



DIAGEO

INDIA

United Spirits Limited
ESG Reporting Index 2023

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Our ESG Reporting Approach

Our ambition is to lead India Consumer Packaged Good industry on ESG to create Enterprise value.

To achieve that ambition, we need to make sure we are doing business the right way, from grain-to-glass. That means thinking about the long-term value and impacts we create, and the risks and opportunities of our operating environment and business model. It also means ensuring we are proud of what we do at work, at home and in our communities.

Reporting transparently on environmental, social and governance (ESG) issues plays a vital role in delivering our strategy. It helps us to manage ESG risks, seize opportunities and promote sustainable development everywhere we live, work, source and sell.

Our ESG reporting suite aims to provide comprehensive and comparable disclosures for a broad range of stakeholders. As well as publishing our [Annual Report](#) and ESG Reporting Index at year-end and maintaining up-to-date information on our [Society 2030: Spirit of Progress](#) plan on our [website](#), we also submit non-financial information to benchmarking and index organisations throughout the year, including those listed on the next page.

In addition, we track our non-financial performance internally on a quarterly basis. We have developed an integrated reporting system that consolidates cross-functional non-financial performance data, which gives senior internal stakeholders a clear view of our performance. Our aim is to enable early action to amplify opportunities and address risks, ensuring we stay on track to deliver our Society 2030 plan.

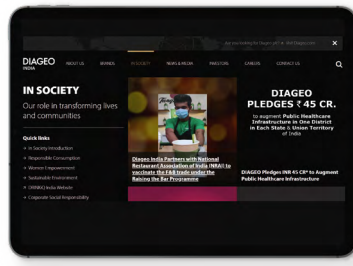
Non-financial reporting is a rapidly evolving area. We are committed to continual evaluation and improvement of our approach and we actively track emerging ESG frameworks and best practices.

How we report to our stakeholders – our reporting suite



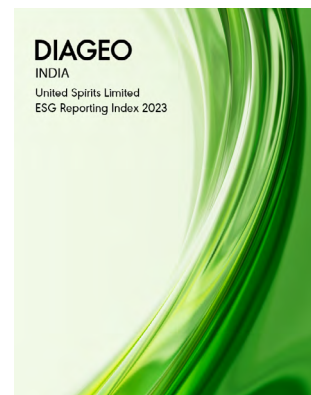
Annual Report

Where we present our most material disclosures and describe how our strategy delivers value for our business and our communities.



diageoindia.com

Where, through the 'Society 2030' section, we give further details of our approach and performance, including examples of our strategy in action.



ESG Reporting Index

Where we provide additional disclosures in line with the GRI Standards index and the United Nations Global Compact (UNGC) advanced reporting criteria index, plus our response to the Sustainability Accounting Standards Board (SASB). More information about how we use these frameworks can be found on page 4 of this ESG Reporting Index.

Who are our stakeholders?

Everyone who is affected by our business, and everyone who affects it, is a stakeholder. A detailed description of our stakeholder engagement process is set out on our [website](#).




Contact us

If you have any questions or comments about this report or our strategy and performance, we would like to hear from you.

Please contact investor.india@diageo.com

Recognition for our approach

We submit non-financial information to a range of indices throughout the year. This enables us to benchmark our ESG work against our peers and the wider business community and is an important way for us to understand how our approach measures up to current standards, best practices and expectations. We are very pleased that our progress on ESG issues continues to be recognised externally.

Index	FY 23 rank or rating	
Recognition by rating agencies		
	MSCI ESG Rating	For FY 23, USL sustained a rating of A
	Sustainalytics ESG Risk Rating	Received a score of 22.3 (medium risk) as of April 2023, a positive improvement as compared to a score of 22.8 (medium risk) as of June 2022*
Recognition by rating agencies		
Business Responsibility Sustainability Report		We have published Business Responsibility Sustainability Reporting aligned with the SEBI guidelines
Other Recognitions		
	Our spirit distillery located in Alwar stands as the pioneering spirit distillery in Asia to receive the esteemed core certification from the Alliance for Water Stewardship.	
Over the course of FY 23, we were recognised with several awards in diverse areas such as supply chain, manufacturing/green manufacturing, quality concepts, marketing/digital marketing. Our products too were acknowledged for being best-in-class and also awarded in the spheres of packaging and design. The full list of awards can be found on pages 81-82 of our Annual Report .		

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How to use this ESG Reporting Index

This ESG Reporting Index is intended to complement our [Annual Report](#) by comprehensively disclosing our ESG progress.

Our [Annual Report](#) explains the wider context in which we operate and present our ESG performance in relation to both our corporate performance and global sustainable development issues. Our ESG Reporting Index supplements the information provided in our [Annual Report](#) by providing detailed information about how we manage our most material issues.

We use Global Reporting Initiative (GRI) as an ESG report framework. It allows us to provide information in a structured and consistent way, enabling our stakeholders to analyse our performance over time, and relative to other organisations. The purpose of the framework and information on how it should be used is described below, alongside our reporting boundaries and methodologies.

Throughout this ESG Reporting Index, we often refer to our [Annual Report](#) and website, where more information on our strategy, standards and policies can be found. Please note that each disclosure in this ESG Reporting Index can be read in isolation; the hyperlinked navigation at the top of each page enables readers to quickly move from section to section and works best when the report is downloaded to desktop.

Section	What is in this section and how to use it
Introduction	An overview of our reporting approach, our materiality assessment and a brief overview of our Society 2030: Spirit of Progress plan.
GRI Index	A broad and comprehensive set of disclosures on organisational impacts that are relevant to a wide range of stakeholders, in line with the GRI framework. Some topics are material to our supplier sites and some to the Indian market where we make and sell our products. Please see page 8 for information on how we have mapped the GRI standards to our Society 2030: Spirit of Progress plan.
UNGC Index	We have mapped our ESG disclosures with UNGC principles.
SASB	Sector-specific disclosures for alcohol beverage companies that are financially material to our business, in line with the SASB framework. To avoid duplication, this section cross-references widely to the GRI Index disclosures.
Reporting boundaries and methodologies	Information about how we report on each of our Society 2030: Spirit of Progress targets and various other quantitative metrics. For each of our Society 2030: Spirit of Progress target, we provide the key performance indicator, definitions, scope, baseline, and information on how we avoid double counting where relevant.
Assurance statement	No external assurance has been undertaken on ESG data in this report. However, this year, Price Waterhouse & Co. Chartered Accountants LLP have provided limited assurance on select Indicators disclosed in the Business Responsibility and Sustainability Report for FY 2022-23. Please refer to page 148-150 of our Annual report .

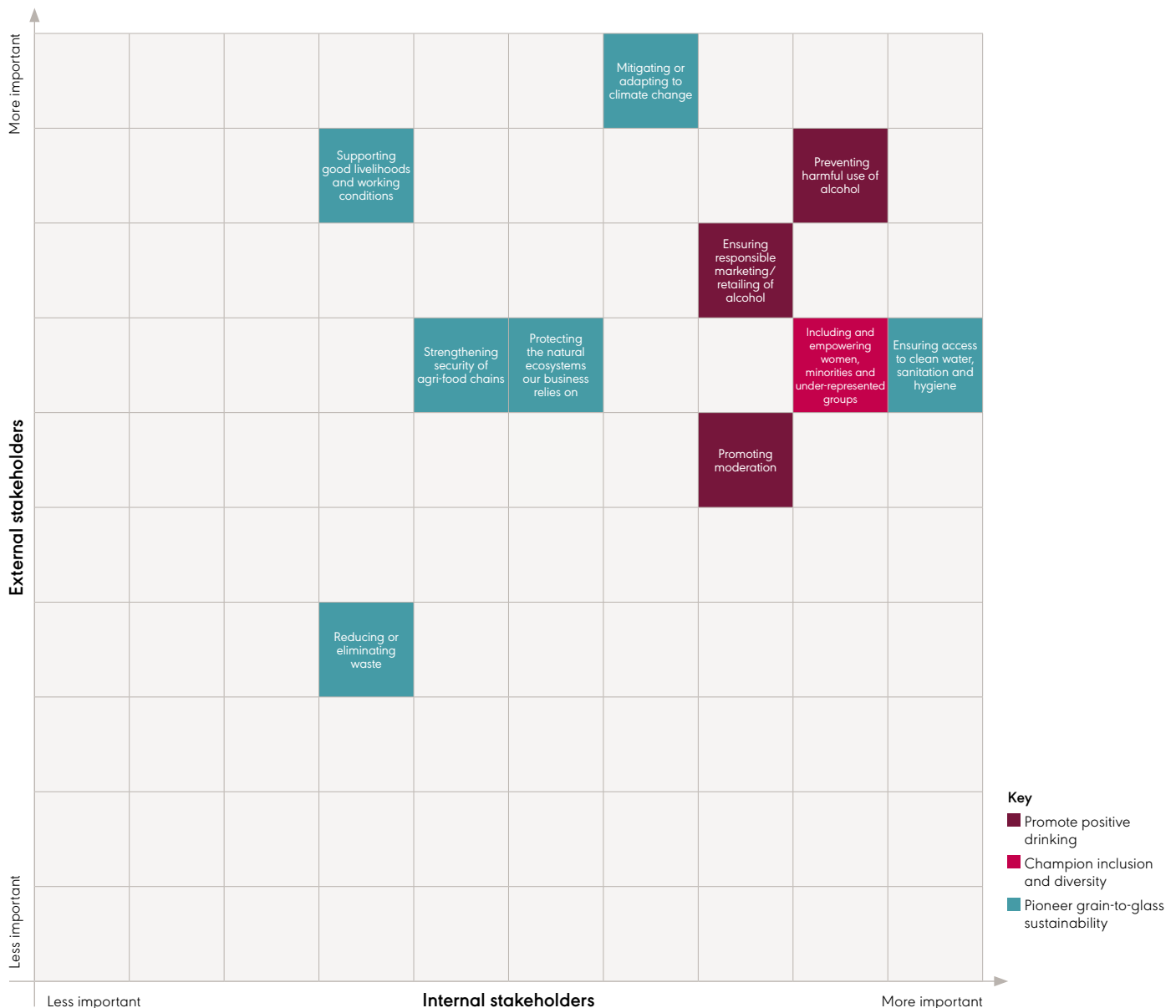
Materiality

What matters most – to our stakeholders and to our business

In 2019, as we developed our [Society 2030: Spirit of Progress](#) plan to support sustainable growth over the critical decade until 2030, our Global team, Diageo Plc carried out a rigorous materiality assessment. This assessment looked at the external trends shaping our operating environment and how we can most effectively align our work with the UN Sustainable Development Goals. The team interviewed many internal and external stakeholders and explored the findings in workshops with experts from our business functions including India. We also held a full-day workshop with our Executive Committee and had multiple interactions reviewing the strategy with our Board. The findings from this exercise guided the development of our strategy and priorities.

We continue to welcome engagement from all stakeholders to help us develop and deliver our strategy.

We believe all the topics presented in our materiality assessment below are important to our business. This matrix illustrates the view of both internal and external stakeholders about which topics are most critical, with the rankings informing our Society 2030: Spirit of Progress plan. For more details, please refer to page 6 of this ESG Reporting Index.



Our Society 2030: Spirit of Progress Plan

Society 2030: Spirit of Progress is our 10-year action plan to help create *a more inclusive and sustainable world*, building on the legacy of our founders to create a positive impact on our company, within our communities and for society.

We are passionate about the role our brands play in celebrating life the world over and, as a global company, we know we have a responsibility to build partnerships and lead. [Society 2030: Spirit of Progress](#) is how we will continue to celebrate life, every day, everywhere.

To lead our business through the next decade, we have set ourselves 25 goals which align with the United Nations' Sustainable Development Goals, grouped under the themes shown below. We report our progress against all our goals in our [Annual Report](#).



We want to change the way the world drinks for the better.

We will do this by celebrating moderation and continuing to address the harmful use of alcohol, expanding our programmes that tackle underage drinking, drink driving and binge drinking.



We believe the most inclusive and diverse culture makes for a better business and a better world.

We will champion inclusion and diversity across our business, with our partners and communities, to celebrate diversity and help shape a tolerant society.



We are committed to preserving the natural resources on which we all depend.

We will work in partnership to tackle climate change, water-stress and biodiversity loss, and help create a more sustainable world.



Water is the basis of life and our most precious resource.

By 2030, every drink we make will use 40% less water than today and by 2026, we will replenish more water than we use in all our water-stressed areas.



We all have a responsibility to restore the natural world on which life depends.

We will do our bit by eliminating waste from our value chain, collaborating with farmers to regenerate landscapes and creating innovative solutions to grow sustainably.



The planet needs significant science-based action to create a sustainable low-carbon future.

We will decarbonise our own operations by 2030 and work with our suppliers to halve theirs by 2030 too.



We believe doing business the right way contributes to a fair and just society.

We will create an environment where all our people feel they are treated fairly and with respect. We will act with integrity to ensure we are doing business in the right way, meeting external expectations and our own standards.

GRI Index

GRI Index

This index outlines our response to the GRI Sustainability Reporting Standards

Our definition of material is relatively broad and includes most issues that surfaced as part of our materiality assessment, regardless of priority, as illustrated on page 5. We report as fully as we can on our most material issues and have reported on as many standards as possible, against the priorities set by our materiality review. We are happy to present our ESG report, for FY 2022-23, which is aligned with the GRI Reporting Index. Information about boundaries covered and reporting practices can be found in the section on Reporting Boundaries and Methodologies. Our reporting process includes all material topics applicable to our organisation.

Translating our Society 2030: Spirit of Progress strategy to GRI

In addition to informing our strategy, our materiality assessment guides our reporting and has helped us determine which issues to address in our [Annual Report](#), on our website diageoindia.com and in our ESG Reporting Index, so as to be most informative for our stakeholders. The following table maps our activities and programmes against the GRI Standards.

GRI Standards				Our strategic focus area
Universal standards	1	Foundation – reporting principles	<ul style="list-style-type: none"> ● Approach to reporting 	<ul style="list-style-type: none"> ● Doing business the right way from grain-to-glass
	2	General disclosures	<ul style="list-style-type: none"> ● The organisation and its reporting practices ● Activities and workers ● Governance ● Strategy, policies and practices ● Stakeholder engagement 	<ul style="list-style-type: none"> ● Doing business the right way from grain-to-glass
	3	Material topics	<ul style="list-style-type: none"> ● Process to determine material topics ● List of material topics ● Management of material topics 	<ul style="list-style-type: none"> ● Doing business the right way from grain-to-glass
Topic-specific standards	200	Economic		<ul style="list-style-type: none"> ● Champion inclusion and diversity ● Pioneer grain-to-glass sustainability
	300	Environmental		<ul style="list-style-type: none"> ● Pioneer grain-to-glass sustainability
	400	Social		<ul style="list-style-type: none"> ● Promote positive drinking ● Champion inclusion and diversity ● Pioneer grain-to-glass sustainability

GRI Index

How we have complied with the GRI Standards

This report has been prepared in accordance with the GRI Standards: comprehensive option. The material in this report references the following disclosures:

FOUNDATION

GRI 1-1 to 1-8 from GRI 1: Foundation 2021

GENERAL

GRI 2-1 to 2-30 from GRI 2: General Disclosures 2021

MATERIAL TOPICS

GRI 3-1 to 3-3 from GRI 3: Material Topics 2021

ECONOMIC

GRI 201-01 to 201-04 from GRI 201: Economic Performance 2016

GRI 202-01 to 202-02 from GRI 202: Market Presence 2016

GRI 203-01 to 203-02 from GRI 203: Indirect Economic Impacts 2016

GRI 204-01 from GRI 204: Procurement Practices 2016

GRI 205-01 to 205-03 from GRI 205: Anti-corruption 2016

GRI 206-01 from GRI 206: Anti-competitive Behaviour 2016

GRI 207-01 to 207-04 from GRI 207: Tax 2019

ENVIRONMENTAL

GRI 301-01 to 301-03 from GRI 301: Materials 2016

GRI 302-01 to 302-05 from GRI 302: Energy 2016

GRI 303-01 to 303-05 from GRI 303: Water and Effluents 2018

GRI 304-01 to 304-04 from GRI 304: Biodiversity 2016

GRI 305-01 to 305-07 from GRI 305: Emissions 2016

GRI 306-01 to 306-05 from GRI 306: Waste 2020

GRI 308-01 to 308-02 from GRI 308:
Supplier Environmental Assessment 2016

SOCIAL

GRI 401-01 to 401-03 from GRI 401: Employment 2016

GRI 402-01 from GRI 402: Labour/Management Relations 2016

GRI 403-01 to 403-10 from GRI 403: Occupational Health and Safety 2018

GRI 404-01 to 404-03 from GRI 404: Training and Education 2016

GRI 405-01 to 405-02 from GRI 405: Diversity and Equal Opportunity 2016

GRI 406-01 from GRI 406: Non-discrimination 2016

GRI 407-01 from GRI 407: Freedom of Association and Collective Bargaining 2016

GRI 408-01 from GRI 408: Child Labour 2016

GRI 409-01 from GRI 409: Forced or Compulsory Labour 2016

GRI 410-01 from GRI 410: Security Practices 2016

GRI 411-01 from GRI 411: Rights of Indigenous People 2016

GRI 412-01 to 412-03 from GRI 412: Human Rights Assessment 2016

GRI 413-01 to 413-02 from GRI 413: Local Communities 2016

GRI 414-01 to 414-02 from GRI 414: Supplier Social Assessment 2016

GRI 415-01 from GRI 415: Public Policy 2016

GRI 416-01 to 416-02 from GRI 416: Customer Health and Safety 2016

GRI 417-01 to 417-03 from GRI 417: Marketing and Labelling 2016

GRI 418-01 from GRI 418: Customer Privacy 2016

GRI Index

Universal Standards

GRI 1: FOUNDATION

REPORTING PRINCIPLES

Disclosure		Our response
1-1	Accuracy	We report our performance against our Society 2030 goals clearly, and transparently in our Annual Report . Please see pages 13-14. Further, we explain the methodologies for calculating performance against targets in the Reporting boundaries and methodologies section of this ESG Reporting Index.
1-2	Balance	We report our performance with respect to stretching targets and GRI indicators, whether or not our performance has been strong. This provides a balanced and realistic view of our impacts, which we have defined by considering the views of multiple stakeholders. We aim to present information in a way that allows readers to assess trends in performance year-on-year.
1-3	Clarity	A high level view of our sustainability journey is available on our website with examples to bring our strategy to life. We identify and report on the most material issues in our Annual Report and have developed this ESG Reporting Index to provide readers a holistic view of our approach to sustainability as well as our responses to GRI Standards. A guide on how to use this ESG Reporting Index is provided on page 4 of this report.
1-4	Comparability	We report our performance against external targets, respond to the GRI Standards, and publish ESG Reporting Index to enable stakeholders to easily review our performance over time and find comparable information.
1-5	Completeness	This report covers all material topics that are relevant to our organisation and details of the topics covered are included in the Reporting Boundaries and Methodologies section of this report.
1-6	Sustainability Context	The wider context in which we operate is explained in our Annual Report . It also presents our sustainability progress with respect to corporate performance and sustainable development issues, including the Society 2030 goals, we have adopted in India. Our Annual Report also presents how our material issues – that is, economic, environmental and social issues – relate to our long-term strategy, risks, opportunities and goals, including throughout our value chain.
1-7	Timeliness	We publish our ESG Reporting Index on an annual basis in line with our financial reporting.



Universal Standards

GRI 2: GENERAL DISCLOSURES

ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES

Disclosure		Our response																																								
2-1	Organisational details	United Spirits Limited (Diageo India)																																								
2-2	Entities included in the consolidated financial statements	We describe the entities included in our ESG reporting within the Reporting boundaries and methodologies section on pages 82-91. It includes information about the difference between the list of entities included in our Financial Statements and our ESG reporting, as well as an explanation of the approach used to consolidate information for the different indicators included in our ESG reporting.																																								
2-3	Reporting period, frequency and contact point	Reporting period: 1 st April 2022 to 31 st March 2023 (FY 2022-23). Frequency of reporting: This is our second ESG report for United Spirits Limited. We publish our ESG Reporting Index on an annual basis in line with our financial reporting. Publication date: Our ESG Reporting Index was published on August 2023. Contact Information: investor.india@diageo.com .																																								
2-4	Restatements of information	Our approach to restating information from previous reporting period is included within the Reporting boundaries and methodologies section of this ESG Reporting Index.																																								
2-5	External assurance	We have a strong internal data monitoring and evaluation mechanism in place to ensure completeness and correctness of the data provided. No external assurance has been undertaken on ESG data in this report. However, this year, Price Waterhouse & Co. Chartered Accountants LLP have provided limited assurance on select Indicators disclosed in the Business Responsibility and Sustainability Report for FY 2022-23. Please refer to page 148-150 of our Annual report .																																								
2-6	Activities, value chain and other business relationships	United Spirits Limited is one of India’s largest alcoholic beverage manufacturing companies and a subsidiary of global leader Diageo Plc. We manufacture, sell, and distribute an outstanding collection of premium brands such as Johnnie Walker, Black Dog, Black & White, Vat 69, Antiquity, Signature, Royal Challenge, McDowell’s No1, Smirnoff, and Captain Morgan. As a purpose-led business, we are sensitive to consumers, communities, and societal needs, and champion the responsible consumption of alcohol.																																								
2-7	Employees	<div>The details of employees and workers can be found below:</div> <table><tr><th rowspan="2">Particulars</th><th rowspan="2">Total (A)</th><th colspan="2">Male</th><th colspan="2">Female</th></tr><tr><th>No(B)</th><th>%(B/A)</th><th>No(C)</th><th>%(C/A)</th></tr><tr><td colspan="6">Employees</td></tr><tr><td>Permanent</td><td>1,391</td><td>1,025</td><td>74%</td><td>366</td><td>26%</td></tr><tr><td>Other than Permanent</td><td>411</td><td>174</td><td>42%</td><td>34</td><td>8%</td></tr><tr><td colspan="6">Workers</td></tr><tr><td>Permanent</td><td>1,566</td><td>1,498</td><td>96%</td><td>68</td><td>4%</td></tr></table> <div>Note: 203 other than permanent employees did not wish to disclose gender</div>	Particulars	Total (A)	Male		Female		No(B)	%(B/A)	No(C)	%(C/A)	Employees						Permanent	1,391	1,025	74%	366	26%	Other than Permanent	411	174	42%	34	8%	Workers						Permanent	1,566	1,498	96%	68	4%
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Permanent	1,566	1,498	96%	68	4%																																					
2-8	Workers who are not employees	<div>Most people who work on our behalf are employed on a permanent basis – although, like most manufacturing companies, we also employ contractors, the numbers of whom vary on the basis of requirements at a given point in time.</div> <div>For the most part, when we use contractors, it’s for:</div> <ul style="list-style-type: none">Construction projects, resulting from investments we are making in the business.Logistics (from the end of the packaging line), such as warehouse operators, forklift & truck drivers and loaders.Selected sales and merchandising activities.Cleaning, catering and site security. <div>Although some aspects of our business use seasonal employment, for example, in agricultural operations or in logistics and packing activities, it is not significant compared to our overall number of employees.</div> <div>This year, we have hired 3,221 contract or temporary employees and retainers/consultants as of March 2023.</div>																																								

Universal Standards

GRI 2: GENERAL DISCLOSURES *continued*ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES *continued*

Disclosure		Our response
2-9	Governance structure and composition	<p>Our Executive committee headed by the CEO is responsible for day-to-day management of ESG aspects. The Executive committee reports to the Board of Directors who oversee the overall governance of the organisation.</p> <p>We have also created the Diageo India Leadership Team (DILT), a cross-functional team consisting of functional heads. DILT is responsible for embedding ESG aspects in our business processes and reports to the Executive Committee every quarter.</p> <p>The Company has a Corporate Social Responsibility and Environmental, Social and Governance Committee and this Committee is responsible for monitoring the organisation's ESG performance.</p> <p>As of 31st March, 2023, USL's Board comprised 10 members including the Managing Director & CEO, 1 Executive Director, 3 Non-Executive Directors and 5 Independent Directors.</p> <p>Three of the Board members are women. To ensure that its responsibility of governance is discharged to the highest standards, the Board has established various committees which oversee key aspects of the organisation's management.</p> <p>These are: Audit Committee, Risk Management Committee, Stakeholders Relationship and General Committee, Nomination and Remuneration Committee, Corporate Social Responsibility & Environmental, Social and Governance Committee.</p> <p>Further information on USL's governance structure can be found on our website and page 03 of the Annual Report.</p>
2-10	Nomination and selection of the highest governance body	<p>The Nomination and Remuneration Committee has been formed as per Regulations 19(4) and Part D of Schedule II of SEBI (LODR). It comprises 3 Non-Executive, Independent Directors and 1 Non-Executive Director. The Chairperson of Nomination & Remuneration Committee is an independent director. For detailed terms of reference, please refer page 85 of the Annual Report.</p>
2-11	Chair of highest governance body	<p>The Chairman of the Board is an Independent Director and chairs the Risk Management Committee.</p> <p>The Audit Committee and the CSR and ESG Committee are also chaired by Independent Directors.</p>
2-12	Role of the highest governance body in overseeing the management of impacts	<p>Our Executive Committee formulates the ESG strategy, goals and targets for the business with CSR and ESG committee's active involvement in their finalisation and approval.</p> <p>The Executive Committee is also responsible for the overall management of the organisation's operations. The progress of the business is regularly discussed with the Board of Directors and Global Executive Committee.</p>
2-13	Delegation of responsibility for managing impacts	<p>See GRI 2-9 Governance structure and composition for more information about our delegation of authority and executive-level responsibility for economic, environmental, and social topics.</p>
2-14	Role of the highest governance body in sustainability reporting	<p>This report has been prepared with the active participation of functional teams and reviewed by the Diageo India Leadership Team (DILT). The report has also been approved by the Chief Sustainability Officer and Corporate Relations Director.</p>
2-15	Conflicts of interest	<p>The Board has agreed on an approach and adopted guidelines for dealing with conflicts of interest and the responsibility for addressing conflicts of interest is included in the schedule of matters reserved for the Board. Our Code of Business Conduct also references how potential conflicts of interest are managed.</p>
2-16	Communication of critical impacts	<p>The Board maintains a process for communicating critical concerns through the Audit Committee, which reviews the effectiveness of our systems of internal control and risk management, including oversight of all whistle-blowing activities.</p> <p>For internal stakeholders, we have introduced SpeakUp, a confidential service to raise concerns about non-compliance to law, code of conduct and policies. This service is available 24*7 and managed independently.</p>



Universal Standards

GRI 2: GENERAL DISCLOSURES continued

ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES continued

Disclosure		Our response
2-17	Collective knowledge of the highest governance body	All updates on economic, environmental, and social aspects are discussed in Board and Management meetings biannually. Diageo's global team also receives timely information on various material topics. Each year, the Board of USL reviews and approves our Annual Report which discusses our economic and ESG progress. Please refer to our website for details of the areas of expertise of our Board of Directors.
2-18	Evaluation of the performance of the highest governance body	The Nomination and Remuneration Committee has prescribed performance evaluation criteria for the Board, all its members and committees. Independent Directors were evaluated by the entire Board. They were assessed for their performance, including on ESG parameters, their contribution to governance and progress of the organisation - basis the strategy and objectives we have set for ourselves and adherence to independent requirements. The results were shared with the Board, Chairman of each committee and Directors. The outcomes have been considered in steps to enhance the effectiveness and functioning of the Board and committees. The evaluation process has evoked appreciation from the Board and committees for being comparable to the practices followed by leading corporates. It has also been benchmarked vis-à-vis other corporates. For further details, please see page 86 of our Annual Report .
2-19	Remuneration policies	We practice a reward philosophy that acknowledges consistent and sustainable employee performance that helps us meet our financial and strategic objectives. We ensure that our remuneration packages are competitive and align with industry and market standards. This enables us to attract the most appropriate talent for the company. For more details, please visit our Nomination & Remuneration policy .
2-20	Process to determine remuneration	USL's Nomination and Remuneration Committee recommends remuneration for Executive Directors and senior leaders and assists the Board to review the company's compensation policy and plans. The process for determining remuneration is detailed in the committee's charter. Independent Directors of the company receive a commission each year and this is also recommended by the Remuneration Committee. For more details, please visit our Nomination & Remuneration policy .
2-21	Annual total compensation ratio	We report details of the remuneration of our CEO in our Annual Report , Annexure 4. The CEO's pay ratio (total compensation for the CEO vs median total compensation for Indian employees) and the year-on-year change in directors' salaries, bonuses and benefits relative to all employees globally is also disclosed as a part of Annexure 4 of the Annual Report . We also report the total amount paid in salaries and benefits to employees under GRI indicator 201-01.
2-22	Statement on sustainable development strategy	In our Annual Report on pages 4-6, our Chairman and Managing Director & CEO comment on how our role in society and our ESG strategy and targets support our Performance Ambition to create one of the best performing, most trusted and respected consumer products companies in the world.

