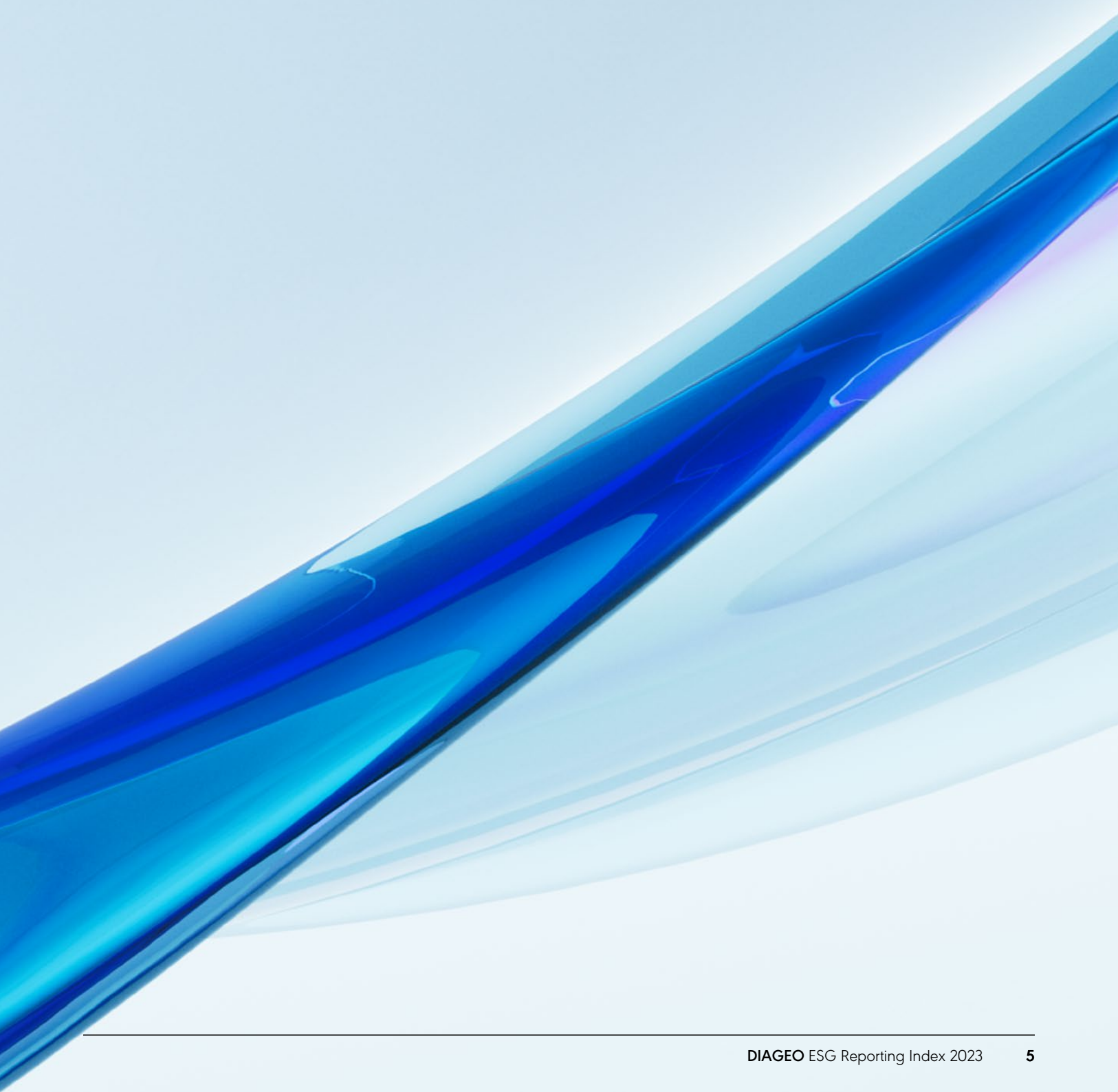


GRI Index



This index outlines our response to the GRI Sustainability Reporting Standards

Our definition of material is relatively broad and includes issues that surfaced as part of our materiality assessment, regardless of priority, as illustrated on page 4. We have continued to develop our approach to reporting, building on our 2022 GRI report, and report as fully as we can on our most material issues. We have reported on as many standards as possible, against the priorities set by our ESG materiality review. We continue to report against the most recent versions of the GRI Standards, staying true to our philosophy of reporting in a transparent manner to global standards of good practice on a range of economic, environmental and social impacts.

Translating our Society 2030: Spirit of Progress plan 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](#) and in our ESG Reporting index 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	<ul style="list-style-type: none"> Reporting principles 	<ul style="list-style-type: none"> Doing business the right way from grain to glass
	2	General disclosures	<ul style="list-style-type: none"> Organisational profile and 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 standards		Economic		<ul style="list-style-type: none"> Champion inclusion and diversity Pioneer grain-to-glass sustainability
		Environmental		<ul style="list-style-type: none"> Pioneer grain-to-glass sustainability
		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 2021 Standards. The material in this report references the following disclosures:

FOUNDATION	SOCIAL
GRI 1-1 to 1-8 from GRI 1: Foundation 2021	GRI 401-01 to 401-03 from GRI 401: Employment 2016
GENERAL	GRI 402-01 from GRI 402: Labour/Management Relations 2016
GRI 2-1 to 2-30 from GRI 2: General Disclosures 2021	GRI 403-01 to 403-10 from GRI 403: Occupational Health and Safety 2018
MATERIAL TOPICS	GRI 404-01 to 404-03 from GRI 404: Training and Education 2016
GRI 3-1 to 3-3 from GRI 3: Material Topics 2021	GRI 405-01 to 405-02 from GRI 405: Diversity and Equal Opportunity 2016
ECONOMIC	GRI 406-01 from GRI 406: Non-discrimination 2016
GRI 201-01 to 201-04 from GRI 201: Economic Performance 2016	GRI 407-01 from GRI 407: Freedom of Association and Collective Bargaining 2016
GRI 202-01 to 202-02 from GRI 202: Market Presence 2016	GRI 408-01 from GRI 408: Child Labour 2016
GRI 203-01 to 203-02 from GRI 203: Indirect Economic Impacts 2016	GRI 409-01 from GRI 409: Forced or Compulsory Labour 2016
GRI 204-01 from GRI 204: Procurement Practices 2016	GRI 410-01 from GRI 410: Security Practices 2016
GRI 205-01 to 205-03 from GRI 205: Anti-corruption 2016	GRI 411-01 from GRI 411: Rights of Indigenous Peoples 2016
GRI 206-01 from GRI 206: Anti-competitive Behaviour 2016	GRI 412-01 to 412-03 from GRI 412: Human Rights Assessment 2016
GRI 207-01 to 207-04 from GRI 207: Tax 2019	GRI 413-01 to 413-02 from GRI 413: Local Communities 2016
ENVIRONMENTAL	GRI 414-01 to 414-02 from GRI 414: Supplier Social Assessment 2016
GRI 301-01 to 301-03 from GRI 301: Materials 2016	GRI 415-01 from GRI 415: Public Policy 2016
GRI 302-01 to 302-05 from GRI 302: Energy 2016	GRI 416-01 to 416-02 from GRI 416: Customer Health and Safety 2016
GRI 303-01 to 303-05 from GRI 303: Water and Effluents 2018	GRI 417-01 to 417-03 from GRI 417: Marketing and Labelling 2016
GRI 304-01 to 304-04 from GRI 304: Biodiversity 2016	GRI 418-01 from GRI 418: Customer Privacy 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	

GRI Index


Universal standards


GRI 1: FOUNDATION


REPORTING PRINCIPLES


Disclosure		Our response
1-1	Accuracy	<p>We clearly, consistently and transparently report our performance against our Society 2030: Spirit of Progress plan on pages 58-87 of our Annual Report.</p> <p>We explain our methodology for calculating performance against targets in the Reporting boundaries and methodologies section of this ESG Reporting Index. PwC was engaged to provide independent limited assurance over selected information in our Annual Report and in this ESG Reporting Index for the year ended 30 June 2023.</p>
1-2	Balance	<p>We report against stretching targets and GRI indicators, whether or not our performance has been strong. This gives a balanced view of the impacts we make, which we have defined by considering the views of a range of stakeholders.</p> <p>We aim to present information in such a way that readers can assess trends in performance year on year.</p>
1-3	Clarity	<p>Our ESG and responsibility information is described at a high level 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 we have produced this ESG Reporting Index to make sure our readers can find all the information they seek, including our responses to all GRI Standards.</p> <p>Our approach to ESG reporting is outlined in our Annual Report on page 95. A guide on how to use this ESG Reporting Index can be found on page 3 of this ESG Reporting Index.</p>
1-4	Comparability	<p>We continue to report against our external targets, as well as respond to universal standards such as the GRI Standards. We have designed our Annual Report and this ESG Reporting Index to enable stakeholders to easily review our performance over time, and to help readers find comparable information.</p>
1-5	Completeness	<p>Our coverage of material topics is explained in the Material topics section on page 20 and the scope of our performance measures are outlined in the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.</p>
1-6	Sustainability context	<p>Our Annual Report explains the wider context in which we operate and presents our sustainability performance in relation to both our corporate performance and global sustainable development issues, including the Paris Agreement and the UN SDGs.</p> <p>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.</p>
1-7	Timeliness	<p>We continue to publish this ESG Reporting Index alongside the Annual Report.</p>
1-8	Verifiability (Reliability)	<p>The Reporting boundaries and methodologies section can be found on pages 83-114 of this ESG Reporting Index. In some cases, our data and processes are assured by third parties.</p> <p>PwC was engaged to provide independent limited assurance over selected non-financial information in this ESG Reporting Index and the Annual Report for the year ended 30 June 2023.</p>

