drunk driving fatalities are on the decline, and in 2011 were at record-low levels in the U.S. We continue to do our part to decrease drunk driving by developing programs to help consumers choose safe alternatives to driving drunk. We also work with stakeholders, including law enforcement, community organizations, government agencies and our distributors, to educate the public about the dangers of drunk driving and remind them that drunk driving is completely preventable.

## A QUARTER CENTURY OF MILLER LITE FREE RIDES®

New Year's Eve 2012 marked the 25th year of Miller Lite Free Rides® in Milwaukee. As a result of the program's success, Milwaukee County declared Dec. 6, 2012, Miller Lite Free Rides® Day. Since its inception in 1987, we have provided more than 3.1 million riders a



safe transportation alternative home from celebrations. In 2012 alone, we provided 320,859 free rides with additional information about public transportation routes and times on our program website. We also provided dedicated toll-free and texting numbers. By working with transit authorities and other partners, we continue to sponsor free bus, light rail and free shuttle service along designated routes in certain cities. Our goal is to get people home safely, and we make extra efforts during holidays and special events, such as New Year's Eve, St. Patrick's Day, Kentucky Derby Eve and Halloween. Our Free Rides program has developed significant ridership increases in the communities where it is offered—often nearly doubling the number of people who normally use public transportation.

### ***New Year's Eve Penny Rides in Chicago***

In 2012, we became the first corporate sponsor of the Chicago Transit Authority (CTA) New Year's Eve Penny Rides program and were able to provide more than 130,000 safe rides home on New Year's Eve. We promoted this safe transportation alternative with signage on CTA rail lines and at Soldier Field during Chicago Bears December home games, branded fare cards, pressed pennies and information cards, as well as posters at local retail locations and a promotional team at CTA stations.




*MillerCoors is the exclusive sponsor of 1-800-TAXICAB.*

### **1-800-TAXICAB**

We are the exclusive sponsor of 1-800-TAXICAB, a national dispatch service that connects passengers to locally owned taxicab companies. In 2012, the program grew in popularity from the previous year with a 58 percent increase in vouchers redeemed, 26 percent increase in calls and 12 percent increase in website visits. During 2012, consumers placed more than 1 million calls to 1-800-TAXICAB, visited the 1800taxicab.com website more than 1.5 million times and used 2,942 discounted taxicab vouchers issued by MillerCoors.



*MillerCoors promotes responsible ridership on New Year's Eve in Chicago.*



“ NASCAR is committed to promoting responsible behavior and enhancing the overall fan experience. We are proud to work with partners like MillerCoors and TEAM Coalition to communicate responsible alcohol consumption awareness to NASCAR fans. ”

– Marcus Jadotte, vice president of public affairs and multicultural development, NASCAR



MillerCoors partners with TEAM Coalition, sports leagues and concessionaires to promote designated driving to fans across the country.

## RESPONSIBLE FAN BEHAVIOR

Together with sports leagues and concessionaires, we promote designated driver programs and encourage fans to stay in control and get home safely.

We partner with Techniques for Effective Alcohol Management (TEAM) Coalition to prevent drunk driving and promote responsible fan behavior at sports and entertainment venues. As part of this partnership, we invest in TEAM Coalition training for operations and concession personnel at sports and entertainment venues across the country. Our goal is to promote the responsible enjoyment of our beers and the use of designated drivers in the sports venues that we sponsor. Throughout 2012, we encouraged a total of more than 200,000 fans to pledge to be a designated driver at our sponsored sports and entertainment venues.

## Underage Access Prevention

MillerCoors position on underage drinking is simple—we do not want underage consumers. We work with stakeholders—including government agencies such as the Federal Trade Commission, local law enforcement, parents, distributors, retailers, community groups and industry associations—to help prevent underage access to alcohol.

## DISTRIBUTORS AND RETAILERS: ESSENTIAL ALLIES

Our distributors are essential allies in our efforts to prevent the sale of our products to anyone under age 21. They help us educate retailers, inform consumers and bring responsibility programs to our communities.

We are working together to achieve one simple goal—zero underage consumers.

## Underage Access Prevention at Retail

We developed Respect 21<sup>®</sup> in partnership with Brandeis University and the Responsible Retailing Forum. Respect 21<sup>®</sup> is a program that helps communities raise awareness and enhances retailers' abilities to prevent underage access. We provide our retailers with point-of-sale materials and the H.E.L.P. (Hire smart, Educate and manage well, Look at and validate identification, and Point-of-sale) Guide, based on a federal guidance document on best practices for retailers. Legal-drinking-age mystery shoppers visit these retailers to test the clerk's response in requesting identification prior to a sales transaction. Results of these visits are presented confidentially to the retailer. Key stakeholders and MillerCoors also receive quarterly summary reports for each community involved with the year-long program.

We believe the Respect 21<sup>®</sup> program produces real and immediate results in reducing underage access to alcohol. That is why we expanded the program to 18 new communities and 616 new retailers in 2012. The quarterly reports for these new Respect 21<sup>®</sup> communities are showing initial favorable progress. Since the program's inception in 2005, 41 communities and 1,533 retailers around the U.S. have benefited from Respect 21<sup>®</sup>.

## Respect 21<sup>®</sup> Communities

In 2012, we held our second annual statewide Responsible Retailing Forum meeting in Wisconsin, where a new model to expand the program across an entire state was developed for implementation in 2013. With Respect 21<sup>®</sup> programs in multiple cities in Wisconsin and other states, this approach will encourage broader participation among retailers and continued community engagement.

In partnership with our distributors, local community groups and law enforcement, Respect 21<sup>®</sup> includes

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**Our distributors  
and retailers are  
integral partners** in our  
commitment to underage  
access prevention.

“ The program’s scope is wide-reaching. It has a positive impact for both college campuses and the larger community by creating a safer environment that protects customers and the public from the harm associated with underage drinking, particularly as it relates to alcohol-related injuries and DUI crashes.”

– Brad Krevor, president, Responsible Retailing Forum

Training for Intervention Procedures (TIPS®) and Certified Alcohol Server Training (CAST™) produced by Health Communications Inc. This training provides retailers with the confidence, decision-making skills and information they need to prevent underage drinking.

### Underage Access Prevention at Bars and Restaurants

To help prevent underage drinking, drunk driving and alcohol abuse, we are a founding sponsor of TIPS®. This nationwide program trains servers to recognize and intervene in potential alcohol-related irresponsible behaviors. Over the past 20 years, MillerCoors and our distributor partners have trained more than 10,000 bartenders and servers at retailers on how drinking can affect behavior, how to prevent underage access and how to prevent alcohol abuse.

### RESPONSIBILITY NEAR COLLEGE CAMPUSES

We play an important role in preventing underage access and promoting responsible decision making around college campuses. MillerCoors establishes detailed marketing guidelines and develops programs to encourage responsible behavior specifically designed for college audiences.

#### College Marketing Guidelines

In 2012, we continued to expand and strengthen the MillerCoors Marketing Code for College Communities, which is available online at [MillerCoors.com/GBGR/Responsibility/Underage-Access-Prevention/Responsibility-Near-College-Campuses.aspx](http://MillerCoors.com/GBGR/Responsibility/Underage-Access-Prevention/Responsibility-Near-College-Campuses.aspx). We also carefully review our collegiate marketing and advertising for compliance with Beer Institute Advertising and Marketing Codes. We focus our marketing on legal-drinking-age consumers and do not direct advertising at the undergraduate student body.

#### Spreading Our Responsibility Message

We expanded and strengthened our Marketing

## RESPECT 21® COMMUNITIES



#### KEY:

- ★ New in 2012
- ★ Respect 21® Programs



## MillerCoors Marketing Code for College Communities:

- Our target audience is at least 71.6 percent legal-drinking-age consumers, such as alumni and college sports fans 21 and older. We do not direct advertising at the undergraduate student body.
- We advertise in campus media only if the audience is primarily of legal-drinking-age, such as alumni publications.
- We do not sponsor any event organized by the undergraduate student government or organization.
- If we advertise on college or university campuses or in college-owned media, we do not use images that degrade studying and education.
- Any in-stadium signage at college venues always includes a responsibility message.
- All promotional materials prominently feature a "21 Means 21" logo and are distributed only to patrons who are verified to be legal-drinking-age consumers.
- We do not advertise at or on a fraternity or sorority house, even if the fraternity or sorority holds a liquor license.
- We do not produce national spring break promotions.

Code for College Communities, and then reviewed these guidelines with the National Collegiate Athletic Association (NCAA). Because of the importance of our responsibility message to collegiate sports audiences, we have arranged for a portion of our media buys with the NCAA to focus on underage drinking prevention messaging.

### **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. This includes choosing to be responsible and lawful when consuming alcohol.

2012 marked the second year of our Great Plays grant

program. We awarded \$335,000 in grant funding to 27 universities. Great Plays grants target those programs that change students' drinking behaviors, and raise awareness of harmful behavior that results from dangerous levels of consumption.

ABMRF/The Foundation for Alcohol Research is a private foundation that supports research to understand the effects of drinking on health and behavior. It administers the Great Plays grant program. The Foundation serves as an independent, scientific consultant for the review of the grant applications and helps to ensure that the evaluation metrics are robust and attainable. Established in 1982, The Foundation has supported research projects at more than 250 universities and research institutions.

### ***Great Plays Grant Winners Encourage Responsible Alcohol Consumption***

ABMRF/The Foundation for Alcohol Research has begun receiving progress reports from the more than two dozen colleges that received a Great Plays grant in 2012. It found that the Great Plays grants help

## Fraternals Order of Police Partnership to Address Underage Drinking

From September 2012 to January 2013, we partnered with the Fraternal Order of Police (FOP) to help spread the message "21 Means 21," through radio and online public service announcements. The radio spots were distributed nationally with specific attention on Respect 21® communities. The public service announcements played on more than 100 radio stations, with 43.8 million audience impressions for a donated media value of more than \$1.1 million. Markets included Los Angeles, Chicago, Philadelphia, Boston, Houston, Detroit and Seattle. Banner ads were also displayed on CNN.com, iVillage.com, Parenting.com, CNBC.com and FamilyCircle.com. The radio spots featured Chuck Canterbury, president of the FOP, who shared the message of responsible consumption and mentioned our Respect 21® program. The banner ads featured a similar message and reached more than 31 million online users. All media directed consumers to FOP.net for more information about our Respect 21® program.

## Great Plays Grant Program 2012 Recipients

- Appalachian State University (Boone, N.C.)
- East Carolina University (Greenville, N.C.)
- Georgia Institute of Technology (Atlanta)
- Gonzaga University (Spokane, Wash.)
- Louisiana Tech University (Ruston, La.)
- Ohio State University (Columbus, Ohio)
- Ohio University (Athens, Ohio)
- Oregon State University (Corvallis, Ore.)
- Rutgers University (New Brunswick, N.J.)
- San Diego State University (San Diego)
- Tulane University (New Orleans)
- University of Alabama at Birmingham (Birmingham, Ala.)
- University of Arizona (Tucson, Ariz.)
- University of Arkansas (Fayetteville, Ark.)
- University of Cincinnati (Cincinnati)
- University of Colorado (Boulder, Colo.)
- University of Kansas (Lawrence, Kan.)
- University of Maine (Orono, Maine)
- University of Maryland (College Park, Md.)
- University of Miami (Miami)
- University of Nevada - Las Vegas (Las Vegas)
- University of New Mexico (Albuquerque, N.M.)
- University of Oregon (Eugene, Ore.)
- University of Tulsa (Tulsa, Okla.)
- Virginia Polytechnic Institute and State University (Blacksburg, Va.)
- Wake Forest University (Winston-Salem, N.C.)
- Washington State University (Pullman, Wash.)

foster collaboration in campus communities. Here's one example of how a grant winner is encouraging responsible alcohol consumption on its campus:

### *University of Kansas*

The University of Kansas (KU) Jayhawk Buddy System (JBS) developed training and promotional materials with its grant. The materials were designed to avoid alcohol-related injuries or arrests through three protective behaviors: agree to stay together, check on each other regularly, and take charge to return home safely. KU partnered with public safety city officials, the police department and local bar owners and achieved tremendous results:

- Alcohol-related incidents recorded by the KU Department of Student Housing were reduced by 15 percent
- Alcohol-related medical transports from KU student housing to Lawrence Memorial Hospital declined by 70 percent
- Alcohol-related arrests recorded by KU Office of Public Safety declined by 33 percent

### **Responsible Marketing Practices**

We self-regulate our marketing and advertisements to ensure they focus on legal-drinking-age audiences and meet our rigorous internal standards. We adhere to the

Beer Institute Advertising and Marketing Code and our own stringent marketing compliance standards. We fully participate in periodic industry-wide investigations run by the Federal Trade Commission and past reports have affirmed our self-regulatory practices.

Our extensive, formal marketing review process involves our legal team and Marketing Compliance Committee. This committee includes representatives from our responsibility, marketing, communications and legal teams. We also conduct audits of our marketing placements and make any necessary adjustments to our media presence. At least every two years, we aim to train all of our advertising agency partners and conduct in-depth training with all sales and marketing employees to ensure they promote our products responsibly.

To emphasize our commitment to responsible consumption, we include "Great Beer, Great Responsibility<sup>®</sup>" on all of our advertising.

### **COMMERCIAL COMMUNICATION PRACTICES AUDIT**

In 2012, we hired an independent third party to conduct an audit of our commercial communication practices. The auditor found that we were compliant with the Beer Institute's Advertising and Marketing Code across all media types. Since the code is regularly updated to reflect changing social, commercial and technological conditions, the auditor also made

recommendations for enhancing our current practices. The recommendations included the following: developing controls to ensure completeness of materials submitted and reviewed; implementing better documentation of our Marketing Compliance Committee's decisions; and increasing organizational awareness of the Beer Institute's Advertising and Marketing Code, our Marketing Compliance Manual and our Marketing Compliance Committee's review process. All of the recommendations from the audit are under consideration by our Marketing Compliance Committee.

## RESPONSIBLE RESPONSES

Our consumers have the opportunity to submit comments to MillerCoors through websites and toll-free numbers included on our packaging and our brand websites. We take pride in reviewing every consumer comment and providing appropriate responses.

In 2012, MillerCoors did not receive any complaints from the Beer Institute's Code Compliance Review Board. As a member of the Beer Institute, we voluntarily participate in this process, where a third party resolves

advertising or marketing complaints that have been raised to a heightened level of concern.

## Employee Training

As employees, we are proud to work at MillerCoors, and we realize we have an obligation to model responsible behavior. Our approach is rooted in the following principles:

- We promote the responsible enjoyment of our beers and ciders
- We do not want underage consumers and encourage only responsible consumption of our brands by legal-drinking-age consumers
- Drunk driving is 100 percent preventable and we encourage everyone, including employees, to plan ahead for a designated driver or safe alternative transportation
- We believe no one should ever drink to become intoxicated, and our advertising and promotions do not glamorize intoxication or encourage people to become intoxicated

## Case Study: Employee Drunk Driving Prevention Pledges

Our employees understand that to encourage the prevention of drunk driving, we must set a good example ourselves, and take a drunk driving prevention pledge. Many of us have been touched personally or know someone who has experienced the negative consequences of driving drunk. As a result, we're passionate about preventing this from happening to others. Here are a few examples, directly from our employees, about why we care so much about preventing drunk driving:

"The best illustration I can provide is one where the life of someone whom I truly respected lost his life ... he crashed his car into a tollbooth and was killed instantly ... It was simply a tragedy ... Yes, I enjoy our products. Yet when it comes to the end of the night, I made a promise to never drive under the influence."