Universal Standards

GRI 2: GENERAL DISCLOSURES *continued*ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES *continued*

Disclosure		Our response
2-23	Policy commitments	<p>Our policy commitments and approach</p> <p>Our Code sets out what we stand for as a business and how we demonstrate the highest standards of integrity and ethical behaviour. It is guided by our strong purpose and values. It provides clarity on how we are expected to behave to build the trust and respect everyone we interact with. Our Code is underpinned by a number of global policies, standards and guidelines covering specific areas of our work. We review each of these policies and standards every year to make sure we take account of any changes in our external environment and update them accordingly, which is then subjected to Executive Committee's approval. Each of our policies and guidelines reflects our values and our commitment to doing business the right way – and all of these may be found on our website.</p> <p>Our Integrity team oversees the Policy Framework, which lays out the process of developing and revising policies, reviewing, and approving them, and making them available to all stakeholders.</p> <p>Policy commitment to respect human rights</p> <p>Our Global Human Rights Policy covers a list of internationally recognised human rights charters and a list of specific at-risk groups that we give particular attention to. The authoritative intergovernmental instruments that we are committed to are referenced within our policies and standards. These include the United Nations Guiding Principles on Business and Human Rights, the International Labour organisation's Declaration on Fundamental Principles and Rights to Work, the Children's Rights and Business Principles, the UN Global LGBTI Standards of Conduct for Business, the UN Women's Empowerment Principles and the UN Global Compact.</p> <p>Due diligence</p> <p>Our approach is set out in our policies and guidelines and is reviewed through our CARE (Controls, Assurance & Risk Excellence) function and through analysing our breach reporting mechanism, which is available to both our employees and business partners. We are also enhancing our internal assurance framework to identify opportunities to further strengthen our approach.</p>
2-24	Embedding policy commitments	<p>Neither compliance nor conducting our business with integrity are negotiable – and our approach to risk and compliance helps us to encourage the right behaviours and attitudes in our people and to ensure responsible business conduct in everything we do.</p> <p>In our Code, we set out which policies and standards are relevant for all our employees and allocate responsibility to specific groups for others: for example, all employees who work with suppliers are responsible for implementing the commitments of our Partnering with Suppliers Standard. We support our employees to embed our policies in their work through an annual, risk-based training plan. This includes general awareness for all employees, as well as detailed training for functions directly related to managing specific business risks.</p> <p>Our Business Integrity team manages the integration of our commitments into organisational strategies, operational policies and procedures through our Policy Framework. This framework also sets out how we implement our commitments with and through our business relationships: for example, all suppliers will adhere and commit to our Partnering with Suppliers Standard, which sets out the minimum expectations on environmental, social and governance criteria of working and partnering with Diageo.</p> <p>This includes an integrated Annual Certification of Compliance to be undertaken by all on-roll employees, certifying that they have read, understood, and complied with the Code of Conduct.</p>



Universal Standards

GRI 2: GENERAL DISCLOSURES continued

ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES continued

Disclosure		Our response
2-25	Processes to remediate negative impacts	<p>Our ambition to do business the right way means we are committed to remediating any negative impacts we may have caused or contributed to. We do this through our grievance mechanisms, which provide a framework for dealing with any negative issues that arise.</p> <p>Our environmental and social grievance mechanisms</p> <p>Our grievance mechanisms cover a wide range of social and environmental issues: impacts on society; human rights, including child and forced labour; wages and hours; health, safety and wellbeing; preventing harassment and discrimination; environmental spills, including volume of material from significant spills. Our key grievance reporting mechanism is our third party Speakup helpline accessible for all individuals through Phone, Website and email. Our Speakup call center supports 06 regional languages viz Hindi, Marathi, Kannada, Telugu, Bengali and Odiya. These can be accessed by employees and anyone in our value chain, including contractors, suppliers, customers and consumers. For employees, SpeakUp complements, rather than replaces, reporting issues to line managers, the Legal team, the HR team or Business Integrity managers. All grievances raised in good faith through Speakup are investigated by our Corporate Security Team and HR with utmost confidentiality and neutrality. A reporter has the option of raising concerns anonymously in case they are not comfortable providing their details. For suppliers, we advertise SpeakUp through our Partnering with Suppliers Standard. They are also encouraged to raise concerns to their most senior Diageo contact, a Diageo lawyer, or the market Managing Director or function head. We also expect our suppliers to apply these principles and processes to their own suppliers. Environmental grievances are reviewed in-market by the relevant functions and escalated as needed to the Executive Committee and CSR & ESG Committee. This team meets quarterly and develops mitigations as appropriate.</p> <p>How we assess the effectiveness of our grievance mechanisms</p> <p>Our Breach Management Committee, comprising the CHRO, Functional AVPs-HR, and the Head of Business Integrity, convenes periodically to discuss and align on mitigation actions for any concerns that have been investigated. We also engage with local judicial or non-judicial grievance mechanisms to address matters when needed. We review assessments and non-compliances from the Sedex Members Ethical Trade Audit (SMETA) supplier assessment systems. Our reviews have led us to work more closely with Sedex on SMETA activities, and with suppliers, to assess and strengthen compliance with labour standards. Our team reviews grievances to consider whether mitigation has been effective and whether grievances have been addressed.</p> <p>The effectiveness of this approach is monitored by:</p> <ul style="list-style-type: none"> • Drawing on internal and/or independent external expertise and feedback. • Conducting meaningful consultation with potentially affected groups and other relevant stakeholders. • Reviewing internal and external audit schedules.
2-26	Mechanisms for seeking advice and raising concerns	<p>Our Code, Global Policies, and Standards provide guidance to ensure that all our employees and value chain partners demonstrate the values and behaviours that underpin all of our work.</p> <p>We have a robust Grievance Management mechanism monitored by the Business Integrity team, the Grievance Committee, and the Compliance Committee. This mechanism addresses concerns raised by individuals, including employees, and initiates investigations and corrective actions for their resolution.</p> <p>USL follows Diageo's Global Breach Management Standard. It explains the five-stage approach to how Diageo manages the response to an allegation of a breach of our Code of Business Conduct ("Code"), Diageo global Policies ("Policies") or Diageo global Standards ("Standards") by a Diageo employee or representative acting on behalf of Diageo.</p> <p>The SpeakUp helpline is a vigil/ whistle-blower mechanism operated by an independent third party that enables employees and value chain partners to register compliance-related concerns, without fear of retaliation or adverse outcomes. Available to stakeholders 24/7, this mechanism can be used to register concerns about non-compliance with the Code, policies or regulatory requirements. In keeping with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, stakeholders also have access to the Chairman of the Audit Committee when required to report concerns.</p> <p>The Global Business Integrity team reviews and monitors the quality of investigations while the Grievance Committee and Compliance Committee decide on the actions to be taken for reported breaches of compliance.</p>



Universal Standards

GRI 2: GENERAL DISCLOSURES continued

ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES continued

Disclosure		Our response
2-27	Compliance with laws and regulations	<p>Environmental compliance</p> <p>Our approach to water, energy, biodiversity emissions, and effluents and waste is described in section 300: Environment. These form part of our overall approach to managing our environmental impact and complying with all local laws and regulations, or with our own standards – whichever are higher – at each site.</p> <p>Our team reviews environmental and compliance performance regularly throughout the year and submits reports to the Executive Committee and CSR & ESG Committee.</p> <p>During the year, there were no incidents of non-compliance with environmental consents.</p> <p>Socio-economic compliance</p> <p>This year, there were no charges to exceptional items in respect of non-compliance with social and economic laws and regulations.</p> <p>For more information on how we manage socio-economic compliance, please see GRI 2-23 and 2-24.</p>
2-28	Membership of associations	<p>USL holds membership in the following national and international organisations:</p> <ul style="list-style-type: none"> ● International Spirits and Wine Association of India (ISWAI) ● UK India Business Council (UKIBC) ● Confederation of Indian Industry (CII) ● Indian Chamber of Commerce (ICC) ● Bombay Chamber of Commerce (BCC) ● Federation of Indian Chambers of Commerce & Industry (FICCI)
2-29	Approach to stakeholder engagement	<p>We encourage open engagement with our stakeholders. Our employees across the business engage with one another and with the Management Team through established communication mechanisms. We also engage periodically with governments, supply and other business partners, NGOs and communities through meetings, consultations and other channels including our website and other offline methods.</p>
2-30	Collective bargaining agreements	<p>We are committed to transparency and fairness in our engagement with our stakeholders. In FY 23, 52.5% of our permanent employees and workers are covered by collective bargaining agreements.</p>



Universal Standards

GRI 3: MATERIAL TOPICS

MATERIAL TOPICS AND THEIR BOUNDARIES



Disclosure		Our response
3-1	Process to determine material topics	In 2019, we carried out a rigorous materiality assessment. As a starting point to this process, we identified actual and potential negative and positive impacts that our business activities and relationships have on the economy, environment and people, including impacts on human rights. This assessment examined the external trends shaping our operating environment. It also assessed how we can most effectively align our work and the way we do business with the UN Sustainable Development Goals (SDGs). We held a full-day workshop with our Executive Committee and had multiple interactions reviewing the strategy with the Board. This exercise enabled us to determine how significant these impacts were in terms of severity, scale, scope and likelihood, and it informed how we prioritise the most significant impacts – which we have illustrated in our materiality matrix on page 5 of this ESG Reporting Index. The findings have guided how we have developed our Society 2030: Spirit of Progress plan, our reporting priorities and our assurance process. We review materiality on an ongoing basis, considering stakeholder comments – including those arising from our internal subject-matter experts – Corporate Relations activity, financial analysis and external developments – including the UN SDGs, the Paris Climate Agreement, Business Ambition for 1.5°C, UNGC/SBTi Uniting Business and Governments to Recover Better, the Race To Zero and the UNGC Government Letter on SDGs in Recovery.
3-2	List of material topics	Our materiality assessment informed our Society 2030: Spirit of Progress plan and helped us to define our reporting scope. Our analysis confirmed the importance of several key themes: promoting positive drinking by encouraging moderation and tackling the harmful use of alcohol; championing water stewardship and decarbonisation as part of pioneering sustainability from grain-to-glass and championing inclusion and diversity, both within our business and in the communities where we live, work, source and sell. As shown in our materiality matrix on page 5, this year we have moved the position of two topics, firstly, strengthening the security of agri-food chains and secondly, protecting the natural ecosystems our business relies on, to reflect the increasing importance of these topics to our external stakeholders.
3-3	Management of material topics	To make this index easier to understand, we have described our management of material topics (GRI 103-02 and GRI 103-03) alongside the relevant indicators. So, for example, find the management approach and its evaluation for GRI 201 Economic performance on pages 18-19 of this ESG Reporting Index, with the economic performance indicators following it.

GRI Index

Topic-Specific Standards

GRI 200: ECONOMIC

ECONOMIC PERFORMANCE

103-02	Our management approach to economic performance	103-03	Evaluation of the management approach
	<p>Our relationships with suppliers, investors, lenders, governments, employees and local community stakeholders have direct economic and social impacts, which we measure, manage and evaluate.</p> <p>Our Annual Report explains how we manage financial performance and includes financial KPIs. Each market and function is responsible for monitoring and reporting economic performance against annual plans and targets. That allows us to report on overall performance against strategy.</p>		<p>The Board, the Executive Committee and the management teams at market and function level review economic performance at each of their meetings, tracking KPIs and annual operating plans. Details of financial KPIs are in the Annual Report.</p> <p>Where necessary, we develop or adapt our activities to improve performance against our targets or in response to external factors.</p>

Disclosure	Our response
201-01	<p>Direct economic value generated and distributed</p> <p>Our revenues this year totalled INR 2,75,775 million. Economic value distributed contains operating costs (INR 84,634 million), payment to the government (INR 1,73,397 million), employee salaries and benefits (INR 6,071 million), payments to providers of capital (INR 1,039 million) and community investment (INR 192 million).</p> <p>Our detailed financial statement can be found on page 172 of our Annual Report.</p>
201-02	<p>Financial Implications and other risks and opportunities due to Climate Change</p> <p>Climate-related risk is identified as one of our principal risks (see pages 67-71 of our Annual Report). It has the potential to affect our business and the physical climate risks with the greatest disruptive potential are water-stress and agricultural material yield, and we are also exposed to transition climate risks associated with the cost of decarbonising our supply chain, packaging-material costs, recycling costs and changing consumer behaviour. The transition to a low-carbon economy also presents opportunities through innovation to develop more sustainable process and products.</p> <p>We have taken steps to better understand the direct and indirect impacts of climate change and water-stress on our business, so that we can develop plans to ensure our supply chains remain resilient. During 2022, we conducted physical climate change risk assessments on our operations and key elements of our supply chain, and updated our assessment of water risk in our own operations. We undertook scenario analysis to estimate the impact of climate-related risks on our operations and financial condition. We concluded that, while the impact is not expected to be significant prior to 2030, beyond 2030, the impact of water-stress in particular could potentially be significant on our operations.</p> <p>During 2023, we carried out an assessment of water stress, an activity we conduct routinely every three years. The assessment – and our classification of a site as ‘water-stressed’ – is based on external (WRI Aqueduct tool) and internal site surveys covering physical, regulatory, and social and reputational considerations. It further reinforces our priorities to mitigate water related risks and performed Source Water Vulnerability Assessment (SVA) at one of our sites on a pilot basis to identify water-related hazards and risk associated with production. For the Purpose of reporting Water withdrawal section (Page 34-35), Water stress sites are classified based on the Central Ground water Boards, Ground water Resources Assessment report 2022.</p> <p>Recognising the importance of water efficiency and replenishment, we have set targets for both as outlined on pages 13-14 of our Annual Report.</p>



GRI Index

Topic-Specific Standards

GRI 200: ECONOMIC continued

ECONOMIC PERFORMANCE continued



Disclosure		Our response
201-03	Defined benefit plan obligations and other retirement plans	In keeping with the requirements of Indian labour law, we have defined benefit plans for our employees. These include provision for retirement, gratuity, pension and provident fund.
201-04	Financial assistance received from government	United Spirits Limited is a public listed company and is not owned and directly controlled by the government. We do not receive any direct or indirect financial assistance from the government.

Topic-Specific Standards

GRI 200: ECONOMIC continued

MARKET PRESENCE




103-02	Our management approach to market presence We operate as a market-based business and sell products in 24 states and 5 union territories in India. We are accountable for our performance and for driving growth. For more details, see the Performance Indian Spirits Market Overview section of the Annual Report on page 42.	103-03	Evaluation of the management approach Our market presence – considering issues such as the scale of activities in markets, presence in current or potential product sectors, and the relative risks and opportunities – is reviewed as part of developing our overall strategy, as described in our Annual Report . It is routinely reported to the Executive Committee and the Board.
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Disclosure		Our response															
202-01	 Ratios of standard entry level wage by gender compared to local minimum wage	<p>At Diageo, we go beyond the legal minimum wage and embrace the notion of fair remuneration. As of FY 23, all of our employees are being paid more than the legal minimum wages as prescribed by the central and state governments.</p> <p>Ratio of basic salary and remuneration of women to men can be found below:</p> <table><tr><th>Employee Category</th><th>Ratio of Basic Salary of Women to Men</th><th>Ratio of Basic Remuneration of Women to Men</th></tr><tr><td>Overall</td><td>1</td><td>1</td></tr><tr><td>Top Management</td><td>0.9</td><td>1</td></tr><tr><td>Middle Management</td><td>0.9</td><td>0.9</td></tr><tr><td>Professional</td><td>1</td><td>1</td></tr></table>	Employee Category	Ratio of Basic Salary of Women to Men	Ratio of Basic Remuneration of Women to Men	Overall	1	1	Top Management	0.9	1	Middle Management	0.9	0.9	Professional	1	1
Employee Category	Ratio of Basic Salary of Women to Men	Ratio of Basic Remuneration of Women to Men															
Overall	1	1															
Top Management	0.9	1															
Middle Management	0.9	0.9															
Professional	1	1															
202-02	 Proportion of senior management hired from the local community	<p>United Spirits Limited promotes diversity and inclusion. As part of our commitment, in FY 23, we hired 100% senior management from the local community (within the country we operate).</p>															

Topic-Specific Standards

GRI 200: ECONOMIC continued


INDIRECT ECONOMIC IMPACTS

103-02	Our management approach to indirect economic impacts	103-03	Evaluation of the management approach
	<p>We have many indirect economic impacts on the communities we operate in. Our Society 2030: Spirit of Progress plan has been developed to address most material issues, including supporting sustainable social and economic growth in those communities.</p> <p>Our business and hospitality skills training programmes, for example, aim to increase employability, improve livelihoods and support a thriving hospitality sector that works for all.</p>		<p>Indirect economic impacts are reviewed as part of strategy development and risk management and are reported to the Executive Committee and the Board.</p> <p>They are also monitored quarterly in the CSR & ESG committee of the Board.</p>
Disclosure	Our response		
203-01	Infrastructure investments and services supported		<p>Under our Society 2030 goal to Preserve Water for Life, we implement community water, sanitation and hygiene (WASH) programmes that contribute to local infrastructure as well as improving people's quality of life. We have also committed to replenish more water than we use in our water-stressed sites through various measures.</p> <p>As part of our water stewardship efforts, we have created a capacity to replenish 4,79,047 Cu.M of water which brings our total water replenishment capacity to 6,77,548 Cu.M for the time period of FY 21-23. We have also initiated projects to facilitate additional water replenishment capacity of 2,75,000 Cu.M. across our water-stressed sites.</p>

Topic-Specific Standards

GRI 200: ECONOMIC continued

INDIRECT ECONOMIC IMPACTS continued

Disclosure	Our response
203-02  Significant indirect economic impacts	<p>We strive to create indirect economic impact as part of our society 2030 targets. An overview of our social responsibility initiatives is available on our website and is also included in the Reporting boundaries and Methodologies section of this ESG Reporting Index. A summary is provided below:</p> <p>Our efforts to Promote Positive Drinking include multiple initiatives that aim to encourage informed and moderate consumption of alcohol and to raise awareness of the hazards of drink driving, the dangers of underage drinking and alcohol misuse. Across our various initiatives, we achieved the following in FY 23:</p> <ul style="list-style-type: none">● Curbing underage consumption: In FY 23, over 1,14,543 youth participated in this programme that uses powerful storytelling as a tool to create awareness about the dangers of underage drinking.● Anti Drink Drive: 2,34,807 consumers participated in this anti-drink driving learning experience also established partnerships with 25 Regional Transport Offices across states in India.● Moderation: Message of moderation were taken to 52,642 consumers on DRINKiQ platform. <p>We Champion Inclusion and Diversity across multiple Indian states through the Learn for Life programme, which is designed to improve employment and livelihood opportunities for persons from underrepresented social groups. In FY 23, 1,784 students were trained for the hospitality sector through a National Skill Development Council (NSDC) certified programme. We ensure that over 50% beneficiaries of this project are women.</p> <p>In FY 23, we invested INR 192 millions in our initiatives to improve the lives of the communities in which we operate, live and sell.</p> <p>Details of projects and associated expenditures can be found in the CSR Annexure of the Annual Report.</p>

Topic-Specific Standards

GRI 200: ECONOMIC continued

PROCUREMENT PRACTICES			
103-02	Our management approach to procurement practices We select our suppliers based on their ability to effectively deliver services, materials and timings, as set out in our Partnering with Suppliers Standard. High and medium-risk suppliers are also evaluated against various risk processes such as business continuity and financial risks. These include the risk of bribery and corruption through our Know Your Business Partner (KYBP), integrity check assessment, that considers operating risks, market or sector risks, and feedback from our internal reviews and assessments. Specific (Key and Strategic) supplier’s ongoing performance against contract and service levels is reviewed by the Procurement teams, while they are adhering to specific requirements on issues such as labour and human rights is addressed as we have described it from GRI 406-01 to GRI 412-03 in this ESG Reporting Index. USL (Diageo India) follows Diageo plc’s policies, procedures, standard, governance mechanism, reporting criteria, and management system. All major vendors undergo the SMETA 4 pillar audit which evaluates them on parameters related to Environment, labour rights, Health & Safety and Business ethics. Compliance to the SMETA principles are continuously reviewed and monitored on a monthly basis to ensure highest standards of operation by the supplier. USL’s (Diageo India) Head of Supply has managerial responsibility. Supply Leadership team meets regularly to review the performance through tier meetings. Occupational Health, Safety, Environmental and Regulatory compliance are being discussed and monitored on a regular basis.	103-03	Evaluation of the management approach Our Internal Audit team conducts reviews of our procurement practices. Based on their audits, we generate reports for functional management and relevant Executive Committee members, which include remedial actions and recommendations.

Disclosure		Our response
204-01	Proportion of spending on local suppliers	We estimate that more than 75% of our raw materials volume is sourced from the country in which we operate.

Topic-Specific Standards

GRI 200: ECONOMIC continued

ANTI-CORRUPTION

103-02	<p>Our management approach to anti-corruption</p> <p>Diageo has a comprehensive Global Countering Corruption policy that encompasses anti-bribery & corruption, anti-money laundering, anti-facilitation of tax evasion and sanctions, and includes detailed guidelines on gifts & entertainment.</p> <p>The policy's core principles are embedded in our Code and applicable to all our operations and personnel (including our subsidiaries and value chain partners).</p> <p>We conduct an annual refresher training on our key policies (including Countering Corruption policy) for all our employees (full time and contractual employees). In addition to the annual trainings, there are specialised trainings conducted for specific employee groups at high-risk locations and functions.</p> <p>We drive adherence to the policy through our global and local management and within routine business operations and we review this adherence during assessments carried out by independent internal assessors.</p>	103-03	<p>Evaluation of the management approach</p> <p>Our Business Integrity team monitors compliance with our Code, which includes our internal Anti-Corruption principles (as defined under Global Countering Corruption policy)</p> <p>Our global Internal Audit team regularly conducts audits, which includes auditing our compliance procedures. The team specifies any required improvements, along with a mandatory completion date and recommended improvements.</p> <p>On an annual basis, our Business Integrity team facilitates and runs an e-module "Integrity at Diageo: Our Code & Annual Certification of Compliance". All employees (including Leadership) are required to undertake this e-module mandatorily. The e-module certifies that employees have read, understood, and complied with our Code.</p> <p>Our Business Integrity team monitors the completion status and presents results/analytics to the Executive Committee and the Board.</p>
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Disclosure	Our response
205-01	<p>Operations assessed for risks related to corruption</p> <p>Each year, with the guidance of the Risk Management Committee, we carry out a legal compliance risk assessment that includes human rights, bribery and corruption. These risks are reviewed every quarter along with any new risk identified. We then develop mitigation plans for the most significant risks.</p>
205-02	<p>Communication and training about anti-corruption policies and procedures</p> <p>All employees are required to attend the policy refresher sessions conducted by the policy owners which includes Global Countering Corruption Policy as well. Additionally, all new joiners at USL undergo the iBegin induction session which also includes a session on our Countering Corruption Policy. In addition to the above, new joiners are also required to complete a training on our Code, within 30 days of joining. This includes training on our Anti-bribery & Corruption Policy and Anti-Corruption procedures.</p> <p>An example of our anti-corruption procedures is our third-party business partner due diligence programme, Know Your Business Partner (KYBP), which was refreshed globally at the end of 2020, is in line with our external risk landscape.</p>
205-03	<p>Confirmed incidents of corruption and actions taken</p> <p>During the reporting period, 09 cases pertaining to Bribery & Corruption, were reported through whistle blower mechanism (SpeakUp) and other internal reporting channels. Out of a total of 09 cases, 01 case has been substantiated.</p> <p>The decision on sanctions on the reported breaches are determined and monitored by the Compliance Committee, in order to ensure that there is a collective, transparent and fair decision-making process in line with our global breach management standards and consistent action is taken to resolve the breaches in a timely manner.</p> <p>The quality of investigation reports and remedial actions are reviewed and monitored on a periodic basis by the Global Business Integrity team which reports to Diageo Plc's board of directors.</p> <p>As a part of the governance framework, the Board of Directors and the Audit Committee regularly review the strategy and operation of the compliance and ethics programme including the breaches reported, through the year.</p>



Topic-Specific Standards

GRI 200: ECONOMIC continued

ANTI-COMPETITIVE BEHAVIOUR			
103-02	Our management approach to anti-competitive behaviour We have a global competition and anti-trust policy, which is part of our Code. In addition to the global policy, USL has supplementary guidelines specific to India market. All USL employees are required to refer to these guidelines in addition to the global policy. We conduct annual policy refresher and awareness trainings for all our employees. We monitor adherence by reviewing emerging issues and outcomes from SpeakUp and by assessing all business functions through our internal independent reviews. All new joiners in Commercial, Corporate Relations, & Marketing and Senior Management (irrespective of function) are mandatorily required to complete the e-module on Anti-trust. Additionally, employees in Commercial, Corporate Relations, Marketing and Leadership team members in Finance and Supply are required to complete the e-module at least once every two years (for e.g., FY 2020-21 and FY 2022-23).	103-03	Evaluation of the management approach Our Business Integrity team monitors compliance with our Code, which includes our internal competition and anti-trust principles. Find more information on how we evaluate our approach to compliance issues, including anti-competitive behaviour, in GRI 103-03 Anti-corruption above.
Disclosure	Our response		
206-01	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There were no legal actions against United Spirits Limited in the reporting period for anti-competitive behaviour, anti-trust and monopoly practices.	