How we have met
each disclosure

 Fully disclosed as outlined by the GRI Sustainability Reporting Standards

 Partially disclosed and missing at least one required indicator

 Not disclosed

 Not considered material to our business at this time

Universal standards

GRI 2: GENERAL DISCLOSURES


ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES

Disclosure		Our response
2-1	Organisational details	<p>Legal name: Diageo plc.</p> <p>Nature of ownership and legal form: Diageo is a limited liability public company listed on the London and New York stock exchanges.</p> <p>Registered number: 23307.</p> <p>Place of registration: England and Wales.</p> <p>Location of headquarters: 16 Great Marlborough Street, London W1F 7HS.</p> <p>Countries of operation: Our products are sold in more than 180 countries and we have 126 supply sites in 21 countries. A breakdown of which markets are in each region can be found in the Business review section of the Annual Report on pages 40-53.</p>
2-2	Entities included in the consolidated financial statements	<p>We describe the entities included in our sustainability reporting within the Reporting boundaries and methodologies section of this ESG Reporting Index on page 83. It includes information about the difference between the list of entities included in our Financial Statements and our ESG reporting on this page, as well as an explanation of the approach used to consolidate information from multiple entities for the different indicators included in our ESG reporting.</p>
2-3	Reporting period, frequency and contact point	<p>Reporting period: Year ended 30 June 2023.</p> <p>Frequency of reporting: We report every year in line with our financial reporting.</p> <p>Publication date: Our Annual Report and our ESG Reporting Index were published on 3 August 2023.</p> <p>Contact information: spiritofprogress@diageo.com.</p>
2-4	Restatements of information	<p>Our approach to restating information from previous reporting periods is included within the Reporting boundaries and methodologies section of this ESG Reporting Index on pages 83-114. This includes restatements of baseline environmental data on page 83.</p>
2-5	External assurance	<p>Assurance policy and practice</p> <p>Our policy is to align our reporting of non-financial information with the most up-to-date, and what we consider to be the best, standards and protocols available at the beginning of our fiscal year. We believe in reporting against reliable data, and strive to improve the quality of our non-financial disclosures. More information on our assurance approach can be found on our website under ESG reporting approach.</p> <p>PwC</p> <p>PwC, an independent auditor, was engaged to provide independent limited assurance over selected information in the Annual Report, and this ESG Reporting Index, for the year ended 30 June 2023. Information that is within PwC's limited assurance is marked with the symbol ▲. The metrics with the symbol Δ are within PwC's independent limited assurance scope reported to the Directors – see page 263 of the Annual Report. Our Audit Committee approves the appointment and sets the scope of PwC's limited assurance engagement.</p>

Universal standards

GRI 2: GENERAL DISCLOSURES *continued*

ACTIVITIES AND WORKERS

Disclosure	Our response
2-6  Activities, brands, products and services	<p>Activities, brands, products and services</p> <p>We produce more than 200 alcoholic beverage brands, including the global giants Johnnie Walker, Smirnoff, Captain Morgan, Baileys, Tanqueray and Guinness. Key details about each of these can be found in the Our brands section of the Annual Report on pages 6-7. An overview of our production can be found in the Business model section on pages 24-30. For information about financial performance, see our Financial Statements from page 158 of the Annual Report.</p> <p>Markets served</p> <p>Our customers include large global retailers and convenience stores, bars, restaurants and hotels, governments such as 'control states' in the United States, and state monopolies in countries such as Sweden and Norway. These organisations are conduits to our shoppers and consumers, to whom we market. A geographic breakdown of our markets and supply operations is outlined in the Business review section of the Annual Report on pages 40-42.</p> <p>We only sell products that are approved and legal in our markets. Some markets do not allow the sale of alcohol because of religious concerns, and we respect this. If stakeholders or consumers have complaints either about a brand, its raw materials or how it is marketed, they can contact one of the many regulatory bodies of which we are a member, or us through our website or our customer care lines. We always seek to respond to complaints made to industry bodies and will abide by the decisions made, and we seek to respond to all consumer enquiries and complaints.</p> <p>Supply chain</p> <p>Around 29,000 direct suppliers from more than 100 countries provide us with the raw materials, expertise and other resources for our brands. Many of those direct suppliers have extensive supply chains of their own, connecting us with thousands more farmers and businesses. Details of how we work with our suppliers are included in the Pioneer grain-to-glass sustainability section of the Annual Report on pages 71-93.</p> <p>There were no material changes to the overall location of suppliers, structure of the supply chain or our relationships with suppliers during this reporting period. Other, less material changes in our supply chain occurred as a result of our routine tendering processes.</p> <p>For acquisitions and disposals, material organisational restructuring programmes and for changes in share capital structure, please see the Notes section of our Annual Report from page 173.</p>

Universal standards

GRI 2: GENERAL DISCLOSURES continued

ACTIVITIES AND WORKERS continued

Disclosure	Our response																																																																																																																																																												
2-7 Employees	We employ 30,273 people around the world. The production side of the business includes 126 sites in 21 countries. Employees by region, by gender and by employment contract type¹																																																																																																																																																												
	<table border="1"> <thead> <tr> <th></th> <th>Part time</th> <th>Full time</th> <th>Permanent</th> <th>Fixed term/ temporary</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td colspan="6">North America</td> </tr> <tr> <td>Men</td> <td>11</td> <td>1,828</td> <td>1,830</td> <td>9</td> <td>1,839</td> </tr> <tr> <td>Women</td> <td>7</td> <td>1,251</td> <td>1,249</td> <td>9</td> <td>1,258</td> </tr> <tr> <td>Not declared</td> <td>1</td> <td>17</td> <td>18</td> <td>-</td> <td>18</td> </tr> <tr> <td colspan="6">Europe</td> </tr> <tr> <td>Men</td> <td>114</td> <td>5,722</td> <td>5,655</td> <td>181</td> <td>5,836</td> </tr> <tr> <td>Women</td> <td>235</td> <td>3,976</td> <td>4,012</td> <td>199</td> <td>4,211</td> </tr> <tr> <td>Not declared</td> <td>0</td> <td>15</td> <td>15</td> <td>0</td> <td>15</td> </tr> <tr> <td colspan="6">Asia Pacific</td> </tr> <tr> <td>Men</td> <td>4</td> <td>5,953</td> <td>5,714</td> <td>243</td> <td>5,957</td> </tr> <tr> <td>Women</td> <td>19</td> <td>3,023</td> <td>2,716</td> <td>326</td> <td>3,042</td> </tr> <tr> <td>Not declared</td> <td>1</td> <td>-</td> <td>1</td> <td>-</td> <td>1</td> </tr> <tr> <td colspan="6">Latin America and Caribbean</td> </tr> <tr> <td>Men</td> <td>0</td> <td>2,733</td> <td>2,700</td> <td>33</td> <td>2,733</td> </tr> <tr> <td>Women</td> <td>1</td> <td>1,591</td> <td>1,566</td> <td>26</td> <td>1,592</td> </tr> <tr> <td>Not declared</td> <td>0</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td colspan="6">Africa</td> </tr> <tr> <td>Men</td> <td>0</td> <td>2,488</td> <td>2,411</td> <td>77</td> <td>2,488</td> </tr> <tr> <td>Women</td> <td>0</td> <td>1,244</td> <td>1,160</td> <td>84</td> <td>1,244</td> </tr> <tr> <td>Not declared</td> <td>0</td> <td>3</td> <td>3</td> <td>-</td> <td>3</td> </tr> <tr> <td colspan="6">Diageo (total)</td> </tr> <tr> <td>Men</td> <td>129</td> <td>18,724</td> <td>18,310</td> <td>543</td> <td>18,853</td> </tr> <tr> <td>Women</td> <td>262</td> <td>11,085</td> <td>10,703</td> <td>644</td> <td>11,347</td> </tr> <tr> <td>Not declared</td> <td>2</td> <td>35</td> <td>37</td> <td>0</td> <td>37</td> </tr> <tr> <td>All</td> <td>393</td> <td>29,844</td> <td>29,050</td> <td>1,187</td> <td>30,237</td> </tr> </tbody> </table>		Part time	Full time	Permanent	Fixed term/ temporary	Total	North America						Men	11	1,828	1,830	9	1,839	Women	7	1,251	1,249	9	1,258	Not declared	1	17	18	-	18	Europe						Men	114	5,722	5,655	181	5,836	Women	235	3,976	4,012	199	4,211	Not declared	0	15	15	0	15	Asia Pacific						Men	4	5,953	5,714	243	5,957	Women	19	3,023	2,716	326	3,042	Not declared	1	-	1	-	1	Latin America and Caribbean						Men	0	2,733	2,700	33	2,733	Women	1	1,591	1,566	26	1,592	Not declared	0	-	-	-	-	Africa						Men	0	2,488	2,411	77	2,488	Women	0	1,244	1,160	84	1,244	Not declared	0	3	3	-	3	Diageo (total)						Men	129	18,724	18,310	543	18,853	Women	262	11,085	10,703	644	11,347	Not declared	2	35	37	0	37	All	393	29,844	29,050	1,187	30,237
	Part time	Full time	Permanent	Fixed term/ temporary	Total																																																																																																																																																								
North America																																																																																																																																																													
Men	11	1,828	1,830	9	1,839																																																																																																																																																								
Women	7	1,251	1,249	9	1,258																																																																																																																																																								
Not declared	1	17	18	-	18																																																																																																																																																								
Europe																																																																																																																																																													
Men	114	5,722	5,655	181	5,836																																																																																																																																																								
Women	235	3,976	4,012	199	4,211																																																																																																																																																								
Not declared	0	15	15	0	15																																																																																																																																																								
Asia Pacific																																																																																																																																																													
Men	4	5,953	5,714	243	5,957																																																																																																																																																								
Women	19	3,023	2,716	326	3,042																																																																																																																																																								
Not declared	1	-	1	-	1																																																																																																																																																								
Latin America and Caribbean																																																																																																																																																													
Men	0	2,733	2,700	33	2,733																																																																																																																																																								
Women	1	1,591	1,566	26	1,592																																																																																																																																																								
Not declared	0	-	-	-	-																																																																																																																																																								
Africa																																																																																																																																																													
Men	0	2,488	2,411	77	2,488																																																																																																																																																								
Women	0	1,244	1,160	84	1,244																																																																																																																																																								
Not declared	0	3	3	-	3																																																																																																																																																								
Diageo (total)																																																																																																																																																													
Men	129	18,724	18,310	543	18,853																																																																																																																																																								
Women	262	11,085	10,703	644	11,347																																																																																																																																																								
Not declared	2	35	37	0	37																																																																																																																																																								
All	393	29,844	29,050	1,187	30,237																																																																																																																																																								

1. In some markets the concept of 'permanent employment' does not exist. For reporting purposes, we have considered as 'permanent' all those employees whose contract is not fixed term or temporary. Part time is defined as an employee not working at 100% of a full-time equivalent.