– Craig Bosworth, vice president of category management

"The Drunk Driving Prevention Pledge is incredibly important to me because this summer will mark the 12-year anniversary of my cousin's death due to a drunk driving accident ... Ever since, I have vowed to do everything in my power to save other families from the heartache, loss and the empty seat at holiday tables. I am fortunate to now work for a company who champions for responsible behavior and encourages employees to take a stand and fight for responsible decision making."

– Shelby Winstanley, project management office portfolio analyst

"I took the Drunk Driving Prevention Pledge because I have three young girls ... Responsible consumption is part of responsible parenting."

– Tom Sisroy, manufacturing development specialist



MillerCoors employees are ambassadors of responsible consumption.

### EMPLOYEE ALCOHOL POLICY

Employees' choices can affect MillerCoors reputation, safety in our workplaces and compliance with applicable laws. To help employees make responsible decisions, MillerCoors has established an Employee Alcohol Policy that includes guidance regarding personal conduct, company-sponsored events, impaired driving and underage drinking. We expect every employee to read and acknowledge this policy annually, and we ask all employees to support our policy in their professional and personal lives. Our Employee Alcohol Policy is available at [MillerCoors.com/GBGR/media/GBGR/PDF's/Employee-Alcohol-Policy.pdf](http://MillerCoors.com/GBGR/media/GBGR/PDF's/Employee-Alcohol-Policy.pdf).

### ALCOHOL, BEHAVIOR AND COMMUNICATION TRAINING

As ambassadors for MillerCoors, we believe it is important to understand the issues associated with irresponsible consumption. We launched a companywide Alcohol, Behavior and Communication (AB&C) training program to address key alcohol issues affecting our industry, prevent employee alcohol abuse and promote responsible consumption.

Current employees repeat the AB&C training every three years, with the next round of training scheduled for 2013. This training is also reinforced through our annual Code of Business Conduct training, discussed on page 64. Because our distributors play an important role in preventing underage access and modeling appropriate consumption behavior, we make a subset of our AB&C training available to them on a voluntary basis. In 2012, our distributors downloaded this training module 150 times.

### ADVERTISING AND MARKETING COMPLIANCE TRAINING

In addition to AB&C training, MillerCoors employees and agencies receive training on compliance with company, industry and federal policies on responsible alcohol advertising and marketing. To read more about our responsible marketing practices, see page 18.

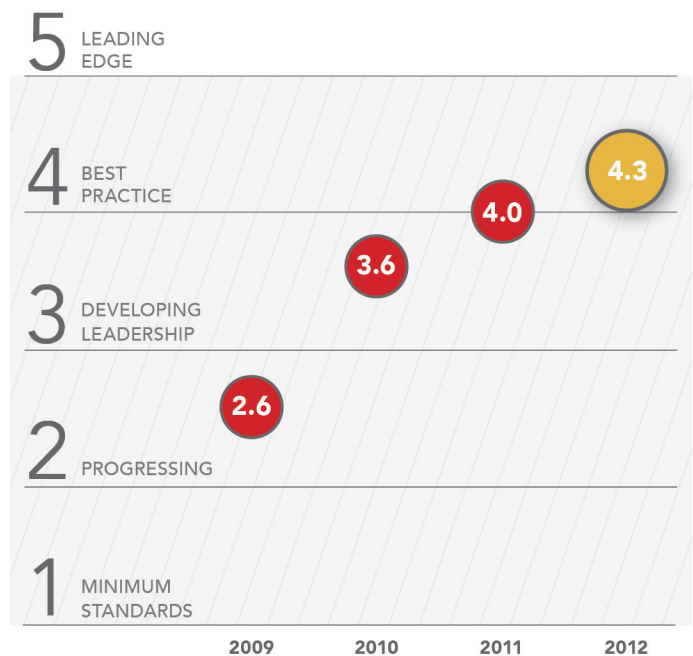
### SAM Score: Responsibility

Three factors comprise this score:

- Promoting responsible consumption (30 percent)
- Responsible commercial communication (35 percent)
- Employee behavior (35 percent)

We improved our Sustainability Assessment Matrix (SAM) score for responsibility to 4.3 this year. We continue to make a positive impact by encouraging responsible consumption. We expanded our underage access prevention program, Respect 21®, and our Great Plays Grant program by providing support to universities to conduct their own programs. And we joined with our stakeholders to evaluate the effectiveness of these programs. We also enhanced our responsible commercial communication by hiring an independent third-party to conduct an audit of our practices. We refreshed our Alcohol, Behavior and Communication (AB&C) training for employees to further emphasize the importance of responsible consumption, and training on the new module will begin in 2013.

### SAM SCORE: RESPONSIBILITY



## ABMRF/The Foundation for Alcohol Research



In collaboration with MillerCoors, ABMRF/The Foundation for Alcohol Research developed the Great Plays grants program to provide funding to universities to prevent and intervene in the drinking behaviors and the harmful consequences of alcohol among their students. Serving as the independent, scientific consultant for the review of the grant applications, The Foundation's expert panel of reviewers advise on the program and evaluate grant proposals. Internationally recognized authorities in the fields of college drinking prevention, harm reduction and behavioral intervention, the expert reviewers ensure the credibility and effective implementation of the Great Plays program.

Great Plays is a tremendous opportunity for universities to launch evidence-based programs to help their students achieve positive outcomes on their campuses. The cornerstone of the Great Plays program is the critical evaluation component. All proposals must use a portion of the grant funds to design a process for evaluating the efficacy of the program following its implementation. The evaluation provides greater understanding of the campus community, while identifying necessary improvements for continuing the program in the future.

The Foundation reviewed strong proposals including social norms campaigns, targeted preventions to athletes and promotion of harm-reduction tactics. Presently, The Foundation is pleased to have funded more than 20 campus programs with Great Plays grants. During the review of the proposals, projects rated among the best were those with detailed, evidence-based development and a strong evaluation component using expert analysis. The Foundation was delighted to have received exceptional proposals from the University of Kansas, Appalachian State University, University of Oregon, Oregon State University, San Diego State University and Tulane University.

To foster the continued development of campus efforts, The Foundation's expert reviewers provide each application with valuable feedback. Awarded universities receive guidance for further strengthening their program. Those proposals not initially funded receive specific improvements required for future consideration. The Foundation continues to assist applicants in advancing their proposals during the resubmission process, guiding them to resources available to support their program both on their own campuses and in the research community.

The Foundation also reviewed proposals for the \$75,000 research-focused grant and awarded it to Washington State University. This larger research grant is important for allowing universities to test innovative programs to change college students' drinking behaviors and limit harmful consequences. The continued collaboration between MillerCoors and The Foundation will promote the expansion and refinement of Great Plays to a prominent program in support of universities.

Mack C. Mitchell, Jr., M.D.

President

ABMRF/The Foundation for Alcohol Research



*Jim Smith, vice president, Eden Brewery, credits his whole team for achieving record-breaking water reductions in 2012.*



**Leadership at all levels drove major improvements in water and energy efficiency.**



*– Jim Smith, vice president,  
Eden Brewery*



## **ENVIRONMENTAL STEWARDSHIP**

We believe in brewing great beer while doing what's right for the environment. We strive to brew more beer with less water, energy, packaging and waste. Thanks to our employees, we had a breakout year in water conservation and played an important role supporting water stewardship in our communities.

### **2012 Highlights**

- Our focus on employee-led short-interval controls helped drive a 6.1 percent reduction in overall water usage in 2012—a huge breakthrough for MillerCoors
- Eden Brewery improved year-over-year water efficiency by 14.6 percent to achieve a MillerCoors record 3.34:1 water-to-beer ratio in 2012
- Albany and Milwaukee joined our Fort Worth, Irwindale and Shenandoah breweries in surpassing our 2015 goal to improve energy efficiency
- We reduced the thickness of paperboard on our 12-pack bottle cartons, achieving a 10 percent weight reduction per carton.
- We reduced our waste to landfill by 70 percent since 2008, and four of our eight major breweries send zero waste to landfill

# Brewing Environmental Stewardship

Minimizing our environmental footprint is an essential ingredient in Brewing for Good.

We set environmental stewardship goals for 2015. From a 2008 baseline year, we strive to:

- Reduce water usage in our breweries by 15 percent
- Reduce total energy use by 15 percent
- Reduce all packaging throughout the supply chain by 2 percent by weight
- Reduce waste to landfill by 50 percent

We regularly monitor our progress toward our 2015 goals. We prepare a monthly scorecard that tracks energy and water use, and solid waste generation across our breweries. We also perform routine audits of our operations to help ensure we are maintaining compliance with environmental laws and regulations, and we implement corrective actions wherever needed.

## Water Stewardship

Water is a key part of our business, from the barley field to the bottling line. The availability of clean, fresh water is critical not only to MillerCoors, but also to the communities where we live and work. We continuously seek new ways to use less water.

To help protect and sustain the supply of 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 with modern treatment technology and strict wastewater management controls
- **WATER FOOTPRINTING:** Understand our water footprint and reduce water usage in our supply chain
- **WATERSHED ASSESSMENTS:** Understand our breweries' and agricultural supply chain's watersheds through risk assessment
- **COMMUNITY INVESTMENTS:** Support water stewardship in our communities

Our water stewardship strategy supports the elements outlined in the U.N. Global Compact's CEO Water Mandate. The CEO Water Mandate is an initiative designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices. MillerCoors has supported the CEO Water Mandate through our parent companies, SABMiller plc and Molson Coors; and we officially endorsed the mandate in 2013.

## Progress Toward Goals

Our employees drove great progress in reducing our water usage in 2012. We track our water usage and beer production at each of our breweries, and we use those numbers to calculate a weighted average for the company's overall water-to-beer ratio. In 2012, we had a water-to-beer ratio of 3.82:1 averaged across our eight major breweries. This is a 6.1 percent improvement relative to 2011 and the first time we achieved less than a 4.00:1 water-to-beer ratio overall. We achieved a 0.7 percent improvement between the years 2008 to 2011, so a 6.1 percent improvement in a single year is a tremendous success.

## 2015 GOAL: REDUCE WATER USAGE BY 15 PERCENT TO ACHIEVE A 3.5:1.0 WATER-TO-BEER RATIO

### BASELINE

2008 4.10:1

### RESULTS

2009 4.11:1

2010 4.11:1

2011 4.07:1

2012 3.82:1

### GOAL

2015 3.50:1

Water usage (water-to-beer ratio)

All eight of our major breweries improved water efficiency relative to 2011. Both our Eden and Fort Worth breweries surpassed our 2015 goal to achieve a 3.5:1 water-to-beer ratio, achieving ratios of 3.34:1 and 3.47:1, respectively. Our Eden and Milwaukee breweries showed the greatest year-over-year progress, both posting a nearly 15 percent improvement.

## GREAT BEER, LESS WATER

We made remarkable improvements in water efficiency by changing our work culture and improving our processes. At our Eden Brewery, we did this by implementing short-interval controls, a process by which we monitor brewery performance in real time at several intervals within a work shift. Short-interval controls give brewery managers an opportunity to directly engage employees in day-to-day brewery operations, quickly correct problems and take advantage of opportunities as they arise. Under the guidance of our Sustainability Improvement Team, we incorporated short-interval

# Our Trenton Brewery received the 2012 **Dayton Water Stewardship Award** from the Dayton Development Coalition.

controls into all of our U.S. operations in 2012.

By using short-interval controls, we all became more mindful of our water usage, and we identified changes we could make to improve water efficiency. For instance, we enhanced metering of water usage at our Golden, Irwindale and Fort Worth breweries. At our Albany, Eden, Fort Worth and Irwindale breweries, we saved water by reducing hydroflush cycles during the lautering stage of the brewing process, which is when we separate liquid

## Case Study: **Brewing for Greatness in Eden, N.C.**

Our Eden Brewery improved year-over-year water efficiency by 14.6 percent to achieve a MillerCoors record 3.34:1 water-to-beer ratio in 2012. Total water savings exceeded 127 million gallons over the year—that is enough water to fill more than 8 million kegs. The Eden Brewery also improved year-over-year energy efficiency by 14.7 percent, saving the equivalent of three months of fuel to power an on-site power plant.

While changes in technology drove approximately 25 percent of the water and energy efficiency improvements, 75 percent of the improvements came from changes in our work culture and our processes. Under the guidance of Jim Smith, brewery vice president, and Mike Van Poots, technical services manager, our people were the catalysts for change from the boiler to the bottling line.

Eden Brewery's process engineers and brewhouse operators worked together to frequently monitor the brewery's performance. The Eden Brewery team was able to optimize and improve its systems by implementing 72 short-interval control checks for water usage and 80 short-interval control checks for energy usage. For instance, the team improved communications between boiler operators and brewhouse operators so that steam generation

“Our vision in Eden is to be the global benchmark for brewery excellence—to be the best in the world in water and energy efficiency.”

– Mike Van Poots, Ph.D., technical services manager, Eden Brewery

would better match expected steam demand. These changes saved 4.9 percent of its annual energy usage. In the beer packaging area, the Eden Brewery team reduced the size of the spray nozzles on equipment that rinses cans and bottles prior to filling, and reduced the duration of the spray that cleans the cans and bottle fillers. This was the major contributor to a total annual packaging water savings of approximately 25 million gallons.

## Case Study: Extraordinary Water Savings at Milwaukee Brewery

Our Milwaukee Brewery posted a 14.8 percent year-over-year reduction in water use, the largest improvement of our eight major breweries in 2012. Total water savings was 180 million gallons over the year, which is enough water to fill 64 million 30-pack cases of beer.

We did this by reusing and recycling water in our cooling system, fine-tuning rinsing times in our clean-in-place processes and eliminating rinse cycles that didn't affect quality. As a result, our average water-to-beer ratio improved from 4.77:1 in 2011 to 3.67:1 in 2012—a savings of one full barrel of water for every barrel of beer. We continue to work together with our brewery employees to find more ways to save water in the future.



*Dan Pearson, brewing optimization engineer, monitors and optimizes the brew kettle clean-in-place sequence to reduce water usage.*

from malt grains. At all eight of our major breweries, we optimized clean-in-place systems to reduce rinse cycles, saving water without compromising cleaning standards.

We also replaced water-dependent processes with new technologies and systems that do the same job, either with less water or without water entirely. For instance, we implemented a chlorine dioxide cleaning system at our Eden Brewery and began developing similar cleaning systems at four additional breweries. We expanded use of water-free ionic air rinsers at our Milwaukee Brewery, and tested a hydroxyl cleaning system at our Albany Brewery. Albany Brewery also won the Industrial Land Application System Plant of the Year award from the Georgia Association of Water Professionals.