Topic-Specific Standards

GRI 200: ECONOMIC continued

TAX

103-02	<p>Our management approach to tax</p> <p>We pay tax in accordance with all relevant laws and regulations in the countries where we do business.</p> <p>Our approach to tax seeks to enable and support our ambition and business strategy, as well as balance the various interests of our stakeholders, including shareholders, governments, employees, customers, consumers and the communities in which we operate.</p> <p>Our approach to tax, including our commitments, core principles and governance mechanisms, are described in detail in our publicly available global Tax Policy.</p>	103-03	<p>Evaluation of the management approach</p> <p>The Board of Directors approves our Tax Policy and tax strategy, and monitors compliance each year through the Audit Committee – and, as appropriate, on an ad hoc basis. It delegates the authority to execute against this policy framework to the group CEO, who then delegates that authority to the Finance Committee.</p> <p>From an operational perspective, the Finance Committee – made up of senior management with relevant expertise, including the CEO and CFO – is considered to be the supervisory body for all group tax activities. Three times a year, this Committee reviews any relevant developments on issues covered by our policy – and, as appropriate, on an ad hoc basis.</p> <p>For more information about our tax governance and how we evaluate our approach, see page 5 of our Tax Policy.</p>
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Disclosure	Our response
207-01 Approach to tax	Information about our tax strategy, approach to regulatory compliance and tax links to our business strategy can be found in our Tax Policy on pages 3-5.
207-02 Tax governance, control, and risk	Information about our tax governance, risk management and compliance can be found in our Tax Policy from pages 3-5. A description of the mechanisms for reporting concerns about unethical or unlawful behaviour and our integrity in relation to tax can be found on page 5 of the policy too, as well as in our Code and within GRI 2-36 of this ESG Reporting Index.
207-03 Stakeholders' engagement and management of concerns related to tax	A description of our approach to engaging with tax authorities, our public policy advocacy on tax and our process for collecting and considering the views and concerns of stakeholders, including external stakeholders, can be found in our Tax Policy.
207-04 Country-by-country reporting	<p>Omissions: country-by-country reporting.</p> <p>Reason: not applicable.</p> <p>Explanation: a breakdown of corporate tax information by jurisdiction is not included. In line with OECD guidelines, Diageo Plc submit annually a country-by-country report for the group to the UK tax authorities and USL files a notification to Indian tax authorities informing the CBCR filing done by Diageo Plc. The UK tax authorities share information with other jurisdictions' tax authorities (including India), where these authorities have agreed to the OECD's guidelines. We continue to review our position and will make changes in due course. We are engaging constructively to support measures to put the taxation of international companies on a clear, fair and consistent basis.</p>



Topic-Specific Standards

GRI 300: ENVIRONMENTAL

MATERIALS

103-02 Our management approach to materials

Our materials can largely be categorised as packaging and agricultural raw materials. Our general approach for our Supply and Procurement teams is to evaluate the impacts linked to sourcing our materials and to review the management processes of our suppliers.

Packaging

Our "Become Sustainable by design" targets include commitments to continue 'light-weighting' our packaging, to reduce our carbon footprint and to increase recycled content and recyclability across all formats, with particular emphasis on glass and plastics. This year, we continued our efforts to increase recycled content in our packaging. In this fiscal year, the contribution of recyclable packaging material in total packaging material consumed was over 99%. We also continue to commit ourselves for responsible collection and recycle post-consumer waste and collected more than 22,000 MT of post-consumer plastic packaging as part of Extended Producers Responsibility (EPR) initiative.

We continue to reuse returned bottles post consumer usage in parts of our business and are investing in research to explore how we can expand return-and-reuse models.

We are also committing ourselves to recycle our own packaging post-consumer usage. We have been investing in building reverse value chain capability to increase percentage of recycled packaging used in our operations.

Agricultural raw materials

Our vision is to make our agricultural supply chains economically, socially, environmentally sustainable and resilient. See our [Sustainable Agriculture Guidelines](#) section on our global website for more information on how we manage agricultural supply chains and raw materials.

We are in the process to collaborate with our suppliers and agronomic partners to improve farm management practices across our raw material supply chains and to promote the adoption of regenerative agriculture practices.

For more information refer to our Society 2030 targets at page 6 of this report.

103-03 Evaluation of the management approach

Our performance against our Society 2030: Spirit of Progress targets, including those relating to packaging and raw materials, is reported internally every quarter. Performance is reviewed by stakeholders throughout the business, including the cross-functional team, CSR & ESG Committee and our Executive Committee.

Packaging

We remain focussed on our goals to continue to improve the amount of recycled content across all our packaging materials, with a particular focus on plastics and glass.

Agricultural raw materials

Our performance is reviewed by cross-functional team that reports on a quarterly basis to the Executive Committee & CEO. We develop mitigation and improvement activities as appropriate.



Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

MATERIALS continued

Disclosure		Our response																																				
301-01	Materials used by weight or volume	<p>This year, we used approximately 128.1 K tonnes of agricultural raw materials such as barley, wheat and maize, and approximately 401.7 K tonnes of packaging.</p> <p>Raw Materials¹ used by Weight (Total – 128.1 K tonnes)</p> <table><tr><th>Raw material</th><th>By Weight (Tonnes)</th><th>%</th></tr><tr><td>Barley²</td><td>16,831</td><td>13</td></tr><tr><td>Molasses</td><td>66,716</td><td>52</td></tr><tr><td>Grapes</td><td>5,757.9</td><td>4</td></tr><tr><td>Rice</td><td>38,819.2</td><td>30</td></tr></table> <p>1. Figures represent raw materials we buy directly for Own Operations, and exclude raw materials used to make the neutral spirit we purchase. 2. Includes malted barley.</p> <p>Packaging materials¹ by weight (Total – 401.7 K tonnes)</p> <table><tr><th>Raw material</th><th>By Weight (Tonnes)</th><th>%</th></tr><tr><td>Glass²</td><td>3,39,740</td><td>84</td></tr><tr><td>Corrugate</td><td>36,899</td><td>9</td></tr><tr><td>Cartons</td><td>10,361</td><td>3</td></tr><tr><td>Closures and crowns</td><td>8,772</td><td>2</td></tr><tr><td>PET</td><td>2,691</td><td>1</td></tr><tr><td>Other (Beverage Cartons, Cans, Labels, Sleeves & Films)</td><td>3,242</td><td>1</td></tr></table> <p>1. Excludes promotional materials. 2. Includes 37,625 mt of Reused Glass Bottle from Market amounts to 12.5%.</p>	Raw material	By Weight (Tonnes)	%	Barley ²	16,831	13	Molasses	66,716	52	Grapes	5,757.9	4	Rice	38,819.2	30	Raw material	By Weight (Tonnes)	%	Glass ²	3,39,740	84	Corrugate	36,899	9	Cartons	10,361	3	Closures and crowns	8,772	2	PET	2,691	1	Other (Beverage Cartons, Cans, Labels, Sleeves & Films)	3,242	1
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PET	2,691	1																																				
Other (Beverage Cartons, Cans, Labels, Sleeves & Films)	3,242	1																																				
301-02	Recycled input materials used	<p>Company uses different Packaging format and majority is glass (more than 80% by weight) followed by paper. These two packaging formats use recycled content which accounts for 57% of recycled content used in packaging for the year. USL is striving to progress and achieve 60% recycled content ahead of our 2030 commitment.</p>																																				
301-03	Reclaimed Products and their Packaging Materials	<p>Reclamation rates for packaging material (glass and plastics) are as given below:</p> <table><tr><th>Material</th><th>Reclaimed Products</th></tr><tr><td>– Glass ¹</td><td>12.5%</td></tr><tr><td>– Plastic ²</td><td>100%</td></tr></table> <p>Note: 1. Glass packaging has been reclaimed across region and used back in place of virgin material. 2. Plastics are collected through reverse logistics under Extended Producer Responsibility [EPR] and being recycled.</p>	Material	Reclaimed Products	– Glass ¹	12.5%	– Plastic ²	100%																														
Material	Reclaimed Products																																					
– Glass ¹	12.5%																																					
– Plastic ²	100%																																					



Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

ENERGY

103-02

Our management approach to energy

We are progressing towards 100% Renewable Energy and Renewable Electricity from the current level of 98.6%. Our thermal energy requirements are currently supplemented through 100% Renewable fuel. We are also on track to achieve 100% Renewable Electricity use from 98.6% now and it is being contributed by in-house steam turbines, bio-gas engines and solar plants and differences are offset through energy attribute certificates like International Energy Certificates (i-REC).

Our approach to energy is based on four main activities:

1. Reducing energy consumption

Focussing on both reducing the amount of energy we use and improving efficiency in our operations is core to our strategic approach to managing energy. Energy conservation is the first part of our emissions reduction hierarchy, which enables us to reduce utility costs, reduce emissions and rightsize our decarbonisation investments. Measures include improving insulation on cookers and stills, installing variable speed drives and low-energy lighting systems, and optimising and improving compressed air and steam systems.

2. Recovering and reusing energy

By recovering as much energy as we can, we minimise loss and wasted energy, which reduces our overall energy demand. Implementing technologies that recover heat for reuse in our brewhouses – from our distillery condensers, malting kilns and boilerhouses – make our operational sites as efficient as possible.

3. Converting energy sources to renewables

Generating renewable energy on our sites and switching to renewable supplies directly adjacent or indirectly through the supply network are two ways through which we are increasing the use of renewable energy. We continue to invest in on-site solar and on-site bioenergy plants generating renewable heat, predominantly using a Diageo co-product or waste and residue feedstock.

Creating more renewable capacity on-site and off-site through power purchase agreements, and by prioritising direct emissions abatement over the use of energy attribute certificates is an important outcome we have in our net zero strategy.

4. Minimising energy use across our supply chain

Reducing energy use in our supply chain is closely linked to our Scope 3 decarbonization activity and our sustainable by design goal. We are working with our suppliers and advocating them to shift to renewable and low carbon fuels by helping them to adopt technologies and best practices in supply chain.

A significant amount of energy was consumed by our spirit supply chain. Over the last five years, we have worked with our spirit suppliers to transition them to renewable energy. As of FY 23, about 49% of the spirit we sourced was distilled with the help of renewable energy. We aim to source 60% Spirit distilled with renewable energy by 2026.

We will continue to focus on our target to minimise the weight of our packaging, increase its recycled content, implement alternative formats, and enhance reuse opportunities. This will also help us reduce energy consumption and emissions in our supply chain and own operation.

103-03

Evaluation of the management approach

Our performance against our Society 2030: Spirit of Progress targets, including those focussed on energy and carbon, is reported every quarter.

Performance is reviewed by Executive Committee and CSR & ESG Committee.

More broadly, we are taking steps to better understand the direct and indirect impacts of climate change and, as part of this, we continually evaluate our energy approach.



Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

ENERGY continued

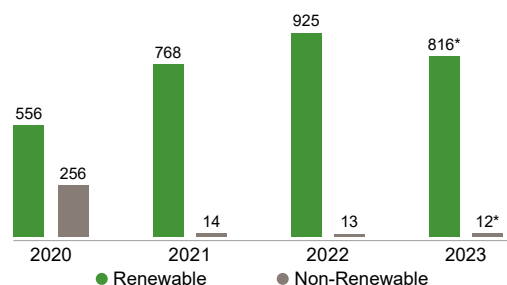
Disclosure

Our response

302-01

Energy consumption within the organisation

We report renewable and non-renewable direct energy consumption for the past three years, with our new baseline year being 2020. This includes both energy generated and used on site and energy supplied to our facilities.

Renewable and non-renewable direct energy consumption (TJ)^{1,2}

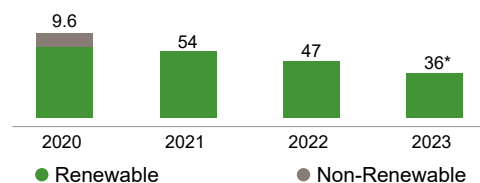
1. Direct energy consumption refers to energy sources that we own or control and generate Scope 1 emissions, as defined by the WRI/WBCSD Greenhouse Gas Reporting Protocol. It includes Solar electricity of 10 TJ generated in-house.
2. 2020 baseline data, and data for the period ended 31 March 2021, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies.
3. *Similar information has been provided in the BRSR Principle Essential Indicator 1 and Leadership Indicator 1 on pages 134 and 138 of the [Annual Report](#) for FY 2022-23.

Indirect (Grid electricity) accounted for 4.9% of total energy consumption.

Note: (i). Renewable energy accounted this year was 98.6%, previous year performance has been sustained and improved from base year Renewable energy use of 71%.

Indirect Energy Consumption (TJ)

Indirect Energy (Grid electricity) accounted for 4.2% of total energy consumption. Electricity imported has been offset by solar electricity (renewable) exported to the grid by net metering arrangement.



- Note:** (i) Currently, more than 70% of electricity requirements are met through in-house renewable electricity and the rest is managed through Electricity Imported from Grid. Market-Based Scope 2 Emission from Purchased Electricity has been offset through International Renewable Energy Certificates (i-RECs)
- (ii) Total electricity consumption from non-renewable sources is offset through (i-RECs) purchased subsequently.
- (iii) More than 98.6% of Renewable energy is accounted in 2023, previous year performance has been sustained and improved from base year (2020) value of 71%.

302-02

Energy consumption outside of the organisation

Purchased goods and services, capital goods, transport and distribution of our brands by third-party logistics providers, and the use of chilling and refrigeration equipment by our retail customers to store and display products, are among the most significant areas of energy consumption outside our direct use. This year, these data are not available to be reported.

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

ENERGY continued

Disclosure		Our response																				
302-03	Energy intensity	<p>Here, we report energy intensity for Distillation and Packaging for the past four years, including our baseline year 2020.</p> <div><div><p>Distillation (MJ/Litre of Spirit Distilled)</p><table><thead><tr><th>Year</th><th>Distillation (MJ/Litre of Spirit Distilled)</th></tr></thead><tbody><tr><td>2020</td><td>27</td></tr><tr><td>2021</td><td>27</td></tr><tr><td>2022</td><td>25</td></tr><tr><td>2023</td><td>22.4</td></tr></tbody></table></div><div><p>Packaging energy efficiency (MJ/litre packaged)</p><table><thead><tr><th>Year</th><th>Packaging energy efficiency (MJ/litre packaged)</th></tr></thead><tbody><tr><td>2020</td><td>0.11</td></tr><tr><td>2021</td><td>0.12</td></tr><tr><td>2022</td><td>0.15</td></tr><tr><td>2023</td><td>0.15</td></tr></tbody></table></div></div> <p>Note:</p> <ol style="list-style-type: none">1. Energy efficiencies of packaging for 2020 & 2021 includes mix of brands that were divested during 2023.2. These divested brands were packed in tetrapack machines which requires less energy (MJ/L) as compared with Glass packaging and in addition there were some fixed energy required for site operations were remain which were impacting energy intensity	Year	Distillation (MJ/Litre of Spirit Distilled)	2020	27	2021	27	2022	25	2023	22.4	Year	Packaging energy efficiency (MJ/litre packaged)	2020	0.11	2021	0.12	2022	0.15	2023	0.15
Year	Distillation (MJ/Litre of Spirit Distilled)																					
2020	27																					
2021	27																					
2022	25																					
2023	22.4																					
Year	Packaging energy efficiency (MJ/litre packaged)																					
2020	0.11																					
2021	0.12																					
2022	0.15																					
2023	0.15																					
302-04	Reduction of energy consumption	<p>This year, energy consumption from fuel, electricity, heating, cooling and steam decreased by 13% compared to FY 22. This is attributed to decrease of 1% in litre of spirit distilled over last fiscal. We have ongoing energy efficiency initiatives designed to decouple and minimise the impact of production volume increases from energy consumption.</p> <p>Reporting boundaries and methodologies can be found from pages 86-87 of this ESG Reporting Index.</p>																				
302-05	Reductions in energy requirements of products and services	<p>Energy requirements of products and services are not deemed relevant, given GHG emissions from this energy use do not meet the relevancy criteria stipulated by the WRI Scope 3 Reporting Standard. Specifically, these emissions do not contribute significantly to our overall Scope 3 footprint, nor do they contribute to our business-wide risk exposure.</p>																				



Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WATER AND EFFLUENTS

103-02	<p>Our management approach to water and effluents</p> <p>Water is an essential ingredient in all our brands and is also a precious shared resource that is coming under increasing pressure in many parts of the world. We describe the actual and potential negative and positive impacts of our business operations on water and effluents in the economy, environment and society on our website.</p> <p>As part of our Society 2030: Spirit of Progress plan, our priority to preserve water for life defines our strategic approach to water stewardship. This strategy is made up of four key pillars:</p> <ol style="list-style-type: none">1. Water in our operations2. Water in our supply chain3. Water in our communities4. Water advocacy <p>Water projects in communities:</p> <p>Water is the basis of life and our most precious resource. By 2026, we will replenish more water than we use in all our operations situated in water-stressed areas. In the past, we have successfully implemented various water replenishment projects including the construction of rainwater harvesting structures, community water ATMs, desalting of ponds, among others. A part of our programme is focussed on improving WASH facilities in the communities.</p> <p>To deliver our strategy, we have set four key water targets to be achieved by 2030, against a 2020 baseline. Please see page 13 of our Annual Report for details of our water targets and our performance against them this year.</p> <p>As part of our global Environment Policy, we will comply with consent limits on abstraction and discharges of water, or with appropriate Diageo standards where there is no regulation. We use water-quality indicators to manage performance and look for locally appropriate solutions, informed by robust scientific assessment, for wastewater management. This includes recycling and reuse, where appropriate.</p>	103-03	<p>Evaluation of the management approach</p> <p>Performance against our Society 2030: Spirit of Progress targets is assessed every quarter. It's reviewed by the CSR & ESG Committee of the Board every quarter.</p> <p>This regular assessment of performance against our targets enables us to manage programme risks and opportunities and ensures we have the right level of resources to deliver our commitments.</p> <p>Please see Reporting boundaries and methodologies on pages 85-86 of this ESG Reporting Index for more information on how we measure and report on our water-related targets.</p>
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Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WATER AND EFFLUENTS continued

Disclosure		Our response
303-01	Interactions with water as a shared resource	<p>Because we are a beverage company, water is an essential ingredient in all our brands and is used throughout our value chain. Water is used for growing our raw materials and manufacturing our packaging. We also use water throughout our direct manufacturing operations. We are committed to implementing best practices in water stewardship across our value chain including in local communities.</p> <p>We carried out a detailed, data-driven assessment of our impact on water throughout our value chain, which includes assessing the water embedded in our products, through to water used to grow our raw materials and source vulnerability assessments in selected watersheds.</p> <p>We conduct ongoing water assessments for brands and suppliers and undertake assessments every two years at our own sites. To do this, we use a range of tools, including lifecycle analysis, environmental footprinting, the World Resource Institute Aqueduct tool and our internal risk assessment process.</p>
303-02	Management of water discharge related impacts	<p>Diageo aims to reduce wastewater generation from operations through process innovation and aims to refurbish and reuse in order to reduce freshwater withdrawal. Our internal voluntary standard sets stringent criteria for wastewater discharge which ensures we meet or exceed local and national regulations and return our wastewater in a state as close to nature as possible and maximise circularity.</p> <p>All our sites are adhering zero liquid discharge norms through efficient operation of ETP and STPs at site. This helps to power the circularity of water use back in processes, utilities and for landscaping.</p>



Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WATER AND EFFLUENTS continued

Disclosure	Our response			All areas	Areas with water-stress
303-03	Water withdrawal				
		Water withdrawal by source			
		Surface water		531 ML	4 ML
		– Freshwater		531 ML	4 ML
		– Other water		0 ML	0 ML
		Ground water		90 ML	33 ML
		– Freshwater		90 ML	33 ML
		– Other water		0 ML	0 ML
		Seawater		0 ML	0 ML
		Produced water		0 ML	0 ML
		Third-party water		138 ML	15 ML
		– Freshwater		138 ML	15 ML
		– Other water		0 ML	0 ML
		Total third-party water withdrawal by withdrawal source	Surface water	106 ML	0 ML
			Ground water	32 ML	12 ML
			Seawater	0 ML	0 ML
			Produced water	0 ML	0 ML
		Total water withdrawal	Surface water (total) + Ground water (total) + Seawater (total) + Produced water (total) + Third-party water (total)	759 ML*	52 ML*

Across sites, rainwater collection and recharge provisions are created. In addition, rooftop rainwater collection tank with the capacity to collect and store 38.3 ML of water.


Note:

- Water-stress sites are classified based on the Central Ground Water Boards, Ground Water Resources Assessment Report 2022
- Surface water includes Rainwater harvested and used
- *Similar information has been provided on page 134, 139 and 140 of our [Annual Report](#) for FY 2022-23

Topic-Specific Standards


GRI 300: ENVIRONMENTAL continued

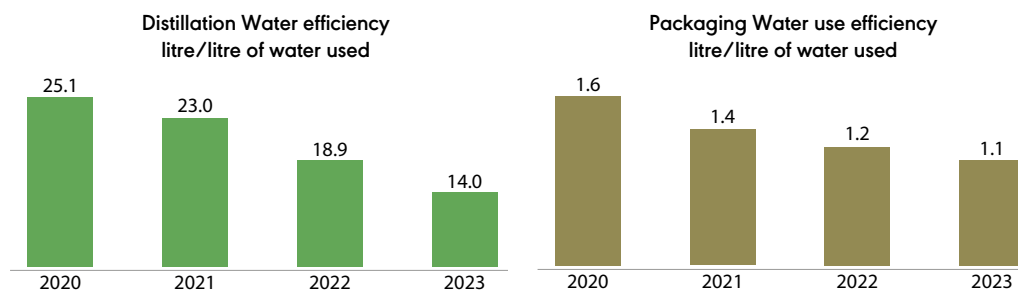
WATER AND EFFLUENTS continued

Disclosure	Our response			
303-04	Water discharge	All our sites adhere to Zero Liquid Discharge (ZLD) norms for distilleries. Process effluents are treated through various advanced treatment systems utilised within the processes thereby, reducing demand for freshwater.		
				
		All areas	Areas with water-stress	
	Water discharge			
	Surface water	0 ML	0 ML	
	Ground water	0 ML	0 ML	
	Seawater	0 ML	0 ML	
	Third-party water (total)	7 ML	0 ML	
	Third-party water sent for use to other organisations	7 ML*	0 ML	
	Total water discharge	Surface water + Ground water + Third-party water (total)	7 ML	0 ML
	Water discharge by freshwater and other water	Fresh water	0 ML	0 ML
		Other water	0 ML	0 ML

Note:

- i. Two of our sites are using common ETP (CETP), to treat the effluent as per the State Pollution Control Board approval. Third-party water discharge quantity represents the related quantity sent to such CETP.
- ii. *Similar information has been provided on page 139 of our [Annual report](#) for FY 2022-23

303-05 	Water consumption Water Conservation - Through Operational water use efficiency improvement <p>We, at Diageo India, strive to distil and pack our products with best-in-class water use efficiency and continue our efforts to improve even better. Against our 2020 targets of 50% improvement in water use efficiency, we have achieved 44% & 30% improvement respectively. We have now set an ambitious water use efficiency target for our operations under Society 2030 and for communities located across water-stressed regions.</p> <p>We have extensively worked on optimising the use of every drop of water by promoting Water stewardship hierarchy and intuitive framework of water circularity in our operations as a standard practice. Explored various innovative technology and processes to help us avoid the water requirement as much as possible.</p> <p>Two of our sites installed chillers with waterless cooling circuit and a similar concept is being piloted for our distillery cooling processes. Further, we have witnessed an enormous potential in water circularity across distilleries and packaging.</p> <p>Water that does not require an additional treatment or reconditioning, is being used for more 8 to 9 cycles in the same process(es) within a facility. With an emerging technology, we should be able to use the treated effluent back in the core process which helps us to reduce significant water demand from local watershed.</p> <p>Accelerating our performance on ambitious 2030 water efficiency goals require a focussed approach and hence we have started tracking water use efficiencies of distillery and packaging operations separately since 2020 (Refer trend in below graph). This effort has helped us discover opportunities at a micro level and work around improvement plan.</p>
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Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WATER AND EFFLUENTS continued

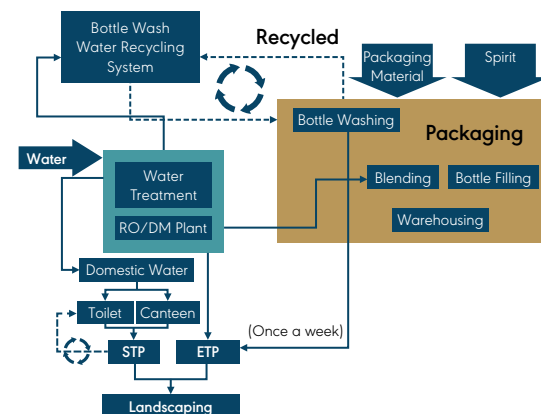
Disclosure

Our response

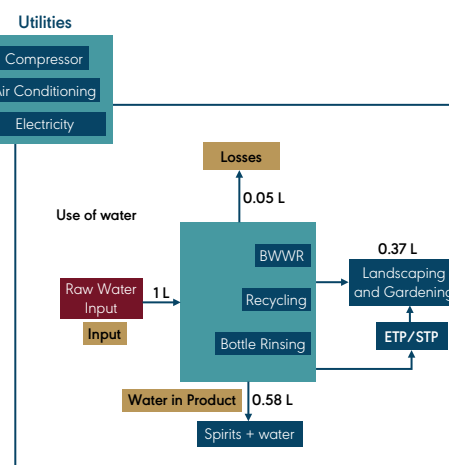
303-05

Water consumption
(continued)

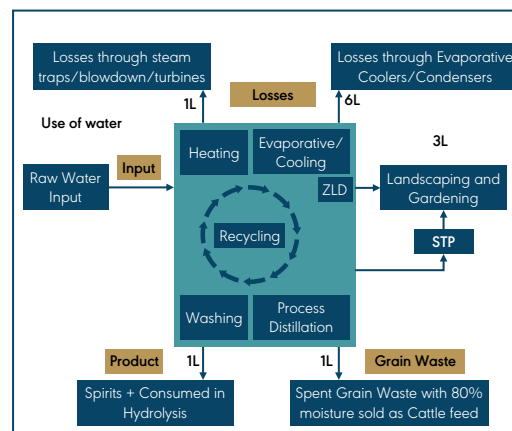
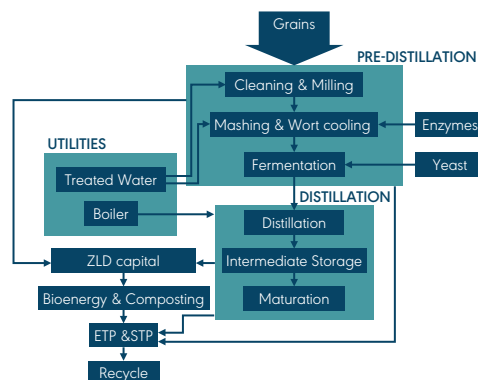
Packaging



Packaging: 1 Litre Water/1 Litre Product





Grain Distillation Process




Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

BIODIVERSITY




103-02	Our management approach to biodiversity	103-03	Evaluation of the management approach
	Many of our manufacturing sites are surrounded by valuable ecosystems that not only support a wide range of plant and animal species but can be vital to the livelihoods of local communities. We take responsibility for the impact our business has on these ecosystems and the wider environment, particularly in relation to water, our main ingredient. Where appropriate, we measure and report our impact, mitigate the risks and work towards improving the environment. See the Biodiversity section of our website for more information about how we manage biodiversity around our sites.		Our sites, are not located near or adjacent to areas designated as having biodiversity value by the United Nations or national conservation lists. No sites are also in, or close to, the habitats of species that are designated as threatened by the International Union for Conservation of Nature. In all cases, we are managing these sites in line with our licence conditions and are aiming to meet the expectations of local stakeholders.