Information about our total workforce by employees and supervised workers, and by gender, is included in the Our people and culture section of our Annual Report on page 64.

The methodologies and assumptions used to compile this data are described in the Reporting boundaries and methodologies section of this ESG Reporting Index on pages 83-114.

Universal standards

GRI 2: GENERAL DISCLOSURES *continued*ACTIVITIES AND WORKERS *continued*

Disclosure		Our response
2-8	Workers who are not employees	<p>Most people who work on our behalf are employed by Diageo. As of June 2023, the total number of our extended workforce from agencies was 4,644, and they supported our operations across 34 countries. This does not include people working through Consultancy, Master Service Agreements or Statements of Work. The number of people in the agency extended workforce is reported using our HR vendor management system.</p> <p>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 with our overall number of employees.</p> <p>As with most manufacturing companies, we also employ contractors and their numbers vary significantly by region. For the most part, when we use contractors, it's for:</p> <ul style="list-style-type: none"> • Construction projects, resulting from investments we're 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 activity • Cleaning, catering and site security.

GOVERNANCE

Disclosure		Our response
2-9	Governance structure and composition	<p>Our governance structure is included in the Governance report section of the Annual Report on pages 96-157. Our Chief Executive, Debra Crew, is ultimately accountable for overall performance against ESG goals and targets, while responsibility for the component parts of Society 2030: Spirit of Progress is shared between members of our Executive Committee.</p> <p>In this way, Society 2030: Spirit of Progress is embedded across the whole organisation, with senior executives being accountable for its delivery – for example:</p> <ul style="list-style-type: none"> • The President, Global Supply and Procurement is responsible for environmental performance, health and safety, and for labour standards within the supply network. This person also holds the post of Chief Sustainability Officer. • The Global Corporate Relations Director is responsible for social topics, specifically positive drinking and the community elements of our commitment to champion inclusion and diversity and Pioneer grain-to-glass sustainability. <p>Our Board receives updates on our ESG strategy and performance at least twice a year. When issues arise in Board or Executive Committee meetings that relate to topics covered by our strategy, accountability will be delegated to the designated individual. When an issue or risk relating to other ESG topics is discussed, the Board or Committee may assign an executive to look into it and report back. In some cases, an issue will become a standing or repeating item on the Board or Executive Committee agenda until it is resolved. Regional presidents and local managing directors are responsible for implementing strategy locally and driving performance. The Executive Committee is provided with a quarterly update on performance against our Society 2030: Spirit of Progress plan.</p> <p>At the time of publication of our fiscal 23 Annual Report, the Board was made up of 11 members: the Chairman, eight other Non-Executive Directors, all of whom were independent, and two Executive Directors. Eight members of the Board were women. Four members of the Board were from ethnic minority backgrounds, as defined by the Parker Review.</p> <p>The Board has three standing committees: the Audit Committee, the Nomination Committee and the Remuneration Committee. More information on the membership and work of these committees is included in the Governance report section of the Annual Report on pages 96-157.</p>
2-10	Nomination and selection of the highest governance body	<p>The Nomination Committee – made up of all the independent Non-Executive Directors and the Chairman of the company – is responsible for keeping under review the composition of the Board and succession planning for the Board and senior leadership positions. The Committee makes recommendations to the Board concerning Board appointments. Criteria for Board appointments include skills, knowledge, experience and diversity. The Board has adopted a Diversity Policy, which sets out its commitment to inclusion and diversity and includes diversity goals. The policy is available on our website.</p> <p>For more information, see the Governance report section of our Annual Report on pages 96-157.</p> <p>The terms of reference of all Board committees are available on our website.</p>

How we have met each disclosure

● Fully disclosed as outlined by the GRI Sustainability Reporting Standards

◐ Partially disclosed and missing at least one required indicator

○ Not disclosed

⊗ Not considered material to our business at this time

Universal standards

GRI 2: GENERAL DISCLOSURES *continued*GOVERNANCE *continued*

Disclosure		Our response
2-11	Chair of highest governance body	The Chairman of the Board is a Non-Executive Director and, in accordance with Provision 9 of the UK Corporate Governance Code, was independent on appointment.
2-12	Role of the highest governance body in overseeing the management of impacts	<p>The Board helped shape and approve our approach to our Society 2030: Spirit of Progress goals. The Executive Committee is responsible for managing economic and ESG impacts, with the accountabilities outlined in GRI 2-9 Governance structure and composition.</p> <p>Our ESG strategy is also considered at Board level regularly, as explained in GRI 2-9. Reports on progress towards the Society 2030: Spirit of Progress goals are provided to the Board at least twice a year, incorporating stakeholder consultation where appropriate. In some cases, Board members identify new economic and ESG impacts that we need to manage. Policies are generally discussed and agreed at Executive Committee level, although our Code of Business Conduct (Code), which includes individual sections relating to material risks, is signed off at Board level.</p> <p>The Board and Executive Committee discuss wider external concerns regularly, and consider external views when shaping our strategy for addressing economic and ESG topics. Stakeholder feedback is provided to the Executive Committee and the Board as appropriate. For investors, the Investor Relations team reports the views of institutional shareholders to the Board throughout the year and, when relevant, those of private investors. Private shareholders engage directly with the Chairman or the entire Board at the Annual General Meeting.</p> <p>Elsewhere, feedback from our SpeakUp helpline is reviewed independently by the Business Integrity team, which also summarises issues for the Executive Committee and the Audit Committee. The Board also receives a report highlighting global aggregated results of our Your Voice survey once a year. The survey is a confidential online survey used to measure our culture and engagement, listen to employee feedback and learn from their experience. The results are discussed by the Executive Committee, which develops action plans as needed.</p> <p>The Audit Committee reviews detailed reports – which include economic and ESG risks – from the heads of the Business Integrity, Controls Assurance, and Global Audit and Risk teams, including summaries of our management-level Audit and Risk Committee meetings. Relevant members of the Executive Committee and other senior leaders make presentations to the Board on any context or risks relevant to our strategy.</p> <p>More details can be found in the Governance report section of the Annual Report on pages 96-157.</p>
2-13	Delegation of responsibility for managing impacts	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.
2-14	Role of the highest governance body in sustainability reporting	Our Annual Report and this ESG Reporting Index are approved by the Board, and are ultimately signed off by our Chief Executive and Chief Financial Officer.
2-15	Conflicts of interest	<p>The Board has agreed an approach and adopted guidelines for dealing with conflicts of interest, and responsibility for authorising conflicts of interest is included in the schedule of matters reserved for the Board. Our Code also references how potential conflicts of interest are managed.</p> <p>The Annual Report includes disclosures on conflicts of interest. This year, for example, the Annual Report notes that the Board was not aware of any situation that could give rise to conflicts of interest other than those that might arise from Directors' other appointments, as disclosed in their biographies in the Annual Report.</p> <p>More information is included in the Board of Directors section of the Annual Report on pages 100-103.</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, and is responsible for overseeing all actions taken relating to whistleblowing activities.</p> <p>The Annual Report sets out the total number of reported breaches during fiscal 23, together with the substantiation rate.</p> <p>More details can be found in the Doing business the right way section of the Annual Report on pages 61-62, and in the Governance report section of the Annual Report on pages 96-157. Also see the Principal risks table in the Annual Report on pages 88-93.</p>

How we have met
each disclosure
 Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

 Partially disclosed and missing
at least one required indicator

 Not disclosed

 Not considered material
to our business at this time

Universal standards

GRI 2: GENERAL DISCLOSURES *continued*GOVERNANCE *continued*

Disclosure	Our response
2-17 ● Collective knowledge of the highest governance body	<p>The Board's collective knowledge and experience of ESG is enhanced with background reports on various economic and ESG topics that it receives throughout the year. Some of these reports are discussed in detail in Board meetings. Additionally, our ESG Executive Working Group leads discussion of ESG topics and our Society 2030: Spirit of Progress plan, including at our Annual Strategy Conference held during the year, again improving the Board's knowledge and expertise in this area.</p> <p>The Audit Committee reviews management's assessment of our principal risks, including risks associated with our economic and ESG performance. This improves Directors' experience of risks associated with climate change and other ESG topics.</p> <p>The Board is also responsible for reviewing our Annual Report and ESG Reporting Index, which gives important contextual and performance information on economic and ESG topics. The Audit Committee reviews and recommends approval of the Annual Report and the ESG Reporting Index.</p> <p>The Board helped shape and approve our approach to our Society 2030: Spirit of Progress goals and receives an update on our performance against those targets at least twice a year.</p>
2-18 ● Evaluation of the performance of the highest governance body	<p>We evaluate the performance and effectiveness of the Board, its committees and Directors every year. At least once every three years, this evaluation is carried out by an independent professional consultancy.</p> <p>During fiscal 23, the Company Secretary oversaw an internally facilitated evaluation of the Board's effectiveness. This required each Director to complete a questionnaire seeking feedback on Board, Committee and Director performance and effectiveness, including in relation to how the Board supervises the company's ESG activities.</p> <p>The responses were reviewed by the Chairman and Company Secretary, who then provided a summary of main conclusions and proposed actions for the Board to consider and approve. These conclusions and actions, which are described in the Governance report section of our Annual Report on pages 96-157, include a continued focus on ESG matters and Board papers, action closure and time allocation.</p>
2-19 ● Remuneration policies	<p>The Directors' remuneration report in the Annual Report on pages 126-153 includes our Remuneration Policy. As explained in that report, remuneration is driven by both financial and individual business performance objectives that, in some cases, include ESG as well as financial goals.</p> <p>From 2020, Executive Directors, other members of the Executive Committee and senior leaders throughout the business have been directly incentivised through their long-term incentive plans to achieve ESG goals. Please see the Governance report section of our Annual Report for more information. We may also include ESG-type measures in the individual business objective element of Executive Committee members' shorter-term annual incentive plans.</p>
2-20 ● Process to determine remuneration	<p>Our Remuneration Committee determines senior- and executive-level remuneration, after engaging with shareholders and reviewing insights from the Chairman's discussions with employees. Key aspects are included in the Directors' remuneration report in the Annual Report on pages 126-153. Details of independent third-party advisers, including remuneration consultants, are also described in this section of the Annual Report.</p> <p>Each year, at the company's Annual General Meeting, shareholders are asked to vote to approve the Directors' remuneration report. The last Directors' remuneration report was approved by 94.79% of votes. The Directors' remuneration policy, which is approved by shareholders at least every three years, was approved by 93.12% of votes in 2020. The remuneration policy will be presented for renewal at this year's AGM in September 2023.</p>
2-21 ● Annual total compensation ratio	<p>We report the remuneration of our highest-paid executives in the Directors' remuneration report in our Annual Report on pages 126-153.</p> <p>Annual total compensation ratio</p> <p>We report the Chief Executive's pay ratio – that is, the total compensation for the Chief Executive versus median total compensation for UK employees – in the Directors' remuneration section of the Annual Report.</p> <p>Percentage increase in annual total compensation ratio</p> <p>We report the year-on-year change in Directors' salaries, bonuses and benefits relative to the average increase for all employees globally in the Directors' remuneration section of the Annual Report. We also report the total amount paid in salaries and benefits to employees under GRI 201-01.</p>

