

Brown-Forman 2007-08 CR report

## Spirited early efforts

**Like its whiskey, the reporting of spirits maker Brown-Forman needs longer to mature, says Kathee Rebernak**

**B**rown-Forman – America’s largest spirits and wine company and maker of Jack Daniel’s whiskey – is a corporate responsibility reporting novice. The company’s first attempt at a report offers some nice surprises, in particular a frank treatment of the adverse affects of excessive alcohol consumption. But because it glosses over important impacts and tiptoes around goals and targets, it is tempting to agree with its own assessment that “there is much work ahead”.

Brown-Forman devotes almost a third of the report to underage drinking and drink-driving. It confronts these issues head-on, citing hard-hitting statistics on alcoholism and alcohol-related traffic deaths and acknowledging that its “most significant impacts ... lie in the marketing and sale of our products”. In doing so, Brown-Forman avoids the defensive tone of drinks companies whose products, by their very nature, invite controversy.

It addresses the issue of “responsible drinking” not by shunting responsibility to the consumer, but mainly by aiming its adverts at audiences composed primarily of consumers of legal drinking age, while encouraging them to consume its products responsibly. In this, it must be noted, it is not alone; nearly all alcohol adverts now contain similar admonishments. As an example of Brown-Forman’s commitment to keeping its adverts from underage audiences, the report notes that the company cancelled an entire advertising campaign with Blender magazine after it ran an advert in an issue featuring the 20-year-old actress Hilary Duff on its cover.

Less impressive is the company’s account of its environmental performance. Although the report devotes a great deal of recycled, sustainably-harvested paper – 14 pages in all – to Brown-Forman’s environmental performance, it glosses over some key industry issues. For example, while the company cites its use of wood waste from barrel making to power some of its production processes as part of its energy-management strategy, it makes no mention of where the wood for all those oak barrels comes from and how much is used each year.

Equally unsatisfactory is the company’s reporting on water issues. It admits that water is the largest ingredient by volume in its products and discusses wastewater treatment and conservation efforts in the manufacture of its products. But in

contrast to its expressed concern about global water availability – “a third of the world’s population currently lives in water-stressed countries” – its water-management activities seem self-centred and insular. Moreover, it completely sidesteps another looming issue – the use of millions of gallons of water each year to make alcoholic drinks while drought and water shortages become an ever bigger threat.

### First steps good

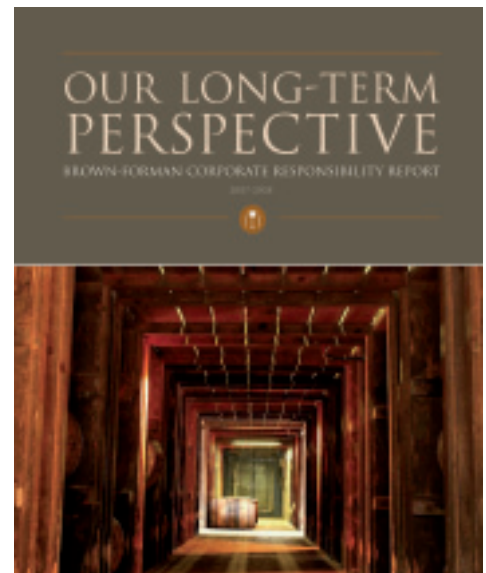
In general, Brown-Forman has started down the path towards effective reporting. The report identifies many of the company’s key issues, includes some commentary from stakeholders, seeks feedback, and acknowledges some areas in which performance suffers – for example, its admittedly “disappointing” diversity performance.

It falls short, however, in failing to state concrete goals and targets. In addition, the report is rife with such vague phrases as “investigating”, “open to considering”, “committed to working with others to assess”, and “study the feasibility of” in connection with wastewater treatment, recycling, sustainable wood harvesting, and (incredibly) domestic partner benefits. And the report lacks several key metrics that many companies have been tracking for years, such as injury rates, fatalities and lost-time incidents. Taken together, these may cause readers to wonder whether, contrary to the report’s title, “Our Long-Term Perspective”, the company has just now started thinking about issues critical to its long-term survival.

Indeed, the company admits it has a long way to go before it can claim a “genuinely long-term perspective in all areas” of its business. It is this humility that gives the reader hope that, in future reports, Brown-Forman will share lessons learned from all that investigating and studying and will set specific goals and targets and show progress towards achieving them. Readers will appreciate seeing its unvarnished approach to responsibility in some areas of its business extended to all. ■

### Snapshot: Brown-Forman 2007-08

**Follows GRI?** Yes; self-declared application level of C; index on website.  
**Assured?** No.  
**Goals?** Few.  
**Targets?** No.  
**Stakeholder input?** Yes.  
**Seeks feedback?** Yes.  
**Key strengths:** Candid discussion of alcoholism, underage drinking, and drunk driving as impacts of the marketing and sale of its products.  
**Chief weaknesses:** Few specific goals and no targets stated.



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