Disclosure	Our response
 304-01 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>Our sites, are not located near or adjacent to areas designated as having biodiversity value by the United Nations or national conservation lists. No sites are also in, or close to, the habitats of species that are designated as threatened by the International Union for Conservation of Nature.</p> <p>In all cases, we are managing these sites in line with our licence conditions and are aiming to meet the expectations of local stakeholders.</p> <p>In the state of Rajasthan, we have been working towards preserving ecology with a specific focus on water and biodiversity conservation. Great Indian Bustard (GIB) or Godawan is the world's heaviest flying bird and exclusively found in arid and semi-arid grasslands of India. It is also considered as the State Bird of Rajasthan. While a few years ago, Godawans were found in 11 states across the country, it is now confined to 5 states, with an active breeding population restricted to only Jaisalmer district in Rajasthan. The current population is estimated to be around 128 birds as per the annual report of the Wildlife Institute of India (WII) for FY 20. We envisaged Project GIB to create suitable habitats and an in-situ conservation approach, which would ultimately contribute to the long-term conservation and population recovery of this critically endangered bird species.</p> <p>GIBs are used to moving freely between large matrices of habitat in arid regions in search of food and water. In this process, they are necessitated to cross unsuitable habitats and one of the major problems they face is crossing of high-energy power transmission lines. Therefore, a few key areas were identified as part of this project to restore the available natural water resources, create habitat for nesting and spread awareness among local communities on conservation. To begin with, restoration of 6 key water bodies (4 in Dholiya village and 2 in Mokla village) was taken up as a pilot programme. Along with this, local youth were also involved in monitoring free ranging GIBs and avoid any poaching incidents.</p> <p>We have worked together with local communities and panchayats for implementation of the programme. We have also engaged with Forest Officials of Desert National Park and have received acknowledgements and appreciations for the project, which is being continued as per suggestions received from key stakeholders.</p> <p>Recently, GIB movement has been tracked near redeveloped ponds by the community members and WII. Once such ponds were partially filled by the rains, alongside GIBs, several species of migrating birds and desert animals have been also been spotted in their vicinity. The project has effectively helped in restoring the ecosystem of the area.</p> <p>We continue our conservation efforts, working with the Forest department of Rajasthan which has allocated 200 acres of land to develop grassland and create habitats for the birds such as the GIB and others that are known to be a part of this ecosystem.</p>

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

BIODIVERSITY continued

Disclosure		Our response
304-02 	Significant impacts of activities, products, and services on biodiversity	None of our operations have a significant impact on protected areas, or on areas of high biodiversity value outside protected areas. Omissions: impact of products.
304-03 	Habitats protected or restored	None of our operations have a significant impact on protected areas, or on areas of high biodiversity value outside protected areas.
304-04 	IUCN Red List species and national conservation list species with habitats in areas affected by operation	We do not operate in areas that are home to IUCN Red List and national conservation list species.

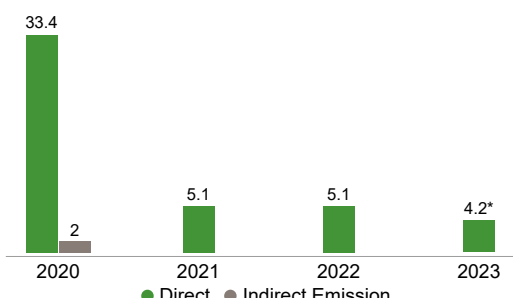


Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

EMISSIONS

103-02	<p>Our management approach to emissions</p> <p>As part of our Society 2030: Spirit of Progress plan, we have two targets around carbon emissions – see page 14 of our Annual Report for information on how we are performing against those targets.</p> <p>Direct operations GHG emissions</p> <p>Our goal is to achieve 100% Renewable Energy and Renewable Electricity [RE100] in our own operations. As of last year, all our distilleries are equipped with steam turbines to generate renewable electricity and our five sites are installed with in-house solar systems with a cumulative capacity of 2.8Mwp. With this, around more than 71% of our operations electricity requirements are powered through in-house renewable electricity and rest is met through the Electricity grid. Currently, we have achieved 98.5% of Renewable Electricity. We will continue to explore different technologies to augment in-house potential.</p> <p>Supply chain GHG emissions</p> <p>We are focussing on building long-lasting partnerships with our suppliers, and helping our third-party operations to join us on this journey. Rethinking our way of doing business to embed a more collaborative and circular way of sourcing our materials and services will enable us to deliver significant emission reductions.</p>	103-03	<p>Evaluation of the management approach</p> <p>See GRI 103-02 on page 29 of this ESG Reporting Index for more information about how we evaluate our approach towards energy and emissions.</p>
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Disclosure	Our response															
305-01 and 02 ● Direct (Scope 1) and Indirect (Scope 2) GHG emissions	<p>Diageo’s total direct and indirect carbon emissions, (location/gross) this year were 4,196 tonnes, of direct emissions (Scope 1) and indirect emissions (Scope 2) were offset through EAC/i-REC.</p> <p>Direct and Indirect GHG emissions (market-based) ('000 tonnes CO₂e)</p>  <table><thead><tr><th>Year</th><th>Direct Emissions ('000 tonnes CO₂e)</th><th>Indirect Emissions ('000 tonnes CO₂e)</th></tr></thead><tbody><tr><td>2020</td><td>33.4</td><td>2</td></tr><tr><td>2021</td><td>5.1</td><td>0</td></tr><tr><td>2022</td><td>5.1</td><td>0</td></tr><tr><td>2023</td><td>4.2*</td><td>0</td></tr></tbody></table> <p>● Direct ● Indirect Emission</p> <div><ol style="list-style-type: none">CO₂e figures are calculated using the WRI/WBCSD GHG Protocol Guidance available at the beginning of our financial year, the kWh/CO₂ conversion factor provided by energy suppliers, the relevant factors to the country of operation or the International Energy Agency and Central Electricity Authority, as applicable.2020 baseline data, and data for the period ended 31 March 2021, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies.Indirect emissions reported are market based estimate. The numbers which were offset through EAC/i-REC were F20 -11.7, F21-10.7, F22-9.2, F23-7.2 kt. During 2020, about 2kt of Scope 2 emissions were not included part of i-REC offset.*Similar information has been provided on page 135 of our Annual Report for FY 2022-23</div>	Year	Direct Emissions ('000 tonnes CO ₂ e)	Indirect Emissions ('000 tonnes CO ₂ e)	2020	33.4	2	2021	5.1	0	2022	5.1	0	2023	4.2*	0
Year	Direct Emissions ('000 tonnes CO ₂ e)	Indirect Emissions ('000 tonnes CO ₂ e)														
2020	33.4	2														
2021	5.1	0														
2022	5.1	0														
2023	4.2*	0														

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued



EMISSIONS continued

Disclosure		Our response																								
305-03	Other indirect (Scope 3) GHG emissions	<div><div>Total Scope 3 GHG Emissions - 1,606 Kilo tonnes of CO₂ equivalent</div><table><thead><tr><th>Sources of Scope 3 GHG emissions</th><th>tCO₂e</th></tr></thead><tbody><tr><td>Purchased goods: raw materials</td><td>9,60,214</td></tr><tr><td>Purchased goods: packaging</td><td>3,40,376</td></tr><tr><td>Purchased goods: services</td><td>2,17,287</td></tr><tr><td>Capital goods</td><td>2,959</td></tr><tr><td>Fuel- and energy-related activities (not included in Scope 1 or 2)</td><td>7,117</td></tr><tr><td>Upstream transportation and distribution² (Category 4 Outbound logistics)</td><td>26,403</td></tr><tr><td>Upstream transportation and distribution (Category 4 Inbound Logistics)</td><td>39,167</td></tr><tr><td>Waste generated in operations</td><td>1,525</td></tr><tr><td>End-of-Life treatment of sold product</td><td>6,139</td></tr><tr><td>Business travel</td><td>2,600</td></tr><tr><td>Employee commuting</td><td>2,267</td></tr></tbody></table><div><div>1. The principal greenhouse gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs).</div><div>2. The latest industry standards and best practices were included in the reporting to establish the most complete, consistent and accurate GHG footprint as required by the GHG protocol. The Scope 3 report of the baseline is now 4.6 million tCO₂e.</div></div></div>	Sources of Scope 3 GHG emissions	tCO ₂ e	Purchased goods: raw materials	9,60,214	Purchased goods: packaging	3,40,376	Purchased goods: services	2,17,287	Capital goods	2,959	Fuel- and energy-related activities (not included in Scope 1 or 2)	7,117	Upstream transportation and distribution ² (Category 4 Outbound logistics)	26,403	Upstream transportation and distribution (Category 4 Inbound Logistics)	39,167	Waste generated in operations	1,525	End-of-Life treatment of sold product	6,139	Business travel	2,600	Employee commuting	2,267
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End-of-Life treatment of sold product	6,139																									
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Employee commuting	2,267																									
305-04	GHG emissions intensity	<div><div>This year, the intensity of our GHG emissions for packaging was 23.5gΔ CO₂e per litre of packaged against 23.6 gΔ CO₂e per litre for 2022. Distillation intensity was 174gΔ CO₂e per litre against 253gΔ CO₂e per litre distilled. However, our focus is to achieve Net Zero GHG emission in our direct operations (Scope 1 & Scope 2) and align our actions towards the pathway of achieving Net Zero by 2026.</div></div>																								
305-05	Reduction of GHG emissions	<div><div>This year, we reduced GHG emissions by 18%Δ compared with 2022. We are close to achieving our 2026 goal of Net Zero Carbon status by reducing emissions across Scope 1 (emissions resulting from fossil fuel use in operations) and Scope 2 (emissions associated with electricity purchased).</div><div>We are also in the process of planting 80,000 trees to neutralise residual emissions.</div><div>We have initiated work on Regenerative Agriculture with a specific focus on Rice in order to reduce Scope 3 emissions (emissions outside of our activities that occur elsewhere in our value chain).</div></div>																								

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

EMISSIONS continued

Disclosure		Our response																												
305-06	 Emissions of ozone-depleting substances	<p>The extent of ozone-depleting substances across our operations is summarised in the following table. The residual volumes of halons and CFCs across the business are now relatively minor.</p> <p>Ozone-depleting substances and fluorinated gases</p> <table><tr><th></th><th>Present (kg)¹</th><th>Emitted (kg)¹</th><th>Emissions CO₂e (tonnes)</th></tr><tr><td>Halons</td><td>0</td><td>0</td><td>0</td></tr><tr><td>CFC</td><td>17</td><td>5</td><td>24</td></tr><tr><td>HCFC</td><td>300</td><td>89</td><td>159</td></tr><tr><td>HFC</td><td>476</td><td>198</td><td>283</td></tr><tr><td>SF₆</td><td>0</td><td>0</td><td>0</td></tr><tr><td>PCC</td><td>0</td><td>0</td><td>0</td></tr></table> <p>1. Emission values are for Apr-Mar cycle.</p>		Present (kg) ¹	Emitted (kg) ¹	Emissions CO ₂ e (tonnes)	Halons	0	0	0	CFC	17	5	24	HCFC	300	89	159	HFC	476	198	283	SF ₆	0	0	0	PCC	0	0	0
	Present (kg) ¹	Emitted (kg) ¹	Emissions CO ₂ e (tonnes)																											
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HFC	476	198	283																											
SF ₆	0	0	0																											
PCC	0	0	0																											
305-07	 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions	<p>Major emissions were from combustion of fuel in boilers for distillation of alcohol which impacts the environment. In 2023, we emitted 28 tonnes of nitrogen oxides (NO_x) and 12 tonnes of sulphur oxides (SO_x). NO_x and SO_x are estimated based on stack emission volume and standard emission factors of Boiler and Diesel generator stacks (Operated as back-up for Grid). All Emissions/Concentrations from Stack/Chimney are much lower than SPCB/CPCB norms specified for respective emission points.</p> <table><tr><th></th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>NO_x</td><td>9</td><td>27</td><td>28</td></tr><tr><td>So_x</td><td>5</td><td>10</td><td>12</td></tr></table>		2021	2022	2023	NO _x	9	27	28	So _x	5	10	12																
	2021	2022	2023																											
NO _x	9	27	28																											
So _x	5	10	12																											

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WASTE

103-02

Our management approach to waste

As with most products, making alcoholic beverages has the potential to generate waste at many stages of the product lifecycle. If left unmanaged, waste from our operations and supply chain has the potential to create negative environmental and social impacts, including contributing to greenhouse gas emissions, air pollution, biodiversity loss and harm to human health. Given these risks, waste is seen as a material issue for us and, like other material ESG topics, accountability for waste-related impacts sits with our Executive Committee.

As part of our Society 2030: Spirit of Progress plan, we have committed to achieving zero waste in our direct operations and zero waste to landfill in our supply chain by 2030. Indeed, many of our Society 2030 targets contribute to minimising waste: see the Become sustainable by design section of our [website](#) for an overview of waste and packaging-related targets and our strategy supporting minimising waste in our operations and supply chain.

We monitor waste streams, promoting awareness of the need to increase resource efficiency. To minimise the waste we send to landfill, we work with certified waste handlers and, together, operate a hierarchy of actions: omit, reduce, reuse, recycle and dispose. We monitor levels of waste recycling and waste-to-energy recovery.

For information about our performance against our waste-related targets, see page 14 of our [Annual Report](#). For more information about our waste minimisation initiatives, see our [website](#) and our [Environment Policy](#).

103-03

Evaluation of the management approach

Our performance against our Society 2030: Spirit of Progress targets, including those that contribute to waste minimisation, are reported on a monthly and quarterly basis. Performance is reviewed at the market, regional and global level by market and regional leadership teams throughout the business, as well as at our quarterly Executive Committee and CSR & ESG Committee meetings. Compliance with our Environment Policy is measured and monitored at quarterly Supply Chain and Procurement Environmental Compliance reviews, managed by our Governance function.

Our Partnering with Suppliers Standard sets out our expectations for suppliers, which includes our zero waste-to-landfill commitment. Our suppliers are expected to commit themselves to Diageo Society 2030 targets and their performance is tracked accordingly through periodic joint reviews. We are further enhancing our direct participation with suppliers so that we understand the waste in their operations and can collaborate with them to minimise it.

See our Reporting boundaries and methodologies on page 85 of this ESG Reporting Index for more information about how we measure and report on our waste-related targets.

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WASTE continued

Disclosure		Our response																																																							
306-01	Waste generation and significant waste-related impacts	<p>Co-products and by-products from distilleries represent the key waste streams from our operations and are also a resource for further use. Applying circularity measures is central to our approach for handling these materials and obviating any waste-related impacts. We mitigate risk by recovering and reusing co-products and by-products from distilling and malting in agricultural applications such as animal feed and/or in valorisation processes.</p> <p>The most significant waste-related impacts associated with our upstream supply chain originate from growing the raw materials that make our products. And there are significant waste-related impacts associated with our downstream supply chain – that is, the disposal of our products and packaging after use.</p> <p>See GRI 306-02 below and our Annual Report for information about our strategy to minimise upstream waste, including how we partner with our suppliers to carry out regenerative agriculture techniques. Downstream, we try to minimise waste and waste-related impacts through circular-economy initiatives.</p>																																																							
306-02	Management of significant waste-related impacts	<p>We believe we have a responsibility and the resources to bring about positive change in the way that society produces and manages waste. We aim to do this by creating more efficient production and recycling infrastructure, developing sustainable and circular packaging solutions, and partnering with our suppliers to eliminate waste in their own operations.</p> <p>See our website and page 14 of our Annual Report for information about the strategy, targets and performance that contribute towards us becoming sustainable by design.</p> <p>We work with third parties to manage the waste that is created when producing and manufacturing our products. We do waste traceability assessments on third parties to make sure they are managing waste in line with our contractual agreement and government legislation.</p> <p>We have partnered with Plastic Cup to develop capacity in waste collection, processing and recycling.</p>																																																							
306-03	Waste generated	<table><tr><th colspan="5">Total weight of waste by type and disposal method (tonnes)¹</th></tr><tr><th></th><th>Total waste to landfill</th><th>Total waste used or recycled</th><th>Total Waste incinerated</th><th>Total waste</th></tr><tr><td>Total Waste</td><td>0</td><td>59,154</td><td>0</td><td>59,154</td></tr><tr><td>Hazardous Waste</td><td>0.6</td><td>12</td><td>25.4</td><td>38</td></tr><tr><td>Total</td><td>0.6</td><td>59,166</td><td>25.4</td><td>59,192*</td></tr></table> <table><tr><th colspan="5">Waste by composition, in metric tonnes (t)¹</th></tr><tr><th></th><th>Waste diverted from disposal (used or recycled)</th><th>Waste directed to disposal (landfill)</th><th>Total Waste incinerated</th><th>Total waste generated</th></tr><tr><td>Co-products spent grains</td><td>41,769</td><td>0</td><td>0</td><td>41,769</td></tr><tr><td>Solid waste</td><td>17,385</td><td>0</td><td>0</td><td>17,385</td></tr><tr><td>Hazardous waste</td><td>12</td><td>0.6</td><td>25.4</td><td>38</td></tr><tr><td>Total</td><td>59,166</td><td>0.6</td><td>25.4</td><td>59,192*</td></tr></table> <p>Note:</p> <p>1. This information is collected both by us and by our waste disposal contractors.</p> <p>2. *Similar information has been provided on page 136-137 of our Annual Report for FY 2022-23.</p>	Total weight of waste by type and disposal method (tonnes) ¹						Total waste to landfill	Total waste used or recycled	Total Waste incinerated	Total waste	Total Waste	0	59,154	0	59,154	Hazardous Waste	0.6	12	25.4	38	Total	0.6	59,166	25.4	59,192*	Waste by composition, in metric tonnes (t) ¹						Waste diverted from disposal (used or recycled)	Waste directed to disposal (landfill)	Total Waste incinerated	Total waste generated	Co-products spent grains	41,769	0	0	41,769	Solid waste	17,385	0	0	17,385	Hazardous waste	12	0.6	25.4	38	Total	59,166	0.6	25.4	59,192*
Total weight of waste by type and disposal method (tonnes) ¹																																																									
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Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

WASTE continued

Disclosure		Our response																																																												
306-04	Waste diverted from disposal	<table><tr><th colspan="4">Waste diverted from disposal by recovery operation, in metric tonnes (t)¹</th></tr><tr><th></th><th>Total waste generated</th><th>Waste diverted from disposal (used or recycled)</th><th>Waste directed to disposal (landfill)</th></tr><tr><td colspan="4">Hazardous waste</td></tr><tr><td>Preparation for reuse</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Recycling</td><td>38</td><td>12</td><td>0.6</td></tr><tr><td>Other recovery operations</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>38</td><td>12</td><td>0.6</td></tr><tr><td colspan="4">Non-hazardous waste</td></tr><tr><td>Preparation for reuse</td><td>50,374</td><td>50,374</td><td>0</td></tr><tr><td>Recycling</td><td>8,780</td><td>8,780</td><td>0</td></tr><tr><td>Other recovery operations</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>59,154</td><td>59,154</td><td>0</td></tr><tr><td colspan="4">Waste prevented</td></tr><tr><td>Total</td><td></td><td>59,166</td><td></td></tr><tr><td colspan="4">1. This information is collected both by us and by our waste disposal contractors.</td></tr></table>	Waste diverted from disposal by recovery operation, in metric tonnes (t) ¹					Total waste generated	Waste diverted from disposal (used or recycled)	Waste directed to disposal (landfill)	Hazardous waste				Preparation for reuse	0	0	0	Recycling	38	12	0.6	Other recovery operations	0	0	0	Total	38	12	0.6	Non-hazardous waste				Preparation for reuse	50,374	50,374	0	Recycling	8,780	8,780	0	Other recovery operations	0	0	0	Total	59,154	59,154	0	Waste prevented				Total		59,166		1. This information is collected both by us and by our waste disposal contractors.			
Waste diverted from disposal by recovery operation, in metric tonnes (t) ¹																																																														
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1. This information is collected both by us and by our waste disposal contractors.																																																														
306-05	Waste directed to disposal	<table><tr><th colspan="4">Waste directed to disposal by disposal operation, in metric tonnes (t)</th></tr><tr><th></th><th>Onsite</th><th>Offsite</th><th>Total</th></tr><tr><td>Incineration (with energy recovery)</td><td>0</td><td>23</td><td>23</td></tr><tr><td>Incineration (without energy recovery)</td><td>0</td><td>2</td><td>2</td></tr><tr><td>Landfilling</td><td>0</td><td>0.6</td><td>0.6</td></tr><tr><td>Other disposal operations</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>0</td><td>26</td><td>26</td></tr><tr><td colspan="4">Non-hazardous waste</td></tr><tr><td>Incineration (with energy recovery)</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Incineration (without energy recovery)</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Landfilling</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Other disposal operations</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>0</td><td>0</td><td>0</td></tr></table>	Waste directed to disposal by disposal operation, in metric tonnes (t)					Onsite	Offsite	Total	Incineration (with energy recovery)	0	23	23	Incineration (without energy recovery)	0	2	2	Landfilling	0	0.6	0.6	Other disposal operations	0	0	0	Total	0	26	26	Non-hazardous waste				Incineration (with energy recovery)	0	0	0	Incineration (without energy recovery)	0	0	0	Landfilling	0	0	0	Other disposal operations	0	0	0	Total	0	0	0								
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Total	0	0	0																																																											

Topic-Specific Standards

GRI 300: ENVIRONMENTAL continued

SUPPLIER ENVIRONMENTAL ASSESSMENT

103-02	Our management approach to supplier environmental assessment The global policy, Partnering with suppliers: Our code for suppliers is followed in India along with the Global sustainable agriculture guidelines.	103-03	Evaluation of the management approach Environmental performance is reviewed by the Procurement function, which reports to the Executive Committee and CSR & ESG Committee team, which meets quarterly. We develop mitigation and improvement activities as appropriate.
Disclosure	Our response		
308-01	New suppliers that were screened using environmental criteria	Our robust supplier selection and reward programme defines a strong commitment to ESG standards and participation in our Society 2030 commitment by our active suppliers.	
308-02	Negative environmental impacts in the supply chain and actions taken	<p>We work continuously to mitigate the environmental impacts of our operations, products and value chain. We are working to build and nurture innovative partnerships through our Sustainable Solutions Programme. Our aim is to create a truly circular economy in collaboration with customers, suppliers, NGOs, research institutions, entrepreneurs and governments.</p> <p>We have identified a variety of environmental impacts associated with our supply chain. Some, such as climate change through GHG emissions, are relevant to the majority of our suppliers. Other impacts, such as on biodiversity, are most relevant to our agricultural raw material suppliers.</p> <p>Carbon</p> <p>In 2012, we began to identify suppliers with whom we could partner to manage the carbon footprint of our supply chain. In the calendar year 2021, we identified 46 that account for our biggest spend in the categories and the highest impact – namely packaging, raw materials, logistics, manufacturing, information services and third-party operations (these are other businesses that make our brands under licence).</p> <p>In 2018, we carried out water risk assessments of all our third-party manufacturing sites and identified water-stressed areas. Since then, we have worked with these sites to better understand their water performance. Please see more information about the assessments performed in the Reporting boundaries and methodologies section in this ESG Reporting Index on page 90.</p>	



Topic-Specific Standards

GRI 400: SOCIAL

EMPLOYMENT

103-02	<p>Our management approach to employment</p> <p>We are committed to providing a safe and healthy working environment for all our people. We also strive to create an inspiring work environment, where talent is nurtured, developed and rewarded. We promote an inclusive culture where our employees feel secure, respected and valued for their contribution.</p> <p>For more details, see the 'Building a Future-Ready Organisation' section of our Annual Report on pages 11-12.</p> <p>We abide by all local labour laws and regulations and expect our suppliers to do the same. Above and beyond that, we have our own policies for employees (Human Rights Global Policy) and for suppliers (Partnering with Suppliers Standard).</p>	103-03	<p>Evaluation of the management approach</p> <p>We measure employee engagement as one of our overarching KPIs, as set out in our Annual Report on page 11, using our annual employee Your Voice survey. Based on the outcomes of this survey and our ongoing engagement programmes, each team develops its own action plan to improve employee engagement and satisfaction.</p> <p>Our Human Resources team routinely reviews our policies and standards to ensure they are sufficiently rigorous and will continue to strengthen our reputation as an employer. This helps us retain our employees while also attracting new people to the business.</p>
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Disclosure

401-01

New employee hires and employee turnover

Our response

In FY 23, we hired 298 employees and 629 employees separated from the organisation. Details of new hires and separations are provided in the table below:

Employee Category	Total Number of Employees Hired (By Age)		
	<30	30-50	>50
Level 1	0	1	1
Level 2	0	1	1
Level 3	0	2	1
Level 4	0	19	0
Level 5	44	83	0
Level 6	47	57	0
Permanent Workmen	15	25	1
Total	106	188	4

Employee Category	Total Number of Employees Separated (By Age)		
	<30	30-50	>50
Level 1	0	0	1
Level 2	0	0	1
Level 3	0	6	0
Level 4	1	29	7
Level 5	17	120	17
Level 6	35	123	16
Permanent Workmen	3	81	172
Total	56	359	214

Topic-Specific Standards

GRI 400: SOCIAL continued

EMPLOYMENT continued

Disclosure		Our response																																										
401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>USL is committed to caring and supporting our employees through key life aspects. Benefits offered to permanent and temporary employees are listed in the table below:</p> <table><tr><th>Type of benefits</th><th>Permanent Employees</th><th>Temporary / Part-time Employees</th></tr><tr><td>Life insurance</td><td>Yes</td><td>Yes</td></tr><tr><td>Health care</td><td>Yes</td><td>Yes</td></tr><tr><td>Disability</td><td>Yes</td><td>Yes</td></tr><tr><td>Parental leave (maternity leave or paternity leave)</td><td>Yes</td><td>Yes</td></tr><tr><td>Bereavement leave (additional to normal leaves allotted)</td><td>Yes</td><td>No</td></tr><tr><td>Retirement provision</td><td>Yes</td><td>Yes</td></tr><tr><td>Food allowance</td><td>Yes</td><td>Yes</td></tr><tr><td>Extra paid holidays</td><td>No</td><td>As per statutory requirement</td></tr><tr><td>Product Allowance</td><td>Yes</td><td>No</td></tr><tr><td>Employee Assistance Programmes (EAP)</td><td>Yes</td><td>Yes</td></tr><tr><td>Communication Reimbursement</td><td>Yes</td><td>No</td></tr><tr><td>Relocation benefits</td><td>Yes</td><td>Yes</td></tr><tr><td>Local Travel Reimbursement</td><td>Yes</td><td>Yes</td></tr></table>	Type of benefits	Permanent Employees	Temporary / Part-time Employees	Life insurance	Yes	Yes	Health care	Yes	Yes	Disability	Yes	Yes	Parental leave (maternity leave or paternity leave)	Yes	Yes	Bereavement leave (additional to normal leaves allotted)	Yes	No	Retirement provision	Yes	Yes	Food allowance	Yes	Yes	Extra paid holidays	No	As per statutory requirement	Product Allowance	Yes	No	Employee Assistance Programmes (EAP)	Yes	Yes	Communication Reimbursement	Yes	No	Relocation benefits	Yes	Yes	Local Travel Reimbursement	Yes	Yes
Type of benefits	Permanent Employees	Temporary / Part-time Employees																																										
Life insurance	Yes	Yes																																										
Health care	Yes	Yes																																										
Disability	Yes	Yes																																										
Parental leave (maternity leave or paternity leave)	Yes	Yes																																										
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Relocation benefits	Yes	Yes																																										
Local Travel Reimbursement	Yes	Yes																																										
401-03	Parental leave	<p>All of our employees are entitled to parental leave as prescribed by the Indian Government. All female employees are entitled to 26 weeks of maternity leave as mandated by the Maternity Benefit Act. Furthermore, paternity leave and child adoption leave are part of Diageo's specific policies, offering benefits above and beyond what is required by law.</p> <p>Number of employees taking parental leave can be found below:</p> <table><tr><th>Leave</th><th colspan="2">Percentage of Employees, by gender, entitled to Parental Leave</th><th colspan="2">No. of Employees, by gender, taken Parental Leave</th><th colspan="2">No. of employees, by gender, returned to work after parental leave ended</th><th colspan="2">No. of employees returned to work after parental leave ended, who were still employed twelve months after their return to work</th></tr><tr><th></th><th>M</th><th>F</th><th>M</th><th>F</th><th>M</th><th>F</th><th>M</th><th>F</th></tr><tr><td>Parental leave</td><td>100%</td><td>100%</td><td>30</td><td>11</td><td>27</td><td>11</td><td>20</td><td>11</td></tr><tr><td>Child Adoption Leave</td><td>100%</td><td>100%</td><td>-</td><td>1</td><td>-</td><td>1</td><td>-</td><td>1</td></tr></table>	Leave	Percentage of Employees, by gender, entitled to Parental Leave		No. of Employees, by gender, taken Parental Leave		No. of employees, by gender, returned to work after parental leave ended		No. of employees returned to work after parental leave ended, who were still employed twelve months after their return to work			M	F	M	F	M	F	M	F	Parental leave	100%	100%	30	11	27	11	20	11	Child Adoption Leave	100%	100%	-	1	-	1	-	1						
Leave	Percentage of Employees, by gender, entitled to Parental Leave		No. of Employees, by gender, taken Parental Leave		No. of employees, by gender, returned to work after parental leave ended		No. of employees returned to work after parental leave ended, who were still employed twelve months after their return to work																																					
	M	F	M	F	M	F	M	F																																				
Parental leave	100%	100%	30	11	27	11	20	11																																				
Child Adoption Leave	100%	100%	-	1	-	1	-	1																																				