How we have met
each disclosure● Fully disclosed as outlined by the GRI
Sustainability Reporting Standards○ Partially disclosed and missing
at least one required indicator



○ Not disclosed

⊗ Not considered material
to our business at this time

Universal standards


GRI 2: GENERAL DISCLOSURES *continued*

STRATEGY POLICIES AND PRACTICES

Disclosure	Our response
2-22 	<p>Statement on sustainable development strategy</p> <p>In our Annual Report on pages 8-11, our Chairman and Chief Executive comment on how our role in society and our ESG strategy and targets support our Performance Ambition to be one of the best performing, most trusted and respected consumer products companies in the world.</p>
2-23 	<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 purpose and values. It provides clarity on how we are expected to behave to build the trust and respect of everyone who interacts with us.</p> <p>Our Code is underpinned by a number of global policies, standards and guidelines covering specific areas of our work. We review these every year to make sure we take account of any changes in our external environment and update them accordingly through Executive Committee approval. They reflect our values and our commitment to doing business the right way – and can be found on our website.</p> <p>The Global Business Integrity team oversees the Global Policy Framework, which lays out the process of developing and revising policies, reviewing and approving them, and making them available to everyone at Diageo. This might be through global mandatory training, for example.</p> <p>We take a precautionary approach to our Environment Policy, which sets out our obligations and expectations for managing impact on, and from, the environment. We describe this in how we are working to reduce emissions in the Pioneer grain-to-glass sustainability section of the Annual Report on pages 71-87.</p> <p>Policy commitment to respect human rights</p> <p>Our Global Human Rights Policy covers a list of internationally recognised human rights and a list of specific at-risk groups that we give particular attention to.</p> <p>The authoritative intergovernmental instruments that we are committed to are referenced within our policies and standards. Our Global Human Rights Policy is informed by the UN Guiding Principles on Business and Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, the UNICEF 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>We review and refresh our Code at least every three years and our Policies and Standards annually. Where deemed necessary, we may update any of these documents throughout the fiscal year. Each Global Policy has assigned to it a Global Subject Matter Expert (SME) who is responsible for refreshing the applicable Policy or Standard each year, prior to distribution. We further strengthen our approach through analysing our breach reporting mechanism, SpeakUp, which is available to both our employees and business partners.</p>


Universal standards

GRI 2: GENERAL DISCLOSURES *continued*STRATEGY POLICIES AND PRACTICES *continued*


Disclosure	Our response
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 global 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 managing specific business risks.</p> <p>Our Global Business Integrity team manages the integration of our commitments into organisational strategies, operational policies and procedures through our Global Policy Framework. This framework also sets out how we implement our commitments with and through our business relationships: for example, we expect all our suppliers to adhere to and commit to our Partnering with Suppliers Standard, which sets out our minimum expectations on environmental, social and governance criteria.</p> <p>We undertake annual mandatory global training on our Code and key global policies. This includes an integrated Annual Certification of Compliance for all managers and their direct reports, which takes in a total of 21,827 eligible employees of which 21,103 have completed the training. HR is responsible for managing those who have not completed the training via consequence management. Our Code is available in 17 languages, ensuring that employees around the world can access the policy.</p>


Universal standards


GRI 2: GENERAL DISCLOSURES *continued*STRATEGY POLICIES AND PRACTICES *continued*


Disclosure	Our response
2-25  Processes to remediate negative impacts	<p>Our ambition to do business the right way means we strive to remediate any negative impacts we have caused or contributed to. We do this through our grievance mechanisms, which provide a framework for dealing with any adverse impacts that arise.</p> <p>Our environmental and social grievance mechanisms</p> <p>Our grievance mechanisms cover a wide range of social and environmental issues such as impacts on society; human rights, health, safety and wellbeing; harassment and discrimination; and environmental damage and other environmental issues.</p> <p>Our key grievance mechanism is our third-party SpeakUp helpline and website, available in multiple languages. These can be accessed by employees and anyone in our value chain, including contractors, suppliers, customers and consumers.</p> <p>For employees, SpeakUp complements, rather than replaces, reporting issues directly to colleagues – line managers, the Legal team, the Human Resources (HR) team or Business Integrity managers. Grievances are investigated independently and, where necessary, anonymised to protect those raising the issue.</p> <p>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 operations and workers as well as along their supply chains.</p> <p>Environmental grievances are addressed locally and also reviewed quarterly by the relevant functional Risk Management Committees for trends or hotspot areas of focus. Findings are escalated to the Global Governance team to develop mitigations as appropriate.</p> <p>During the reporting year, 15 grievances about environmental impacts were filed. All were addressed, with eight being resolved through formal grievance mechanisms. One grievance about environmental impacts, filed last year, was resolved this year. We do not disclose how each individual grievance is resolved because this may compromise the anonymity of those involved.</p> <p>How we assess the effectiveness of our grievance mechanisms</p> <p>On social grievances, our Global Breach Management Committee meets quarterly to oversee key trends, identify and align key themes, and determine whether any interventions or actions are required. We also engage with local judicial or non-judicial grievance mechanisms to address matters when needed. An independent assessment of our Breach Management Standard took place in 2022 to assess its compatibility with the EU Whistleblowing Directive, and relevant adjustments are being made.</p> <p>As well as routine tracking and review, we also review assessments through our newly launched Third-Party Risk Management programme, which assesses supplier risk prior to onboarding. Within our human rights risk domain, we require all suppliers to detail how grievances are reported to their management. We are also able to review grievance mechanism effectiveness within our supply chain through non-compliance 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.</p> <p>We are also members of AIM-Progress, the stakeholder initiative on responsible sourcing for Fast-Moving Consumer Goods companies, and we use several tools provided through the Grievance Mechanism working group to support our review of grievance mechanism effectiveness. These include the Grievance Mechanism Maturity Framework and self-assessment tool.</p> <p>On environmental grievances, our Environment teams in each market review grievances to consider whether mitigation has been effective and whether grievances have been addressed. 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 • Reviewing global trends in grievances and grievance mechanisms.

How we have met each disclosure

 Fully disclosed as outlined by the GRI Sustainability Reporting Standards




 Partially disclosed and missing at least one required indicator

 Not disclosed

 Not considered material to our business at this time

Universal standards

GRI 2: GENERAL DISCLOSURES *continued*STRATEGY POLICIES AND PRACTICES *continued*


Disclosure	Our response
2-26  Mechanisms for seeking advice and raising concerns	<p>Our confidential SpeakUp service is available for people to raise concerns about compliance with the law, our Code, any of our global policies or standards, or any other compliance or ethics matter.</p> <p>Our SpeakUp whistleblowing phone line and web reporting tool can be accessed by all our employees and by those in our value chain, including contractors, suppliers, customers and consumers. Overall statistics and notable matters are reported quarterly to our Executive Committee and our Audit Committee.</p> <p>We do not tolerate reprisals against anyone who reports a concern or helps with an investigation in good faith. Anyone found to be involved in retaliation against an individual who has raised a concern will be subject to disciplinary action.</p> <p>More information is included in the Our principal risks and risk management section and Governance report section of the Annual Report on pages 88-93 and 96-157.</p>
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 the Environment section of this ESG Reporting Index on pages 29-50 below. This forms 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. These are set out in our Environment Policy and our supporting framework of policies.</p> <p>The President, Global Supply and Procurement and Chief Sustainability Officer is the Environment Policy owner, and reviews environmental and compliance performance regularly during the year, including at quarterly Supply Chain and Procurement Environmental Compliance reviews, managed by our Governance function. There are also routine reports to the Executive Committee and an annual review of performance against yearly and longer-term targets.</p> <p>There were 32 incidents of non-compliance with environmental consents this fiscal year, resulting in a total of £12,559 in fines. There were no incidents of non-compliance with environmental consents from last year reported this year.</p> <p>Socioeconomic compliance</p> <p>There were no charges to exceptional items in respect of non-compliance with social and economic laws and regulations this year. For more information on how we manage socioeconomic compliance, please see GRI 2-23 and 2-24.</p> <p>Omissions: the total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period.</p> <p>Reason: not applicable.</p> <p>Explanation: we do not report fines that the business does not deem to be material. Materiality is defined in the Independent Auditor's Report in the Annual Report from page 162.</p>
2-28  Membership of associations	<p>We have helped establish many social aspects organisations (SAOs) – that is, industry-funded bodies that work with governments, the private sector and NGOs to reduce the harmful use of alcohol. Information on how we work with the International Alliance for Responsible Drinking, and a list of our SAOs and trade associations that run responsible drinking initiatives, can be found in the Alcohol Policy section of our website.</p> <p>We are proud signatories of a number of initiatives, including UNGC/Science Based Targets initiative, UNGC's Uniting Business and Governments to Recover Better, the Race To Zero, Race to Resilience, the UNGC Government Letter on SDGs in Recovery, and RE100.</p>


Universal standards


GRI 2: GENERAL DISCLOSURES *continued*


STAKEHOLDER ENGAGEMENT

Disclosure		Our response
2-29	Approach to stakeholder engagement	<p>We define our stakeholders as all those who affect, are affected or could be affected by our business.</p> <p>We engage internal and external stakeholders, including employees, investors, commercial partners, governments, NGOs, local communities and consumers.</p> <p>We actively engage stakeholders at local and global levels. At a local level, employees across our business engage their colleagues, local governments, customers, media and community groups on issues of immediate concern to them. At a global level, we engage investors, customers, suppliers and multinational organisations such as UN agencies and NGOs. We aim to ensure meaningful engagement by working with a varied group of stakeholders and by maintaining open dialogue with them. Examples of how we engage with stakeholders can be found in the Stakeholder engagement section of our website.</p>
2-30	Collective bargaining agreements	<p>We have a strong commitment to transparent dialogue. In fiscal 23, 39% of our employees were covered by collective bargaining agreements. We have seen changes in our manufacturing operations in some locations, which have reduced the overall proportion of employees covered by collective bargaining agreements since fiscal 22.</p>