### 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 directly to rivers or streams, we do so carefully to minimize effects on the environment.

All of our wastewater discharges are governed and permitted by the U.S. Clean Water Act. Our operators always target 100 percent regulatory compliance for all permitted limits, whether we discharge directly to a waterway or to a local wastewater treatment plant. In 2012, we had one regulatory exceedance for oil and grease levels, traced back to our employee cafeteria, which inadvertently was sent to the municipal treatment plant in Ohio. We corrected the issue immediately and reviewed our existing practices to maintain compliance. Resampling of the wastewater discharge indicated it was not an ongoing concern, and no fines were levied as a result of this event.

Our Fort Worth Brewery received the City of Fort Worth, Texas, Star award in 2012 for perfect compliance with environmental regulations and implementing water efficiency measures.

### WATER FOOTPRINTING

Water is the main ingredient in beer and is necessary to grow the barley and hops needed to brew beer. We studied how, when and where we use water in our business and supply chain. We found that more than 90 percent of the water used to produce beer comes from the agricultural supply chain. Learn more about our supply chain, starting on page 39.

Our Irwindale Brewery received the **Water Stewardship Award** from the Irwindale Chamber of Commerce.

“

By engaging our people,  
we are gaining further  
improvement in reducing  
water and energy usage.”

– Tom Collins, director capital planning  
and portfolio management

Coors  
LIGHT

Coors  
E-3  
MASH TUN  
403 BBLs

MillerCoors employees are focused on water  
and energy reductions in our breweries.

# Case Study: Water Conservation in Texas

MillerCoors is a primary sponsor of the Water As A Crop™ pilot project to implement conservation practices on private lands along the Trinity River in Texas. The Trinity River watershed supplies 40 percent of water used in Texas and is a vital water source for the Texas cities of Dallas, Fort Worth and Houston. Through Water As A Crop™, local nonprofit Trinity Waters teams with landowners and conservation groups to protect and restore watersheds on private lands.

To encourage voluntary conservation practices, farmers and ranchers get reimbursed for the costs to implement watershed projects that naturally manage water runoff, reduce soil erosion, improve water quality and improve the economic viability of farms. By the end of 2012, 39 landowners signed agreements to improve more than 16,000 acres of land.

With MillerCoors as a partner, and support from the federal National Resources Conservation Service, Trinity Waters plans to expand the program to additional ranchers, landowners and farmers. To boost awareness of Water As A Crop™, Trinity Waters hosted landowners and other interested parties in November 2012 on a tour of the George W. Bush family ranch in Crawford, Texas, to view native prairie grass and other best practices to support water sustainability.

In June 2012, Lairy Johnson, environmental health and safety specialist at our Fort Worth Brewery, testified before the Texas House of Representatives Natural Resources Committee regarding the importance of corporate water stewardship activities and public-private partnerships in maintaining sufficient supplies of high-quality water resources.

## WATERSHED ASSESSMENTS

Of our eight major breweries, the watersheds serving our Irwindale, Fort Worth and Golden breweries pose the highest water supply challenges. At our Irwindale Brewery, in November 2012, we participated in a pilot watershed risk assessment in coordination with our parent company SABMiller plc. We looked at potential changes in the quantity or quality of our water sources and in regulatory requirements. Based on the results of the assessment, we are developing plans to mitigate potential effects to our water resources and to further involve our stakeholders.

## COMMUNITY INVESTMENTS IN WATER

Learn about our water stewardship activities on page 59.

## SAM Score: Water

Four factors comprise this score:

- Water efficiency (40 percent)
- Wastewater management (20 percent)
- Water supply assessment (20 percent)
- Water footprinting (20 percent)

We improved our Sustainability Assessment Matrix

(SAM) score for water to 4.0 this year. We improved our score through better water supply assessments and efficiency. Our continued focus on employee-led, short-interval controls helped drive down our water-to-beer ratio to record levels. We also made strides in evaluating water use in our brewery watersheds and continued efforts to promote water conservation both in our breweries and out in our communities.

## SAM SCORE: WATER



## Energy and Emissions

We are making significant strides in reducing our energy consumption and carbon footprint. We are on target to reduce our overall energy usage by 15 percent across our eight major breweries by 2015.

### Progress Toward Goals

We track our energy usage and beer production at each of our breweries and calculate a weighted average of the megajoules (MJ) of energy used to brew one hectoliter (hl) of beer. In 2012, we improved energy usage across our eight major breweries to 146 MJ/hl, a 5.4 percent improvement from 2011 and a 9.3 percent improvement from our 2008 baseline.

Our Eden, Milwaukee and Albany breweries showed the greatest year-over-year progress, posting 14.7 percent, 9.5 percent and 7.1 percent improvements, respectively. Our Albany and Milwaukee breweries achieved energy efficiencies better than 137 MJ/hl and joined our Fort Worth, Irwindale and Shenandoah breweries in surpassing our 2015 goal to improve energy use as measured against the 2008 baseline year.

### 2015 GOAL: REDUCE TOTAL ENERGY USE BY 15 PERCENT TO 137 MJ/HL

#### BASELINE

2008 161 Mj/hl

#### RESULTS

2009 162 Mj/hl

2010 158 Mj/hl

2011 154 Mj/hl

2012 146 Mj/hl

#### GOAL

2015 137 Mj/hl

Energy usage (megajoule of energy per hectoliter of beer)

### GREAT BEER, LESS ENERGY

Engaging our people, changing our processes and upgrading our technology all helped drive improved energy usage in 2012. For example, as a result of an energy audit at our Milwaukee Brewery, we recognized several under-utilized processes and therefore

Our Trenton Brewery joined **Clean Fuels Ohio**, a nonprofit dedicated to promoting the use of cleaner, domestic fuels and energy efficient vehicles.

optimized them. We also leveraged a new, efficient refrigeration system. New meter projects at our Golden, Irwindale and Fort Worth breweries improved our ability to detect inefficient energy usage. And at our Trenton Brewery, we recycled more than 90 percent of the energy use from our steam, improving both water and energy efficiency. At our Albany, Fort Worth and Shenandoah breweries, we installed larger wort coolers—metal coiled equipment that cools down unfermented beer—to reduce the demand on the refrigeration system. We installed more efficient refrigerant compressors at our Albany Brewery and made boiler upgrades at our Fort Worth Brewery. We optimized our pasteurizers at all of our breweries. And at our Albany, Eden, Fort Worth, Shenandoah and Trenton breweries, we installed more efficient lighting.

Our Trenton Brewery achieved a monthly energy usage of 116 MJ/hl in October 2012, a record for the brewery and a 23 percent improvement relative to energy usage in October 2011.



Polish filters in our Trenton Brewery show one step of many in the brewing process, where we are able to capitalize on energy and water efficiencies.



Our Albany Brewery has reduced its GHG emissions by 40 percent per barrel of beer since 2008, the most of any MillerCoors brewery.

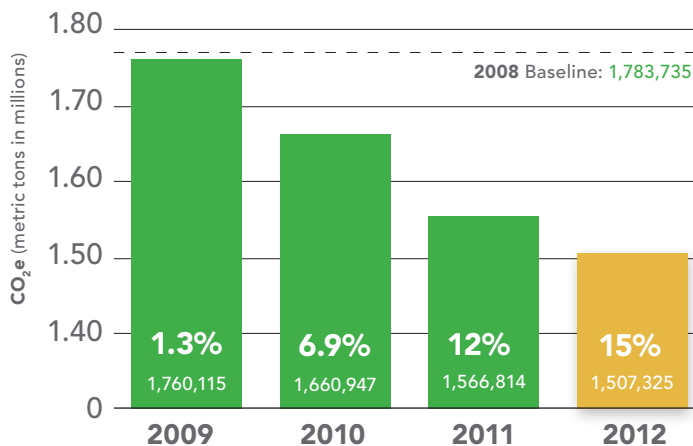
## GREAT BEER, FEWER EMISSIONS

Because climate change can harm our neighborhoods and workplaces, and affect the availability of water, barley and hops, we strive to minimize our carbon footprint. Since the start of the MillerCoors joint venture in 2008, we have tracked our greenhouse gas emissions internally. However, we have not disclosed the total quantity of our emissions in our past annual sustainability reports. To increase transparency, for the first time we are disclosing the quantity of our annual greenhouse gas emissions since 2008.

### Approach to Emissions Calculations

To calculate our greenhouse gas emissions, we follow The Greenhouse Gas Protocol developed by the World Resources Institute. We also follow Beverage Industry Environmental Roundtable (BIER) guidance.

## GREENHOUSE GAS EMISSIONS INVENTORY



Percent reduction relative to baseline year.

These systems categorize greenhouse gas emissions into three “scopes.” Scope 1 emissions come directly from our operations. For instance, our on-site brewery power plants are a source of Scope 1 emissions. Scope 2 emissions result indirectly from our operations when we purchase electricity, heat or steam. We track the Scope 1 and Scope 2 emissions from operations we own or control: our breweries, offices and manufacturing facilities. Scope 3 emissions are other indirect emissions that can result from a company’s operations. For instance, employees driving to work in their cars are a source of Scope 3 emissions. Under The Greenhouse Gas Protocol, reporting Scope 3 emissions is optional, and we do not currently track Scope 3 emissions at MillerCoors.

### Greenhouse Gas Emissions

We report our emissions in the standard units of metric tons of carbon dioxide equivalents (CO<sub>2</sub>e). In 2012, we produced 1.5 million metric tons CO<sub>2</sub>e. This represented a 3.8 percent decrease relative to 2011 and a 15 percent decrease since 2008. We have reduced our emissions through the same initiatives that reduce our energy and water usage.

### AIR EMISSIONS REGULATORY COMPLIANCE

Our regulated air emissions are governed by the U.S. Clean Air Act and other federal, state and local regulations. Our policy is to always meet or exceed laws and regulations governing our business. However, we received three notices of noncompliance or deficiency related to air emissions in 2012 and paid fines associated with noncompliance. We have taken action and resolved all air emissions concerns in 2013.

### SUCCESS AT MANUFACTURING FACILITIES

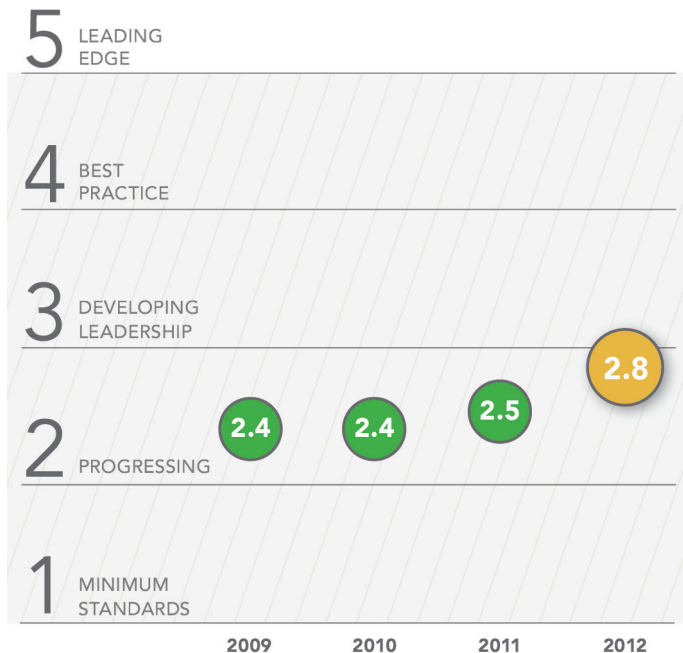
Our manufacturing facilities are making great strides in improving water and energy efficiency. Through our partnership with Owens-Illinois, Rocky Mountain Bottle Co. manufactures glass bottles in Wheatridge, Colo. For 2012, the bottle plant achieved a 5.4 percent improvement year-over-year in water efficiency, and a 3.3 percent improvement in energy efficiency. Through our partnership with Ball Corp., Rocky Mountain Metal Container (RMMC) in Golden, Colo. is the largest aluminum can producing plant in the world. In 2012, the RMMC can plant achieved a 10 percent year-over-year improvement in energy efficiency. The RMMC end plant achieved a 3.6 percent year-over-year improvement in energy efficiency, and an extraordinary 36.5 percent improvement in water efficiency.

## SAM Score: Energy and Carbon

Five factors comprise this score:

- Energy consumption (40 percent)
- Carbon emissions (30 percent)
- Renewable energy (10 percent)
- Carbon footprint (10 percent)
- Other emissions (10 percent)

## SAM SCORE: ENERGY AND CARBON



We improved our SAM score for energy and carbon to 2.8 this year. We improved our score by reducing our energy consumption and increasing our use of renewable energy sources. Employee-led, short-interval controls drove major energy efficiency improvements at our breweries. MillerCoors anaerobic treatment processes continued to pre-treat wastewater to produce biogas as an energy source. Additionally, the installation of a new biogas generator at our Shenandoah Brewery was the primary driver in our renewable energy sector improvements.

## Sustainable Packaging

We work with our suppliers to develop new ways to lighten materials and eliminate unnecessary packaging in our beverage containers, in our operations, at retail and throughout our supply chain.

MillerCoors **eliminated nearly 7 million pounds of packaging** in 2012, representing a 2.3 percent improvement year-over-year.

## NEW CALCULATION METHOD, SAME GOAL

Our 2015 goal is to reduce overall annual weight of all our packaging in the supply chain by 2 percent from the 2008 base year. Between 2008 and 2011, we calculated our progress toward that goal by determining the weight savings from our packaging lightweighting initiatives for each year. In 2012, we reviewed our existing calculation method and concluded that changing the method would improve consistency with our water and energy usage calculation methods, while better meeting the global sustainability standards of outside organizations.

The new calculation method considers the average weight of all packaging materials per barrel of beer. Under the new method, packaging weight can be



MillerCoors draws on its innovative history to deliver on its packaging initiatives.

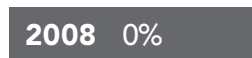
affected by lightweighting initiatives, as well as changes in product mix (for example, bottled beer is heavier than canned beer). We adopted this new calculation method for our 2012 results. We also recalculated the prior results for 2009 through 2011, so we can show a meaningful trend in packaging weight changes.

### Progress Toward Goals

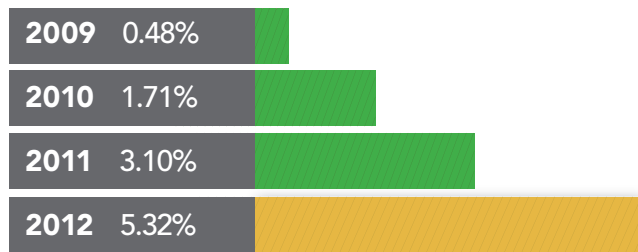
In 2008, we used 58.45 pounds of non-returnable packaging material per barrel of beer produced. In 2012, we used 55.34 pounds of non-returnable packaging material per barrel of beer produced. This represents a 2.3 percent improvement relative to 2011 and a 5.32 percent improvement relative to the 2008 baseline. Through a combination of lightweighting initiatives and changes in product mix, we surpassed our 2015 goal to reduce packaging by 2 percent.