Topic-Specific Standards

GRI 400: SOCIAL continued

LABOUR/MANAGEMENT RELATIONS

103-02	<p>Our management approach to labour/ management relations</p> <p>We have a strong commitment to dialogue with all our people, including those who are represented through a trade union or works council. Our Human Resources team builds relationships with these groups and is encouraged to involve employee representatives early in business decisions to give them an opportunity to contribute to key issues.</p> <p>Dedicated training modules that cover our Code and Dignity at Work help uphold our commitment to treating employees with respect and integrity. As outlined in our Partnering with Suppliers Standard, we expect our suppliers to adhere to these principles.</p> <p>More information can be found in our Human Rights Global Policy.</p>	103-03	<p>Evaluation of the management approach</p> <p>We measure employee engagement as one of our overarching KPIs, as set out in our Annual Report on page 11, using our annual employee Your Voice survey. Based on the outcomes of this survey and our ongoing engagement programmes, each team develops its own action plan to improve employee engagement and satisfaction.</p> <p>Our Human Resources team routinely reviews our policies and standards to ensure they are sufficiently rigorous and will continue to strengthen our reputation as an employer. This helps us retain our employees while also attracting new people to the business.</p>
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Disclosure	Our response
402-01	<p>Minimum notice periods regarding operational changes</p> <p>We adhere to Indian law with respect to notice period in case of any operational changes. We aim to provide minimum 30 days of notice in case of operational changes.</p>

Topic-Specific Standards

GRI 400: SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY

103-02	Our management approach to occupational health and safety <p>We follow our Global Risk Management Standards (GRMS) for occupational health and safety, which apply to all our operations and business units. These standards aim to make sure that everyone, everywhere, is safer together when working on site, at home and on the road. Our end-to-end health and safety excellence strategy aims to establish a world-class health and safety culture and environment where everybody plays their part.</p> <p>Each unit is required to:</p> <ul style="list-style-type: none"> ● Ensure compliance with our global standards. ● Undergo regular formal corporate independent assurance audits. ● Maintain and assure legal compliance assessment processes. ● Train employees in hazard identification and incident reporting. ● Share lessons learnt and ensures horizontal deployment from any incidents in any Diageo Units/locations ● Track hazard identified including unsafe Behaviours and conditions and ensure closures <p>For more details, see our Global Health, Safety and Wellbeing Policy.</p>	103-03	Evaluation of the management approach <p>Occupational health and safety is monitored continually and reviewed by each unit. Safety KPIs is reviewed on monthly basis at various leadership level across the organisation.</p> <p>One of the critical approach on Safety is being proactive. Performance trends are monitored closely and intervention activities such as capability building and improvements to processes with associated investments in systems, technology, assets and resources are implemented as required.</p>
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Disclosure	Our response
403-01	Occupational health and safety management system <p>Our health and safety policy encapsulates our responsibility to protect the workplace health, safety and wellbeing of our people. We comply with all health and safety laws and regulations prescribed by the Indian Government. Our occupational health and safety programmes are managed at the local level and the Head of Health and Safety ensures implementation of various Safety initiatives and programmes along with robust governance and review system aimed towards continual improvement in Overall Safety management system.</p> <p>At the Global level, Diageo has put in place robust Occupational Health and Safety (OHS) management system that covers all employees and workers and is built on a systems-based approach that seeks to integrate OHS management into overall business processes. It promotes leadership through meaningful consultation and participation of employees at all levels in the organisation. This system comprises of 39 standards including 11 critical, non-negotiable 'Life Saving Rules'.</p> <p>We ensure compliance with risk standards and focus on 11 SFIP (Serious and Fatality Improvement programme) across all locations. Our approach to health and safety revolves around the following areas:</p> <ul style="list-style-type: none"> ● Robust implementation of safety standards with a focus on being proactive. ● Strong governance and audit system. ● Learning, sharing, and engagement among all. ● Behaviour-based safety and clear, visible, and felt leadership at all levels.



Topic-Specific Standards

GRI 400: SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response
403-01	 Occupational health and safety management system	<p>Visible Felt Leadership/Tone from the Top:</p> <p>As a practice of visible felt leadership, manufacturing leadership does focus safety walkabouts whenever they visit units/workplaces. Based on the feedback received, units work on improving identified points, and closures are tracked and monitored.</p> <p>Behaviour-Based Observations:</p> <p>We have a well-established Behavioural Based Safety (BBS) programme at Diageo India. As part of this programme, all line managers undergo orientation on BBS tools and techniques. Trained employees conduct focussed safety observations by conducting rounds at the shop floor/workplace and report their findings in a dedicated portal. The intention is to identify safe and at-risk behaviours at the shop floor/workplace and engage with the workforce on the same.</p> <p>Other key safety standards/policies include project and contractor safety, business travel safety (including driving safety), external business events, and progressive discipline to reinforce compliance with safety, which is the highest priority for us.</p> <p>In FY 2022-23, Diageo India's 5 Unit has been awarded on various EHS and Sustainability Awards by various prestigious Organisations/Foundations. Which is testimony to our Matured EHS management system and leadership in Workplace safety.</p> <p>OHSSAI Awards – Gold 4 Star Award</p> <ul style="list-style-type: none"> ● Nimapara ● Nashik Unit <p>CII South EHS and Sustainability Award</p> <ul style="list-style-type: none"> ● Nacharam Unit <p>British Safety Council International Safety Award</p> <ul style="list-style-type: none"> ● Alwar Unit ● Baramati Unit
403-02	 Hazard identification, risk assessment and incident investigation	<p>Our health and safety standard captures hazard identification, risk assessment and incident investigations as a process. It describes the hazards as an event or series of events, resulting in one or more undesirable consequences such as harm to people, damage to the environment, or asset/business losses, non compliance with local Indian government's risk management standards. We have a well-established practice of reporting work-related hazards through the Safety Information Report Card (SIRC). This reporting system allows workers and all employees to report hazards and submit concerns for correction. As part of proactive safety reporting, we track clear metrics related to work-related hazards, unsafe conditions, near misses, and at-risk behaviours. Lagging indicators include reporting on first aid cases, medical treatment cases (MTC), lost-time accidents (LTA), and total recordable accidents (TRA).</p> <p>All injuries are thoroughly investigated, and root cause analysis is conducted to identify improvement opportunities and enhance our safety systems. Another good practice we follow is the sharing of safety alerts for all LTAs and serious near misses. These safety alerts include incident learnings and actions to be taken by all locations. It is mandatory to share these safety alerts across the organisation to improve safety awareness and sensitivity.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued



Disclosure		Our response
403-02	Hazard identification, risk assessment and incident investigation	<p>We continually monitor health and safety parameters using standardised procedures for analysis. This approach allows us to promptly identify and rectify unsafe conditions or behaviours. Additionally, we recognise and reward positive behaviours exhibited by employees. We strongly encourage all employees to promptly report work-related hazards and take necessary measures to eliminate them from their workstations, thereby reducing the risk of injuries or illnesses.</p> <p>Regular training is provided to employees to effectively identify, report, and investigate work-related incidents. Risk assessments are conducted following the implementation of corrective actions. To foster a safety-conscious environment, we have robust rewards and recognition programmes in place, motivating every employee to prioritise not only their own safety but also the safety of their co-workers within their respective work areas.</p> <p>One of our focus areas is driving safety, and we have launched a long-term programme called “i-Drive Safe.” This programme focusses on fostering engagement and organising activities and events related to defensive driving behaviour among all employees at Diageo.</p>
403-03	Occupational health services	<p>Occupational Health services concentrate on preventing work-related illness, improving health and wellbeing and supporting people resume work after absence for illness. It aims to protect the health of workers in relation to their work environment. We perform periodic medical check-up of our employees and maintain their records as per confidentiality requirements. We have implemented strong internal data protection and privacy policies in line with the Global and National regulations to ensure that workers’ participation in occupational health services is not used in any favourable or unfavourable treatment of workers. Each of our units has an OHC centre, including doctors who, in addition to handling medical emergency services, also provide consultative support to the workers and raise awareness on various health aspects on an ongoing basis.</p>
403-04	Worker participation, consultation and communication on occupational health and safety	<p>We have robust process of Communication and governance on Safety across Organisation. In Units, as part of daily work management T-1 review happens at shopfloor every day where all work person/shopfloor team does a focus review under SQCDMS (Safety Quality Delivery Cost Environment and Morale) where Safety is first discussion point and any concern on Safety is brought to everyone’s notice and gets corrected. Another well-established practice is through documented reporting of Work-related hazard in the form of SIRC (Safety Information Report Card) which can be used by all including Workers to report the hazard and submit the concerns for corrections.</p> <p>As a part of Department Head review (T2 Reviews) Safety is discussed and finally during Unit management review (T3 Reviews), status on Safety and any concern State (SIRC and closure) is monitored.</p> <p>In addition, each unit has a Central safety committee which has equal representation from Workers and management and is chaired by Unit Head. In addition to various Safety and Health KPI reviews, any pending/unattended concern on workplace hazard can be escalated in this Committee meeting. Actions are mintuted and tracked till closure.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response
403-04	 Worker participation, consultation and communication on occupational health and safety	<p>Another form of focus engagement which involves interactions on one-to-one basis with workers on shopfloor is through process of BBS-Behaviour Based Safety Observation round, where Managers do a focus safety round on the shopfloor and do review safety and do one-to-one interaction with Workers and understand their concerns and provide them positive feedback and seek their commitment to work in safety manner.</p> <p>Safety Communication and Engagement: On a regular basis, each USL site conducts Town Hall where safety performance for the month is communicated to employees. In addition, each site also conducts various training programmes, some of which are for targeted sets of employees and others are for all employees.</p> <p>The training programmes that are conducted for targeted sets of employees include:</p> <ul style="list-style-type: none"> ● Work at height ● Confined space entry ● First aid ● Risk assessment and permit to work ● LOTO ● Permit to work ● Job safety training ● Safety induction training to all visitors, new employees & contractors <p>The training programmes expected to all employees through various means - classroom/on shopfloor/on-line:</p> <ul style="list-style-type: none"> ● EHS awareness ● Defensive driving training ● Mock evacuation drills
403-05	 Worker training on occupational health and safety	Please see GRI 403-04 for details.

Topic-Specific Standards

GRI 400: SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response
403-06	Promotion of worker health	<p>Diageo promotes worker health and encourages workers to access local services and systems as and when required through several channels:</p> <ul style="list-style-type: none"> • The Diageo Benefits Team facilitates non-occupational medical and healthcare services. We provide optional medical insurance, which is communicated to employees through internal communication channels. • We offer an Employee Assistance Programme (Workplace Options) as well as access to voluntary health promotion training courses on My Learning Hub, such as our DRINKiQ e-learning programme on positive drinking behaviours. • Our Employee Engagement Team run Health and Wellbeing Awareness capability weeks covering subjects including mental health, mindfulness techniques and nutrition.
403-07	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>Occupational health and safety standard covers preventing and mitigating negative occupational health and safety impacts that are directly linked to its operations, products, or services by its business relationships. We have developed a strong reporting mechanism with a stringent control over them. We also run an awareness training programme to educate employees on work-related safety impacts, prevention, and mitigation of those risks.</p> <p>We audit our value chain partners in accordance with the SEDEX Protocol under the SMETA (Sedex Members Ethical Trade Audit) four-pillar audit system. This audit process includes a focus on environmental, health, and safety (EHS) checkpoints for our suppliers and third-party manufacturers.</p> <p>Furthermore, we continuously review our processes to identify opportunities for improving safety across the value chain, particularly with key partners such as third-party manufacturers, transporters involved in logistics, and contractor agencies working on various projects within our premises. As an ongoing effort, we provide training, engage with them, and enhance the capability of drivers and project workforce through focussed training programmes. They actively participate in our safety campaigns such as Road Safety, I-Drive Safe Campaign, and National Safety Month, where they are involved, engaged, and sensitised to safety practices.</p> <p>For third-party manufacturing units (TMUs), we conduct self-audits on specific EHS criteria (L1 EHS Standards) and also perform focussed audits through third-party providers to ensure compliance with EHS regulations. We support, guide, and influence the units in closing identified gaps and involve them in Diageo's safety campaigns, such as Road Safety Month, National Safety Month, and various other health and safety initiatives.</p> <p>Additionally, we share safety alerts of incidents from Diageo's global fraternity as part of knowledge sharing and learning, facilitating the implementation of corrective actions horizontally</p>
403-08	Workers covered by an occupational health and safety management system	<p>Our Occupational health and safety management system covers 100% of our employees and workers as per the Indian legal requirements. We have a systems-based approach that seeks to integrate occupational health and safety management into overall business processes. It promotes leadership through meaningful consultation and participation of employees at all levels in the organisation. Through internal audit team, the compliance to our global and local risk management standards is ensured.</p>
403-09	Work-related injuries	<p>Any work-related incident, involving injury or illness, where a healthcare professional or we as a business recommend one or more days away from work, is reportable to us: for example, any unplanned, identifiable event that results in personal injury or harm.</p> <p>Severe injury and fatality prevention</p> <p>All sites are required to conform to our Global Severe and Fatal Incident Prevention Programme. This programme aims to eliminate the risks that lead to severe or fatal incidents and ensures suitable and sustainable controls are in place. Site safety teams make sure that employees and workers are trained on these requirements and conduct frequent, robust self-assessment audits to measure ongoing compliance to this mandatory programme.</p> <p>During the year, we have recorded 0 fatalities which reflects our unwavering commitment to prioritising the health and well-being of our employees and creating a safe working environment.</p>

Topic-Specific Standards

GRI 400: SOCIAL continued



OCCUPATIONAL HEALTH AND SAFETY continued


Disclosure		Our response
403-09	Work-related injuries	Accident rates We have adapted a new, broader Total Recordable Accident Frequency Rate (TRAFR) metric since 2019, with the aim of achieving a leading TRAFR performance. This year, we have successfully delivered TRAFR rate of 0.41 against our global target of 1.00. Introduction of our total recordable accident metric means more accidents are investigated with the same rigour as LTAs, helping us to prevent more serious injuries in the future. On Lost-Time Accident (LTA) frequency rate, we are striving for Zero LTA annually and for all our locations and sites. We have reported LTA frequency rate as 0.18 against our overall global target of <1.
403-10	Work-related ill health	We define work-related illness as any incident involving illness, which requires our health and safety office or healthcare professional to advise one or more days away from work for the ill person. Note: We define work-related injury (LTA) as any injury, which requires our healthcare professional to advise one or more days away from work for the injured person.

Topic-Specific Standards

GRI 400: SOCIAL continued

TRAINING AND EDUCATION

103-02	Our management approach to training and education	103-03	Evaluation of the management approach
	<p>To drive our business forward and foster a culture centred around our core values of being the best and having the freedom to succeed, we continue to invest in our employees' development through a range of career development and learning opportunities. Our primary focus in talent development has been on 'Building the Right Future Capabilities' to ensure our employees can thrive and succeed.</p> <p>Our commitment to career development is reflected in our robust career development framework. We provide employees with a clear path for growth and advancement through regular performance reviews, career conversations, and personalised development plans tailored to their career aspirations. This approach has enabled many employees to progress through various roles and responsibilities within the company. In FY 2022-23, 53% of open job roles were filled through internal employee movements.</p> <p>We prioritise providing accessible learning opportunities that enhance performance and personal growth. To achieve this, we have three strategic pillars:</p> <ol style="list-style-type: none"> 1. Foster a culture of continuous learning: Employees take ownership of their learning needs while line managers support development conversations. We provide customised, micro-learning opportunities that employees can access anytime. 2. Collaborate to improve capability and performance: We identify strategic capability requirements at both the organisational and individual levels. 3. Provide rewarding learning experiences: We create engaging and immersive multi-channel learning experiences. <p>Our goal is to empower employees with relevant, impactful, and enjoyable learning and development opportunities.</p>		<p>We gather participant feedback to gain valuable insights into their perception of the training. Some of our programmes also include pre- and post-session diagnostics to gauge the knowledge, skills, and competencies of individuals before and after the training. Direct observations of employees' performance in real work settings provide valuable information on the application of knowledge and skills gained from the training. Managers assess the practical effectiveness of the training through regular evaluations.</p> <p>Apart from the above, we also gather feedback from employees through our annual survey "Your Voice" to understand the usefulness, effectiveness, and availability of learning opportunities. Managers, through regular career and development conversations, encourage and support employees by coaching and providing feedback to ensure continued development.</p>



Disclosure	Our response
404-01 	<p>Average hours of training per year per employee</p> <p>We ensure that our employees are enabled to acquire skills and knowledge necessary for their professional progress and development. We promote lifelong learning which is designed to meet employee's specific learning requirements.</p> <p>In the reporting period, permanent executives and permanent workmen received 6,051 and 6,317 hours of training respectively.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

TRAINING AND EDUCATION

Disclosure		Our response
404-02	 Programmes for upgrading employee skills and transition assistance programmes	At Diageo India, our people leaders have a crucial responsibility for ongoing employee development and retention of top talent. Therefore, a key focus of our learning strategy is to invest in leadership development. One of our flagship instructor-led programmes, Impact Coaching, equips managers with skills to drive meaningful and frequent conversations centred around employee well-being, development, and growth. Our digital learning platform provides all employees with access to a wide range of self-paced learning courses focussed on technical, functional, and soft skills. This enables employees to enhance their existing skill set and develop new ones. Through our learning management system, employees can create personalised learning pathways aligned with their career development plans. We also organise initiatives like Career Month, where we cover various learning topics to share knowledge, information, and resources related to building future careers. With a focus on building capabilities for the future, we prioritise digital transformation. This involves developing key capabilities in areas such as sales and operations planning, consumer content, and community initiatives. Our Marketing Academy emphasises the development of consumer insights, digital skills (in collaboration with "Circus Street"), creative agility, and omnichannel experiences across different roles and functions. To strengthen our expertise in Malt Distillation and Maturation (D&M), we launched the Diageo India Distillation and Maturation University. Additionally, we have created a future-focussed talent pool for the luxury commercial vertical, aligning with our priority of focussing on luxury/premium products. In addition to function-specific learning to continuously upskill employees, we offer a series of micro-learning sessions called 'Munch & Learn.' These sessions aim to enhance business understanding for all our employees. For employment termination resulting from organisational restructuring, we provide counselling and career placement services.
404-03	 Percentage of employees receiving regular performance and career development reviews	Our emphasis on employees' professional development is further reflected in the importance we give to assessing their progress and to providing them feedback and opportunities that helps them realise their career aspirations. We conduct performance and career development reviews on a quarterly basis. As of FY 23, 100% Employees are covered under quarterly performance conversations. Note: Employees who are permanent workers are covered through collective bargaining agreements.



Topic-Specific Standards

GRI 400: SOCIAL continued

DIVERSITY AND EQUAL OPPORTUNITY

103-02

Our management approach to diversity and equal opportunity

At Diageo India, we believe that everybody should be able to thrive in an environment that values their contribution and celebrates what makes them unique. We are committed to embracing diversity in the broadest possible sense and this includes gender, ethnicity, age, sexual orientation, and disability. We are committed to creating the most inclusive and diverse culture, not just because it's the right thing to do, but because we believe this commitment also allows us to recruit and retain the best employees, achieve better performance, and have a greater impact on society.

We believe that fostering an environment that enables individuals to share their perspectives and ideas freely is key to our continued growth and progress. With focus efforts towards building and enhancing psychological safety, inclusive leadership at all levels is pertinent to us.

We strongly believe that diverse teams produce exceptional results, which is why we are working towards ensuring 50% women's representation in our leadership team.

We have extended our I&D agenda to people with disabilities and the LGBTQIA+ community. We have over 60 people with disabilities working across our manufacturing sites.

Our Employee Resource Groups for women and the LGBTQIA+ community have also been established to drive initiatives that focus on building awareness, advocacy, and create a strong support network for its members.

As an equal opportunities employer, we also took some significant steps towards strengthening our commitment to inclusion, diversity, and employee wellbeing by dialing up support provided for bereavement and pregnancy loss as well as championing support for our people within the LGBTQIA+ and People with Disabilities Communities (PWD).

To learn more about these policies and guidelines, please refer to the "Building a Future-ready organisation" section on pages 11-12 of the [Annual Report](#).

To build a better business and world, we actively promote inclusion and diversity across our business, with our partners and within our local communities. Our "Learning for Life" programme is designed to improve employment and livelihood opportunities for persons from under-represented communities. We also ensure that over 50% beneficiaries of this project are women. The Company trained over 8,000 people through Diageo Bar Academy, a comprehensive learning platform for bar owners and bartenders. Our teams continue to work closely with our suppliers and agencies to advance positive, sustainable economic impact in the diverse communities from where we source. Our subsidiary, Royal Challengers Sports Private Limited has won the bid to own and run the Women's Premier League team for Bangalore. This win provides us with the opportunity to promote our narrative of inclusion and diversity and is aligned with our purpose of celebration.

103-03

Evaluation of the management approach

We have a number of inclusion and diversity goals, which we track each month, and which are reviewed by our Executive Committee each quarter.

We have backed up our ambition by directly linking the achievement of our ESG goals to Long-Term Incentive Plan paid to top executives. We also keep track of our employees' experience of diversity through our annual Your Voice survey.

Functional Heads invest time in connecting with employees across groups to learn about on-the-ground experiences related to inclusion through initiatives such as Hangout Cafes and Inclusion Connects.

Through participation in external benchmarking efforts, we are able to increase our focus in the right areas and direction. In November 2022, we were awarded the Silver Employer award by Pride Circle India for LGBTQIA+ Workplace Equality.

We also continuously measure and increase the percentage of diverse suppliers across our value chain each year.

For more information about our Society 2030: Spirit of Progress inclusion and diversity goals, and our performance against them this year, see the 'Championing inclusion and diversity' in our [Annual Report](#) page 15.



Topic-Specific Standards

GRI 400: SOCIAL continued

DIVERSITY AND EQUAL OPPORTUNITY continued

Disclosure

405-01

Diversity of governance bodies and employees

Our response

We are committed to diversity and are working towards building an inclusive organisation to reflect breadth of diversity, from the Board downwards. As part of our Society 2030 targets, we are working to increase representation of women to 33% within the organisation and 50% in USL’s Leadership Team.

The diversity data of our governance body can be found below:

Composition of governance bodies in FY 23 (by age)							
<30		30-40		40-50		>50	
M	F	M	F	M	F	M	F
-	-	-	-	1	1	6	2
-	-	-	-	10%	10%	60%	20%

405-02

Ratio of basic salary and remuneration of women to men



Ratio of basic salary and remuneration of women to men by employee category is presented below:


Employee Category	Average Basic Salary of Men (INR)	Average Basic Salary of Women (INR)	Average Remuneration of Men (INR)	Average Remuneration of Women (INR)	Ratio of Basic Salary of Women to Men	Ratio of Basic Remuneration of Women to Men
Overall	22,44,768	22,45,673	29,85,031	30,01,574	1	1
Top Management	1,89,42,107	1,76,77,793	3,25,51,880	3,10,05,780	0.9	1
Middle Management	60,27,339	53,82,223	78,16,813	71,22,945	0.9	0.9
Professional	14,55,573	14,75,975	18,82,563	18,63,122	1	1

Topic-Specific Standards

GRI 400: SOCIAL continued

NON-DISCRIMINATION

103-02	Our management approach to non-discrimination	103-03	Evaluation of the management approach
	<p>All our employees have the right to expect that their human identity and dignity will be fully respected in the workplace, and we reject any form of discrimination.</p> <p>As an equal opportunities employer, we have launched guidelines that provide a framework for ensuring fair treatment and support for all employees in relation to diverse sexuality, gender identities, gender expressions, and disabilities</p> <p>For more details on our approach to non-discrimination, please see our Human Rights Global Policy.</p> <p>We hold our suppliers accountable to the values set out in our Human Rights Global Policy, as described in our Partnering with Suppliers Standard. This is a contractual requirement.</p> <p>During 2020, we rolled out local Dignity at Work policies. Our Dignity at Work policy sets out the responsibility of each of us to demonstrate the highest standards of personal integrity in our behaviour, in line with our values. Our Dignity at Work e-learning module is available in 20 languages and has been adapted in line with local legislation and cultures.</p>		<p>Employees and everyone we work with are entitled to human rights without discrimination.</p> <p>We evaluate this through internal review and in response to feedback received through formal, external processes.</p> <p>Our evaluation includes input from SpeakUp data and from other engagement mechanisms.</p> <p>Any confirmed breach of our Dignity at Work policy is taken seriously and followed up with appropriate disciplinary measures. These are determined by disciplinary committees and overseen centrally by a member of the global Business Integrity or Employee Relations teams to ensure consistency of approach and outcomes.</p>

Disclosure	Our response
<p>406-01</p> <p> Incidents of discrimination and corrective actions taken</p>	<p>Diageo's Global Human Rights Policy lays out the organisation's approach to non-discrimination. USL India aligns with this policy and abides by the belief in allowing each employee to be respected for their identity and for their dignity to be upheld in the workplace. We place high importance on ensuring the absence of discrimination on grounds of gender, religion, physical appearance and abilities as well as other demographic and social considerations.</p> <p>During the last 4 years, we received 31 complaints of which 08 were substantiated. Our internal team reviewed the incidents and implemented remediation plans. All remedial actions are implemented and closed as of FY 23.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
103-02	Our management approach to freedom of association and collective bargaining We have a strong commitment to industrial dialogue, supporting the right of employees to join or not to join a trade union, as outlined in our Human Rights Global Policy . We also expect this of our suppliers, as outlined in our Partnering with Suppliers Standard . This is a contractual requirement. We aim to maintain regular, open dialogues with unions over issues of common interest. We also believe in the same principles for our suppliers. For more details, see the Human Rights section of our Partnering with Suppliers Standard .	103-03	Evaluation of the management approach We use internal reviews and our supplier assessment process to evaluate our approach. For more details, see our Human Rights Global Policy .
Disclosure	Our response		
407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Operations As per our assessment, there is no risk of violating, people’s rights to exercise freedom of association and collective bargaining in our operations. Suppliers During the year, we reviewed all our suppliers and found risk in third party manufacturing unit and suppliers’ operations.	

