



Foster's Group Sustainability Update - February 2008

A 100% CARBON OFFSET BEER FOR CASCADE



Cascade today announced the release of its newest and greenest drop, Cascade Green – a 100% carbon offset beer. After first reducing the brewery's environmental footprint, the full lifecycle of greenhouse emissions associated with Cascade Green – right from the picking of the hops to putting it in the recycling bin – are offset, meaning the net impact of these emissions is reduced to zero.

Cascade Green is certified Greenhouse Friendly™ by the Australian Government's Department of Climate Change and will be among only a handful of products in Australia to be 100 per cent carbon offset. Cascade has applied the fundamentals of best sustainable practice across all areas of production and product development, including reducing, reusing, recycling – after this any remaining emissions are carbon offset via selected projects.

Cascade Green's packaging was designed with the objective to, where possible, minimise its carbon footprint. For instance, the lightest weight, highest recycled content (minimum 50%) glass bottle currently available in Australia has been used, whilst the 100% recycled carton is printed with minimal two-colour biodegradable vegetable inks to save wastage and energy consumption.

While positive environmental practices are employed to reduce greenhouse gas emissions for the full lifecycle of the beer, Cascade Green is just one step in a bigger journey for Cascade. The brewery, whose heritage is ingrained in the purity of the Tasmanian wilderness, has improved environmental performance year-on-year while being rewarded for its achievements. In the last six years the brewery cut greenhouse gas emissions by 16 per cent and reduced water usage by 30 per cent per unit of production.

Cascade Green has been given the thumbs up from key environmentalists. Arron Wood, the 2007 Australian Prime Minister's Environmentalist of the Year saw the move as a positive

step forward for consumer choice. “It’s really encouraging to see companies like Cascade taking the initiative to produce greener products. The challenge is now with consumers to make those green lifestyle choices and use their purchasing power to support companies like Cascade that are trying to do the right thing. On a wider environmental level as well, Australian companies really do have the opportunity to lead the world in what is going to become the biggest game of the future – we’re already looking at a multi-billion dollar industry that’s only getting bigger every year – so to have these organisations working to occupy that leadership space is simply fantastic.”

For more information, please visit www.cascadegreen.com.au

SAVING WATER MAKES PERFECT SENSE

When you’re in the business of producing drinks, it’s not hard to make the case for effective water management. That’s why we’ve applied water saving techniques across every aspect of our business. It’s also why we factor in minimisation of water use into the design and upgrade of our facilities and processes. In 2007, we introduced a Group target – a 10% reduction in water use per unit of production by 2011 based on 2007 levels, and we remain on track to achieve this. There are examples right across the business of water saving achievements. ‘Dry floor’ technology introduced at our packaging centre in Napa, California, has helped cut water use at the facility by 50%.

Water per litre of wine:

Australian Winery & Packaging

- 2007 – 2.71 litres water/ litre wine produced*
- 2006 – 3.16 litres water/ litre wine produced*

Water per litre of beer:

Australian Beer & other Beverages

- 2007 – 2.87 litres water / litre beer produced*
- 2006 – 3.09 litres water / litre beer produced*

* Rolling avg. at 31 December 07

REDUCING OUR CARBON FOOTPRINT

The past six months have seen a significant focus on the issue of greenhouse gas or carbon emissions reduction at Foster’s. In addition to the group carbon project, we have undertaken lifecycle analysis across beer and wine production to better understand the environmental impacts of our products. We recognise that energy use is a significant contributor to our carbon footprint and in 2007 we introduced an energy efficiency target for the first time. We

are committed to achieving a 10% reduction in energy use per unit of production by 2011 based on 2007 levels and are on track to achieve this.

Energy per litre of wine produced:

Australian Winery & Packaging

- 2007 – 1.34mj / litre wine produced*
- 2006 –1.31mj / litre wine produced*

Energy per litre of beer produced:

Australian Beer & other Beverages

- 2007 – 1.12mj / litre beer produced*
- 2006 – 1.17mj / litre beer produced*

* Rolling avg. at 31 December 07

THE CASE FOR COMMUNITY

Foster's in the Community (FITC), our community investment program aims to contribute to, and build trust between, us and our communities. Engaging with, and actively contributing to, the communities in which we live and work reinforces our position as a good corporate citizen and helps us attract and retain the best people. Since the launch of the program in 2005, we've contributed more than \$6.5million to community groups in Australia, the US and New Zealand. Of that amount, just over \$3 million has been invested in responsible drinking initiatives; we've contributed approximately \$3 million to our Community Partnerships and around \$400,000 has been donated to community organisations on behalf of our employees.