### 2015 GOAL: REDUCE ALL PACKAGING THROUGHOUT THE SUPPLY CHAIN BY 2 PERCENT

#### BASELINE



#### RESULTS



#### GOAL



Note: A new calculation method is used beginning in 2012. Results from prior years have been recalculated following the new method.

### GREAT BEER, LESS PACKAGING

By reducing the thickness of the paperboard in our 12-pack bottle cartons, we cut the weight of paperboard per carton by 10 percent, for a savings of more than 3.5 million pounds. We decreased the height of our corrugated board trays for aluminum pints, eliminating 13.6 percent of the packaging weight and saving another 400,000 pounds. By converting our Miller Genuine Draft and Miller64 12-ounce glass bottles to



MillerCoors cleans and reuses its kegs on average 175 times.

match the uniform size and weight of our other brands, we reduced 2.1 percent of the bottle weight and saved 3 million pounds of glass. These initiatives eliminated nearly 7 million pounds of packaging in 2012. That is equal to the weight of nearly 43,000 full kegs of beer.

### SAM Score: Packaging and Packaging Waste

Five factors comprise this score:

- Recycled content (25 percent)
- Packaging elimination and lightweighting (25 percent)
- Post-consumer recycling (20 percent)
- Presence of heavy metals (15 percent)
- Environmental impact analysis (15 percent)

### SAM SCORE: PACKAGING AND PACKAGING WASTE





“ MillerCoors strives to reduce its packaging through lightweighting and product mix, and in the past three years we have reduced the amount of packaging material per barrel of beer by more than 10 percent.”

— Mark Dressel, director of packaging materials and development

We improved our SAM score for packaging and packaging waste to 2.65 this year. We improved our score primarily through packaging elimination and lightweighting. We reduced the average weight of all packaging materials per barrel of beer through numerous material weight reduction projects from 2008 to present. We also improved our score due to product mix shift from heavier glass to lighter aluminum, as well as returnable kegs.

## Waste Reduction

In 2012, our Trenton, Irwindale, Eden and Shenandoah breweries sent zero waste to landfill.

## Progress Toward Goals

When the MillerCoors joint venture began in 2008, all eight of our major breweries sent some waste to landfills. We established a 2015 goal to reduce the remaining brewery waste by 15 percent. As a result of excellent planning and execution by our employees, we exceeded our goal in 2009 and our Trenton and Shenandoah breweries became our first breweries to reduce, reuse or recycle 100 percent of their waste. So in 2010 we set a new target to reduce our waste by 50 percent compared to our 2008 baseline. We worked hard and made our Irwindale and Eden breweries landfill-free in 2010 and 2011, respectively. Throughout 2012, we worked to become landfill-free at our Golden Brewery, and in 2013, Golden Brewery became our fifth brewery to be landfill-free.

## 2015 GOAL: REDUCE WASTE TO LANDFILL BY 50 PERCENT

### BASELINE

2008 0%

### RESULTS

2009 20%

2010 32%

2011 55%

2012 70%

### GOAL

2015 15%

We find that reducing, reusing or recycling our waste is a challenge—but we believe it is good for our breweries, our communities and the environment.

## GREAT BEER, LESS WASTE

We reuse or recycle more than 99 percent of our brewery waste. That includes the protein-rich residual brewer's grain and spent yeast, glass cullet, aluminum, plastic, wood and other materials. We turn "waste" into energy, compost and soil conditioner for our own use. And we send the remaining by-products to companies that use them for many other beneficial purposes. For instance, in September 2012, we solidified plans to use waste from our Trenton Brewery to create high-protein food for farm-raised fish. We anticipate that the first fish food product will be available in fall 2013.

## HELPING CONSUMERS RECYCLE

As Bill Coors said more than 50 years ago, "Waste is a resource out of place." That's why in 1959, we introduced the first 100 percent recyclable aluminum can and began a program called Cash for Cans, offering consumers a penny per can or bottle returned for recycling. By 1965, we collected more than 13 million cans with a nearly 85 percent recovery rate. We still believe we can help consumers recycle cans, bottles and our other packaging.

More than a half century later, we continue to work with our distributors and other business partners to help consumers recycle. As official sponsors of NASCAR, we continued our partnership with The Coca-Cola Company to support a recycling program at NASCAR tracks. We expanded the recycling program from three tracks in 2010 to five tracks in 2011 and 2012. By providing NASCAR fans with 360 Coors Light recycling bins and 10,000 recycling bags in 2012, we helped create one of the largest recycling programs in professional sports.

## SETTING THE STANDARD FOR WASTE REDUCTION

Because of our industry-leading success in reducing waste, we have been invited to participate on industry panels to help educate other organizations on becoming zero waste to landfill. We are participating on an Underwriters Laboratories (UL) independent standards and definitions panel to define what it means to be zero waste to landfill. We have also joined the U.S. Zero Waste Business Council's Business Advisory Board, whose first goal is to develop a standardized third-party business certification program to recognize and motivate policies and practices for zero waste in the U.S.

“

By highlighting the success of the MillerCoors zero waste efforts, many other businesses and government agencies were inspired to adopt the goals of the U.S. Zero Waste Business Council by creating value through zero waste.”

– Stephanie Barger, founder and executive director, U.S. Zero Waste Business Council



*In 2010, Irwindale Brewery became MillerCoors third brewery to become landfill-free, and continues to send zero waste to landfill today, along with four other MillerCoors breweries.*

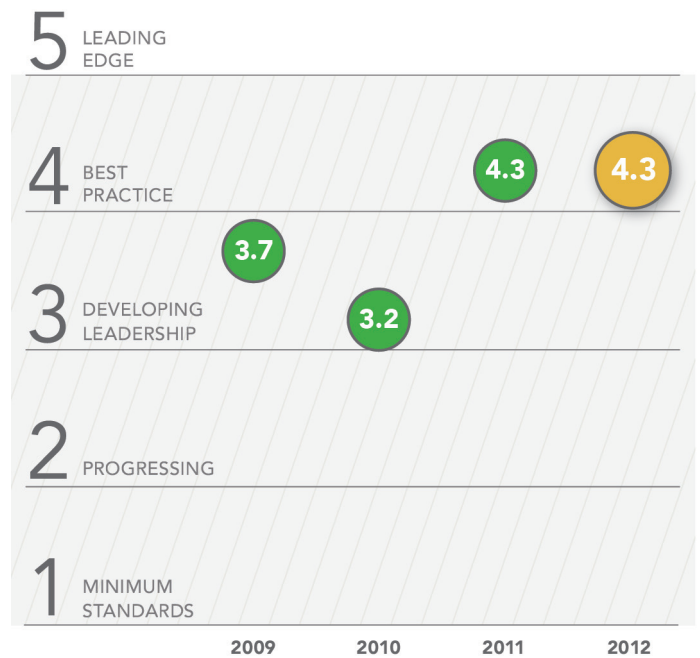
## SAM Score: Waste

Three factors comprise this score:

- Waste management (40 percent)
- Waste generation and disposal (30 percent)
- Upstream waste minimization (30 percent)

Our SAM score for waste remained at 4.3 this year. We maintained a high SAM score for waste by continuing to segregate waste at our breweries and reusing or recycling more than 99 percent of our waste. We achieved our fifth zero waste to landfill brewery at our Golden Brewery in 2013.

## SAM SCORE: WASTE



# Natural Resources Conservation Services



The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) recognizes that it takes healthy ecosystems to produce quality food and fiber from our agricultural lands. We also recognize that water is an equally critical commodity produced from the land and that the quality of this water is directly related to the health of the land upon which it falls. Our mission at NRCS is to help people help the land by applying conservation management systems that promote healthy ecosystems.

The Trinity River watershed is an important ecosystem located in central Texas. It is a vital resource to approximately five million Texans in the cities of Dallas, Fort Worth and Houston. NRCS is proud to work with our corporate conservation partner MillerCoors, as well as Trinity Waters Foundation, the local Soil and Water Conservation District, and other state and local partners, to advance the Water As A Crop™ pilot project in the Trinity River watershed. The combined leverage of federal, state, local and private resources will maximize the impact of implementing conservation that will have a positive benefit to not only water quality, but the environment as a whole.

With support from MillerCoors we are able to implement various Conservation Management Systems in association with Water As A Crop™. These systems incorporate key practices such as no-till cropping, planting more resilient native vegetation, cover crops and prescribed grazing management which serve to avoid erosion, reduce water runoff and trap nutrients and sediments. Successful implementation of these systems will increase water infiltration, making more water available for agricultural lands. This in turn protects base flow for waterways and provides better groundwater recharge, and makes our farms and ranches more sustainable.

As part of this initiative, we are also providing assistance (both technical and financial) to farmers and ranchers to voluntarily implement conservation management systems that focus on improving water quality in selected watersheds. One of the selected watersheds is Chambers Creek in Navarro and Ellis counties. A sub-watershed of the Trinity River Basin, this area supplies a large portion of the water for 1.8 million residents in Tarrant County through the Tarrant Regional Water District's water supply system.

This is one of several ongoing projects with MillerCoors in the Trinity River Basin with the primary focus on improving water quality. Through this initiative we have been able to engage local, state and federal agencies, as well as non-government organizations, to work hand in hand in a cooperative effort to empower private landowners and create a public water quality benefit through conservation.

A handwritten signature in cursive script that reads "Salvador Salinas".

Salvador Salinas  
State Conservationist, Texas  
Natural Resources Conservation Services



*Bob Brunick, barley breeder, has been working closely with our growers for years to ensure high-quality barley and sustainable farming practices.*

“We have strong relationships with our barley growers, working with some for generations.”

– Bob Brunick, barley breeder in Idaho



## SUPPLY CHAIN

Our supply chain is comprised of more than 14,000 businesses providing barley, hops, malt, transportation, containers, packaging, advertising and marketing, wholesale, retail and other services. From the barley field to the delivery truck, we are improving sustainability and transparency throughout our supply chain.

### 2012 Highlights

- We teamed up with our suppliers to work on sustainability projects that reduce carbon dioxide, decrease waste, conserve water, decrease weight and increase recycled content
- We enhanced our water conservation practices at the Showcase Barley Farm in Silver Creek Valley, saving a cumulative total of approximately 270 million gallons of water in just its first two years, through 2012, and cutting the farm's energy use by more than half
- We continued working with The Nature Conservancy to expand our partnership and target areas in our agricultural supply chain that are most at risk, including the water-stressed regions of Monte Vista, Colo.; Huntley, Mont.; and Worland, Wyo.
- We facilitated sustainability reporting with some of our top suppliers through their adoption of the Supplier Ethical Data Exchange tool
- We engaged more than 700 minority- and woman-owned suppliers and increased our diverse supplier spend \$29 million over 2011 to \$477 million, representing 8.5 percent of our total supplier spend

# Brewing a Sustainable Supply Chain

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Having a transparent and sustainable supply chain is another key ingredient in Brewing for Good. Transparency allows us to foresee and address any potential issues before they can disrupt our operations. Sustainability allows us to reduce our impact on the environment, support diverse communities and control the costs to produce great beer.

We are dedicated to working with suppliers who are as diverse as our consumers. As part of our sustainability strategy, we set a 2015 cumulative goal to spend more than \$2.5 billion with diverse suppliers. We regularly monitor our progress toward this 2015 goal, which is discussed on page 47.

## Responsible Sourcing

Our purchasing goals include promoting sustainability, increasing transparency, and gaining a better understanding of our social and environmental risks.

### SUPPLIER CODE OF CONDUCT

We created the MillerCoors Supplier Code of Conduct to establish the fundamental principles and policies we ask our suppliers to practice. This code is embedded into new MillerCoors supplier contracts. Our Supplier Code of Conduct is available at [MillerCoors.com/Business-Partners](http://MillerCoors.com/Business-Partners).

#### *Responsible Sourcing Principles*

We expect our business partners to follow the same high standards that we set for ourselves. We adopted our responsible sourcing principles in 2008, and we continue to use them to ensure they are respected in both our own procurement initiatives and in the initiatives of our suppliers. These principles provide guidance regarding business conduct, working conditions, forced employment, child labor, wages/hours, diversity, freedom of association and various environmental issues.

#### *Anti-Corruption*

We maintain accountability and transparency of our business practices to reduce and eliminate corruption. Our business relationships are based on superior value

of goods and services that we buy from our suppliers. Our policy on gifts and entertainment is clear—no gift, favor or entertainment is needed to conduct business with MillerCoors. Suppliers must not offer nor provide any payment, loan, service, gratuity, gift, personal travel or other favors of more than nominal value to any MillerCoors employee. We also require our sales and marketing employees and consultants to certify receipt of and acknowledge our Antitrust Policies and Guidelines on an annual basis.

### TOP SUPPLIERS

Our top 150 suppliers by spend represented nearly 77 percent of our overall procurement activity in 2012. We annually evaluate our top 150 suppliers for compliance with our responsible sourcing principles, as detailed in our Supplier Code of Conduct. In addition, we monitor their spending with small and diverse suppliers and look for opportunities to partner with them on environmental projects and programs.

### PROCUREMENT VALUE TRACKER

We track our procurement using a tool that monitors our cost savings, supplier diversity and sustainability projects. During the most recent SABMiller plc fiscal year (April 1, 2012, to March 31, 2013), we had 28 active sustainability projects with suppliers. From the previous fiscal year, we narrowed the quantity of our sustainability projects, so we could better focus on top projects that drive results.

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## SAMPLE OF RESULTS: 2012–2013 SUSTAINABILITY PROJECTS WITH SUPPLIERS

**Reduced carbon dioxide – 5**

**Decreased waste – 5**

**Conserved water – 1**

**Decreased weight – 5**

**Increased recycled content – 7**

“ Sustainability has become increasingly more important to Walmart & Sam’s, and with a collaborative effort, we are clearly leading the way in solution development from both a supply chain and commercial standpoint.”

– Greg Wacaster, category manager—  
Sam’s Club, MillerCoors

Greg Wacaster, category manager - Sam’s Club, MillerCoors  
Brian Sheehan, sustainability manager, Sam’s Club

## Responsible Sourcing Principles

**BUSINESS CONDUCT:** Suppliers must deal openly and fairly with MillerCoors and adhere to contract terms.

**WORKING CONDITIONS:** Supplier policies and procedures for health and safety must, at a minimum, meet legal requirements, and where such legal requirements do not exist, the policies and procedures must be sufficient to protect the well-being of the employees.

**EMPLOYMENT:** Forced or compulsory labor is strictly prohibited.

**CHILD LABOR:** In accordance with ILO conventions, children may only be employed in circumstances that fully safeguard them from potential exploitation, that protect them from moral or physical hazards and long-term damage to health and that do not disrupt their education.

**WAGES AND HOURS:** Wages paid must not be lower than that required by local law, or in the absence of local law, the level paid generally within that industry. Also, hours of work must conform to local law, or in the absence of local law, the norm within that industry; however, the hours of work must not be excessive.