Topic-Specific Standards

GRI 400: SOCIAL continued

CHILD LABOUR

103-02	Our management approach to child labour We act in line with the United Nations Guiding Principles on Business and Human Rights. Details of our approach are set out in our Human Rights Global Policy , which is also informed by the Children’s Rights and Business Principles. We do not permit exploitation of children by our employees, or by our suppliers or business partners. To address this, we have a child protection toolkit to educate our people on the risks to children’s safety while working on smallholdings farms, including what activities are unacceptable and pose a risk to their development. The toolkit arms them with the knowledge to identify and prevent any form of child labour. We build similar awareness with farming communities through our training programmes and monitor standards during visits to farmers. We will carry out more investigations to evaluate ongoing risk, the level of awareness among our teams and the farming communities, and the effectiveness of our child protection activity.	103-03	Evaluation of the management approach Our due diligence approach focusses on child labour, which is one of the areas that our Human Rights Impact Assessments (HRIA) investigate. We have reviewed higher-risk areas of our supply network and are not aware of any operations that have significant risks concerning issues related to child labour. We will investigate allegations as and when they come up, and take remedial action, involving relevant local agencies as appropriate. We have developed a child protection toolkit as described in GRI 103-02. This toolkit increases awareness of the risks faced by children on family farms and supports greater protection. We will continue to assess the risk through our own farm visits and additional reviews. Our risk management committees and our global human rights steering group are accountable for reviewing this activity as part of our enterprise risk management process. Find more details of our human rights governance process on our global website .
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Disclosure	Our response
408-01	Operations and suppliers at significant risk for incidents of child labour We strongly enforce prohibition of child labor and adhere to Prohibition & Regulation Act 1986 in our own operations and that of our suppliers and business partners. Our requirement that no child labour be employed in any part of our partners’ businesses/operations is clearly stated in our engagement contract. During the year, we asked selected suppliers to undergo the Sedex Members Ethical Trade Audit (SMETA) and SEDEX audit, and we found no reported incidents or non-compliance regarding the use of child labour. However, one non-compliance issue was reported regarding the non-availability of a child labour policy. We are committed to working closely with our suppliers to ensure that necessary measures are taken to resolve this non-compliance.

Topic-Specific Standards

GRI 400: SOCIAL continued


FORCED OR COMPULSORY LABOUR			
103-02	<p>Our management approach to forced or compulsory labour</p> <p>Details of our approach to forced or compulsory labour are set out in our Human Rights Global Policy.</p> <p>Through our Human Rights Impact Assessments (HRIAs), we have reviewed higher-risk areas of our value chain network and are not aware of any operations that have significant risks concerning issues related to forced or compulsory labour.</p> <p>If any allegations are reported, we will investigate and take remedial action, involving relevant local agencies as appropriate.</p> <p>More details are included in our submission in the United Kingdom under the Modern Slavery Act.</p>	103-03	<p>Evaluation of the management approach</p> <p>Having completed comprehensive HRIAs to identify the most salient human rights risks for our business and supply chain, we have started to embed the findings and recommendations into our routine enterprise risk management processes.</p> <p>This will make sure that our interventions are sustainable and let us track emerging risks on an ongoing basis. We also use the lessons we've learnt to inform our continuous improvement.</p> <p>Our human rights steering group is accountable for setting our human rights governance framework and monitoring its effectiveness. Find more details of our human rights governance process on our global website.</p>
Disclosure	Our response		
409-01	<p>Operations and suppliers at significant risk for incidents of forced or compulsory labour</p>	<p>We cover the risk of forced labour as part of our engagement contract. During the year, Sedex Members Ethical Trade Audit (SMETA) audits have revealed that there are total of 02 issues related to “forced overtime” in our supply chain.</p> <p>We have resolved the identified non-compliance issue.</p>	

Topic-Specific Standards


GRI 400: SOCIAL continued

SECURITY PRACTICES

103-02	Our management approach to security practices	103-03	Evaluation of the management approach
	<p>Our Corporate Security Policy outlines our four pillars of security: people security, physical security (including all our products and assets), investigations, and business continuity and crisis management. This policy is underpinned by a number of standards and guidelines detailing the minimum that every site must adhere to.</p> <p>We operate security programmes at all sites, with nominated and trained individuals responsible for the programme. The level of security in each site is determined by its size, risk levels and other local requirements.</p> <p>All sites are supported by a central team of security experts, who have regional and functional responsibility for ensuring security delivery across all our markets and the four pillars. This team runs global training such as our online personal safety training oversees global security communications and awareness and helps to ensure that we satisfy external regulations requirements.</p> <p>We take a risk-based approach to security, with a global programme to identify and assess risks and produce mitigation plans. We review security risks routinely and communicate with our people around the world to raise awareness.</p>		<p>Market adherence to Corporate Security policies and standards is continually monitored through Corporate Security reviews and audits, as well as other internal mechanisms such as audit by CARE (Controls, Assurance & Risk Excellence) team. Any adverse findings are recorded and their remediation tracked.</p> <p>Global Corporate Security policies and standards are also subject to regular review – and all updates or adjustments are communicated clearly to markets and sites.</p>

Disclosure	Our response
410-01  Security personnel trained in human rights policies or procedures	<p>At Diageo, we employ security agencies who adopt best in industry practises for their internal operations and for services they provide to their customers. All critical Diageo policies which includes Human Rights policy is included as a part of their contractual agreement obligation and they abide to the same.</p> <p>We have 04 agencies who are providing security manpower services across our demand and supply footprint. Currently, we have deployed 418 security personnel through them.</p>

RIGHTS OF INDIGENOUS PEOPLE

Disclosure	Our response
411-01  Incidents of violations involving rights of indigenous peoples	<p>We do not operate in areas inhabited by indigenous people and do not consider this issue material to our business. However, land rights are considered in our assessment on impact of our business on human rights.</p>

Topic-Specific Standards

GRI 400: SOCIAL continued

HUMAN RIGHTS ASSESSMENT



103-02	<p>Our management approach to human rights assessment</p> <p>For our overall approach to human rights, see our Human Rights Global Policy, which includes the requirement that all our suppliers assess human rights within their organisations.</p> <p>We have completed a comprehensive Human Rights Impact Assessment (HRIA) programme, prioritised by risk and based on a global mapping process. This programme enabled us to reach out to our whole value chain, from our own operations to our suppliers, customers and other partners. Through it, we identified those people potentially affected by human rights issues, assessed the risks and developed mitigation action plans.</p> <p>HRIsAs were conducted by specialists in human rights alongside our teams who received training to support their role. We also make sure that members of teams with direct involvement in specific areas of human rights risks such as procurement, receive training to support their role.</p> <p>For details of how we assess human rights in our supply chain, see the Supplier Social Assessment Response on pages 67-68 of this ESG Reporting Index.</p>	103-03	<p>Evaluation of the management approach</p> <p>Having completed comprehensive HRIsAs in to identify the most salient human rights risks for our business and supply chain, we have started to embed the findings and recommendations into our routine enterprise risk management processes.</p> <p>This will make sure our interventions are sustainable and let us track emerging risks on an ongoing basis. We also use the lessons we have learnt to ensure our continuous improvement.</p> <p>Our human rights steering group is accountable for setting our human rights governance framework and monitoring its effectiveness.</p>
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Disclosure	Our response
<p>412-01</p> <p>Operations that have been subject to human rights reviews or impact assessments</p>	<p>All our business units and manufacturing facilities are subject to human rights assessment. During FY 23, we carried out sample-based audits in our own manufacturing facilities, third party manufacturing facilities, supplier, and salesforce operations.</p>

Topic-Specific Standards

GRI 400: SOCIAL continued

HUMAN RIGHTS ASSESSMENT continued

Disclosure		Our response												
412-02	 Employee training on human rights policies or procedures	<p>We provide extensive training on human rights to both our new and existing employees. This training helps them to raise concerns and ask questions which is an important part of their professional development as well as ensure that the organisation consistently demonstrates respect for the human rights of all our stakeholders.</p> <p>Information on our human rights training is shown in the table below:</p> <table> <tr> <th>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</th><th>Unit</th><th>Response</th></tr> <tr> <td>Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations</td><td>No.</td><td>877</td></tr> <tr> <td>Total number of employees</td><td>No.</td><td>771</td></tr> <tr> <td>Total percentage of employees trained on human rights policies or procedures concerning aspects of human rights that are relevant to operations</td><td>%</td><td>26</td></tr> </table>	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Unit	Response	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations	No.	877	Total number of employees	No.	771	Total percentage of employees trained on human rights policies or procedures concerning aspects of human rights that are relevant to operations	%	26
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Unit	Response												
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Total number of employees	No.	771												
Total percentage of employees trained on human rights policies or procedures concerning aspects of human rights that are relevant to operations	%	26												
412-03	 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>All of our suppliers are contractually required to comply with the standards outlined in our Code or Partnering with Suppliers Standard, which includes specific human rights requirements - either through specific contract clauses or, if not bound by a contract, by the requirement to meet our Partnering with Suppliers Standard, which is outlined in our standard purchase order terms and conditions.</p>												



Topic-Specific Standards

GRI 400: SOCIAL continued

LOCAL COMMUNITIES

103-02	<p>Our management approach to local communities</p> <p>We aim to strengthen our communities by providing engaging, safe and diverse places to work for employees, by building sustainable and inclusive supply chains, and by delivering programmes that empower communities and the individuals within them, enabling them to grow.</p> <p>As a part of this approach, we are committed to promoting human rights throughout our value chain. We also invest in promoting positive drinking, building thriving communities and reducing our environmental impact.</p> <p>Our Society 2030: Spirit of Progress targets address these areas, while contributing to the UN Sustainable Development Goals.</p> <p>For more information on our Society 2030: Spirit of Progress plan, targets and approach to local communities, see our website and 'Championing inclusion and diversity' section of our Annual Report on page 15.</p>	103-03	<p>Evaluation of the management approach</p> <p>Delivering our Society 2030: Spirit of Progress targets and approach towards local communities is managed by various functions within the business, including Supply, Human Resources, Procurement and Corporate Relations teams.</p> <p>See on page 6 of this ESG Reporting Index for more information about our Society 2030: Spirit of Progress quarterly reporting system and review process.</p> <p>Where appropriate, we also evaluate our community and inclusion and diversity programmes through more detailed research, as described in GRI 413-01.</p> <p>See our Reporting boundaries and methodologies on pages 84-85 of this ESG Reporting Index for more information on how we measure and report on our champion inclusion and diversity targets.</p>
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Disclosure	Our response
<p>413-01</p> <p>Operations with local community engagement, impact assessments and development programmes</p>	<p>We have various community programmes that create positive impacts on the communities. We do in-depth research on critical community programmes to fully understand their impact, such as assessing farming activities with smallholders. These evaluations help us enhance our strategy by enhancing seed quality and boosting our involvement with farmer organisations or intermediaries.</p> <p>Similar studies have been conducted to evaluate the impact of our Water Sanitation And Hygiene (WASH) programmes. Please refer to Annexure 6 of Annual Report.</p>
<p>413-02</p> <p>Operations with significant actual and potential negative impacts on local communities</p>	<p>We perceive alcohol misuse and irresponsible consumption might have potential negative impact on the communities. We have been working extensively to mitigate the same. Please refer to section Society 2030: Spirit of Progress, pages 13-16 of Annual Report.</p>

Topic-Specific Standards

GRI 400: SOCIAL continued

SUPPLIER SOCIAL ASSESSMENT

103-02

Our management approach to supplier social assessment

Our [Partnering with Suppliers Standard](#) sets out the minimum social, ethical and environmental standards we require suppliers to follow as part of their contract with us. We also expect our suppliers to promote the principles of our Partnering with Suppliers Standard throughout their own supply chain and have appropriate processes in place to verify compliance.

Our [Responsible Sourcing](#) programme also includes an initial screening process. Where suppliers are assessed for potential risk, they are required to register with Sedex and complete a Sedex self-assessment questionnaire. Independent audits of suppliers are conducted for those suppliers who represent a high risk. Audits follow the Sedex Members Ethical Trade Audit (SMETA) a Four Pillar Audit Protocol or equivalent.

Where non-compliances are identified, a corrective action plan report is raised and we work with that supplier towards a resolution.

Human rights in our supply chain

We have been signatories to the UNGPs since 2014 and continue to embed human rights throughout our value chain. We do this through our comprehensive Human Rights Impact Assessment (HRIA) programme, prioritised by risk and based on a global mapping process. This programme is our opportunity to reach beyond tier one suppliers to primary producers, such as farmers. For more information on our progress against delivery of HRIsAs, see GRI 103-02 on pages 64-65 of this ESG Reporting Index.

In line with the UNGPs, we have identified issues that are particularly salient to our business: labour rights including the risk of child labour, especially in agricultural supply networks, treatment of contract labour, and sexual harassment in the hospitality sector. These issues were identified as external risk factors in the places where we operate, rather than through reported incidents in our own value chain. For more information about how we manage these risks, see GRI 103-02 on pages 61-64 of this ESG Reporting Index.

Identifying vulnerable stakeholders

We identify potentially affected stakeholders of human rights in several ways, including through our HRIsAs, which covers markets in each region where we operate and have an impact. These assessments will look in detail at a market's salient risks and vulnerable stakeholders, both within our own operations and supply chain.

For example, identifying sexual harassment in the hospitality sector as a salient human rights issue led us to develop our Global Brand Promoter Standard, which establishes principles and guidelines to protect brand promoters' rights. We're also able to identify vulnerable stakeholders through our third-party data on risk, which is obtained through the Sedex Radar risk tool. It also contains commodity-level risk so we know that through sourcing certain products from certain regions we may be working with vulnerable stakeholders of forced labour or child labour.

103-03

Evaluation of the management approach

We assess select suppliers for their impacts on society and the results are reviewed by our Procurement teams which consider any issues of non-compliance with our policies. This also includes performance on the Sedex system, as described in GRI 103-02.



While specific issues of non-compliance are acted on as a part of the audit process, these reviews identify trends that allow us to revise standards and guidance. If specific suppliers consistently fail to respond to improvement plans, as identified as part of their performance evaluation, we reserve the right to stop working with them.



Topic-Specific Standards

GRI 400: SOCIAL continued

SUPPLIER SOCIAL ASSESSMENT continued

Disclosure		Our response
414-01	 New suppliers that were screened using social criteria	<p>All suppliers of procurement-managed spend go through the screening process. This includes areas such as labour standards, human rights including child labour and legal compliance on issues such as pay.</p> <p>Our Society 2030: Spirit of Progress and our Responsible Sourcing programme have been included into contractual agreements and our bidding processes for choosing new suppliers. As a result, our suppliers are incentivised to achieve progress in the environmental, social, and governance emphasis areas outlined in our Partnering with Suppliers Standard. This increases their chances of acquiring new business or retaining current clients.</p>
414-02	 Negative social impacts in the supply chain and actions taken	<p>All vendors identified as a possible risk must register with Sedex and fill out the Sedex self-assessment questionnaire. 155 suppliers have completed the Sedex self-assessment questionnaire.</p> <p>Suppliers who pose a high risk may also be independently audited in accordance with the Sedex Members Ethical Trade Audit (SMETA) a Four Pillar Audit Protocol or its equivalent.</p> <p>885 non-compliances were closed over the course of the year. 116 non-compliance cases are pending for which our suppliers have developed corrective action plans with definitive timelines for closure.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

PUBLIC POLICY			
103-02	Our management approach to public policy <p>As part of doing business, we engage with governments, public interest groups, industry associations and a broad range of similar bodies around the world.</p> <p>In doing so, our aim is always to comply with all laws governing political activity.</p> <p>Our Corporate Relations team manages our engagement with stakeholders on public policy matters, assessing risk and aiming to support the delivery of our strategy, including, for example, promoting positive drinking and relevant fiscal and regulatory policies. For more details on our approach to public policy, see our Code.</p> <p>The team assesses public policy risks and opportunities and develops our Corporate Relations strategy in line with our Performance Ambition at market and global levels. We regularly monitor and evaluate international trade, indirect tax and regulatory risks around the world, analysing their impact and developing mitigation and response strategies.</p>	103-03	Evaluation of the management approach <p>We track the effectiveness of our approach across our markets through internal reporting frameworks and ensure we adopt our strategy and allocate resources appropriately throughout the year.</p> <p>Our overall approach, along with the management of specific public policy issues, is reviewed by the Executive Committee, the Audit Committee and the management-level Audit and Risk Committee as part of our overall corporate risk management activity.</p> <p>Recent reviews have led to an increased focus on global trade tensions, indirect tax policy – for example, excise risks and government regulations in response to inflation and geopolitical issues.</p> <p>We continue to make good progress carrying out our public policy strategy in key markets and have strengthened our network of stakeholders. We are also improving our analysis of policy issues through economic modelling.</p> <p>Together, this work means that we’re in an increasingly strong position to navigate the global trading environment and engage stakeholders on tax reform, alcohol policies and regulations, including e-commerce.</p>

Disclosure	Our response	
415-01	Political contributions	During the year, we made no political donations in India.

Topic-Specific Standards

GRI 400: SOCIAL continued

CUSTOMER HEALTH AND SAFETY

103-02	<p>Our management approach to customer health and safety</p> <p>We aim to design and make products that are always safe for consumers to drink, and that meet their expectations in terms of taste, consistency and presentation. We have a programme of certification for our sites that include:</p> <ul style="list-style-type: none"> • Site internal assessment to Diageo standards. • Market independent assurance of adherence to standards. • ISO 9001 for our production facilities. • FSSC 22000 at our brewing and packaging locations. <p>At the date of this ESG Reporting Index, 83% of our business units were certified to FSSC 22000. The number of certifications is growing with eight sites in India recently accredited.</p> <p>We expect 100% of our business units to be certified ISO 9001 & FSSC 22000 in coming year.</p> <p>For more details, see our Global Quality Policy and the Diageo Marketing Code.</p>	103-03	<p>Evaluation of the management approach</p> <p>We review customer safety at a number of levels across the organisation depending on the severity of the issue.</p> <p>Our management-level Audit and Risk Committee reviews our key risks relating to customer health and safety, counterfeit and contamination – with a particular focus on food fraud.</p> <p>The Supply and Procurement Tier 6 meeting, chaired by the President, Global Supply and Procurement, monitors our top KPIs for quality such as total and critical pack defects, quality incidents and distribution defects.</p> <p>Market-level teams meet with the market head of governance on a monthly basis to review these KPIs, along with other global and local quality KPIs, and escalate any issues to the market head of supply chain. This is part of our broader environment, health, safety and quality agenda.</p>
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Disclosure	Our response
416-01	<p>Assessment of the health and safety impacts of product and service categories</p> <p>Our goods are usually low risk in the sense that they are unlikely to cause food poisoning and are stable at room temperature. All goods are subjected to liquid testing and defect inspection, which includes major flaws related to product safety and statutory requirements.</p> <p>We've kept reviewing and updating our global quality and risk management standards. As they are published, they are sent to all production locations.</p>
416-02	<p>Incidents of non-compliance concerning the health and safety impacts of products and services</p> <p>To the best of our knowledge, no occurrences of non-compliance with rules have resulted in a fine, penalty, or warning.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

MARKETING AND LABELLING

103-02	<p>Our management approach to marketing and labelling</p> <p>We take our duty very seriously to develop, produce, market and sell our brands responsibly, and all our marketing is governed by our Diageo Marketing Code, Digital Code, Responsible Research Global Standard and Data Protection Global Policy. Our Diageo Consumer Information Standard provides mandatory minimum standards for the information that must be included on labels and packaging on all Diageo-owned brands in all geographies (where legally permitted).</p> <p>Labels and packaging include alcohol content by volume (ABV), at least one and up to three responsible drinking symbols, a reference to our global responsible drinking website, DRINKiQ.com, ingredient list, and recycling and sustainability symbols.</p> <p>For more details about labelling and information, see the Diageo Marketing Code and Quality Global Policy.</p>	103-03	<p>Evaluation of the management approach</p> <p>We have a cross-functional review process in place for all marketing communications that ensure compliance with the Diageo Marketing Code. Our Marketing, Legal, Brand Technical and Regulatory functions review packaging and labelling of new products to ensure that they comply with the applicable laws.</p> <p>We review the Diageo Marketing Code every two years to ensure it remains best-in-class compared with rigorous standards in our industry and that it is consistent with evolving technologies. Any changes are signed off by the Chief Marketing Officer, General Counsel and Director of Corporate Relations.</p> <p>Our market-based teams, including general managers, review the efficacy of marketing communications.</p> <p>By continually assessing our communications, we gain feedback that helps improve our future campaigns.</p>
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Disclosure	Our response
417-01	<p>Requirements for product and service information and labelling</p> <p>All our label declarations comply with statutory regulation governed by various states and central bodies and also get amended as per changes in these requirements from time to time.</p>
417-02	<p>Incidents of non-compliance concerning product and service information and labelling</p> <p>To the best of our knowledge, we have had no significant incidents of non-compliance with regulations resulting in a fine, penalty or warning.</p>
417-03	<p>Incidents of non-compliance concerning marketing communications</p> <p>To the best of our knowledge, we have had no significant incidents of non-compliance with respect to marketing communication resulting in a fine, penalty.</p>



Topic-Specific Standards

GRI 400: SOCIAL continued

CUSTOMER PRIVACY

103-02	<p>Our management approach to customer privacy</p> <p>We hold personal data of our employees, customers, suppliers, consumers, and other individuals, including prospective and former employees. Our global data privacy programme, led by a Senior Data Privacy Director, has been designed to protect all personal information that we handle in our business activities.</p> <p>Our Code and global data privacy policy set out key principles and standards in how we handle data in line with our values, data protection laws / regulations, respect for privacy as a human right.</p> <p>We have mechanisms in place to ensure compliance with current data privacy rules and regulations. These include conducting due diligence on how we store and process personal data, implementing relevant privacy controls, establishing a consent mechanism, and conducting privacy assessments at regular intervals.</p> <p>Our Chief Information Security Officer (CISO) is responsible for safeguarding our information assets, including personal data, through simplified compliance management, embedding a security-aware culture and operating an intelligence-driven cyber resilience programme.</p> <p>The CISO co-chairs the Digital and Technology Risk Management Committee, which performs quarterly reviews of key security risks and determines the best actions to mitigate/prevent those risks. Cyber drills are conducted every year by our Executives and in manufacturing plants. Red team tests are conducted every year.</p>	103-03	<p>Evaluation of the management approach</p> <p>Our Global Counsel Asia, Brands, Innovation and Commerce oversees internal accountability and legal compliance across the business and report on key aspects to the Audit Committee.</p> <p>Our internal audit team regularly audits our global data privacy programme. Any findings are reviewed, with mitigation and improvement activities developed as appropriate, including escalation to our Audit and Risk Committee if required.</p> <p>Our employees, customers, consumers, and other value chain partners are empowered to raise any Data privacy concerns / complaints through our SpeakUp helpline, Line managers, market legal counsel, data privacy stewards, HR team, Relationship / Account managers or directly to the Senior Data Privacy Director.</p> <p>For more information, see our Code.</p>
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Disclosure	Our response
<p>418-01</p> <p>Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>	<p>When we get requests from individuals to exercise their rights, such as the right to view personal information or unsubscribe, or when we receive complaints of personal data incidents, we follow our internal protocols and have robust internal standard for rightful addressal of such complaints.</p> <p>There have been no known cases of regulatory action or enquiry against us this year regarding consumer / customer privacy.</p>

SOCIOECONOMIC COMPLIANCE

Disclosure	Our response
<p>419-01</p> <p>Non-compliance with laws and regulations in the social and economic area</p>	<p>We are compliant to Schedule VII, Section 135, Companies Act 2013 on regulations related to social projects under our CSR efforts that is reported in our Business Responsibility and Sustainability Report (BRSR) and CSR Report in Annual Report. During the period, there were no non-compliances reported.</p>



United Nations Global Compact (UNGC) Index

United Nations Global Compact (UNGC) Index

IMPLEMENTING THE 10 PRINCIPLES INTO STRATEGIES AND OPERATIONS

Criterion	Description	Cross reference/direct answer
1	Mainstreaming into corporate functions and business units	<p>Our Society 2030: Spirit of Progress plan supports the delivery of the 10 principles of the UN Global Compact (the 10 principles), and this year we continued to embed it into corporate functions and business units, including through our work towards our external targets for 2025 and 2030. An overview of our strategy can be found on page 6 of this document, Several sections of our Annual Report reflect the main streaming of the 10 principles.</p> <p>These include:</p> <ul style="list-style-type: none"> ● Our Chairman's statement, page 4. ● Our Managing Director & CEO's statement, pages 5-6. ● Our principal risks and risk management, and climate-related risks sections. <p>More reporting in this ESG Reporting Index relating to the 10 principles includes:</p> <p>Human rights and labour</p> <p>Our support and respect for the protection of internationally proclaimed human rights, and our processes for ensuring that we are not complicit in human rights abuses, are described in GRI 103-02 to 103-03 and GRI 412, pages 64-65. Our commitment to uphold the freedom of association and the effective recognition of the right to collective bargaining is described in GRI 103-02 to 103-03 and GRI 407, page 60. We describe our work to eliminate all forms of forced and compulsory labour in GRI 103-02 to 103-03 and GRI 409, page 62 in this document. Our work to support the effective abolition of child labour is described in GRI 103-02 to 103-03 and GRI 408, page 61. Our work to eliminate discrimination and create a fair, inclusive and diverse workplace is described in GRI 103-02 to 103-03 and GRI 405, pages 57-58.</p> <p>Environment</p> <p>Our approach to environmental challenges, including the initiatives we undertake to promote greater environmental responsibility and encourage the development and diffusion of environment-friendly technologies, is described in GRI 103-02 to 103-03 and GRI 301 to 308, pages 31-45.</p> <p>Anti-corruption</p> <p>Our internal Anti-Corruption Global Policy which is applicable to India, has core principles that are included in our Code of Business Conduct (Code). Our work to prevent all forms of corruption, including extortion and bribery, and how we conduct our business transparently, is described in GRI 103-02 to 103-03 and GRI 205, page 24.</p>
2	Value chain implementation	<p>Our Society 2030: Spirit of Progress plan supports the delivery of the 10 principles of the UN Global Compact. It covers our entire value chain, from grain-to-glass, as described in the Section 'Pioneering Grain-to-Glass Sustainability' of Annual Report pages 13-14. Further reporting in this ESG Reporting Index relating to value chain implementation of the 10 principles includes:</p> <p>Human rights and labour</p> <p>Details of how we implement our Partnering with Suppliers Standard, are described in GRI 103-02 to 103-03 and GRI 414, page 68. In our Partnering with Suppliers Standard, we set out the minimum social and ethical standards we require suppliers to follow as part of their contract with us. As part of this, we outline our expectation that all our suppliers act in accordance with the UN Guiding Principles on Business and Human Rights (UNGPR) and the international standards set by the eight core International Labour Organisation (ILO) conventions and recommendations.</p> <p>Environment</p> <p>We have described our approach to environmental standards in our supply chain and our work on climate change and water supply chain initiatives in GRI 103-02 to 103-03 and GRI 308, page 45.</p> <p>Anti-corruption</p> <p>Our measures to prevent all forms of corruption, are described throughout GRI 103-02 on page 24 in this document. We evaluate suppliers against the risk of bribery and corruption through our Know Your Business Partner (KYBP) assessment, which considers operating risks, market/sector risks and feedback from our internal reviews and assessments. This is described in GRI 103-02 to 103-03 and GRI 205, page 24.</p>