How we have met
each disclosure
 Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

 Partially disclosed and missing
at least one required indicator

 Not disclosed

 Not considered material
to our business at this time

Universal standards

GRI 3: MATERIAL TOPICS

MATERIAL TOPICS

Disclosure		Our response
3-1	Process to determine material topics	<p>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. The 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 SDGs. More information about our materiality assessment can be found in the Materiality section of our website.</p> <p>The assessment showed us the significance of our impacts 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 4 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.</p> <p>We review materiality on an annual basis, considering stakeholder comments – including those arising from our internal subject-matter experts – Corporate Relations activity, financial analysis and external developments such as the UN SDGs, the Paris Climate Agreement, other external initiatives and events.</p>
3-2	List of material topics	<p>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, with our suppliers and partners and in the communities where we live, work, source and sell.</p> <p>As shown in our materiality matrix on page 4, this year we have moved the position of the topic ‘protecting the natural ecosystems our business relies on’, to reflect its increasing importance to our external and internal stakeholders.</p> <p>Those risks considered most material from a financial and non-financial perspective are included in our Annual Report on pages 88-93. We continue to highlight climate-related risks within the Our principal risks and risk management section of our Annual Report: see page 89 for more information.</p> <p>The following GRI aspects are particularly material to our 126 supply sites in 21 countries: procurement practices, materials, energy, water and effluents, biodiversity, emissions, waste, supplier environmental assessment, environmental grievance mechanisms, occupational health and safety, supplier social and environmental assessment, diversity and equal opportunity and human rights assessment. The remaining additional aspects are material to all countries where we sell products around the world (more than 180) – except for indigenous rights, which did not come up as material through our stakeholder study. There have not been any significant changes to our list of material topics and topic boundaries since the previous reporting period. We took a value-chain approach to our materiality matrix, so the issues that we identified as material are also material to our suppliers and other business partners.</p>
3-3	Management of material topics	<p>To make this index easier to understand, we have described our management of material topics (GRI 3-3) alongside the relevant indicators. So, for example, the management approach for GRI 201 Economic Performance can be found on page 21 of this ESG Reporting Index, with the economic performance indicators following it.</p>

GRI Index

Topic standards

ECONOMIC

ECONOMIC PERFORMANCE

3-3 Our management approach to economic performance



Our relationships with suppliers, investors, lenders, governments, employees and local community stakeholders have direct economic and social impacts, which we measure, evaluate and manage.

Our [Annual Report](#) explains how we manage financial performance and includes financial performance measures. 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 our strategy.

The Board, the Executive Committee and management teams at market and function level review economic performance at each of their meetings, tracking performance measures and annual operating plans. Details of financial performance measures are in the Annual Report.

Where necessary, we develop or adapt our activities to improve performance against our targets or in response to external factors.

Disclosure	Our response
201-01 Direct economic value generated and distributed	<p>Our revenue this year totalled £24,033 million.¹ Economic value distributed includes operating costs (£11.5 billion), taxes (£8.3 billion), employee salaries and benefits (£1.7 billion), payments to providers of capital (£2.5 billion) and community investment (£22.7 million). Tax paid includes all cash tax paid by the company, excluding £1.2 billion of VAT.</p> <p>Omissions: direct economic value by local market.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: we do not currently disaggregate direct economic value by local market.</p> <p>1. Data is presented on a cash basis.</p>
201-02 Financial implications and other risks and opportunities due to climate change	<p>Climate-related risk is identified as one of our principal risks (see pages 88-93 of our Annual Report). It has the potential to affect our business in many ways, which we outline in detail in the Pioneer grain-to-glass sustainability section of our Annual Report on pages 71-87, in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures. 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 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. Between 2021 and 2023, we conducted physical climate change risk assessments on more than 95% of our operations and key elements of our supply chain, assessed transition risks in key markets, and updated our global 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. More details on the financial implications of climate-related risks can be found in our Annual Report on pages 71-93.</p> <p>Recognising the importance of water efficiency and replenishment, we have set targets for both as outlined on page 79 of our Annual Report. Our total spend on environmental protection (including decarbonisation, water preservation, stewardship, energy efficiency and waste reduction) in fiscal 23 was approximately £55 million.</p>

How we have met each disclosure

Fully disclosed as outlined by the GRI Sustainability Reporting Standards

Partially disclosed and missing at least one required indicator



Not disclosed

Not considered material to our business at this time

Topic standards




ECONOMIC continued

ECONOMIC PERFORMANCE continued

Disclosure	Our response
201-03  Defined benefit plan obligations and other retirement plans	<p>We operate a number of pension plans throughout the world, devised according to local conditions and practices. Some are defined benefit plans and are funded by payments to separately administered trusts or insurance companies. The group also operates a number of plans that are generally unfunded, primarily in the United States, that provide employees' post-employment medical costs. Where required, we have deficit funding arrangements in place for our defined benefit plans. For full details, see Note 14 to the Financial Statements in the Annual Report.</p> <p>Omissions: the number of employees included in the schemes or the percentage of salary contributed by employer and employee.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: this information is not readily available, except in our larger markets such as the United Kingdom, Ireland and North America.</p>
201-04  Financial assistance received from government	<p>We are a publicly listed company and not part-owned by any government.</p> <p>Tax credits are included in Note 7 and government grants in Note 10 to the Financial Statements in the Annual Report.</p> <p>Omissions: information broken down by country.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: this information is not broken down by country.</p>

MARKET PRESENCE

3-3  Our management approach to market presence	<p>We operate as a market-based business and sell products in more than 180 countries. Each of our markets is accountable for its own performance and for driving growth. For more details, see the Business review section of the Annual Report on pages 40-53.</p> <p>Our strategic planning considers decisions to enter either geographic or product markets, as outlined in our Annual Report.</p> <p>We assess performance against our strategy using relevant performance measures.</p> <p>As we develop our overall strategy, we review our market presence, as described in our Annual Report. This process considers issues such as the scale of our activity in markets, our presence in existing or potential product sectors and geographies, and the relative risks and opportunities involved. Our market presence is routinely reported to the Executive Committee and the Board. For more details, see the Business review section of the Annual Report on pages 40-53.</p>
202-01  Ratios of standard entry-level wage by gender compared with local minimum wage	<p>Omissions: ratios of standard entry-level wage by gender compared with local minimum wage.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: we comply with all local legislation in relation to minimum wages in all the countries we operate in. We don't, however, currently collect data in relation to this indicator at a global level.</p>
202-02  Proportion of senior management hired from the local community	<p>Diageo is committed to inclusion and diversity and the ongoing development of our people. We continue to enhance our positive market presence and deepen our understanding of local needs by appointing employees from the local community into senior management roles, while providing international experience for our people to develop further.</p> <p>During fiscal 23, 72.6% of the senior management appointments were from the local community. We will continue to maintain a balance between local community hires and international appointments into senior management roles to support our positive market presence, talent development, and diversity and inclusion.</p> <p>Definitions: 'Senior management' refers to those in top leadership positions (L3+), excluding Executive Committee positions in Diageo. 'From the local community' refers to an employee that has citizen, national or residency rights to reside indefinitely.</p>

How we have met
each disclosure Fully disclosed as outlined by the GRI
Sustainability Reporting Standards Partially disclosed and missing
at least one required indicator Not disclosed Not considered material
to our business at this time

Topic standards

ECONOMIC continued

INDIRECT ECONOMIC IMPACTS

3-3 **Our management approach to indirect economic impacts**

As a global business operating in numerous locations, we have many indirect economic impacts on the communities we operate in.

Our [Society 2030: Spirit of Progress](#) plan has been developed to address our most material issues, including how we support sustainable social and economic growth in those communities. 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.

We review indirect economic impacts as part of strategy development and risk management and we report them to the Executive Committee and the Board. For more information about our strategy and indirect economic impacts, see the Strategic report section of our Annual Report on pages 32-95.


For more information about how we monitor and evaluate the impact of our programmes, see GRI 413-01 and the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.

Disclosure	Our response
203-01 Infrastructure investments and services supported	<p>For examples of significant infrastructure and services that we support, see the ESG section of our website and in the Strategic report section of the Annual Report on pages 32-95.</p> <p>Details of the water-related infrastructure and services that we support are outlined in the Society 2030: Spirit of Progress section of our website. These include community water, sanitation and hygiene (WASH) programmes, which provide resources to those in need and often contribute to the development of local infrastructure. We prioritise communities near our operations in water-stressed areas and those where we source our local raw materials.</p> <p>Details of how we support development of recycling infrastructure can be found on our website, in the Society 2030: Spirit of Progress section, and under GRI 3-3 and GRI 306-01 on pages 45 and 46 respectively of this ESG Reporting Index.</p> <p>Although these infrastructure investments are not classified as commercial, we know that they will help ensure the sustainability of our business operations.</p>