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

**FREEDOM OF ASSOCIATION:** Supplier employees are to be free to join lawful associations.

**ENVIRONMENT:** MillerCoors continually strives to improve the environmental quality of our systems and our products. We strive to do business with suppliers who share our philosophies and commitments to the environment. Suppliers must comply with environmental laws and show sensitivity to other environmental issues that may impact local communities and/or MillerCoors.



*Our barley growers rotate crops with potatoes, wheat and sugar beets, to strengthen soil health.*

### SUPPLIER ETHICAL DATA EXCHANGE

To help us select suppliers who 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. Sedex houses these reports in its database, and a supplier gives permission to customers and other companies to view the reports. By year-end 2012, 13 MillerCoors suppliers with a total of 20 plants provided data into the Sedex tool.

### SUSTAINABILITY CONSORTIUM

MillerCoors serves on the board of directors and is a founding member of The Sustainability Consortium (TSC), which works to build a scientific foundation that drives innovation to improve consumer product sustainability. As an active member of the Food, Beverage and Agriculture Sector Working Group within TSC, MillerCoors has contributed first-hand experience on the potential impact and benefits of the emerging sustainability measurement and reporting standards developed by the consortium. As part of our engagement with TSC, MillerCoors also participates in the Commodity Mapping Project, which provides the opportunity to collaborate with other stakeholders within specific geographic regions on water conservation projects. As an example, the barley that MillerCoors purchases from Idaho is rotated on the same farms with wheat that another company purchases. The two companies are now exploring information sharing and innovation opportunities. MillerCoors has also partnered with a leading global enterprise software developer to pilot sustainability reporting platforms across our supply chain.

## Sustainable Agriculture

We take a hands-on approach to sourcing the high-quality barley and hops we need to brew great beer.

### BARLEY

In 2012, we worked directly with more than 800 barley growers to develop quality barley and long-term sustainable barley production. We also supported initiatives to protect the water and land in barley-growing regions.

#### *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, we contract directly with more than 800 barley growers in Colorado, Idaho, Montana and Wyoming. Our growers often use our barley seeds, and their resulting barley crops must meet high standards. Our expert agronomists consult with local barley growers regarding barley production issues, irrigation, acceptable pesticides, crop rotation and sustainable farming practices. After the barley is harvested and checked for quality, we store it in one of our six grain elevators. We retain samples from all of the growers' harvests and gather production information to increase transparency regarding the origins of each crop. By working closely with our barley growers, we develop high-quality barley and long-term sustainable barley production, which reduces risk for both MillerCoors and our barley growers.

#### *Barley Research and Development*

We need a steady supply of high-quality barley to brew our products. In 2012, we continued our research on developing high-yielding, high-performing varieties, with sustainability in mind:



We test different barley varieties on our research farm in Burley, Idaho.

## HIGH EXPECTATIONS FIVE MAJOR STANDARDS

MillerCoors maintains high standards, which the barley must meet in order to be purchased.

COLOR

PROTEIN

KERNEL  
INTEGRITY

PLUMPNESS

MOISTURE

**WINTER HARDINESS:** Barley varieties with greater cold tolerance can survive the winter, which benefits our growers, MillerCoors and the environment. Winter-hardy barley varieties have the potential to increase yields, provide flexibility with water to help avoid water use during times of peak demand, and provide greater ground cover that reduces soil erosion and improves water quality.

**DRY LAND:** To reduce reliance on water in barley production, we are continuing to develop and test dry land barley varieties—malt barley varieties that can be grown without irrigation.

**STANDABILITY:** Shorter, stronger stems increase the “standability” of the barley plant. This means that it can remain upright under all growing conditions, so it will fill with the maximum number of barley seeds, thereby increasing yield.

**PROTEIN CONCENTRATION:** By optimizing the protein concentrations in barley and reducing variability in protein concentrations from year to year, barley quality is increased.



MillerCoors is working to improve irrigation techniques and reduce water use.

**DISEASE RESISTANCE:** Screening for disease resistance assists in achieving our long-term goal to have varieties that can withstand disease pressure and maintain quality.

**SHORTER MATURITY:** Shorter maturity barley varieties mean that potentially less water may be needed to produce the plant.

**HUSK ADHERENCE:** Developing varieties with strong husk adherence reduces yield losses in malting.

Breeding for superior barley varieties is a lengthy process. We test new barley varieties and agricultural practices in our own fields on our company farms and then we share our results directly with our farmers. We develop new barley varieties and agricultural techniques to increase barley yields, improve barley quality and increase consistency from year to year, while we steward the environment. Our ultimate objective is to find new barley varieties and agricultural techniques that support the goals of the entire barley supply chain, beginning with our growers and ending with our brewers.

### **Protecting Water-Stressed Barley-Growing Regions**

Silver Creek is a unique, high desert spring creek system surrounded by fertile agricultural ground in southern central Idaho. The Nature Conservancy manages an 880-acre nature preserve surrounding the headwaters of Silver Creek. Since we source some of our barley from the Silver Creek Valley, we proactively partnered with our growers and The Nature Conservancy during 2008. Through this collaboration, we developed a joint strategy with them that we launched in 2009 to restore wetland habitat, conserve water and monitor stream

flows and water temperatures at Silver Creek. In 2012, our conservation investment of \$100,000 in the Silver Creek Valley was leveraged 10 times through matching funds.

### *Farm Irrigation Retrofits*

In 2012, MillerCoors and The Nature Conservancy jointly funded two farm irrigation retrofits in the Silver Creek Valley.

For example, on the Purdy Farm, this involved the conversion of 300 acres of flood-irrigated land to sprinklers, which results in increased soil productivity and an estimated 75 percent water savings. The new sprinkler system also limits nitrates and fertilizers entering Silver Creek. The Purdys have also committed to leaving the residual water in Silver Creek as it moves across their property.

### *Patton Creek Reconnection*

We funded work on a Patton Creek reconnection, which will be completed in 2013. This project involves retrofitting a dam to create an off-channel wetland pond, which will reduce stream temperatures, reconnect fish populations, improve water quality and dramatically improve the habitat throughout the creek drainage area.

We also began helping the same landowners secure Natural Resources Conservation Service funding to address wildlife preservation and restoration of a recent 250-acre land addition, Teiter Canyon, a tributary to Patton Creek.

### *Water Conservation Fund*

To continue these water conservation efforts in Silver Creek, MillerCoors established a water conservation fund. The fund allows The Nature Conservancy to match the investment of farmers interested in retrofitting



MillerCoors works with its barley farmers in Silver Creek, Idaho.



“When done the right way, sustainability can create great opportunities in our supply chain.”

– Fernando Palacios, chief integrated supply chain officer

MillerCoors meets with barely growers at its company-owned farm in Monte Vista, Colo. to partner on water conservation.

irrigation systems to improve water efficiency. To qualify for matching funds, a farmer would need to 1) enroll in the Idaho Power savings program; 2) discuss potential conservation projects with The Nature Conservancy; and 3) raise the funds that he or she is requesting be matched. For matching funds recipients, The Nature Conservancy will advise the farmers throughout the design process, through implementation and adaptive management, as well as on monitoring outcomes.

#### Showcase Barley Farm

We primarily focused on precision irrigation techniques on the Showcase Barley Farm in Silver Creek Valley. From 2011 to 2012, the farm saved a cumulative total of 270 million gallons of water from these techniques, which is enough water to meet the needs of a family of four for nearly 1,850 years. More efficient irrigation techniques result in decreased demand for pumping water, which also decreases the energy needed to power the pumps. By pumping less, the farm cut its total energy usage by more than half—from an average of \$50 per acre in energy costs to \$20–22 per acre. This is a significant savings for a farm that historically spent \$120,000 per year on energy. Not only are these irrigation techniques good for the environment, they are also good for farmers' bottom lines.

#### Expansion of Pilot Program

In late 2012, we began working with The Nature Conservancy to expand our partnership in target areas in our agricultural supply chain that are most at risk. We identified that nearly half of our barley is sourced from water-stressed regions—primarily in Monte Vista, Colo.; Huntley, Mont.; and Worland, Wyo. Our partnership with The Nature Conservancy will help protect these water-stressed regions. We will discuss our plans further in the MillerCoors 2014 Sustainability Report.

## Transportation and Delivery

We work with our transportation suppliers to improve fuel efficiency and reduce emissions. We encourage maximizing the amount of beer carried on each vehicle to reduce the number of vehicles in use, which in turn reduces fuel consumption and greenhouse gas emissions. In 2012, more than 7,200 rail cars, nearly 441,000 trucks and more than 4,300 intermodal shipments were used in the distribution of our beer. Whether through the transportation of goods and materials to our breweries or the delivery of finished products to our distributors and retailers, we are focused on reducing the environmental impacts of these services.



### 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 continues to voluntarily improve fuel efficiency and reduce environmental impacts from freight transportation through this program.

Because our suppliers provide most of the transportation services, we do not directly control



The SmartWay™ transport program helps suppliers improve fuel efficiency.

much of the transportation-related fuel efficiency and emissions. However, by encouraging our suppliers to participate in a program like SmartWay™, we can improve the environmental performance of these transportation services.

### LOGISTICS AND TRANSPORTATION SUPPLIER OF THE YEAR: RAVEN TRANSPORT

In 2012, we recognized Raven Transport with an award as our Logistics and Transportation Supplier of the Year. Raven Transport, which also won our 2011 Diverse Supplier of the Year award, is a minority-owned business that distributes our beers through its fleet of tractor-trailers. Raven Transport proposed and implemented a heavy-haul solution for our Trenton Brewery that resulted in load weights being optimized by approximately 500 pounds.

### IT'S ALL CONNECTED

When we implement sustainable initiatives with one group of suppliers, we can reap benefits throughout the entire 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 fuel consumption and greenhouse gas emissions.

### Supplier Diversity

We are dedicated to working with suppliers who are as diverse as our consumers. In 2012, MillerCoors engaged more than 700 minority- and woman-owned suppliers to provide essential products and services.

### Progress Toward Goals

In 2012, we increased our spend with diverse suppliers to a total of \$477 million, or 8.5 percent of our total supplier spend. Since 2009, we've spent a total of approximately \$1.75 billion with minority- and woman-owned businesses and are on our way to meeting our 2015 goal of spending more than \$2.5 billion with diverse suppliers.

“Working with diverse suppliers enriches our business.”

– Walter Jennings, director of procurement

## 2015 GOAL: CUMULATIVELY SPEND MORE THAN \$2.5 BILLION WITH DIVERSE SUPPLIERS

### BASELINE

2008

### RESULTS

2009 \$353 M

2010 \$834 M

2011 \$1.27 B

2012 \$1.75 B

### GOAL

2015 \$2.5 B

### SUPPLIER DIVERSITY MANAGEMENT SYSTEM

We give minority- and woman-owned businesses an opportunity to compete with other suppliers in the marketplace. We use a supplier diversity management system for minority- and woman-owned businesses (available at <https://cvmas14.cvmsolutions.com/MillerCoors/>), inviting them to complete a profile in the system. When supplier opportunities arise, our sourcing managers use this database to search for qualified minority- or woman-owned businesses. Registration in this database does not guarantee business with MillerCoors.

### SECOND-TIER SUPPLIER DIVERSITY

We are focused on strengthening our second-tier supplier diversity program as well, and ask first-tier suppliers to join in this economic development initiative by meeting mutually agreed upon goals for spend with qualified minority- or woman-owned businesses. We collaborate with our first-tier suppliers on this by conducting educational meetings regarding supplier diversity, introducing minority- and woman-owned businesses to first-tier suppliers, and co-presenting at events where diverse suppliers are present. At the end of 2012, we had 41 suppliers who reported second-tier spend on a quarterly basis in our supplier diversity management system. Second-tier spend comprised 18 percent of our total spend with minority- and woman-owned businesses in 2012, and it is an important factor for consideration in our supplier of the year award.

## DIVERSE SUPPLIER OF THE YEAR: BOB LANIER ENTERPRISES INC.

Bob Lanier Enterprises Inc., was the winner of the MillerCoors 2012 Diverse Supplier of the Year award. Bob Lanier Enterprises, a small, minority-owned business, produces promotional products for MillerCoors and participates in Sedex (see page 42). This supplier not only provides great service—checking the quality of products produced by our other business partners and consistently meeting deadlines—but Bob Lanier Enterprises also provides eco-friendly products and worked on our Coors Light recycling program at a large retailer. We appreciate Bob Lanier Enterprises' contribution to fostering sustainability at MillerCoors.

## INVOLVEMENT IN ORGANIZATIONS FOR SUPPLIER DIVERSITY

We are actively involved with and hold board of director positions in local and national organizations supporting supplier diversity. We are members of:

- National Minority Supplier Development Council (NMSDC)
- Rocky Mountain Minority Supplier Development Council (RMMSDC)
- Hispanic Association on Corporate Responsibility
- Conference Board's Supplier Diversity Leadership Council

MillerCoors also engages with other national organizations supporting supplier diversity. In 2012, we participated in 16 diverse supplier events and sponsored nine diverse supplier events, including:

- Co-hosted a supplier diversity education meeting with Ball Corp.
- Chaired the Special Arrangements Committee for the NMSDC
- Sent representatives from two minority-owned businesses to a week-long business course, Growing the Minority Business to Scale, at the Tuck School of Business at Dartmouth College

### Supplier Diversity Awards

DiversityBusiness.com honored MillerCoors as one of America's Top Organizations for Multicultural Business Opportunities. These 50 companies are the top buyers of diversity products and services in the U.S. MillerCoors ranked 45th on this Top 50 Organizations for Diversity listed in 2012.

For the third year in a row, we were one of 39 outstanding corporations inducted into the U.S.

Hispanic Chamber of Commerce's Million Dollar Club, an honor for companies who have demonstrated support for Hispanic businesses by spending a minimum of \$25 million with Hispanic suppliers.

We were also nominated for the NMSDC's 2012 Corporation of the Year and Advocate of the Year awards.

Learn about some of our other initiatives for diversity and inclusion on pages 54, 55 and 57.

## SAM Score: Supply Chain

Three factors comprise this score:

- Supplier interaction with sustainable development priorities (40 percent)
- Understanding social, environmental and ethical issues in the supply chain (30 percent)
- Local enterprise development (30 percent)

We maintained our Sustainability Assessment Matrix (SAM) score for supply chain at 4.1 this year. We stayed on target to meet our goals for cumulative spend with diverse suppliers and teamed up with them to work on sustainability projects that are relevant. We expanded our supply chain risk assessment and increased the number of supplier contracts referencing our responsible sourcing principles. However, we still need to implement a formal supplier evaluation for our higher risk and top 20 suppliers by spend. We are making plans to address this gap and will discuss our progress in the MillerCoors 2014 Sustainability Report.

## SAM SCORE: SUPPLY CHAIN



# The Nature Conservancy



Silver Creek is one of the world's most beautiful spring creeks. Located in central Idaho, it is a world-class trout stream and a haven for wildlife. Unfortunately, development pressure from Sun Valley and some agricultural practices pose significant threats to the watershed.