Topic-Specific Standards

IMPLEMENTING THE 10 PRINCIPLES INTO STRATEGIES AND OPERATIONS continued

Criterion	Description	Cross reference/direct answer
3	Robust commitments, strategies or policies in the area of human rights	<p>We are committed to act in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs) in 2014. Our Human Rights Global Policy outlines our commitment to respect and embed human rights as articulated in the Universal Declaration of Human Rights across all our operations and throughout our business and value chain. Through appropriate contractual arrangements and our Global Partnering with Suppliers standard, we make our suppliers aware of, and expect their compliance with, our human rights commitments. In our workplaces and the communities in which we operate, we believe a serious commitment towards respecting human rights is fundamental to our way of doing business.</p> <p>We recognise that we are responsible for the impact of our operations on our employees, on all workers in our supply chain, on consumers of our products and on the communities in which we operate. Therefore, we have policies and processes in place to identify, prevent and mitigate human rights risks, and to provide remedy for any adverse impact we have caused or contributed to through our operations. This includes a commitment to support the rights of indigenous peoples, migrant workers, and the communities where we work, including their land rights.</p> <p>We're also committed to supporting rights to water and sanitation, delivered through our Preserve Water for Life strategy, our community Water, Sanitation and Hygiene (WASH) programmes, and our Partnering with Suppliers Standard. Our Human Rights Global Policy is also informed by the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights to Work, the Children's Rights and Business Principles, and the UN Global LGBTI Standards of Conduct for Business. We act with integrity, in compliance with local law and we respect the unique customs and cultures in the communities in which we operate.</p>
4	Effective management systems to integrate human rights principles	<p>We have a clear Human Rights Global Policy which sets out our commitment towards human rights. We also have a number of other policies and standards that reinforce our human rights principles to our employees, suppliers and other stakeholders. We have well-developed management systems, including our global framework for compliance training which mandates that every employee must complete training on our Code and key policies (such as human rights) on joining Diageo.</p> <p>The Annual Certificate of Compliance (ACC) is designed to confirm that all mid-level and senior managers fulfil their duties with regards to compliance and have read and understood our Code and key global policies. In 2022-23 our Business Integrity team facilitated and ran an e-module "Integrity at Diageo: Our Code & Annual Certification of Compliance". All employees (including Leadership) were required to undertake this e-module mandatorily. The e-module certified that employees have read, understood, and complied with our Code. We have a training plan on our key policies which is delivered through respective policy owners. In 2019, we rolled out human rights training with a specific focus on modern slavery to our procurement teams and a selection of key roles within the business.</p> <p>We used a comprehensive Human Rights Impact Assessment (HRIA) approach, which is progressively assessing the human rights risks across our whole value chain. For more information, refer GRI 103-02 to 103-03 and GRI 405 to 414, page 68.</p>
5	Effective monitoring and evaluation mechanisms of human rights integration	<p>We have established a human rights governance structure to embed the due diligence and integration of human rights as business as usual across our operations. We aim to proactively manage and monitor any infringement of human rights on an ongoing basis and take appropriate remedial action as and when required. Our HRIA programme was carried out by external human rights specialists alongside our own teams. We consider all aspects of human rights through the assessment programme, both through focussed assessments and through our routine engagement across key areas of our value chain such as agriculture.</p> <p>We also engage with the different stakeholders in our value chain, identifying those potentially affected by human rights risks. In 2019, we further strengthened this assessment process through our HRIA toolkit, which was developed as a result of a significant internal review. It provides additional structure to our processes, and guidance material for the assessment process. For more information on our progress on delivering HRIAs this year; please see GRI 103-02 on pages 64-65.</p>

ROBUST LABOUR MANAGEMENT POLICIES AND PROCEDURES

6	Robust commitments, strategies or policies in the area of labour	<p>Our Code of Business Conduct, which was refreshed in financial year 2022-23, sets the standard for what is expected of everyone working at Diageo, as well as of third parties who are contractually required to adhere to its terms. Other policies, such as our Global Health, Safety and Wellbeing Policy and our Human Rights Global Policy flow from the principles. Our overall commitment to our people is outlined in the 'Building a Future-Ready Organisation' sections of the Annual Report, pages 11-12, which discuss how we manage issues such as diversity and engagement.</p>
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Topic-Specific Standards

ROBUST LABOUR MANAGEMENT POLICIES AND PROCEDURES continued

Criterion	Description	Cross reference/direct answer
7	Effective management systems to integrate the labour principles	Our risk and compliance programme, referenced above, also covers labour issues. For more information on how we manage issues such as diversity, health and safety, or engagement, see the 'Building a Future-Ready Organisation' sections of the Annual Report , pages 11-12 and respectively, and the additional details can also be found in GRI 103-02 to 103-03 and GRI 405 to 409, pages 57-62.
8	Effective monitoring and evaluation mechanisms of labour principles integration	Our risk and compliance programme, referenced above also applies to labour issues. Reports through our SpeakUp website and telephone line help us monitor these issues as outlined in the Directors' Report section of Annual Report , pages 32-40. We have set targets for aspects of labour implementation, notably safety, diversity and employee engagement. These are key performance indicators for our business as set out on page 11 of the Annual Report . Each is routinely monitored and reviewed with programmes in place to improve performance where necessary in order to deliver our 2030 targets. Additional details can also be found in GRI 103-02 to 103-03 and GRI 405 to 409, pages 57-62.

ROBUST ENVIRONMENTAL MANAGEMENT POLICIES AND PROCEDURES

9	Robust commitments, strategies or policies in the area of environmental stewardship	Our Environment Policy outlines our commitment towards reducing our impact on the environment. We have a series of environment targets that we aim to achieve by 2025 and 2030. For more information, see the following sections of the ESG Reporting Index: 'Pioneering Grain-to-Glass Sustainability' on page 85, 'Doing Business The Right Way from Grain-to-Glass' on pages 88-89 and 'Responding to Climate-Related Risk' on page 18. See also GRI 103-02 to 103-03 and GRI 301 to 308, pages 27-48 of this ESG Reporting Index.
10	Effective management systems to integrate the environmental principles	Our robust environmental management system helps us with our targets for water efficiency, water quality, water replenishment, carbon emissions, waste to landfill and sustainable packaging. For more information, see the following sections of the Annual Report : 'Society 2030: Spirit of Progress', pages 13-14 and GRI 103-02 to 103-03 and GRI 301 to 308, pages 27-48 of this ESG Reporting Index.
11	Effective monitoring and evaluation mechanisms for environmental stewardship	Our risk and compliance programme, referenced above, also applies to our Environment Policy. Beyond this we have a robust system to monitor environmental performance managed by our Executive Committee & CSR and ESG Committee which meets quarterly. For more information, see the following sections of the Annual Report : 'Society 2030: Spirit of Progress', pages 13-14, and GRI 103-02 to 103-03 and GRI 301 to 308, on pages 27-48 of this ESG Reporting Index.
12	Robust commitments, strategies or policies in the area of anti-corruption	Our Code of Business Conduct and Anti-Corruption Global Policy set the standard for what is expected of everyone working at Diageo and those who represent or act on behalf of Diageo. We have made a commitment that we will not condone the offer or acceptance of bribes in any form, anywhere we operate.
13	Effective management systems to integrate the anti-corruption principle	Our risk and compliance programme, referenced in the 'Our Risk Management' section (Annexure 5) of the Annual Report , pages 67-71, outlines how we deliver our anti-corruption commitment. We also have an internal Know Your Business Partner (KYBP) programme to assess third parties, such as suppliers and customers against the risk of bribery and corruption and to mitigate risks. For more information, see GRI 103-02 to 103-03 and GRI 205 to 206, pages 24-25.
14	Effective monitoring and evaluation mechanisms for the integration of anti-corruption	Our risk management section (Annexure 5) of the Annual Report , pages 67-71, sets out our monitoring and evaluation mechanisms. Our internal CARE (Controls, Assurance & Risk Excellence) team checks that these principles are consistently applied. For more information, see GRI 103-02 to 103-03 and GRI 205 to 206, pages 24-25.

Topic-Specific Standards

ROBUST ENVIRONMENTAL MANAGEMENT POLICIES AND PROCEDURES

Criterion	Description	Cross reference/direct answer
15	Core business contributions to UN goals and issues	<p>Diageo is committed to contributing to many goals of the United Nations (UN) as well as those of other affiliated, specialised agencies, such as the World Health Organisation (WHO) and the International Labour Organisation (ILO). Our Society 2030: Spirit of Progress Plan is aligned to the UN Sustainable Development Goals (SDGs), and delivery of our 2025 and 2030 targets contributes to the delivery of those goals. Areas of specific focus are water and sanitation, health and non-communicable disease, carbon, diversity and empowerment, livelihoods and decent work. These also contribute to poverty reduction.</p> <p>Further details are available on page 16 of the Annual Report. We focus particularly on promoting positive drinking through encouraging moderation and tackling harmful use of alcohol and the WHO target of reducing alcohol-related harm by 10% across the world by 2025. Every one of our responsible drinking programmes, partnerships and campaigns are in service of this.</p>
16	Strategic social investments and philanthropy	<p>Our community programmes focus on the most material areas for our business, with support for water and sanitation, diversity and inclusion, skills development for employment and sustainable agriculture. We also support critical issues and disaster relief as they arise, providing financial and material support for relief programmes, when necessary, through NGO partners. For more see on page 145 of the Annual Report, and GRI 103-02 to 103-03 and GRI 205 to 206.</p>
17	Advocacy and public policy engagement	<p>We engage on many issues important to our Society 2030: Spirit of Progress Plan. For example, globally we have signed up to the Business Ambition for 1.5°C, the UNGC/SBTi Uniting Business to Recover Better, Race to Resilience and Race to Zero and the UNGC Government Letter on SDGs in Recovery and have joined the Open for Business coalition, an alliance of leading companies that are committed to supporting LGBTQ+ inclusion worldwide.</p> <p>For more information, see our global website. We engage in advocacy at state and national levels with governments and civil society. For example, Diageo India is part of The Federation of Indian Chambers of Commerce & Industry (FICCI) water mission at National level and is leading the corporate water stewardship working group on water efficiency at site level, replenishment in the catchment & promotion of WASH. On Positive Drinking we work with State Governments in partnership with licencing authorities (RTO) to raise awareness on Anti Drink Drive through our programme Wrong Side of the Road.</p> <p>For more information, see GRI 103-02 to 103-03 and GRI 203-02, pages 21-22.</p>
18	Partnerships and collective action	<p>We believe partnership is the best way to make progress against our ESG strategy and goals. In the case of positive drinking, globally the most significant initiative we have been part of in recent years is the Global Beer, Wine and Spirits Producers' Commitments to Reduce Harmful Drinking - the largest ever industry-wide initiative to implement effective ways to address harmful drinking. The commitments ended in December 2017, but the signatory companies remain committed to the spirit of the five commitments and the 10 action areas. We will continue to work with our peers in this area. We are members of International Spirits & Wine association of India (ISWAI), where we work with peer companies to promote positive drinking through responsible consumption advocacy programmes.</p> <p>On Water Stewardship, we have initiated collective action in partnership with catchment stakeholders at one of our manufacturing sites to ensure sustainability of the water source. In this initiative, we work with local communities farmers, local NGOs, water resource departments State Pollution Control Board & other private companies in the catchment to collectively play our respective roles.</p>

CORPORATE SUSTAINABILITY GOVERNANCE AND LEADERSHIP

19	CEO commitment and leadership	In the Annual Report , pages 04-06, our Chairman and MD & CEO confirm their commitment to sustainability and responsibility.
20	Board adoption and oversight	The process by which the Board adopts and oversees aspects of our sustainability and responsibility strategy is described in GRI 2-22, 2-26, 2-29 and 2-31, 2-35.
21	Stakeholder engagement	<p>We engage stakeholders on two levels, local, state & national. At a local level, employees across the business engage their colleagues, local governments, customers, media, community groups and consumers on issues of immediate concern to them. At state level, we engage customers, suppliers, state government agencies, state level vernacular media & state level NGOs.</p> <p>At the national level, we engage investors, customers, suppliers and multinational organisations such as UN agencies and NGOs.</p> <p>Routine dialogue through the Corporate Relations function is critical to those engagement processes with regular assessment of stakeholder sentiment within the various sectors, the review of which strengthens our engagement process and public policy activity.</p>

Our Response to the Sustainability Accounting Standards Board (SASB)

Our Response to the Sustainability Accounting Standards Board (SASB)

The US-based SASB sets out sustainability reporting standards for different sectors. Our response to the standard for alcoholic beverage companies is summarised in the following table:

ENERGY MANAGEMENT

SASB metric	Our response
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable energy	Please refer to GRI 302 in this document.

WATER MANAGEMENT

SASB metric	Our response
(1) Total water withdrawn, (2) Total water consumed, percentage of, (3) each in regions with high or extremely high baseline water-stress	Please refer to GRI 303 in this document.
(4) Discussion of water management risks and description of management strategies and practices to mitigate those risks	Please refer to GRI 303 in this document. An overview can also be found on our website.

RESPONSIBLE DRINKING AND MARKETING

SASB metric	Our response
Percentage of advertising impressions made on individuals above the legal drinking age	All advertising impressions are targeted to those above the legal drinking age; see the Diageo Marketing Code for more details.
Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Please refer to GRI 417-03 in this document.
Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	Please refer to GRI 417-03.
Description of efforts to promote responsible consumption of alcohol	Please refer to page 16 of the Annual Report , and to Responsible Consumption (diageoindia.com) .

PACKAGING LIFECYCLE MANAGEMENT

SASB metric	Our response
(1) Total weight of packaging, (2) Percentage made from recycled or renewable materials, (3) Percentage that is recyclable or compostable	Please refer to GRI 301 of this report.
Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	Please refer to GRI 301 of this report.

Our response to the Sustainability Accounting Standards Board (SASB)

ENVIRONMENTAL AND SOCIAL IMPACT OF INGREDIENTS SUPPLY CHAIN

SASB metric	Our response
Suppliers' social and environmental responsibility audit: (1) Non-conformance rate, (2) Associated corrective action rate for: (a) major and (b) minor non-conformances	Please refer to GRI 414 of this report.

INGREDIENT SOURCING

SASB metric	Our response
Percentage of beverage ingredients sourced from regions with high or extremely high baseline water-stress	Globally, we have 44 manufacturing sites in water-stressed regions. 10 out of 44 are in India. For more information, please refer to our Global Annual Report. As part of Society 2030 ambition, we are working towards replenishing more water than we use in our operations in water-stressed regions by FY 2025-26. In the reporting period, we have executed water replenishment projects in these regions that can be referred in our Business Responsibility Sustainability Reporting for FY 2022-23.
List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	Please refer to GRI 301 of this report.

ACTIVITY METRIC

SASB metric	Our response
Volume of products sold	Please see Annual Report .
Number of production facilities	Please see GRI 2-7 in this document.
Total fleet road miles travelled	Omission: Data capturing in progress.

Reporting Boundaries and Methodologies

Reporting Boundaries and Methodologies

The reporting boundaries and methodologies described in this section pertain to the social and environmental performance disclosures contained in our [Annual Report](#) and this ESG Reporting Index.

Reporting Boundaries

We have reported ESG progress for all operations of United Spirits Limited in India including the company's headquarters in Bengaluru mentioned in the course of this report refer to financial years unless otherwise specified. The reporting scope depends on the nature of indicators and where applicable, we have explained the exceptions and limitations of indicators in this report.

Environmental data is reported for all sites under USL's operational control including offices with more than 50 employees. The reporting boundaries are based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) from the World Resources Institute and World Business Council for Sustainable Development (WRI/WBCSD Protocol).

EXCEPTIONS

Environmental and safety data from associates operations that are not under USL's control are excluded.

BASELINES

We have set FY 20 as our baseline year for our Society 2030: Spirit of Progress targets. The baseline data forms the basis for calculating our progress vis-à-vis targets we have set for ourselves. In the event baselines differ, these have been highlighted where relevant.

REPORTING SYSTEMS

We follow three main systems for collection, validation and analysis of reported data. These are:

- **Health and Safety and Human Resources data:** Health and Safety and Human Resources data are reported at site level using our global information management systems.
- **Environmental data:** Each year, USL collects data on key measures of environmental data which is collated and analysed using a web-based environmental management system. For the financial year ending March 31, 2023.

● Denominator for efficiency indicators:

To calculate efficiency ratios, we use litre of Absolute Alcohol produced and Litre of packaged product to compute Distillation water and packaging efficiency respectively.

- **Society 2030:** Spirit of Progress data is collated monthly, quarterly and annually as per the requirement in our market report template. The data is then aggregated at the site level along with other Society 2030 targets and is reviewed by general managers, leadership teams, in quarterly meetings with the Executive Committee, CSR & ESG Committee. Regular and rigorous assessments enable us to evaluate the risks and opportunities associated with the programmes and to ensure we have the right and sufficient resources to fulfil our commitments.

REPORTING AND ACCURACY OF DATA

The collection, review and validation of non-financial information included in this report is influenced by processes at the market, regional and global levels. These processes outline clear reporting lines and are well documented.

While we do our best to capture and measure data as accurately as possible, it is not practically feasible to do so with complete precision. Instances where we may have exercised judgement or estimated measures are highlighted within the reporting methodologies.

The restatement of environmental data are due to following reason:

- Divestment in our operation
- To maintain consistency with the BRSR report

Reporting Methodologies

Society 2030: Spirit of Progress is Diageo's ten-year action plan to help create a more inclusive and sustainable world. It builds on the company's founding legacy to create a positive impact in our company, with our communities and for society. It is how we will continue to celebrate life every day, everywhere.

The content of this report is based on the

targets and aspects of Society 2030 that are germane to our resolve to do business the right way, from grain-to-glass. The pages hereafter carry an explanation of how we calculate targets and other key information disclosed in this ESG Reporting Index and our [Annual Report](#). The information is organised under four key areas of Society 2030:

- Promote positive drinking.
- Champion inclusion and diversity.
- Pioneer grain-to-glass sustainability.
 - Preserve water for life
 - Accelerate to a low carbon world
 - Become sustainable by design
- Doing business the right way from grain-to-glass.

PROMOTE POSITIVE DRINKING

USL's 2030 targets for 2030 are as follows:

- Act Smart India initiative: Influence attitude change towards underage alcohol consumption among 0.8 million young people.
- Wrong Side of the Road: Educate 1 million consumers about the risks of drink driving.
- DRINKiQ: Reach 0.5 million individuals to promote moderation in drinking and raise awareness of the harmful effects of excessive alcohol use.
- Leverage our marketing and innovation to make moderation the norm - reaching 100 million people with dedicated responsible drinking messaging.

TARGET

Act Smart India initiative: Create an attitude change towards underage alcohol consumption among 0.8 million young people.

Performance measures (KPIs):

Number of persons educated on the dangers of underage drinking through a Diageo supported education programme.

Number of people in whom attitude change is measured through pre and post attitudinal surveys, after participation in a Diageo supported education programme.

Definitions:

Act Smart India is an education programme

Reporting Boundaries and Methodologies

under the umbrella of Diageo's global SMASHED initiative. It addresses underage drinking with positive thinking and is designed to impress on teenagers the dangers of underage drinking and to equip them to tackle adverse influences that trigger alcohol consumption. The programme leverages the power of storytelling to highlight the harmful effects of underage drinking and empowers young people to make responsible decisions with respect to alcohol consumption.

It is an online programme that can be delivered live, online or as a combination of both. USL implements it in collaboration with different government organisations, schools and civil society/non-governmental organisations (NGOs).

- **Live:** The live sessions are delivered in workshops conducted by school teachers who are trained to deliver the module. This method helps us achieve the widest reach and impact.
- **Online:** An innovative and engaging e-learning course, which tells the stories of underage people who consume alcohol through powerful video clips and includes interactive learning tools, student assessment and teacher support.
- **People educated:** Young people within the target age group (13-17), who have participated in the full learning experience whether live or online. Completions for online sessions are counted only upon course completion, and Live completion is counted when the number of students as stated by the teacher, have completed the full workshop which is then confirmed by the delivery partner.
- **Changed attitudes:** An attitude is considered as changed when a student responds to the post-survey question by stating that they are less likely to drink underage. This is supported by evidenced progression through pre- and post-performance surveys against all other learning outcomes, with the 'less likely to drink underage' results as the core indicator.

Scope:

We work with Diageo Plc to adapt this global programme to make it suitable for the Indian audience. The programme is implemented through an NGO partner on ground.

Data preparation and assumptions

The number of people educated is calculated by adding together the number of people reached in the areas where the programme has been implemented.

The number of people who confirmed a changed attitude is calculated by adding together the number of people who responded to the post-survey questions by stating that they are less likely to drink underage.

This data, along with supporting evidence, is supplied by delivery partners to the Diageo India Team for review and reporting.

We apply the following criteria to measure attitude change:

- Assess 20% of programme participants through a pre and post programme completion survey. The participants in the sample have to be selected randomly.
- If the sample is below 200 people, the same participants must retake the surveys.
- The sample must have approximately equal gender representation i.e. 50% male and 50% female.

We conduct pre- and post- evaluation surveys of at least 20% of the target audience of young learners. This represents 20% of the participating schools.

Double counting

USL considers the risk of double counting to be very low for this programme. It would only occur in cases where a student was required to repeat a school year or where they moved schools. We consider duplication highly unlikely as the activity is only delivered to any audience within the curricular requirements for the year. No unique personal identifiers are collected for data privacy reasons.

The data with respect to number of people educated and those reporting attitude change resides with the implementing partner.

TARGET

Wrong Side of the Road: By 2030, educate 1 million consumers about the risks of drink driving and raise awareness on the hazards as well as adverse personal and social outcomes of drink driving.

Performance measures (KPIs):

Number of persons who undergo an education programme supported by Diageo,

called the Wrong Side of the Road.

Number of people who confirmed changed attitudes towards the dangers of drink driving after undergoing the Wrong Side of the Road education module.

Definitions:

Developed in partnership with the United Nations Institute for Training and Research (UNITAR), this programme is designed to make a two-fold impact:

- Increase understanding and information about the dangers and ill effects of alcohol on the body.
- Change attitude to drink driving and lower the number of people who believe drink driving is acceptable and who would consider driving impaired.

All stories are real and aim to help drivers by avoiding making the same mistakes. The purpose is to show the effects that the decision to drink drive can have on the individual and the people around them, helping viewers to consider what would happen if they were in a similar situation. The education module is designed to help viewers to negative consequences if they decided to drive after consuming alcohol.

The target audience for this programme is anybody above the legal age for drinking in India. The programme is delivered through multiple delivery models including focussed partnerships with authorities and Regional Transport Office (RTOs), vehicle testing centres, corporates and higher education institutions in various states of India. Its delivery is flexible and the target audience can be reached through a variety of methods comprising the following:

- In-person workshops conducted by a trained master facilitator using the facilitator pack (created in PowerPoint). This method is deployed in educational institutions and communities with limited internet access/bandwidth.
- Webinars: Using the facilitator pack, a trained master facilitator delivers the training to audiences in educational institutions and corporates, where a physical/in-person training is not feasible.
- Semi virtual: The training is delivered online by a master facilitator to an audience that has gathered in a physical workshop, at a venue with internet connection and equipment for remote delivery.

Reporting Boundaries and Methodologies

- Online learning which includes:
 - Self-paced learning via social media: Leveraging social media to access the programme link, people can complete the learning at their own pace
 - Driver Sensitisation Labs – AV/Tab Lab which requires citizens applying for driving licences at RTOs to undergo the training online on a tablet provided specifically for this purpose.

Changed attitudes:

An attitude is considered to be changed when a person who has been through the Wrong Side of the Road education module responds to the post-programme survey by stating that he/she is less likely to drink and drive because of participating in the learning experience.

Scope:

The programme is implemented through various delivery models.

Data preparation and assumptions:

The programme is run through a dedicated online portal and signed-up participants are only counted if they complete the full online course. The performance measure for this drink driving programme is calculated by adding the number of people who completed the learning experience across the Indian states in which the programme is implemented.

Sampling criteria have been established to measure attitude change as follows:

- Assess a minimum of 20% of programme participants through a pre and post programme survey.
- The participants that make up the 20% sample have to be selected randomly.
- If the sample is fewer than 200 people, same participants will have to take the pre and post programme survey.
- The gender distribution of the sample has to be approximately 50% female and 50% male.

TARGET

DRINKiQ: Promote moderation in drinking and increase awareness of the harmful effects of excessive alcohol in 0.5 million individuals by 2030.

Performance measures (KPIs):

Number of persons who access the DRINKiQ

online platform (<https://www.DRINKiQ.com/en-in/>) and information on responsible drinking.

Definitions:

DRINKiQ, Diageo's online platform, is dedicated to responsible drinking. The objective of this initiative is to support positive drinking by promoting moderation and reducing alcohol-related harm. The platform provides facts about alcohol, the effects of drinking on the body and mind, and the harmful effects of excessive drinking on individuals and society. The information is available to everyone regardless of their present circumstances and includes facts, tools and support to help people make informed choices about alcohol consumption. The platform also carries a drinking self-assessment tool to help assess whether a person is at risk of problem drinking. The tool has been devised based on the World Health Organisation's (WHO's) Alcohol Use Disorder Identification Test (AUDIT) tool.

Scope:

DRINKiQ is accessible to all persons above the legal age of drinking in India.

Data preparation and assumptions:

This data is maintained at the market level by the programme owner and at the global level by the metric owner responsible for the global roll out of DRINKiQ.

TARGET

Leverage our marketing and innovation to make moderation the norm – reaching 100 million people with dedicated responsible drinking messaging.

Performance measures (KPIs):

- Number of people reached (unique reach) through campaigns and training specifically designed to promote moderation.

Definitions

Campaigns and training could be delivered through social media or as viral videos, events, traditional media campaigns and other forms of marketing by brands including Brand Diageo. Moderation messaging campaigns could include specific responsible drinking campaigns for example #walkerssetthepace.

Data preparation and assumptions

The reach data for our campaigns is collected by our media agencies and reported to us. The reach is deduplicated at a market level to avoid double counting. Where the unique reach cannot be deduplicated, the largest unique campaign in a market is reported. Our aim is to communicate with consumers on multiple occasions, so our impressions and reach far exceed our unique reach.

CHAMPION INCLUSION AND DIVERSITY

The targets USL has set to be achieved by 2030 are as follows:

- **Learning for Life and other skills:** Impart business and hospitality skills to enhance employability and improve livelihood opportunities in the hospitality sector for 12,000 persons including 50% women.
- **Inclusion and Diversity in the workplace:** Shape market-leading policies and practices and improve representation of women to reach 33% within the organisation and 50% in Diageo India's Leadership Team.

TARGET

Learning for Life: By 2030, impart business and hospitality skills, enhance employability and improve livelihood opportunities in the hospitality sector for 12,000 persons who may have faced barriers to employment.

Of the total number of participants under the Learning for Life programme, USL ensures that at least 50% are women.

Performance measures (KPIs):

Number of persons trained through the National Skills Development Council (NSDC) certified programme under Learning for Life.

Definitions:

The business and hospitality skills training programme, 'Learning for Life' aims to equip individuals who may face barriers to employment with the necessary skills to be employed in the hospitality sector. The programme offers equal access to training and aims to enhance opportunities for employability and livelihoods as well as support the continued progress of the hospitality sector.