Topic standards

ECONOMIC continued

INDIRECT ECONOMIC IMPACTS continued

Disclosure	Our response																																							
203-02  Significant indirect economic impacts	<p>There are a diverse array of indirect economic impacts associated with our business relationships and our community investment programmes. We developed our Society 2030: Spirit of Progress plan knowing that the way we do business influences the distribution of economic impacts on specific groups. For example, our supplier diversity programme, which aims to increase the percentage of Diageo suppliers from diverse-owned and disadvantaged businesses to 15%, is intended to have an indirect positive economic impact on specific communities, while supporting a more inclusive operating environment.</p> <p>In fiscal 23, we invested £22.7 million or 0.5% of operating profit in programmes to support the communities where we live, work, source and sell. This community investment data includes specific voluntary engagement with charitable organisations or activities that extend beyond our core business activities. It does not include our investment towards our Society 2030: Spirit of Progress activities, which are included as business-as-usual costs.</p> <p>Community investment by focus area</p> <table border="1"> <thead> <tr> <th>Focus area</th> <th>Investment (£ million)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Positive drinking</td> <td>4.7</td> <td>21</td> </tr> <tr> <td>Inclusion and diversity</td> <td>5.6</td> <td>25</td> </tr> <tr> <td>Grain-to-glass sustainability</td> <td>2.3</td> <td>10</td> </tr> <tr> <td>Local and brand-led</td> <td>10.1</td> <td>44</td> </tr> <tr> <td>Total</td> <td>22.7</td> <td></td> </tr> </tbody> </table> <p>Community investment (cash) by region</p> <table border="1"> <thead> <tr> <th>Cash by region</th> <th>Investment (£ million)</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>5.6</td> <td>25</td> </tr> <tr> <td>Europe</td> <td>4.9</td> <td>21</td> </tr> <tr> <td>Asia Pacific</td> <td>4.5</td> <td>20</td> </tr> <tr> <td>Latin America and Caribbean</td> <td>4.5</td> <td>20</td> </tr> <tr> <td>Africa</td> <td>3.2</td> <td>14</td> </tr> <tr> <td>Total</td> <td>22.7</td> <td></td> </tr> </tbody> </table> <p>For more information about the impact of our community investment, and how we contribute to local economic development, see the Champion inclusion and diversity and Pioneer grain-to-glass sustainability sections of our Annual Report on pages 67-87 and our website.</p>	Focus area	Investment (£ million)	Percentage (%)	Positive drinking	4.7	21	Inclusion and diversity	5.6	25	Grain-to-glass sustainability	2.3	10	Local and brand-led	10.1	44	Total	22.7		Cash by region	Investment (£ million)	Percentage (%)	North America	5.6	25	Europe	4.9	21	Asia Pacific	4.5	20	Latin America and Caribbean	4.5	20	Africa	3.2	14	Total	22.7	
Focus area	Investment (£ million)	Percentage (%)																																						
Positive drinking	4.7	21																																						
Inclusion and diversity	5.6	25																																						
Grain-to-glass sustainability	2.3	10																																						
Local and brand-led	10.1	44																																						
Total	22.7																																							
Cash by region	Investment (£ million)	Percentage (%)																																						
North America	5.6	25																																						
Europe	4.9	21																																						
Asia Pacific	4.5	20																																						
Latin America and Caribbean	4.5	20																																						
Africa	3.2	14																																						
Total	22.7																																							

Topic standards

ECONOMIC continued

PROCUREMENT PRACTICES

3-3 Our management approach to procurement practices

As a multinational company, Diageo is connected to a large and varied group of suppliers. We can therefore seek to influence supplier behaviour and create positive social and environmental change through our procurement practices – who we choose to partner with and how we partner with them. Given the complexity of our supply chain, there are also risks related to our suppliers' social and environmental impacts that we need to manage.

We select our suppliers based on their ability to deliver services and materials effectively and in a timely fashion, as set out in our [Partnering with Suppliers Standard](#). We expect them to adopt clear commitments and minimum standards on ethical business, human rights and health and safety, as set out in our [Code](#). We also expect suppliers to share the priorities within our [Society 2030: Spirit of Progress](#) plan on promoting positive drinking, inclusion and diversity, and environmental sustainability.

Diageo has a role to play in supporting minority-owned businesses, and we have set targets to increase supplier diversity. More information about our supplier diversity activities can be found in our Annual Report on page 69.

We evaluate suppliers against various risk processes, such as business continuity and financial risk. These include the risk of bribery and corruption, which we manage through our One Trust assessment, which considers operating, market and sector risks, and which incorporates feedback from our internal reviews and assessments.

Procurement teams review each supplier's ongoing performance against contract and service levels. We assess our suppliers' adherence to specific requirements on issues such as labour and human rights, as we describe from GRI 406-01 to GRI 412-03 in this ESG Reporting Index.

Our Internal Audit and Business Integrity teams review our procurement practices. From their audit, we produce a report for functional management and relevant Executive Committee members, which includes remedial actions and recommendations.

We work extensively with our suppliers to help them manage social and environmental risks and promote positive impact. Diageo is a member of the CDP Supply Chain and Water Security programmes, through which we engage key suppliers on measuring and managing their carbon emissions and water-related impacts.


Disclosure		Our response
204-01	Proportion of spending on local suppliers	We estimate that more than 81% of our raw materials volume is dedicated to 'in-country' suppliers for our sites in the following locations: India, Ireland, Mexico, Turkey, the United Kingdom and the United States. For our sites in Africa, 72% of agriculture raw material volume in our operations came from suppliers based in Africa during fiscal 23.


Topic standards


ECONOMIC continued


ANTI-CORRUPTION

3-3	Our management approach to procurement practices	
	<p>We have an internal Countering Corruption Global Policy. Its core principles are included in our Code and are applied to all our operations and personnel. Routine training is undertaken throughout the business, as is specialised training for specific employee groups in high-risk locations and functions. 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> <p>Our Business Integrity team monitors compliance with our Code, including our internal anti-corruption principles. Our Global Audit and Risk team regularly audits our markets, which includes auditing their compliance procedures. The team specifies any required improvements, along with a mandatory completion date.</p> <p>The Business Integrity team checks that all necessary personnel have completed their Code training, and reports results to the Executive Committee and the Audit Committee of the Board.</p>	
Disclosure	Our response	
205-01	Operations assessed for risks related to corruption	Each of our markets is required to carry out a legal compliance risk assessment each year, including considering human rights, bribery and corruption and anti-trust, and to develop mitigation plans for their most significant risks. Every business unit must also carry out assessments of the risk of corruption.
205-02	Communication and training about anti-corruption policies and procedures	<p>Everyone who joins the business has to complete training in our Code within 30 days. The training covers anti-corruption policies and procedures. All employees at manager level and above, and employees in certain non-manager roles, complete an Annual Certification of Compliance (ACC). By completing the ACC, employees are confirming that they have read and understood our Code and global policies, including our policy on anti-corruption.</p> <p>Our compliance programme uses a risk-based approach to identify where we should focus our anti-corruption communication and training. This approach considers the external context, geographic and functional risks, and the output of our own reviews, including input from SpeakUp data. An example of our anti-corruption procedures is our third-party business partner due diligence programme, Know Your Business Partner (KYBP), which was refreshed at the end of 2021, in line with our external risk landscape.</p>
205-03	Confirmed incidents of corruption and actions taken	<p>Material cases are reported in Note 19 to the Financial Statements of the Annual Report.</p> <p>Omissions: non-material incidents.</p> <p>Reason: not applicable.</p> <p>Explanation: we disclose details of such matters to the extent that it is required as part of our contingent liability disclosure. This does not include details of all ongoing regulatory investigations or penalties.</p>

How we have met
each disclosure
 Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

 Partially disclosed and missing
at least one required indicator

 Not disclosed

 Not considered material
to our business at this time

Topic standards

ECONOMIC continued

ANTI-COMPETITIVE BEHAVIOUR

3-3 Our management approach to procurement practices



We have an internal Competition and Anti-trust Global Policy, which is included in our [Code](#) and in our Code training programme. We monitor adherence by reviewing emerging issues and outcomes from SpeakUp and by routinely assessing all business functions through our internal independent reviews.

Our Business Integrity team monitors compliance with our Code, which includes our internal competition and anti-trust principles.

For more information on how we evaluate our approach to compliance issues, including anti-competitive behaviour, see GRI 3-3 Anti-corruption on page 26 of this ESG Reporting Index.

Disclosure

Our response

206-01



Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

Each of our markets is required to carry out an annual legal compliance risk assessment, considering anti-competitive behaviour, anti-trust and monopoly practices and to develop mitigation plans for their most significant risks.

Omissions: any non-public incidents are not reported.

Reason: confidentiality constraints.

Explanation: we disclose details of such matters to the extent that it is required as part of our contingent liability disclosure. This does not include details of all ongoing regulatory investigations or sanctions.

Topic standards

ECONOMIC continued

TAX

3-3	<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 investors, governments, our people, customers, consumers, suppliers and the communities in which we operate.</p> <p>Our approach to tax, including our commitments, core principles and governance mechanisms, is described in detail in our global Tax Policy.</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 Finance Committee.</p> <p>The Finance Committee, made up of senior management with relevant expertise (including the Chief Executive and the Chief Financial Officer), is the supervisory body for all group tax activities. This Committee reviews relevant developments on issues covered by our policy three times a year 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>
-----	--

Disclosure	Our response
207-01	<p>Approach to tax</p> <p>Information about our tax strategy, our approach to regulatory compliance and how our approach to tax links to our business strategy can be found in our Tax Policy on pages 3-5.</p>
207-02	<p>Tax governance, control and risk management</p> <p>Information about our tax governance, risk management and compliance can be found in our Tax Policy on 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 2-26 of this ESG Reporting Index.</p> <p>A description of our assurance process can be found in GRI 2-5 of this ESG Reporting Index.</p>
207-03	<p>Stakeholder engagement and management of concerns related to tax</p> <p>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.</p>
207-04	<p>Country-by-country reporting</p> <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, we submit annually a country-by-country report for the group to the UK tax authorities. The UK tax authorities share our information with other jurisdictions' tax authorities, where these authorities have agreed to the OECD's guidelines.</p> <p>We continue to review our position and will make changes in due course.</p> <p>We are engaging constructively to support measures to put the taxation of international companies on a clear, fair and consistent basis.</p>

Topic standards

ENVIRONMENTAL

MATERIALS

3-3 Our management approach to materials

The materials we use can largely be categorised as packaging and agricultural raw materials. The production of those materials and the use and disposal of our products generates greenhouse gas emissions, uses water and other forms of natural capital, and may create waste. Most of the effects associated with our materials occur in our supply chain.

For more information, see:

- [Our website](#): For more information on our management approach to materials, see the Become sustainable by design and Responsible sourcing pages of our website.
- [Our reports](#): For information on our targets relating to packaging and raw materials, see the Pioneer grain-to-glass sustainability section of our Annual Report on pages 71-87. For more information about how we measure and report on our targets, see the Reporting boundaries and methodologies section of this ESG Reporting Index, on pages 83-114.
- [Our policies and standards](#): For information on our strategies on packaging and agricultural raw materials, see our Reinventing Packaging Policy and Sustainable Agriculture Guidelines.

Our general approach to materials is for our Supply and Procurement teams to evaluate the impacts linked to their sourcing and to review our suppliers' management processes.