In 2009, MillerCoors committed to joining The Nature Conservancy in our efforts to protect Silver Creek. This was an important step because Silver Creek is largely surrounded by barley growers, many of whom are part of the MillerCoors supply chain. The Creek itself is dependent on clean, abundant groundwater to support local plants and wildlife and maintain a healthy, balanced ecosystem — likewise barley farmers rely on this water source for their crops. With MillerCoors financial support and its close relationships with area farmers, we have developed and are currently implementing water conservation strategies to both enhance the Silver Creek ecosystem and create a more sustainable farming system throughout the valley.

From the beginning, MillerCoors understood the importance of monitoring and planning. In order to set project direction, the Conservancy created a comprehensive watershed enhancement plan and an integrated groundwater/surface water model to provide a science-based guide for restoration and project prioritization throughout the watershed. Then MillerCoors helped fund the priorities outlined in the plan, including fencing and planting of over two miles of important riparian areas and the purchase of an easement on 320 acres adjacent to the Silver Creek preserve — ensuring that development will not be an issue in this sensitive area.

Together, we implemented new water conservation technologies in the region that led to the development of the Showcase Barley Farm — a model farm where a combination of best management practices were implemented on a 4,000 acre property adjacent to Silver Creek. The farm has been used as an example for university professionals, students, conservationists, and other farmers. In 2013, we are expanding our work to include two other major barley farmers.

The Conservancy is proud of our work at Silver Creek. Support from MillerCoors has enabled us to expand our conservation efforts in the region by providing a science-based plan for how to implement changes along Silver Creek that improve water quality, ensure permanent land protection, implement irrigation efficiencies that will save billions of gallons of water, and conduct outreach to expand best management practices well beyond Silver Creek.



Dayna Gross  
Silver Creek Watershed Manager  
The Nature Conservancy



*Michelle Nettles, senior director of diversity and integrated talent management, ensures MillerCoors is best positioned to attract top talent.*



“ We believe a diverse and inclusive workplace is a competitive advantage. ”

– Michelle Nettles, senior director of diversity and integrated talent management



## PEOPLE AND COMMUNITIES

Our exceptional people do more than brew our great beers—they also develop new ideas and drive initiatives that help create a stronger, more sustainable MillerCoors. Together with our people, we believe in giving back, and we have a long tradition of supporting the social, economic and environmental well-being of our communities.

### 2012 Highlights

- In our annual employee engagement survey, employee awareness of our sustainability efforts improved 10 points to 72 percent
- In September 2012, we hosted our inaugural African-American Forum to promote the development and retention of African-American employees at MillerCoors
- MillerCoors matched \$939,000 in employee donations and donated \$2 for each employee-logged volunteer hour, for a total investment of nearly \$1.9 million to United Way
- To promote economic empowerment to minority businesses, we awarded \$150,000 in grants to urban entrepreneurs through our 2012–2013 national business plan competition
- MillerCoors employees have a tangible impact on our communities. In 2012, we logged nearly 53,600 hours volunteering at more than 500 organizations

# Brewing Greatness for People and Communities

Great people and healthy communities are essential ingredients to creating America's best beer company. We believe it's important to develop their careers, celebrate our diversity, and create a safe, inclusive and engaging work environment. We also dedicate our time and resources in our communities.

We set specific 2015 goals for people and communities. By 2015, we aim to achieve recognition as a *FORTUNE* 100 Best Companies to Work For®, and we strive to exceed \$2 million annually in United Way contributions. We conduct an annual employee survey and collect additional data on workplace diversity, professional development, training hours, and workplace accidents and injuries.

## 2015 GOAL: FORTUNE 100 BEST COMPANIES TO WORK FOR®

To attract and retain the best employees, as well as optimize our operations, we are creating a workplace that employees appreciate and other companies respect. To help achieve this, we have established a 2015 workplace goal to win recognition as one of *FORTUNE*'s 100 Best Companies to Work For®. Placement on the list of best companies is based on a third-party evaluation of a company's policies and culture and a survey of the company's employees. We continue to learn more about the criteria and our performance as an employer to meet this goal. We are using what we have learned to refine our overall business strategy, improve our approach to diversity and inclusion, and address the challenges identified in our employee engagement survey.



*MillerCoors employees celebrate successes.*

## MillerCoors Workforce

As of Dec. 31, 2012, we employ 8,623 people at our offices, breweries and other manufacturing facilities.

### DIVERSE REPRESENTATION

More than one-fourth of our 2012 workforce belongs to an ethnic minority group, and more than one-fourth are women. Our 2012 workforce included 11.5 percent Hispanic employees, 11.2 percent African-American employees, 1.9 percent Asian or Pacific Islander employees, 0.86 percent multiethnic employees and 0.04 percent Native American employees. Most of our diverse workforce chose to stay at MillerCoors in 2012, although we experienced a 3.2 percent attrition rate among employees who are ethnic minorities and a 3.8 percent attrition rate among female employees. These rates are less than our 2012 companywide attrition rate of 12 percent. The percent of the 2012 workforce represented by ethnic minority groups and women remained similar to 2011.

### EMPLOYEE ENGAGEMENT SURVEY

In 2012, our survey response rate was 83 percent and the results highlight several areas of success. For instance, employee awareness of our sustainability efforts improved an impressive 10 points to 72 percent. The survey also identified several areas where employees feel we could improve, including diversity and inclusion.

### LABOR PRACTICES

We adhere to labor and employment laws wherever we operate, including those respecting freedom of association, privacy and equal opportunity. Approximately 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. We are an equal opportunity employer committed to a policy of non-discrimination in our employment and personnel practices.

## Case Study: Star Designation for Exemplary Workplaces

Shenandoah Brewery, Rocky Mountain Metal Container end plant, and five of our six grain elevators have achieved Voluntary Protection Program (VPP) Star designation from the U.S. Occupational Safety and Health Administration

(OSHA). The Star designation recognizes exemplary workplaces that have achieved injury and illness rates at or below the national industry average, and are proactive in finding and controlling workplace hazards.

### Workplace Safety

Safety is not only about regulatory compliance. Safety is also about caring, trust and involvement. To maintain high safety standards, we engage and empower every person working at MillerCoors to participate in making our workplace free of injury and illness.

#### SAFETY COUNCIL

Professionals from across MillerCoors join together to form our Safety Council, a sub-council of our Environmental, Health and Safety (EHS) Council. Chartered in February 2012, the Safety Council has four working teams addressing four top priorities: safety management system; EHS information system; safety training; and incident investigation process. The council's goals are to:

- Share information regarding workplace injuries to understand why they occurred and to prevent their recurrence
- Comply with regulatory requirements
- Address our top risks by developing solutions that work for all of our facilities

#### SAFETY CULTURE

We believe that work-related injuries are preventable, and we encourage all of our employees to foster a safe working environment. Our employees partner with leadership to evaluate how corporate-level decisions, such as new capital projects, can affect workplace

“Every employee shares in the responsibility of making MillerCoors safe.”

– Matt Gabris, director of safety, sustainability, health and environmental

safety. We empower employees to speak up, stop work or make a change if they see an unsafe situation. We provide ongoing safety training at individual brewery locations and through MillerCoors University.

Employees can volunteer to join safety teams to assess current processes and address attitudes and beliefs regarding workplace safety in their locations. In 2012, 52 safety teams worked across 11 facilities. In November 2012, we held our annual Safety Culture Summit, bringing together more than 200 safety team members companywide. During the summit, safety team members attended training workshops and shared best practices for building a safe workplace. Five external companies also sent participants to the summit to benchmark our safety culture changes.

#### ACCIDENT AND INJURY REPORTING

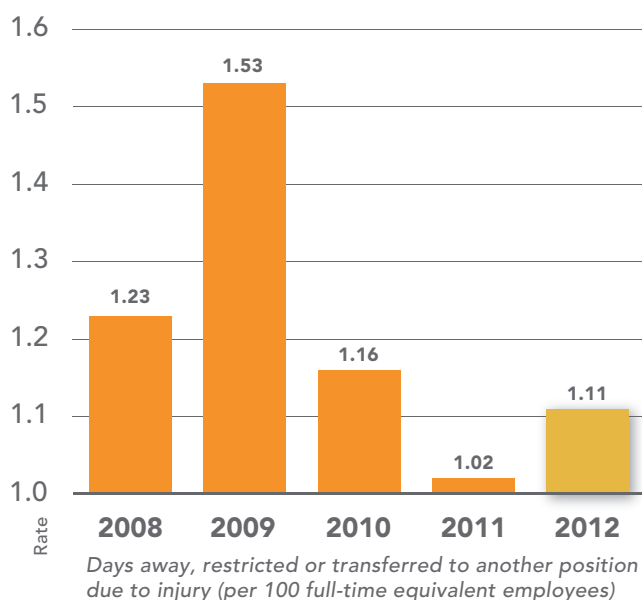
Our policy is to meet or exceed laws and regulations governing our business and to protect the safety of our employees, communities and environment. We did not receive any fines related to U.S. Occupational Safety and Health Administration (OSHA) compliance during 2012.



Safety is the highest priority at MillerCoors.

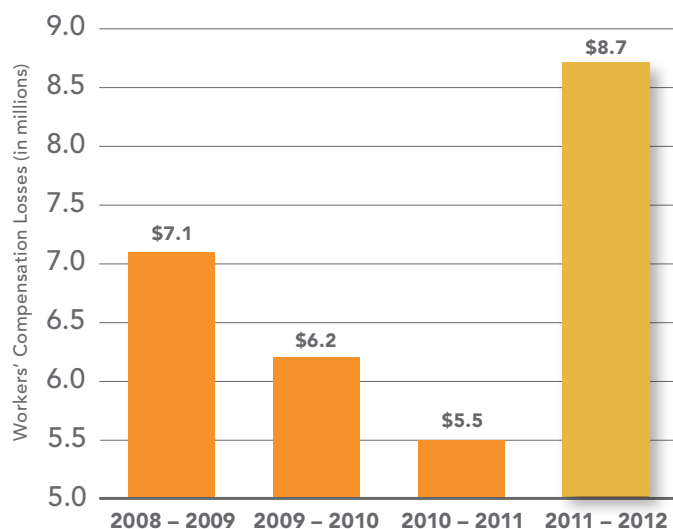
We had the following injury rates throughout our supply chain per 100 full-time equivalent employees in 2012: 2.47 OSHA recordable injuries; 1.37 injuries resulting in job restrictions; and 0.44 injuries resulting in days away from work. The number of workers' compensation claims decreased year-over-year, with 86 fewer claims across all of our locations. However, we regret that four severe injuries occurred in 2012. These injuries drove overall workers' compensation costs higher in 2012.

## OSHA DART RATE



DART rates cover Integrated Supply Chain only.

## WORKERS' COMPENSATION LOSSES



## Diversity and Inclusion

We are creating an inclusive work environment that is flexible and inspires innovative solutions, business results and lasting relationships with all our people. We seek to empower all employees to confidently contribute their best—because we all represent MillerCoors.

“ We are building momentum on diversity and inclusion at MillerCoors.”

– Chris Kozina, chief human resources officer

### BUILDING INCLUSIVENESS

We are continuously working to advance diversity and inclusion at MillerCoors through a wide range of activities. For instance, we have nine Employee Resource Groups that support our diverse employee network, help us connect to the diverse marketplace and support community outreach activities. We held our fourth Diversity and Inclusion Awareness Week in April 2012. In September 2012, we hosted our inaugural African-American Forum in Atlanta, Ga., to promote the development and retention of African-American employees at MillerCoors. Our Women's Commercial Day of Enrichment in October 2012 drew nearly 260 women from across the organization for a session

“ The MillerCoors African-American Forum plays an important role in encouraging dialogue about furthering opportunities, promoting fairness and advocating for diversity.”

– Kasim Reed, Mayor of Atlanta

# In 2012, MillerCoors achieved its **ninth consecutive 100 percent rating** from the Corporate Equality Index, which rates U.S. workplaces on LGBT equality.

aimed at fostering networking, learning and personal development. And in November 2012 we held our fifth Diversity Summit, the largest yet with 250 participants and leaders meeting at our Fort Worth Brewery. It provided participants with an opportunity to create action plans to further drive diversity and inclusion in their work areas.

## INCLUSION AND DIVERSITY ADVISORY COUNCIL

MillerCoors forms and maintains partnerships with external organizations that provide insight and bring value to our diversity and inclusion strategy. Started in 2011, our Inclusion and Diversity Advisory Council is comprised of outside business and community leaders who advise MillerCoors on best practices, strategies, tools and research that advance diversity, inclusion and multiculturalism. While our advisory council members are not paid as employees or contractors, MillerCoors made a contribution on behalf of each of these members to the United Way charities of their choice. Our total contribution to United Way charities through this program was \$225,000 in 2012.

## Professional Development

We invest in the professional development of our employees by providing training, mentoring and financial support for continuing education. MillerCoors University offers courses on: leadership; commercial and operational skill building and development; diversity; ethics; health and safety; and responsible consumption. Learn more about our diversity training on page 54, ethics training on page 64, and employee training for responsible consumption on page 20.

## MILLERCOORS UNIVERSITY

MillerCoors University offers both online and classroom training at facilities in Milwaukee, Chicago and Golden, Colo., and at our individual breweries and offices. Employees logged 247,160 training hours through MillerCoors University in 2012, through course

offerings focused on job skills development, business and sales, diversity, leadership, health and safety, ethics and more.

Our leadership mentoring programs emphasize effective people management skills and develop emerging leaders. We also offer group mentoring programs for women and, for the first time in 2012, integrated supply chain.

Corporate University Xchange, the leading provider of corporate university research and advisory services, awarded us the 2012 Excellence award in the alignment category, for work done on our sales learning plan, academies and playbook.

## TUITION REIMBURSEMENT

We encourage employees to continue their education and support their educational goals through tuition reimbursement. In 2012, we provided tuition reimbursement to 171 employees for a total investment of more than \$515,000.

## SAM Score: Human Rights

Four factors comprise this score:

- Policies and staff rights (25 percent)
- Health and safety (25 percent)
- Diversity and inclusion (25 percent)
- Training and risks (25 percent)

## SAM SCORE: HUMAN RIGHTS



We improved our Sustainability Assessment Matrix (SAM) score for human rights to 3.75 this year. We increased our score primarily through improvements in health and safety. Most of our facilities had fewer safety incidents, and we communicated greater emphasis on the prevention of serious injuries. In addition, we increased our diversity and inclusion efforts through our inclusive leadership core development program that equips managers to harness the power of diversity. We continued to invest in professional development through learning programs at MillerCoors University and by providing financial support for continuing education.

### Community Investment

We have a long tradition of supporting the communities where we work, live and sell beer. We focus our community investments on civic leadership, responsibility, economic empowerment and water stewardship.

### Progress Toward Goals

Each October, we kick off our annual United Way campaign, as a key part of our community investment. Our employees donate funds as well as participate in volunteer activities in their local communities. In 2012, more than 1,600 employees contributed nearly \$939,000 to United Way. MillerCoors matched employee donations and also donated \$2 for each volunteer hour logged by employees, for a total investment of about \$1.9 million to United Way.