Reporting Boundaries and Methodologies

The programme is delivered in partnership with local educational, government and training organisations. The training provided is certified by the NSDC and aligns with its requirements, while addressing the specific needs of the hospitality industry. Apart from teaching business and sector-specific skills, the programme also includes soft skills such as appropriate attitude, communication, grooming (dressing, personal hygiene and posture) and spoken language capability. At the conclusion of the training, USL supports trainees with job placements.

Scope:

The programme is conducted in various states across India.

TARGET

Inclusion and Diversity in the workplace: Shape market-leading policies and practices and improve representation of women to reach 33% within the organisation and 50% in Diageo India's Leadership Team.

Performance Measures (KPIs):

Number of women employees and women in leadership roles at USL as of March 31, 2023. We will track the average of the four quarter ends across the fiscal year based on the positions filled.

Definitions:

The leadership roles include Executive Committee, Senior Leader (SL), Level 2 (L2) and Level 3 (L3) roles some of which will be vacant at any point in time. The leadership positions exclude roles in Levels 4 to 7.

Scope:

All USL women 'leadership' employees are in scope of the performance measure. Employee type includes Regular and Fixed Term Contract (FTC) across all Workday and our online Human Resources System.

Data preparation and assumptions:

The company will take the average of the four quarter ends across the fiscal year, based on filled roles. The gender (sex) of employees, as female or male, is disclosed by employees on Workday. Where employees have 'Not Declared' this information is excluded from the gender representation data. Work levels are maintained in Workday based on the role and position in which women are employed. An extract of all employees at all leadership levels (Exec, SL,

L2 and L3) is monitored internally on a quarterly basis but reported externally as an average of the four quarters across fiscal 23. HR collects gender information through Workday where employees self-disclose this information.

Non-Executive Directors and Extended Workers (agency workers, independent contractors, freelance and consultants) are not in scope. Data from joint ventures and associates where USL does not have operational control is also not included.

PIONEER GRAIN-TO-GLASS SUSTAINABILITY

The targets USL has set to be achieved by 2030 are as follows:

Preserve Water for Life:

In order to fulfil this target, we are working towards the following:

- Replenish more water than we use for our operations in 100% of sites in water-stressed areas by 2026.
- Reduce water use in our operations with 40% improvement in water use efficiency in water-stressed areas.

Accelerate to a Low Carbon World:

Our targets in this respect include:

- Achieve Net Zero Carbon status by 2026 by reducing Scope 1 and 2 emissions as well as reach Zero Fossil Fuel status.
- Reduce our value chain (Scope 3) emissions by 50%.
- Sustain 100% use of renewable fuel and increase in-house potential for renewable energy.

Become Sustainable by Design:

We are working to meet the following requirements to achieve this target:

- Use of Market Bottles: Popular - 40% and Prestige - 25%.
- Ensure 99% of our packaging is widely recyclable or reusable/compostable.
- 60% of our packaging material to be made from recycled content and reduce overall packaging weight by 10%.
- Eliminate 100% of non-recyclable plastic from packaging and become plastic waste positive through the Extended Producer Responsibility (EPR).

Preserve Water for Life

TARGET

Replenish more water than we use for our operations in 100% of sites in water-stressed areas by 2026.

Performance Measures (KPIs):

Volume of water replenished (cubic metres m3).

Baseline:

The baseline for our water replenishment target is FY 26 estimated annual consumptive water volumes at sites located in water-stressed areas. The baseline is re-calculated annually to incorporate FY 2021-26. The baseline is re-calculated each year to include estimated FY 2021-26 water efficiency improvements, water recovery, zero liquid discharge, production volume growth, new water-stressed sites and acquisitions and divestments.

Definitions:

This performance measure is calculated as total water replenished during FY 2021-26 at sites located in water-stressed areas as a percentage of our FY 26 total consumptive water at sites located in water-stressed areas. Every year, we calculate our cumulative water replenishment at water-stressed sites as a percentage of our FY 26 estimated total consumptive water at sites located in water-stressed areas.

Replenishment projects include activities such as reforestation, wetland restoration, desilting ponds, rainwater harvesting and Water and Sanitation (WASH) programmes. They need to be in a water-stressed site's catchment and/or water-stressed water basins from which we source local raw materials.

Replenishment targets are calculated based on all consumptive water used per site, are tracked and reported by site and consolidated into a market target.

Scope:

Globally, there are 44 water-stressed sites, out of which 10 sites are in India which are included in our water replenishment plan.

Data Preparation and Assumptions:

The data for indicative volume (m3) of water replenished is collected by a delivery partner, and on completion of the project, the data is confirmed. The Diageo global metric owner provides final validation. This data is then

Reporting Boundaries and Methodologies

validated by an external validator.

The Diageo Water Replenishment Implementation Guide provides templates for calculating water volume replenished – the estimated volumes are pre-validated by the global team before the project is implemented. Volumes will then be validated after the project is commissioned.

TARGET

Reduce water use in our operations with a 40% improvement in water use efficiency in water-stressed areas.

Performance measures (KPIs):

Percentage improvement in litres of water used per litre of packaged product.

We prepare and report water withdrawal data from the sites in our operational control. We use reporting methodologies developed by Diageo, based on the GRI Standards. In addition to tracking total water usage, we also calculate and report water efficiency, i.e. the ratio of the amount of water consumed to produce one litre of packaged product.

Definitions

- Water-stressed locations and classification: The World Resources Institute (WRI) Aqueduct Tool, UN Definitions and internal survey are used to determine the number of our sites located in water-stressed areas.
- Total quantity of water withdrawals: This is calculated as the difference between water obtained from the ground, surface sources, municipal / government supply, tankers and any clean water provided back to local communities directly from a site. Uncontaminated water abstracted and returned to the same source under local consent, water abstracted from the sea and rainwater collection are excluded from the water usage data reported.

Scope:

The scope includes USL supply and office sites.

Data preparation and assumptions:

Water withdrawals are mainly measured using readings from meters and water bills for the sites. In limited instances, estimations are used to calculate withdrawals. Water withdrawals are reported by source at site level using the environmental management system.

Water efficiency (water use rate) per litre of packaged product, is calculated by converting the total water withdrawal in cubic metres to litres, then dividing by the total packaged volume in litres.

Accelerate to a Low Carbon World

TARGET

Achieve Net Zero Carbon status by 2026 by reducing Scope 1 and 2 emissions as well as reach Zero Fossil Fuel status.

Performance measures (KPIs):

Percentage reduction in absolute greenhouse gas emissions including through afforestation to offset residual carbon emissions; and extent of replacement of fossil fuels with affordable technologies.

Baseline:

The baseline for this target is 2006-07.

Definitions

- Scope 1 emissions (direct CO₂e emissions): those from on-site energy consumption of fuels sources such as gas, fuel oil and diesel, as well as fugitive and agricultural emissions. Aligning with WRI/WBCSD Protocol guidance relating to biofuels, Small quantities of up to 50 tonnes CO₂e and carbon emissions from biogas flaring and leased cars are excluded as these are not considered to be material to the company's overall impacts. These areas are routinely reviewed to reassess the materiality of the data.
- Scope 2 emissions (indirect CO₂e emissions): those from purchased electricity and heat

Scope:

The scope includes USL supply and office sites.

Data preparation and assumptions:

CO₂e emissions data is externally reported in metric tonnes and is the measure used to compare the emissions from the six main greenhouse gases based on their Global Warming Potential (GWP).

The CO₂e emissions data is calculated based on direct measurement of energy use (meter reads/invoices) for the majority of sites. In limited instances, where invoices are not available, consumption is estimated.

Fuel consumption is reported by fuel type at site level using the environmental management system. It is converted to energy consumption in kWh, by fuel type, and multiplied by the relevant CO₂e emission factor to derive the total CO₂e emissions.

Scope 1 emission factors for fuels are typically average fuel CO₂e emissions factors and calorific values.

Energy attribute certificates (EACs), derived from our distillery by-products and processed by a third party to generate biogas, form a component of our decarbonisation, together with purchased renewable EACs. This is reflected in data preparation and aggregation. Carbon emissions from electricity (Scope 2) are reported as both market emissions and location emissions in line with the WRI/WBCSD Protocol Scope 2 amendment made in January 2015. Diageo's CO₂e reduction targets and reporting protocols (since 2007) are based on market emissions applying emissions factors specified in contracts, power purchase agreements and supplier utility emissions as detailed in WRI/WBCSD Protocol Scope 2 guidance. Our net zero emissions target for 2030 remains consistent with earlier reporting protocols and is based on market emissions.

The reporting of location (gross) emissions has been added to Diageo's protocols (since 2013-14). For location-based reporting of grid electricity consumption, factors provided in the Indian power sector report are used as available.

TARGET

Reduce our value chain (Scope 3) emissions by 50%.

Performance measures (KPIs):

Percentage reduction in absolute greenhouse gas emissions (ktCO₂e).

Definitions:

Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in our value chain, including both upstream and downstream emissions. The CO₂e emissions relating to all categories of material and services to our supply chain include purchased raw materials, packaging, capital equipment, third-party manufacturers,

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consumer use and disposal. Upstream and downstream logistics and distribution, including Category 4 logistics emissions, are aggregated with emissions attributable to all categories of materials and services providing a total value chain, Scope 3 footprint.

Category 4, Scope 3 emissions (that is, indirect CO₂e emissions from upstream transportation and distribution) are independently assured.

Carbon dioxide emissions from the fermentation process are excluded from our reported environmental data because these emissions are from a biological short-cycle carbon source and are outside Scope 1, 2 and 3.

Scope:

The scope encompasses USL's value chain emissions, both upstream and downstream.

Data preparation and assumptions:

CO₂e emissions data is externally reported in metric tonnes and is the measure used to compare the emissions from the six main greenhouse gases based on their Global Warming Potential (GWP).

The CO₂e emissions data is calculated on the basis of volume of materials purchased, services provided, capital equipment purchased and distances travelled for upstream/downstream logistics. Supplier-specific emission factors and/or emission factors from literature are then applied to the component type to derive an absolute CO₂e emissions volume, measured in metric tonnes.

TARGET

Sustain 100% use of renewable fuel and increase in-house capacity for renewable energy.

Performance measures (KPIs):

Total renewable energy (MWh)/Total energy use (MWh) expressed as a percentage and installed capacity for in-house generation of solar energy.

Definitions:

Total energy and renewable energy are externally reported in MWh and/or TJ. Total energy and renewable energy use are determined from direct and indirect energy consumption. Direct energy (renewable/non-renewable) is determined from the

quantity of different fuel types (metric tonnes, litres), of renewable and non-renewable fuels, and by applying the calorific value relevant for India.

Indirect energy (renewable/non-renewable) is measured in MWh/TJ from energy/utilities suppliers and/or applying the relevant EACs.

In-house potential is defined as the installed capacity to generate solar energy at USL's operations/sites.

Scope:

The scope includes USL supply and office sites.

Data preparation and assumptions:

Total energy and renewable energy are externally reported in MWh and/or TJ. The energy data – direct and indirect – is calculated based on direct measurement of energy use (meter reads/invoices for volumes of fuel supplied) for the majority of sites. In a few instances where invoices are not available, consumption is estimated.

Fuel consumption is reported by fuel type at site level using the environmental management system. It is then converted to energy consumption, in kWh, by fuel type applying the relevant calorific value relevant for India.

Renewable direct energy is determined from the quantity of different fuel types (metric tonnes, litres), of renewable fuels and by applying the relevant calorific values. Indirect renewable energy is measured in MWh for energy/utilities suppliers and/or applying relevant EACs.

Become Sustainable by Design

TARGET

Zero waste discharge and zero waste to landfill.

Performance measures (KPIs):

Percentage reduction in total waste to landfill in our direct operations.

Definitions:

We record the type and quantity of all waste to landfill using our internal environmental reporting methodologies and GRI Standards.

The definition of waste to landfill includes all hazardous waste and all unwanted or discarded material produced in solid, sludge or liquid form from manufacturing and office sites – except asbestos waste and/or other waste required by national or state legislation to be landfilled in

either specified registered sites or other landfill sites. The definition includes all refuse, garbage, construction debris, treatment and process sludge, and materials that a site has been unable to reclaim, reuse or recover.

Scope:

Our supply and office sites are in scope.

Data preparation and assumptions:

Sites collect primary waste data typically in the form of weighbridge tickets and invoices from waste handlers. Data is reported by waste type at site level using the environmental management system. All waste to landfill is reported in metric tonnes. We aim to maintain zero waste to landfill everywhere we operate.

TARGETS

Ensure 99% of our packaging is widely recyclable or reusable/compostable.

60% of our packaging material to be made from recycled content and reduce overall packaging weight by 10%.

Performance measures (KPIs):

- Reduction in total packaging volume in metric tonnes (grams/litre of packaged product).
- Percentage of recycled content in total packaging volume (recycled content in metric tonnes per total packaging volume in metric tonnes).
- Percentage of packaging widely recyclable (widely recyclable volume in metric tonnes per total packaging volume in metric tonnes).

Definitions:

USL works to ensure that as far as possible our brands reach consumers with a minimal environmental footprint. Therefore, we monitor and assess the type and volume of packaging used and the alternatives that are available to us. The methodology for sustainable packaging includes packaging weight, recycled content and recyclability of material.

- Packaging weight: Pack weight changes are determined by quantifying the weight reduction in grammes and multiplying by the number of product lines (SKUs) affected on an annualised basis.
- Recycled content: Recycled content is determined by establishing the volume in grammes/kgs of non-virgin materials used

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to generate the pack components and adjusting for current-year changes to recycled content.

- **Recyclability:** Volume of materials (metric tonnes) deemed to be recyclable in market (reusable, compostable) / total volume of materials used (metric tonnes), expressed as a percentage.

Scope:

USL's supply and office sites are considered in the scope.

Data preparation and assumptions:

We collect data for packaging material volume from enterprise software including SAP (materials supplied) and other sources. Data is collated for each of our three metrics (weight, recycled content and recyclability). It is then consolidated and verified internally with the best possible data available.

TARGETS

Eliminate 100% non-recyclable plastic from packaging and become plastic waste positive through EPR.

Performance Measures (KPIs):

- Metric tonnes of recycled content/total tonnes of plastics used expressed as a percentage.
- Metric tonnes of plastics widely recyclable (or reusable/compostable) as a percentage of total tonnes of plastic used.

Definitions

- **Plastics volume (metric tonnes):** Determined from the total volume of plastic purchased at each site and reported on a plastics database on a quarterly basis.
- **Recycled content:** Calculated by quantifying the volume (metric tonnes) of non-virgin materials over the total volume of plastic used, at each site and reported on a plastics database, on a quarterly basis.
- **Recyclability of plastics:** Determined by quantifying the weight (metric tonnes) of non-recyclable (or non-reusable/non-compostable) plastic components used at each site and aggregated at market level. This volume (metric tonnes) is expressed as a percentage of total volume (metric tonnes) of plastic used.
- **Plastic waste positive:** Nullifying the quantity of plastic put into the market by collecting back the same or larger quantity

of packaging under the Extended Producer Responsibility (EPR).

Scope:

USL's supply and office sites are considered in the scope.

Data preparation and assumptions:

We collect data for packaging material volume from enterprise software including SAP (materials supplied) and other sources. Data is collated for total volume of plastic used, recycled content and recyclability. It is then consolidated and verified internally with the best possible data available.

DOING BUSINESS THE RIGHT WAY FROM GRAIN-TO-GLASS

This section details additional reporting methodologies for key information disclosed in our [Annual Report](#) and this ESG Reporting Index that is not a specific Society 2030: Spirit of Progress target.

It includes information on:

Our people

- Health and safety
- Engagement results
- Employee profile data
- Human rights impact assessments
- Community investment figures

Sustainable supply chains

- Sedex self-assessment
- Audits of high-risk suppliers

Environmental impact

- Biodiversity
- Effluents and waste

Governance and ethics

- Annual Certification of Compliance
- SpeakUp
- Reported and substantiated breaches

Food safety and quality

- Packaging defects
- Total concerns

Our people

Health and safety

Performance measures (KPIs)

- Lost-Time Accident Frequency Rate (LTAFR)
- Total Recordable Accident Frequency Rate (TRAFFR)
- Number of fatalities

Definitions

Lost-time accident frequency rate (LTAFR) is defined as the number of LTAs per 1,000 Full-Time Employees (FTE).

A Lost-Time Accident (LTA) is defined as any work-related incident resulting in injury or illness, where a healthcare professional or Diageo recommends one or more full days away from work or where a job restriction/modification prevents the employee from conducting any routine and meaningful tasks normally part of their role. If the injured person did not report the accident on the same shift to their immediate line manager and/or Diageo point of contact, unless there are reasonable grounds, this accident can be rejected as work-related.

We consider an injury or illness to be work-related when an event or exposure in the work environment (including people working at home) either caused or contributed to the resulting condition, or significantly aggravated a medically documented and treated pre-existing injury or illness. We have looked closely into which home-working injuries should be in scope for reporting: for example, an injury would be in scope if it was caused by an activity involving work-related equipment, such as an employee injuring a finger by getting it trapped in a laptop cover.

LTA numbers also include any FTE work-related fatalities.

In line with industry best practice, for the purposes of calculating LTAs and FTEs, we include all employees, temporary staff and contractors who work under our direct day-to-day supervision in our definition of 'employee'.

Total Recordable Accident Frequency Rate (TRAFFR) is defined as the sum of all work-related lost-time accidents (including fatalities, and FTE and non-FTE LTAs), FTE medical treatment cases (MTCs), and non-FTE MTCs (permanent site-based contractors) expressed as a rate per 1,000 FTEs and non-FTEs.

Fatalities include any employee work-related fatality arising in their day-to-day work environment (on or off our premises), or any work-related fatalities occurring to third parties and contractors (non-FTEs) while on our premises.

Reporting Boundaries and Methodologies

Scope

We report the Lost Time Accident (LTA) rate for USL's supply and office sites, but we do not report it for independent contractors due to the difficulty and administrative burden involved in accurately recording headcount.

Data preparation and assumptions

Safety data is collected and reported for all sites where we have full operational control, including all office sites. The safety data includes newly acquired businesses as soon as practical, and no later than one year after we have assumed operational control. Safety data associated with any divestments during the current reporting year is excluded from reporting in the current period.

At all sites (operational, corporate office, remote commercial and remote home-working environments), when an incident occurs, the local line manager and local health and safety team will initiate an accident investigation and root-cause analysis. If the accident is classified as an LTA, then the local health and safety representative will escalate to the site leadership team, who will in turn escalate to regional, market and global leadership.

Each month, sites are required to submit details associated with all incidents, accidents and LTAs, and FTE data for their site. FTE data is primarily obtained directly from the HR/payroll system or estimated using employee numbers, average number of hours worked, absences and overtime information, if actual data is not readily available. Safety data and FTE data is reported at site level using the global data management system.

Engagement results

Engagement is assessed through our annual employee survey, Your Voice, which is administered by Karian and Box. In 2023, the data represented 95% of those able to participate (1368 employees) compared with 94% in 2022. With our question set unchanged, our 2023 results are fully comparable to 2022.

In fiscal 21, the survey was updated to create a fresh, future-proof question set that has sufficient continuity to allow historical tracking on key aspects, but that also embraces important themes such as inclusion and diversity, belonging, adaptability and agility, and empowerment and innovation.

Employee profile data

Performance measures (KPIs):

- Employees by region
- Average number of employees by role by gender

Definitions

Employees by region:

- Employees have been allocated to the region in which they reside.

Average number of employees by role by gender:

- **Senior manager:** top leadership positions in Diageo, excluding Executive Committee
- **Line manager:** all Diageo employees (non-senior managers) with one or more direct reports
- **Supervised employee:** all Diageo employees (non-senior managers) who have no direct reports.

Scope

All Diageo employees are in scope of the performance measure.

Employee type includes Regular and Fixed Term Contract (FTC) in the market.

Data from joint ventures and associates where Diageo does not have operational control is not included.

Data preparation and assumptions

Total number of employees data comprises of our average number of full-time equivalent employees.

Total employee data is captured through financial and HR information and reporting systems. New hires and leavers data considers the total number of employees, irrespective of the type of contract.

Gender data is collected by region.

The majority of the gender information is collected from our HR system.

Human Rights Impact Assessments

We've been signatories to the UN Guiding Principles on Business and Human Rights (UNGPs) since 2014, at a global level. As part of our commitment to act in accordance with the UNGPs, we partnered with Business for Social Responsibility (BSR) in 2016 globally to formulate and deliver our human rights strategy. We have since conducted a corporate-level risk assessment and mapped our global policies and processes against the

UNGPs, while also considering risks in different geographies using our understanding and external reference data.

Following the corporate-level assessment, a comprehensive Human Rights Impact Assessment (HRIA) toolkit was developed through a systematic review of the businesses to identify and assess potential human rights impacts including modern slavery risks. Our assessments are robust and involve a detailed examination of our value chain, from raw material sourcing – which includes visits to farming communities and fields where we source our broken rice, sugarcane, barley, maize, grapes and other agricultural products – to the suppliers and manufacturing units where we procure our glass, labels, caps and other items, to our production operations, and to the retailers and bars selling our products.

These assessments involve meetings with employees, union members, workers on factory production lines, manpower providers, contract workers, NGOs we support and other external parties. Where assessments identify human rights concerns or suggest our approach can be strengthened to better identify and prevent risk, we put in place robust action plans to resolve matters, working with external experts when appropriate.

Community investment figures

Community investments are in compliance with the Schedule VII, Section 135 of the Companies Act 2013.

These investments are in the form of grants, programme delivery cost and employee time contribution for various projects.

Sustainable supply chains

Sedex self-assessment

Performance measures (KPIs):

- Percentage of suppliers that have completed the Sedex self-assessment questionnaire.

Baseline

All performance figures against targets are from Apr-Mar FY cycle.

Definitions

Sedex (Supplier Ethical Data Exchange) is a not-for-profit organisation that enables suppliers to share assessments and audits on ethical and responsible practices with their customers.

Reporting Boundaries and Methodologies

Scope

All suppliers that have been screened as medium and high-risk are requested to join Sedex and complete the Self-Assessment Questionnaire (SAQ). This screening factors in location, category and spending with a supplier needing to meet at least two-thirds of the criteria to trigger an SAQ completion.

Data preparation and assumptions

Self-assessment data is provided to us as reports from Sedex. The system includes the number of suppliers who have registered with Sedex, linked their operating sites with ours, and then completed the self-assessment or submitted any other performance-related data.

Audits of high-risk suppliers

Performance measures (KPIs)

- Audits of highest-risk suppliers.

Baseline

All performance figures against targets will be from April-March financial year cycle.

Definitions

Audits are conducted by independent third-party auditing companies trained to Sedex Members Ethical Trade Audit (SMETA) protocols or equivalent. The breakdown of our audit compliance data comes from what is held within the Sedex platform and in this ESG Reporting Index, relates both to audits that we've requested and audits from industry-wide mutual recognition programmes. Audits are valid for three years, and our data relates to the most recent full audit (full initial audit, periodic audit, full follow-up audit) that has occurred at a site.

Scope

A supplier is assessed as a potential high risk by considering location, category type and spend. We have only reported the number of audits of supplier sites assessed as a potential high risk, rather than all suppliers linked to us on Sedex that have an ethical audit

Environmental impact

Biodiversity

We track our impact on local biodiversity by measuring whether operational sites owned, leased and managed by us are in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

Definitions

We define proximity as:

- Inside: inside the boundary of protected area.
- Adjacent: <1km to the boundary of protected area.
- Near: 1-5km to the boundary of protected area.
- Close: 5-20km to the boundary of protected area.

The protected area designations are compiled from leading wildlife bodies designations:

- Alliance for Zero Extinction.
- CI (Conservation International Biodiversity Hotspot).
- IUCN (International Union for Conservation of Nature) Categories I-VI.

Key Biodiversity Areas are compiled from IUCN Red List of Threatened Species™, BirdLife International's Important Bird Areas, Plantlife International's Important Plant Areas, IUCN's Important Sites for Freshwater Biodiversity, and sites identified by the Alliance for Zero Extinction, Natura 2000, Ramsar and the World Heritage List.

Scope

Our supply and office sites are in scope.

Data preparation and assumptions

We refresh the classification data for our sites and protected area designations each year.

Effluents and waste

Performance measures (KPIs):

- Wastewater polluting power (Biological Oxygen Demand or BOD), total under direct control (tonnes).
- Percentage reduction in BOD, total under direct control from the prior year.

Definitions

Much of the water used in distilling and beverage packaging facilities is used for cleaning process equipment, and such water becomes polluted with product residues. The strength of this pollution in the wastewater discharged as effluent is expressed as BOD. BOD is a direct measure of the polluting strength of effluent, and quantifies the oxidisable organic matter present in the wastewater or effluent stream.

We measure and report the final BOD load

discharge to the environment outside the site boundary that is directly treated and controlled and/or treated by third parties, consistent with international methods and literature describing the determination of BOD impacts.

The BOD load to the environment (thousands of tonnes) attributable to our owned and operated wastewater treatment facilities is covered by external independent assurance.

Scope

Our supply and office sites are in scope.

Data preparation and assumptions

The final BOD load to the environment is determined from the volume in cubic metres of site effluent multiplied by the BOD concentration in mg/l and is expressed as thousands of tonnes.

Effluent volume is either determined from an on-site flow meter or by calculating a 'mass balance' formula/ratio of effluent volume: water withdrawal. In the limited instances where mass balance and ratios are applied, these are validated through industry standard coefficients for wastewater volume for distilling and packaging operations. The BOD concentration of the effluent is determined on either a composite sample or a grab sample basis, depending on a local testing equipment, from one of the following:

- On/off-site BOD laboratory analysis.
- On/off-site Chemical Oxygen Demand (COD) laboratory analysis and applying industry (or site-specific) correlation coefficient to convert to BOD.
- Third-party/municipal treatment facility BOD data.

Data is reported at site level using the environmental management system.

Governance and ethics

Annual Certification of Compliance

We ask all employees at manager level and above, and in certain non-manager roles, to confirm their understanding and commitment to their compliance and ethics accountabilities in the Annual Certification of Compliance (ACC). The ACC and Code of Business Conduct e-learning are delivered through our global online training tool, My Learning Hub, which holds a record of who

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has participated and completed the certification. Participation and completion records are reported to market and function leadership teams and reviewed by Business Integrity managers.

SpeakUp

Our SpeakUp whistleblowing telephone service are communicated to all employees. The service is run by an independent external party 24 hours a day, 365 days a year. Allegations reported either via SpeakUp or our internal channels – for example, through Business Integrity members, Human Resources or Legal – are captured in our global breach management tool, Ethicspoint.

Reported and substantiated breaches

We update the numbers of substantiated breaches and Code-related leavers from previous years to include the outcomes of those reports made in one financial year – but for which the investigation and any associated disciplinary actions are not closed until the following financial year, after the [Annual Report](#) has been published. This enables us to make a full and accurate year-on-year comparison.

Food safety and quality

Packaging defects (ppm)

Packaging defects data is based on a 0.1% sampling for spirits. Individual packs are inspected against a global finished product standard. The number of defects is recorded and reported monthly against the sample

size for the production run. Figures are aggregated and are weighted based on volume of production.

Distribution defects

Distribution defects data is based on a 1% sampling of goods received at the first shipped-to warehouse. Individual pallets are inspected against a global distribution quality standard. The number of defects is recorded and reported monthly against the sample size. Figures are aggregated and are weighted based on volume of product shipped.

Quality incidents

Quality incidents are defined as an issue that has an impact on product quality with the potential to have a negative effect on our corporate or brand reputation or customer service. Clear criteria are in place to ensure consistent reporting. This is reported as the number of quality incidents for the reporting period.

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