

## **Coors Brewers Briefing - November 2002**

Groundbreaking Dialogue Between NUSSL & Coors Brewing Company Result In Long Term Relationships Over Ethical Standards & Practices

### **Rigorous Campaign**

Following concerns from the membership regarding the past practices of Coors Brewing Company, the Ethical & Environmental Committee embarked on a rigorous campaign to evaluate and analyse The Coors Brewing Business ethical and environmental policies and practices.

The Committee worked with Coors Brewing Company to highlight the critical importance of ethical business practices for the student sector. This resulted in an innovative and fruitful dialogue, which spanned international waters. This process has now been completed, to the satisfaction of the Committee.

### **Importance of Students' Unions**

The commitment of Coors Brewing Company, who identified Students' Unions as one of their most important global accounts and the substantial efforts of the Committee were key. Ultimately, the Committee was provided with comprehensive information on all questions posed. Meetings with Bart Alexander, Coors Director of Corporate Affairs & Lesley Allman, Director of Communications, identified issues of concern and included an in-depth analysis of past and current procedures.

The Committee were delighted to meet Scott Coors and other Coors representatives to address issues relating to the direct role of the Coors family and in particular, the Adolph Coors Foundation and Castle Rock Foundation.

### **Direct Access To The Coors Family**

Mechanisms and processes are now in place between the E&E Committee and Coors Brewing Company, including direct access to family members and key company personnel. This will ensure that the relationship will be maintained throughout Coors' contract with NUSSL, to further improve the ethical and environmental performance of the company.

### **Briefing Document**

Coors submitted a briefing document which details the questions posed by the Committee and the response given from Coors with helpful links to relevant web pages providing more in-depth practices and protocols that Coors Brewing Company undertake to maintain and widen their Ethical Standards.

It is hoped that the briefing will prove to be an extremely useful aid to keep on file in the event of possible enquires from the student population at large concerning Students' Union purchasing principles.

### **Coors Brewing Company and Graphics Packaging Corporation**

At the most recent meeting the Committee had with Coors Brewing Company, Graphic Packaging Corporation came up as an unresolved issue. The Committee have now received information regarding the PACE Union boycott of GPC, and any

subsequent links to CBC. The following is a response from CBC to the above enquiry.

### **Question From NUS Services**

Who owns what, what influence do the Coors family have over GPC and what was done by the Coors family members with positions at CBC to help bring about the end of the lock-out? Another issue which is important is whether any money from a sale of a pint in the UK would go into the pockets of GPC.

### **CBC/CBL Response**

The bottom line is that when students buy CBL products in UK Union pubs, they are in no way financially supporting Graphics Packaging Corporation. Here are the details:

Coors Brewing Company and its parent Adolph Coors Company are both completely independent and separate companies from Graphics Packaging Corporation (GPC). There has been no ownership by either company of the other since Adolph Coors Corporation spun-off non-beer businesses in 1992. (What is now GPC was then made part of ACX Corporation, completely separate from Adolph Coors Corporation. GPC was separated from CoorsTek in 1999.)

We do not speak for GPC and you might want to check with them that our information is up to date but the GPC website reports the following officers and directors for their company: Officers: Jeffrey H. Coors, Luis E. Leon, David W. Scheible, Jill B. W. Sisson, Marsha C. Williams. Directors: Jeffrey H. Coors, William K. Coors, John D. Beckett, Harold R. Logan, Jr., James K. Peterson, John H. Stookey.

Of the directors and officers, the only overlap with Adolph Coors Company and/or Coors Brewing Company is William K (Bill) Coors, Vice Chairman of the brewing company. Bill Coors turns 87 this year.

Public reports indicate that Coors family trusts have significant investments in Graphics Packaging Corporation. For information on the family trusts and their independence from the brewing company, please refer to the information provided previously. Generally, Coors prefers suppliers who have positive records of labour relations and reliably supply quality materials. Coors Brewing Company contracts with Graphics Packaging Corporation for packaging materials used in the US, however, no such materials were produced at the Kalamazoo, Michigan plant where the labour dispute occurred.

Therefore, the labour dispute did not affect the supply of packaging to Coors Brewing Company. As a company that is completely separate and independent from GPC, Coors could not legally be involved in the GPC dispute. Indeed the decision of whether or not to retain GPC as a supplier to the Coors Brewing Company is approved at Board level by the non-Coors family members of the Board. In this way we avoid conflicts of interest and ensure that this is a commercial decision.

Coors Brewing Company operates a model supplier diversity programme. See previously provided information on this programme. GPC reports that overall, the business with Coors Brewing Company represents about 13% of their total business. Other key customers are pictured in this graphic from the GPC website:

While PACE and GPC have resolved the labour dispute, we believe there are still outstanding concerns from PACE. However, the US national AFL-CIO had not called for nor endorsed a boycott of Coors Brewing Company. Furthermore, the AFL-CIO Building and Construction Trades have explicitly asked union supporters to NOT boycott Coors products.

They stated, “[PACE’s call for a boycott] is an affront to the interests of union members employed at Coors facilities, and it undermines our ability to organise un-represented workers employed at Coors facilities.” They endorsed the 1987 AFL-CIO/Coors agreement that “provides for a union friendly construction contracting policy.”

In the UK we maintain strong links with our representative trade unions, specifically the Transport and General Workers and GMB unions. For example, during the sale of Bass to Interbrew and subsequent break up of the company and sale to Coors we consulted regularly with local shop stewards to ensure that the views of our workers were fully appreciated by senior management. Staff attitudes have always been important to the company in the UK and US. In a recent Employee Opinion Survey (Nov 2002), Coors employees in the UK scored 3.94 for employee engagement. The average score for ‘World Class’ organisations is 4.00.

In short - Graphics Packaging Corporation does not produce packaging materials for CBL. Therefore, no part of any revenues from beer purchased in the UK is received by GPC.

March 21st 2003

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