We continue to scale our collaborative approach through partnerships such as GlassFutures to decarbonise glass and increase recycled content, BACALL (British Aluminium Consortium for Advanced Alloys) to decarbonise aluminium cans and OP2B (One Planet Business for Biodiversity) to scale regenerative agriculture and landscape transformation.

Packaging

Our Society 2030: Spirit of Progress goals include commitments to continue light-weighting and right-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. We have continued to collaborate with local authorities and trade bodies this year to help strengthen the recycling sector in key markets, helping to improve end-of-life recycling for our packaging and to return these materials to our suppliers to move towards circularity. Almost 100% of our paper and board packaging is sustainably sourced and certified to ensure zero net deforestation.

We are increasing and scaling up the use of returnable glass bottles across our business and continue to invest in new circular solutions to reduce our single-use packaging footprint.

We have worked cross-functionally to launch Diageo packaging mandates, which will increase the use of recycled content and reduce the weight of our bottles, while also focusing on secondary packaging removal and circular solutions. The availability of post-consumer cullet and rPET remains a challenge across the industry, and we continue to invest and partner in this area to increase availability.

We have published our [Reinventing Packaging strategy](#), which sets out our progressive vision for the future and will help us to reinvent our packaging.

Agricultural raw materials

Our vision is to make our agricultural supply chains economically, socially and environmentally sustainable and resilient, as described in our Sustainable Agriculture Guidelines.

We are collaborating 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.

We are also developing protocols to monitor, report and verify the impact of our regenerative agriculture pilots, which are being implemented across our priority raw materials in key geographies.

We continue to engage across industry groups to contribute to the development of frameworks on regenerative agriculture as a new member of the One Planet for Business Biodiversity coalition, on carbon accounting and verification methodologies and more recently on forest, land and agriculture (FLAG) pathways.

We are working with our suppliers to improve the traceability of raw materials across our sourcing regions and are tracking the volumes of raw materials supplied to us that are covered by sustainability standards and certifications. We remain committed to sourcing local raw materials (LRM) across our African markets and other regions where smallholders form part of our supply chain. This LRM sourcing approach includes providing skills training and access to farming inputs, and credit and other support. This is underpinned by digitally connecting suppliers with Diageo, so we can better understand who and where growers are in our supply chain.

Our performance in meeting our Society 2030: Spirit of Progress goals relating to packaging and raw materials is reported internally every quarter. Performance is reviewed at market, regional and global level by stakeholders throughout the business, including our Executive Committee and the 2030 Grain-to-Glass Strategic Business Review team.

How we have met
each disclosure

● Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

◐ Partially disclosed and missing
at least one required indicator

○ Not disclosed

⊗ Not considered material
to our business at this time

Topic standards

ENVIRONMENTAL continued

MATERIALS continued

Disclosure		Our response																																							
301-01	Materials used by weight or volume	This year, we used approximately 1.92 million tonnes of agricultural raw materials such as barley, wheat and maize, and approximately 1.58 million tonnes of packaging.																																							
		Global raw materials by volume (Subtotal – 4.5 million tonnes)																																							
		<table border="1"> <thead> <tr> <th>Raw material</th> <th>Volume</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Non-renewable material used</td> <td>1,413,970</td> <td>31.7</td> </tr> <tr> <td>Renewable material used</td> <td>3,048,697</td> <td>68.3</td> </tr> </tbody> </table>	Raw material	Volume	Percentage (%)	Non-renewable material used	1,413,970	31.7	Renewable material used	3,048,697	68.3																														
Raw material	Volume	Percentage (%)																																							
Non-renewable material used	1,413,970	31.7																																							
Renewable material used	3,048,697	68.3																																							
		Global raw materials¹ (Total – 1.92 million tonnes)																																							
		<table border="1"> <thead> <tr> <th>Raw material²</th> <th>Volume</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Barley³</td> <td>481,833</td> <td>25.1</td> </tr> <tr> <td>Agave</td> <td>482,656</td> <td>25.2</td> </tr> <tr> <td>Maize</td> <td>185,949</td> <td>9.7</td> </tr> <tr> <td>Molasses</td> <td>178,014</td> <td>9.3</td> </tr> <tr> <td>Wheat</td> <td>156,135</td> <td>8.1</td> </tr> <tr> <td>Grapes and raisins</td> <td>153,616</td> <td>8</td> </tr> <tr> <td>Sugar</td> <td>100,523</td> <td>5.2</td> </tr> <tr> <td>Sorghum</td> <td>74,825</td> <td>3.9</td> </tr> <tr> <td>Broken rice</td> <td>38,354</td> <td>2</td> </tr> <tr> <td>Rye</td> <td>30,899</td> <td>1.6</td> </tr> <tr> <td>Dairy</td> <td>17,819</td> <td>0.9</td> </tr> <tr> <td>Others</td> <td>15,496</td> <td>0.8</td> </tr> </tbody> </table>	Raw material ²	Volume	Percentage (%)	Barley ³	481,833	25.1	Agave	482,656	25.2	Maize	185,949	9.7	Molasses	178,014	9.3	Wheat	156,135	8.1	Grapes and raisins	153,616	8	Sugar	100,523	5.2	Sorghum	74,825	3.9	Broken rice	38,354	2	Rye	30,899	1.6	Dairy	17,819	0.9	Others	15,496	0.8
Raw material ²	Volume	Percentage (%)																																							
Barley ³	481,833	25.1																																							
Agave	482,656	25.2																																							
Maize	185,949	9.7																																							
Molasses	178,014	9.3																																							
Wheat	156,135	8.1																																							
Grapes and raisins	153,616	8																																							
Sugar	100,523	5.2																																							
Sorghum	74,825	3.9																																							
Broken rice	38,354	2																																							
Rye	30,899	1.6																																							
Dairy	17,819	0.9																																							
Others	15,496	0.8																																							
		<p>1. Figure breakdown represents raw materials we buy directly, and excludes raw materials used to make the spirits we purchase.</p> <p>2. Excludes processed chemicals.</p> <p>3. Includes malted barley.</p>																																							
		Global packaging materials¹ by weight (Total – 1.58 million tonnes)																																							
		<table border="1"> <thead> <tr> <th>Packaging material</th> <th>Volume</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Glass</td> <td>1,296,054</td> <td>82.24</td> </tr> <tr> <td>Corrugate</td> <td>85,180</td> <td>5.41</td> </tr> <tr> <td>Cartons</td> <td>80,034</td> <td>5.08</td> </tr> <tr> <td>Closures and crowns</td> <td>33,930</td> <td>2.15</td> </tr> <tr> <td>PET</td> <td>21,755</td> <td>1.38</td> </tr> <tr> <td>Cans</td> <td>25,133</td> <td>1.59</td> </tr> <tr> <td>Other (beverage cartons, labels, sleeves, bags and sachets)</td> <td>33,783</td> <td>2.14</td> </tr> </tbody> </table>	Packaging material	Volume	Percentage (%)	Glass	1,296,054	82.24	Corrugate	85,180	5.41	Cartons	80,034	5.08	Closures and crowns	33,930	2.15	PET	21,755	1.38	Cans	25,133	1.59	Other (beverage cartons, labels, sleeves, bags and sachets)	33,783	2.14															
Packaging material	Volume	Percentage (%)																																							
Glass	1,296,054	82.24																																							
Corrugate	85,180	5.41																																							
Cartons	80,034	5.08																																							
Closures and crowns	33,930	2.15																																							
PET	21,755	1.38																																							
Cans	25,133	1.59																																							
Other (beverage cartons, labels, sleeves, bags and sachets)	33,783	2.14																																							
		1. Excludes promotional materials.																																							

Topic standards

ENVIRONMENTAL continued

MATERIALS continued

Disclosure		Our response		
301-02	Recycled input materials used	This year, 38.99% of the materials used in our packaging were recycled input materials.		
301-03	Reclaimed products and their packaging materials	Recovery rates and recycling rates for packaging categories¹		
		Market	Recovery rate %	Recycling rate %
		Australia	68.0	56.0
		Brazil	32.0	No published data
		Germany	80.0	68.1
		Great Britain	68.2	63.2
		Greece	60.1	60.1
		Italy	73.0	69.6
		Kenya	No published data	No published data
		Nigeria	16.0	No published data
		North America	53.0	53.9
		Republic of Ireland	94.0	62.5
		Singapore	No published data	No published data
		South Africa	57.0	47.0
		South Korea	No published data	59.5
		Spain	79.0	68.2
		Venezuela	No published data	No published data

1. Categories include glass, aluminium, paper and board.

Omission: percentage of Diageo reclaimed products and their packaging materials for each product category.

Reason: information unavailable/incomplete.

Explanation: data source is market recovery rates. This is industry standard as materials are reclaimed via public infrastructure.

Topic standards

ENVIRONMENTAL *continued*


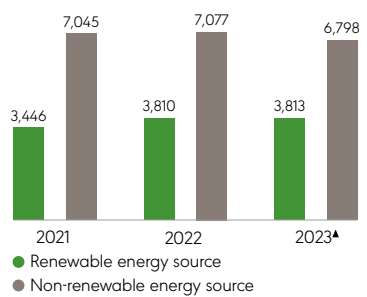


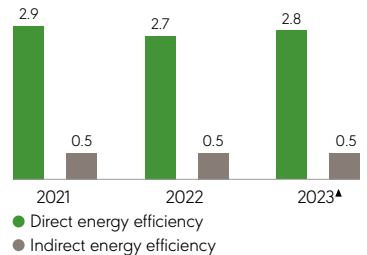


ENERGY

3-3	<p>Our management approach to energy</p> <p>Climate change is having increasingly severe physical impacts around the world, while regulatory and policy efforts to curb greenhouse gas emissions are increasing the cost of energy from fossil fuels. Our Society 2030: Spirit of Progress plan includes a number of targets that aim to cut our carbon emissions, including our target for 100% renewable energy use across our direct operations by 2030.</p> <p>For more information, see:</p> <ul style="list-style-type: none"> • Our website: For more information on our approach to energy, as part of our Society 2030: Spirit of Progress plan, see the Accelerate to a low-carbon world page of our website. • Our reports: See our Pioneer grain-to-glass sustainability section of our Annual Report on pages 71-87 for information on our approach to energy and performance against our energy-related target. Also see the Reporting boundaries and methodologies section on pages 83-114. of this ESG Reporting Index for more information about how we measure and report on our energy-related targets. • Our policies and standards: See our Net-Zero Carbon Strategy and our Environment Policy for information on our strategy for energy and emissions. <p>Our approach to energy is based on four main activities:</p> <ol style="list-style-type: none"> 1. Reducing energy consumption 2. Recovering and reusing energy 3. Converting energy sources to renewables 4. Minimising energy use across our supply chain. <p>To track the effectiveness of our approach, we monitor our performance against our Society 2030: Spirit of Progress goals, including those focused on energy and carbon, and report progress every quarter. Performance is reviewed at market, regional and global level by stakeholders throughout the business, including our Executive Committee and the 2030 Grain-to-Glass Strategic Business Review team.</p>
-----	---