## 2015 GOAL: EXCEED \$2 MILLION ANNUALLY IN UNITED WAY CONTRIBUTIONS

#### BASELINE

2008

#### RESULTS

2009 \$1.6 M

2010 \$1.7 M

2011 \$1.9 M

2012 \$1.9 M

#### GOAL

2015 \$2.0 M

## COMMUNITY INVESTMENT FOCUS AREAS

Civic leadership

Responsibility

Economic empowerment

Water stewardship

### COMMUNITY ADVISORY COUNCILS

We joined together with our distributors and internal stakeholders to form our new Community Advisory Councils in Chicago, Milwaukee and Golden, Colo. Each council meets quarterly to review local community investments, discuss opportunities to increase commercial impact, consider new funding requests and partnerships, and recommend MillerCoors representation in community organizations. The councils also assist in creating employee volunteer opportunities with community partners.

### VOLUNTEER HOURS

Our employees have a tangible impact on our communities through volunteering with local nonprofit organizations. In 2012, thousands of MillerCoors employees logged nearly 53,600 hours at more than 500 organizations. They also participated in Great Water Month projects to improve the watersheds around our breweries.

Our Milwaukee-based employees alone logged 20,300 hours volunteering in their local community in 2012—the most of any MillerCoors location.

Through our volunteer programs **we engage employees to become passionate ambassadors of MillerCoors.**

## NONPROFIT DONATIONS

MillerCoors corporate and employee donations to nonprofits play an important role in supporting our local communities. In 2012, MillerCoors accounted for more than \$14.2 million in employee and corporate donations to nonprofits.

While we do not include the donation of our time when calculating our total monetary investment for the year, our hours spent volunteering in 2012 could be valued at nearly \$1.2 million in capacity-building work for local nonprofit organizations.

## Civic Leadership

We solidify our position as civic leaders through support of select programs of significant and enduring relevance to our headquarter, hometown and brewery communities.

## HURRICANE SANDY RESPONSE

In the immediate aftermath of Hurricane Sandy, we donated \$100,000 to the American Red Cross to assist in areas devastated by the storm. We also set up a microsite for our employees and distributors to donate to the American Red Cross, raising an additional \$30,000 to support recovery and relief efforts.

## LGBT COMMUNITY SUPPORT

MillerCoors was the first national sponsor of the Matthew Shepard Foundation, and our manager of community commerce and partnerships serves on the board of directors. MillerCoors was also the first national partner for OutServe, the largest employee

resource group for actively serving LGBT U.S. military personnel. Additionally, MillerCoors is a corporate partner of the National Gay and Lesbian Chamber of Commerce, which advocates for LGBT businesses. And annually, we support a wide range of LGBT sports teams and leagues, including the North American Gay Amateur Athletic Alliance annual softball world series and National Gay Flag Football League.

## Responsibility

We promote the responsible marketing, sale and consumption of our beers and combat the misuse and abuse of alcohol through programs addressing drunk driving, underage access and overconsumption. Learn more about how we promote responsible consumption starting on page 12.

## Economic Empowerment

We strengthen our hometown and multicultural communities through higher education, entrepreneurship, job creation and workforce readiness initiatives that empower people for economic success.

## MILLERCOORS NATIONAL BUSINESS PLAN COMPETITION

Our award-winning MillerCoors Urban Entrepreneurs Series (MUES), recently renamed Miller Lite Tap the Future, promotes economic empowerment to minority businesses. Our national business plan competition has awarded nearly \$2 million in grants and given hundreds of aspiring entrepreneurs the tools to grow their businesses since 1999.

## Case Study: Investing in Dreams, Inspiring Greatness

Our national business plan competition was designed to help urban entrepreneurs grow their businesses. It offers a set of unique resources for business owners to craft successful business plans and gain insights from experts. We congratulate 2012's top winners, Lauren Miller and Jason Brein from Excelegrade. Excelegrade's online software allows instructors to design standards-based assessments, administer tests on mobile devices, automatically grade and track student performance, conduct data analysis, and create individualized progress reports for students, parents, and educators. These features save teachers' time and improve educational outcomes.

“ We hope to build a successful business with the \$50,000 grant that not only helps teachers and students, but ultimately is able to pay it forward to other entrepreneurs in a similar way.”

– Lauren Miller, co-founder and CEO of Excelegrade



Entrepreneurs at the Tap the Future award winners reception.

MillerCoors awarded \$150,000 in grants to urban entrepreneurs to start up or expand their businesses through the 2012-2013 program. The top winner received a grant of \$50,000 and four runners-up received grants of \$25,000 each. In addition, we enhanced the program with a \$10,000 Consumer's Choice award, which gave consumers the chance to vote for their favorite urban entrepreneur. Qualified competitors could potentially become MillerCoors suppliers, and winners have the opportunity to be mentored by our experienced employees.

For more information about the Tap the Future program, visit [MLTapTheFuture.com](http://MLTapTheFuture.com).

**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 colleges and universities. Over 25 years, TMCF has awarded more than \$100 million in scholarships and support to students and member schools. Our total support for TMCF in 2012 was \$350,000, including annual scholarship programs and special promotions and donations. In honor of the 25th anniversary, MillerCoors announced in 2012 that we will donate \$1.5 million to be paid over three years beginning in 2013.

**¡ADELANTE! LEADERSHIP FUND**

We also are a founding sponsor of the ¡Adelante! U.S. Education Leadership Fund, which invests in Latino students through scholarship, internship and leadership training programs. ¡Adelante! has provided more than \$1.5 million in scholarship awards to more than 500 Latino college students around the country since its inception in 1993.

We invested \$250,000 in 2012 to support ¡Adelante!'s programs, including 30 MillerCoors scholarships. We also partnered with the Dallas Cowboys and ¡Adelante! to support educational programming and resources for Hispanics through the 2012 Scoring for Education campaign.

**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.

“ I firmly believe that if you work hard and dedicate yourself to pursuing your dreams, anything is possible.”

– Raul Magdaleno, MillerCoors 2010 Líder of the Year and U.S. Congressional Gold Medal award recipient



2012 MillerCoors Líder of the Year, Edgar Sotelo, honored in Dallas, Texas, pictured with Jose Ruano, multicultural commerce and partnership manager.



Tom Cardella, president and chief beer merchant, Tenth and Blake Beer Co., and other Milwaukee employees participating in Great Water Month.

## Water Stewardship

We protect our current and future access to water resources through programs addressing water quality, availability and conservation.

### GREAT WATER MONTH

Each September, we improve our communities' watersheds during Great Water Month. Together with our employees and distributors, we partner with local nonprofits in volunteer efforts to improve and preserve water resources in our nearly two dozen MillerCoors communities.

For our fourth annual Great Water Month in 2012, we partnered nationally with American Rivers' National River Cleanup® program in addition to local nonprofits. We also held our first "Twitterview" on sustainability in partnership with Mother Nature Network on Sept. 19, 2012.

### WATER STEWARDSHIP AT LEINENKUGEL'S

Clean water has always been an important part of the Jacob Leinenkugel Brewing Co. Leinenkugel's Canoes for a Cause initiative sponsors water conservation and watershed protection activities. In addition in 2012, Leinenkugel's partnered with the Minnehaha Creek Watershed District in Minneapolis to remove two tons of trash during the sixth annual Minnehaha Creek Cleanup at Lake Hiawatha. Also in June 2012, Leinenkugel's partnered with Milwaukee Riverkeeper to remove 4,000 pounds of trash from Lincoln Creek—one of the most impacted sections of river in the Greater Milwaukee area. And Leinenkugel's continued its public-private partnership with businesses, organizations and public agencies to improve the future of Little Lake Wissota, a body of water in northern Wisconsin.

## 2012 GREAT WATER MONTH ACTIVITIES

**Golden, Colo.,**  
**Sept. 8** Golden Brewery hosted its sixth annual Friends of the Forest day in partnership with the U.S. Forest Service and the National Forest Foundation to restore the wetlands and streambeds in the Clear Creek watershed.

**Elkton, Va.,**  
**Sept. 14** Shenandoah Brewery employees volunteered with Shenandoah Valley Pure Water Forum on restoring a community storm water and retention pond at Spotswood High School.

**Trenton, Ohio,**  
**Sept. 15** Trenton Brewery worked with the Ohio River Foundation on clean-up efforts.

**Irwindale, Calif.,**  
**Sept. 15** Irwindale Brewery teamed with Beauchamp Distributing as part of Coastal Clean-up Day.

**Milwaukee,**  
**Sept. 15** Employees cleaned up the Milwaukee River and removed trash at Kern Park with partner Milwaukee Riverkeeper.

**Eden, N.C.,**  
**Sept. 22** Eden Brewery employees teamed with distributor C.H. Robinson and partnered with the Dan River Basin Association to plant vegetation to control erosion along the Dan River.

**Chicago,**  
**Sept. 28** Chicago employees joined Friends of the Chicago River on water improvement projects.

**Albany, Ga.,**  
**Sept. 28** Albany Brewery teamed with Flint Riverkeeper to clean up local river banks.

**Fort Worth, Tex.,**  
**Oct. 13** Fort Worth Brewery partnered with distributor C.H. Robinson to clean up the Lake Worth watershed in the Fort Worth Nature Center.

“ Many thanks again to MillerCoors for its support, environmental leadership and commitment to helping local communities address their water challenges in order to provide healthier, cleaner water resources now and for future generations.”

– Matt Burke, director of corporate and community engagement, River Network

### RIVER NETWORK COMPETITION

MillerCoors partners with national nonprofit conservation organization River Network to improve the health of rivers and watersheds. In 2012, MillerCoors donated \$85,000 to River Network in support of the fourth annual MillerCoors-River Network Grant Competition, which awards grants to support nonprofit organizations focused on water conservation and education. Following a public voting contest of nearly 15,000 votes, River Network awarded \$61,000 to six community organizations. Clinton River Watershed Council claimed first place and received \$25,000 to address intensive foot traffic, as that has caused stream bank erosion and subsequent destruction of fish habitat and water quality impacts at Yates Park in Rochester Hills, Mich.

### SAM Score: Community and Social Investment

Three factors comprise this score:

- Corporate social investment (CSI) strategy (50 percent)
- Management, monitoring and reporting of CSI projects (30 percent)
- Measuring value of CSI as a reputation driver (20 percent)

Our SAM score for community and social investment remained 4.5 this year. We refined our three-year strategy and focused most of our community and social investments on strategic priorities and local needs. We developed plans to expand our United Way and Great Water Month programs, and we achieved widespread employee engagement through volunteerism. We also successfully implemented new procedures for tracking our charitable contributions and increased our total investment.

### SAM SCORE: COMMUNITY AND SOCIAL INVESTMENT



# Thurgood Marshall College Fund



The Thurgood Marshall College Fund (TMCF) is named for the U.S. Supreme Court's first African-American Justice. Established in 1987, TMCF supports and represents nearly 300,000 students attending our 47 member-schools that include public historically black colleges and universities (HBCUs), medical schools and law schools. TMCF helps students with a clear intention and the motivation to succeed and acquire a high-quality college education at an affordable cost. TMCF also efficiently connects high-performing, world-ready students with top-tier employment opportunities—access that students or employers might not have on their own.

Through our scholarships and programs, TMCF plays a key role in preparing the leaders of tomorrow. The challenge for us is to help our member-school students remain in school and find jobs upon graduation in a very difficult economy. We need our partners and sponsors to step up. And, as our founding corporate sponsor, MillerCoors continues to do that. MillerCoors believes in what we're doing and wants to be involved—not just as a donor, but also as a partner in meeting challenges with creative solutions.

Along with financial support, the most important need we have is to create greater awareness of our organization and our programs. When people are aware of what we're doing, everything else falls into place. MillerCoors brings us its expertise in raising awareness through advertising, retail activations, events and social networking. Whenever we work with MillerCoors to raise scholarship funds, it is quick to partner on effective marketing solutions that reach its consumers and help us raise critical fundraising dollars.

We still see the relationship as a two-way street. We provide MillerCoors with a pipeline of potential employees from our member-schools who possess diverse and unique backgrounds. The reality is HBCUs that TMCF supports are not just for black students anymore. The students matriculating on these campuses come from all racial and ethnic backgrounds. For MillerCoors, having access to a diverse workforce is critical to success. As of 2012, it is this common interest in promoting diversity that has resulted in a successful, 25-year partnership with TMCF in support of educational and employment opportunities for young adults.

Johnny C. Taylor, Jr.  
President and CEO  
Thurgood Marshall College Fund



*Kelly Grebe, chief legal and corporate services officer, ensures MillerCoors complies with the highest of standards in its operations.*

“ We demand high ethical standards — it’s how we do business every day.”

– Kelly Grebe, chief legal and corporate services officer



## ETHICS AND TRANSPARENCY

Doing business the right way is important to us. Our leadership, parent companies and other stakeholders oversee our business ethics and transparency. We believe our business practices can influence our industry and our society for the better.

### 2012 Highlights

- Our 11-person Senior Leadership Team reviews and approves our strategic plans for sustainability initiatives on an annual basis and ongoing as needed
- We substantially revised our Code of Business Conduct to make it more comprehensive, direct and accessible to all MillerCoors employees
- All required employees—8,190 employees in total—completed the Code of Business Conduct training
- Our Business Integrity Committee meets quarterly to provide oversight regarding business integrity issues, including the Business Integrity Helpline and other initiatives
- We adhere to the U.N. Global Compact’s sustainability principles and practices and the Global Reporting Initiative (GRI)’s framework for sustainability reporting

# Brewing Ethics and Transparency

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We are committed to ethical behavior in everything we do. To understand how we are performing, we actively solicit feedback from a wide range of stakeholders. We set a 2015 goal to improve our overall Sustainability Assessment Matrix (SAM) score by 25 percent, and through our annual sustainability report, we communicate our challenges and successes in embracing sustainability.

## Governance

Our Senior Leadership Team, board of directors, and leadership for sustainability and responsibility are focused on creating America's best beer company in a sustainable way.

### SENIOR LEADERSHIP

Our chief executive officer leads our 11-person Senior Leadership Team. Our Senior Leadership Team reviews and approves our sustainability strategy and initiatives, including those related to ethics and transparency. Please refer to [MillerCoors.com/who-we-are/leadership](http://MillerCoors.com/who-we-are/leadership) for more information on our Senior Leadership Team.

### BOARD OF DIRECTORS

MillerCoors is a privately held company with two owners: SABMiller plc and Molson Coors Brewing Co. Executive members 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 all of our accountabilities across all functions, including sustainability. Please refer to [MillerCoors.com/who-we-are/leadership/board-of-directors](http://MillerCoors.com/who-we-are/leadership/board-of-directors) for more information on our board of directors.

### SUSTAINABILITY LEADERSHIP

Our Sustainability Leadership Council is comprised of more than 35 employees from all aspects of our business. The council meets quarterly to help guide MillerCoors sustainability strategy and included three subcommittees in 2012—Great Water, Great Partners and Great Culture. We focused on encouraging sustainability in our internal initiatives, with our retail partners, and through our people and sponsorships.

## Business Integrity

We expect every employee to act with integrity. We self-regulate our practices, set guidelines for compliance and outline our responsibilities through our Code of Business Conduct.

### BUSINESS INTEGRITY LEADERSHIP

Our Business Integrity team is responsible for preparing our Code of Business Conduct, addressing questions and concerns pertaining to the code and other key company policies, and serving as a resource to help foster pride and integrity among employees across the company. The Business Integrity team reports quarterly to the board's Audit Committee and our Business Integrity Committee.

The Business Integrity Committee is comprised of five chief officers, two representatives from our internal audit team, a representative from our corporate security and emergency management services team, and members of the Business Integrity team. The Business Integrity Committee provides oversight regarding integrity issues, including raising these issues to our board of directors when necessary, and reviews summaries of reports made through our Business Integrity Helpline.

### CODE OF BUSINESS CONDUCT

Our Code of Business Conduct (available at [MillerCoors.com/Who-We-Are/MillerCoors-Code-of-Business-Conduct](http://MillerCoors.com/Who-We-Are/MillerCoors-Code-of-Business-Conduct)) provides guidance for making the right decisions, even in complex situations. Our code also requires compliance with anti-corruption and bribery laws that apply to our work, including the Foreign

“ We have a great responsibility to all of our stakeholders, and the strength of these relationships is important to our business success. ”

– MillerCoors Code of Business Conduct

# In November 2012, Corporate Register named the MillerCoors 2012 Sustainability Report as a finalist in its credibility through assurance category for the **2013 Corporate Register Reporting Awards.**

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Corrupt Practices Act and the UK Bribery Act. The principles in our code apply to all MillerCoors officers, directors and employees, as well as our subsidiaries, affiliates and anyone working on behalf of MillerCoors.

Our new code is comprehensive, direct and designed for ease of use by MillerCoors employees and those working on behalf of our company. All employees are required to complete training and affirm the code on an annual basis. In 2012, 100 percent of required employees—8,190 employees in total—completed the Code of Business Conduct training.

## **ANTITRUST POLICIES AND GUIDELINES**

We compete for business and sales opportunities lawfully and with integrity. Our Antitrust Policies and Guidelines address how we avoid unfair business practices that restrict competition, ensuring that consumers have an opportunity to buy high-quality goods and services at fair market prices. We require our sales and marketing employees and consultants to certify receipt of and acknowledge our Antitrust Policies and Guidelines on an annual basis. In 2012, 1,216 employees completed Antitrust Policies and Guidelines training.

## **HUMAN RIGHTS**

We support the preservation of human rights, and we are guided by fundamental human rights principles, such as those in the U.N. Global Compact. We are committed to: prohibiting child and forced labor; preventing any form of harassment or discrimination in the workplace; respecting the right of employees to associate freely; and recognizing lawful rights of employees to choose or not choose collective bargaining representation.

## **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 the environment. We strive to be flawless, but if we do have an instance of noncompliance, we conduct necessary abatement activities. Learn about instances of noncompliance in 2012 on pages 26 and 30.

## **Opportunities and Risks**

We have a great opportunity to use our sustainability practices to influence industry and society for the better.

## **OPPORTUNITIES TO EMBRACE SUSTAINABILITY**

We believe MillerCoors can and should adapt to reflect appropriate concerns about environmental impacts and social equality. And this is precisely what we do.

We have identified opportunities to further impact sustainability:

- Increase awareness of sustainability issues among consumers and employees and show how people can make a positive difference
- Further drive sustainability into our supply chain through partnerships, purchasing decisions and other programs
- Establish new standards for resource conservation in the beverage industry, particularly regarding water, energy, packaging materials and waste
- Increase protection and enhance natural resources through operational decisions and strategic partnerships
- Continue to help reduce underage drinking and drunk driving in our society
- Enhance support of small and diverse businesses and multicultural entrepreneurs
- Increase multicultural diversity in our supply chain and workplace
- Continue to differentiate MillerCoors in the marketplace based on our sustainability performance



MillerCoors products

## LONG-TERM RISKS ASSOCIATED WITH OUR INDUSTRY

We seek to understand the risks associated with our long-term profitability. Some of the risks we recognize today include:

- Potential changes in societal acceptance of beer and the need for responsibility
- Increasing pressure on water sources as a result of population growth, climate change and other factors—as this could affect the cost and availability of water for our breweries
- Decreasing supplies of malt-quality barley and hops due to climate concerns, water availability and economic factors
- Increasing costs of energy and energy-intensive components of our products, such as glass

## PUBLIC POLICY

We must continually adapt to new laws and regulations. Legislative and regulatory changes have the potential to limit our opportunities for growth, and can have a deep impact on how we do business. We present our views on these topics to a wide range of policymakers and stakeholder groups. We do this through trade associations, interactions with public officials at the federal level and in the states and communities we serve, and with non-governmental organizations such as the Responsible Retailing Forum.

## Stakeholders

We engage a cross section of internal and external stakeholders. Our stakeholders include our employees, legal-drinking-age consumers, suppliers, distributors, retailers, parent companies, regulators, non-governmental organizations and more. We use a variety

of approaches to solicit stakeholder feedback, and we use that feedback to determine which issues are most material to our sustainability. Please go online to review our stakeholder engagement table at: [MillerCoors.com/GBGR/Ethics-and-Transparency/Stakeholders.aspx](http://MillerCoors.com/GBGR/Ethics-and-Transparency/Stakeholders.aspx); and to view a materiality map that illustrates the relative importance of sustainability issues to our stakeholders and to our business, please go online to: [MillerCoors.com/GBGR/Brewing-for-Good/Materiality-Map-Information.aspx](http://MillerCoors.com/GBGR/Brewing-for-Good/Materiality-Map-Information.aspx).

## STAKEHOLDER ENGAGEMENT

In 2012, we solicited feedback from our stakeholders in several ways, including social media. We invite you to become part of the conversation with MillerCoors, so we can all advance the cause of sustainability together. Please offer us feedback on our sustainability efforts in this report through this short online form (available at [surveymonkey.com/s/MCBFG2013](http://surveymonkey.com/s/MCBFG2013)), or visit our Twitter account (available at [twitter.com/MillerCoors](http://twitter.com/MillerCoors)) or Facebook page (available at [facebook.com/MillerCoors](http://facebook.com/MillerCoors)) to learn more.

## EXTERNAL STAKEHOLDER PERSPECTIVES

We asked a representative group of external stakeholders to comment on their perceptions of MillerCoors sustainability initiatives. Read our external stakeholder perspectives on pages 9, 21, 37, 49 and 61.

## RESPONSE TO STAKEHOLDER CONCERNS

We use the feedback we receive from our stakeholders to shape our policies and strategies. For instance, when a survey of our key leaders in environmental stewardship summarized the need to learn from our parent companies, we visited SABMiller plc breweries in Latin America to observe how they are successfully conserving energy and water.



Legal-drinking-age consumers are one group of many stakeholders MillerCoors takes into account.

Stakeholder feedback also shapes the content of our annual sustainability report. Since 2009, Corporate Citizenship, a specialty management consulting company, has prepared external commentary for our sustainability reports. In our MillerCoors 2013 Sustainability Report, we address all of Corporate Citizenship's comments from the past year's report:

- **EMPHASIZE PRIORITY ISSUES:** To better emphasize priority issues, we have moved our discussion of materiality online here: [MillerCoors.com/GBGR/Brewing-for-Good/Materiality-Map-Information.aspx](http://MillerCoors.com/GBGR/Brewing-for-Good/Materiality-Map-Information.aspx); and placed those topics with the highest materiality (for instance, responsibility, water and safety) in the first several report sections or in the beginning of their respective report sections
- **SHARE MORE GOALS AND METRICS:** We share more goals and metrics we use internally to measure performance, including information on our responsibility training for distributors, Code of Business Conduct training, and annual greenhouse gas emissions
- **DEMONSTRATE POSITIVE IMPACT:** We measure the success of several of our responsibility programs, including Penny Rides and the Great Plays grant program. We also follow the progress of the people and businesses that we foster through our economic empowerment programs. Since MillerCoors is a relatively young company as a joint venture, we are continuing to investigate more ways we can evaluate the positive impacts that our sustainability programs have on our business and our communities
- **ENGAGE NON-AGRICULTURAL SUPPLIERS:** Because the ingredients for beer are sourced through our agricultural supply chain, we have prioritized sustainable farming practices. We also continue to evaluate how we can further encourage sustainable business practices in our complete supply chain through use of our Supplier Code of Conduct, supplier diversity program, sustainability questionnaires, Sedex and other approaches to encourage sustainable business practices

## External Sustainability Initiatives

Through our parent companies, SABMiller plc and Molson Coors Brewing Co., we share a commitment to major external initiatives focused on sustainability.

### U.N. GLOBAL COMPACT

The U.N. Global Compact offers a framework for the development, implementation and disclosure of 10

“ Doing things the right way is important to us and guides how we'll win in beer.”

– Tom Long, chief executive officer

universal sustainability principles and practices. Both our parent companies, SABMiller plc and Molson Coors Brewing Co., have joined this leadership initiative, and we adhere to these principles across all aspects of our business.

### DOW JONES SUSTAINABILITY INDICES

The various Dow Jones Sustainability Indices (DJSI) track the financial performance of the leading, publicly traded sustainability-driven companies worldwide. Listing on the DJSI is the result of an independent evaluation of a wide range of company practices and outcomes. It is a prestigious, recognized and respected worldwide benchmark of sustainability performance.

Our parent company, Molson Coors Brewing Co., was listed on the DJSI North American Index for the second consecutive year in 2012. Listing on this index establishes the sustainability performance of Molson Coors Brewing Co. in the top 20 percent of the corresponding beverage industry sector. In 2012, Molson Coors Brewing Co. was also listed on the DJSI World Index, establishing the sustainability performance of Molson Coors Brewing Co. in the top 10 percent of the beverage industry sector in the world. Molson Coors Brewing Co. was also appointed Beverage Sector Leader in 2012 for best-in-class sustainability performance. MillerCoors sustainability activities have contributed directly to the corporate sustainability achievements of our parent companies.

### CDP

Through transparency and disclosure of environmental information, the CDP (formerly the Carbon Disclosure Project) promotes large-scale reporting and reduction initiatives such as on greenhouse gas emissions and sustainable water use. Both our parent companies, SABMiller plc and Molson Coors Brewing Co., respond to the CDP for carbon and water. MillerCoors sustainability activities are integral to our parent companies' reports to the CDP.

## GLOBAL REPORTING INITIATIVE

MillerCoors follows GRI's Sustainability Reporting Guidelines, the most widely accepted overall framework for corporate sustainability reporting. For more information about our application of GRI, view our GRI index at [MillerCoors.com/GBGR/Brewing-for-Good/GRI-Index.aspx](http://MillerCoors.com/GBGR/Brewing-for-Good/GRI-Index.aspx).

## SAM Score: Ethics and Transparency

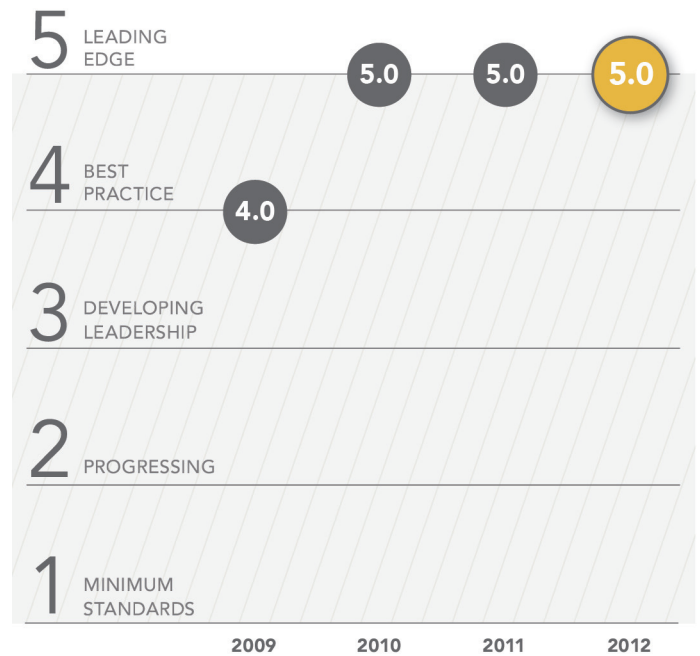
Three factors comprise this score:

- Reporting and accountability (40 percent)
- Communication with employees, consumers and customers (30 percent)
- Interaction with third parties (30 percent)

Our Sustainability Assessment Matrix (SAM) score for ethics and transparency remained at the highest level of 5.0 this year. Ethics and transparency are top priorities for MillerCoors. As such, we release an annual sustainability report to communicate our progress on these initiatives. In 2012, we updated our Senior Leadership Team and board of directors on our sustainability progress, and we regularly communicated our sustainability priorities to all

employees through our internal communications and sustainability report. We also continued to review all reports made on our helpline.

## SAM SCORE: ETHICS AND TRANSPARENCY



MillerCoors Sustainability Leadership Council is a cross-functional team of more than 35 members from across the business.

# Global Reporting Initiative Index

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The GRI is the international reporting framework recommended by the U.N. Global Compact. It is the most widely accepted overall framework for corporate sustainability reporting. It provides the opportunity to measure and report our performance in key sustainability areas against robust criteria. Our participation in the GRI is voluntary.

GRI application levels indicate the extent to which the GRI guidelines are followed in a report. The GRI defines three application levels: A, B and C. Level C indicates the most limited compliance with the GRI guidelines, and level A indicates full compliance with the GRI guidelines. Burns & McDonnell Engineering Inc. reviewed our report and concluded that the MillerCoors 2013 Sustainability Report fulfills the requirements of GRI application level B. View our GRI index online at: [MillerCoors.com/GBGR/Brewing-for-Good/GRI-Index.aspx](http://MillerCoors.com/GBGR/Brewing-for-Good/GRI-Index.aspx)

## Materiality

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When setting our goals, tracking our progress, and reporting on sustainability, we focus on the issues that are the most material to the long-term success of MillerCoors and our stakeholders. To identify which issues are the most material, in 2011 we commissioned Corporate Citizenship to conduct a formalized, strategic stakeholder engagement with key external and internal stakeholders. We have since built on this assessment through ongoing dialogue with our various stakeholder groups. For more information about our current stakeholder engagement, and to view our updated Materiality Map, go online at: [MillerCoors.com/GBGR/Brewing-for-Good/Materiality-Map-Information.aspx](http://MillerCoors.com/GBGR/Brewing-for-Good/Materiality-Map-Information.aspx)

## Connect with MillerCoors

**CORPORATE WEBSITE:**  
[MillerCoors.com](http://MillerCoors.com)

**FACEBOOK:**  
[Facebook.com/MillerCoors](https://www.facebook.com/MillerCoors)

**TWITTER:**  
[@MillerCoors](https://twitter.com/MillerCoors)

**QUESTIONS AND COMMENTS:**  
Please send any questions or comments you have related to the MillerCoors 2013 Sustainability Report or its contents to: [sustainability@millercoors.com](mailto:sustainability@millercoors.com).



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