Topic standards


ENVIRONMENTAL continued


ENERGY continued


Disclosure	Our response												
302-01  Energy consumption within the organisation	<p>We report three years of renewable and non-renewable direct energy consumption, with our new baseline year being 2020. This includes both energy generated and used on site and energy supplied to our facilities.</p> <p>Renewable and non-renewable direct energy consumption (TJ)^{1,2}</p>  <table border="1"> <caption>Renewable and non-renewable direct energy consumption (TJ)^{1,2}</caption> <thead> <tr> <th>Year</th> <th>Renewable energy source (TJ)</th> <th>Non-renewable energy source (TJ)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>3,446</td> <td>7,045</td> </tr> <tr> <td>2022</td> <td>3,810</td> <td>7,077</td> </tr> <tr> <td>2023[▲]</td> <td>3,813</td> <td>6,798</td> </tr> </tbody> </table> <p>● Renewable energy source ● Non-renewable energy source</p> <p>1. Direct energy consumption refers to energy sources that we own or control and generate Scope 1 emissions from, as defined by the WRI/WBCSD Greenhouse Gas Reporting Protocol. 2. 2020 baseline data, and data for the periods ended 30 June 2021 and 30 June 2022, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies. ▲ Total direct energy consumption, renewable and non-renewable 10,611TJ, is within PwC's independent limited assurance scope - see pages 116-119 of this ESG Reporting Index. For Reporting boundaries and methodologies, see pages 83-114.</p> <p>Indirect (grid electricity) accounted for 15.7% of total energy consumption. Omissions: breakdown of energy consumption by heating, cooling and steam. Reason: information unavailable/incomplete. Explanation: the breakdown of energy consumption by heating, cooling and steam is not included here because, currently, this level of detail is unavailable given the inherent complexity of heat recovery systems.</p>	Year	Renewable energy source (TJ)	Non-renewable energy source (TJ)	2021	3,446	7,045	2022	3,810	7,077	2023 [▲]	3,813	6,798
Year	Renewable energy source (TJ)	Non-renewable energy source (TJ)											
2021	3,446	7,045											
2022	3,810	7,077											
2023 [▲]	3,813	6,798											
302-02  Energy consumption outside of the organisation	<p>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, total energy consumption outside the organisation is determined to be 33,913,903 gigajoules (GJ). Some of the categories of energy consumption include packaging material, which accounts for 15.8 million GJ, raw materials for 14.4 million GJ, transport and distribution for 8,442GJ, and chilling and refrigeration equipment for 213,323GJ.</p>												
302-03  Energy intensity	<p>Here we report direct and indirect energy efficiency for the past three years. Our baseline year is 2020.</p> <p>Direct and indirect energy efficiency (MJ/litre packaged)^{1,2,3}</p>  <table border="1"> <caption>Direct and indirect energy efficiency (MJ/litre packaged)^{1,2,3}</caption> <thead> <tr> <th>Year</th> <th>Direct energy efficiency (MJ/litre packaged)</th> <th>Indirect energy efficiency (MJ/litre packaged)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>2.9</td> <td>0.5</td> </tr> <tr> <td>2022</td> <td>2.7</td> <td>0.5</td> </tr> <tr> <td>2023[▲]</td> <td>2.8</td> <td>0.5</td> </tr> </tbody> </table> <p>● Direct energy efficiency ● Indirect energy efficiency</p> <p>1. Direct and indirect energy sources refer to those that generate Scope 1 (direct) and Scope 2 (indirect) emissions as defined by the WRI/WBCSD Greenhouse Gas Reporting Protocol. 2. 2020 baseline data, and data for the periods ended 30 June 2021 and 30 June 2022, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies. 3. Energy included was used for fuel, electricity, heating, cooling and steam. ▲ Total direct and indirect energy efficiency 3.3MJ/litre packaged, direct and indirect energy efficiency (MJ/litre packaged) is within PwC's independent limited assurance scope - see pages 116-119 of this ESG Reporting Index. For Reporting boundaries and methodologies, see pages 83-114.</p>	Year	Direct energy efficiency (MJ/litre packaged)	Indirect energy efficiency (MJ/litre packaged)	2021	2.9	0.5	2022	2.7	0.5	2023 [▲]	2.8	0.5
Year	Direct energy efficiency (MJ/litre packaged)	Indirect energy efficiency (MJ/litre packaged)											
2021	2.9	0.5											
2022	2.7	0.5											
2023 [▲]	2.8	0.5											
302-04  Reduction of energy consumption	<p>This year, energy consumption from fuel, electricity, heating, cooling and steam decreased by 1.4% compared with fiscal 22. Direct energy efficiency gains in North America, Asia and Latin America, coupled with lower distilled volumes in North America and Latin America, are the main drivers for lower energy consumption. We have ongoing energy efficiency initiatives designed to decouple and minimise the impact of production volume increases from energy consumption. Reporting boundaries and methodologies for energy consumption can be found on pages 83-114 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 that carbon 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>												

How we have met each disclosure

 Fully disclosed as outlined by the GRI Sustainability Reporting Standards

 Partially disclosed and missing at least one required indicator

 Not disclosed

 Not considered material to our business at this time

Topic standards

ENVIRONMENTAL *continued*

WATER AND EFFLUENTS

3-3 **Our management approach to water and effluents**

Water is an essential ingredient in all our brands as well as a precious shared resource that is under increasing pressure in many parts of the world. A lack of access to clean water can affect peoples' health, their livelihoods, ability to grow crops and undertake other types of work.

Given our business, many of our operations are water intensive, and many of our suppliers – particularly of agricultural commodities – depend on sufficient water.

For more information, see:

- [Our website](#): For more information on our management approach to water, see the Preserve water for life pages of our website.
- [Our reports](#): For information about the actual and potential negative and positive impacts of our business operations on water and effluents on the economy, environment and society, and information on our progress against our water-related targets see the Pioneer grain-to-glass sustainability sections of our Annual Report on pages 71-87. For information on how we measure and report on our water-related targets, see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.
- [Our policies and standards](#): For information about our strategy and management approach to water and effluents, see Our Water Stewardship Strategy and our Environment Policy.

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:

1. **Water in our operations**
2. **Water in our supply chains**
3. **Water in our communities**
4. **Water advocacy.**

As part of our global Environment Policy, we work hard to comply with 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 water reuse, where appropriate.

To assess the effectiveness of our approach, we track our performance against our Society 2030: Spirit of Progress goals and monitor progress every quarter. Performance is reviewed at market, regional and global level by stakeholders throughout the business, including our Executive Committee and the 2030 Grain-to-Glass Strategic Business Review team. This regular assessment of performance helps us to manage programme risks and opportunities and ensures we have the right level of resources to meet our commitments.

Disclosure	Our response
303-01 Interactions with water as a shared resource	<p>Because we are a beverage company, water is an essential ingredient of 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.</p> <p>We carry out a detailed, data-driven assessment of our impacts and dependencies on water throughout our supply chain. This includes assessing the water embedded in our products and the water used to grow our raw materials, and carrying out source-vulnerability assessments in selected watersheds.</p> <p>We conduct regular water assessments for brands and engage suppliers, and we undertake water risk assessments of our own sites every two to three years. To do this, we use a range of tools, including lifecycle analysis, environmental footprinting, the WRI Aqueduct tool and our internal risk assessment process.</p> <p>For more information about how we address water-related impacts, our four water-related targets to be met by 2030 and how we work with our stakeholders – including suppliers, consumers, local communities, governments and regulatory groups – see GRI 3-3 on this page.</p>

Topic standards

ENVIRONMENTAL continued

WATER AND EFFLUENTS continued

Disclosure	Our response		
303-02 ● Management of water discharge-related impacts	We aim to return all wastewater from operations safely to the environment. Our internal standard sets stringent criteria for wastewater discharge to ensure we meet or exceed local and national regulations – and we aim to maximise circularity where appropriate. The criteria for wastewater discharge include temperature, pH, total suspended solids, nitrates, phosphates, and chemical oxygen demand and/or biological oxygen demand (BOD) – key parameters in determining the pollution potential and oxidisable organic matter present in the discharged water. Our global wastewater standard applies across all sites, including locations where local discharge parameters do not exist or are being developed.		
303-03 ● Water withdrawal		All areas (ML)	Areas with water stress (ML)
	Water withdrawal by source		
	Surface water	1,789 [▲]	930
	- Freshwater	0	0
	- Other water	0	0
	Ground water	5,435 [▲]	1,470
	- Freshwater	0	0
	- Other water	0	0
	Seawater	0	0
	Produced water	0	0
	Mains water	8,503 [▲]	3,042
	- Freshwater	0	0
	- Other water	0	0
	Total water withdrawal	15,727[▲]	5,442

▲ Within PwC's independent limited assurance scope – see pages 116-119 of this ESG Reporting Index.

Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.

Topic standards

ENVIRONMENTAL continued

WATER AND EFFLUENTS continued

Disclosure	Our response		
		All areas (ML)	Areas with water stress (ML)
303-04	Water discharge		
	Water discharge		
	Surface water	1,564	965
	Ground water	528	274
	Seawater	3,175	–
	Third-party water (total)	5,677	1,463
	Third-party water sent for use to other organisations	0	0
	Total water discharge	10,944	2,702
	Water discharge by freshwater and other water		
	Fresh water	0	0
	Other water	0	0

Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.

In fiscal 23, total effluent volume was 10,944m³ and total wastewater polluting power (BOD) was 35,905 tonnes, of which 35,742[▲] tonnes were under our direct control. This represents a 25.7%[▲] increase in wastewater polluting power (BOD), total under direct control (tonnes) from the prior year. We report on wastewater polluting power by region and by year below.

The immediate receiving medium after leaving Diageo site

	As a percentage of total Diageo effluent volume %	Percentage of the final BOD to the environment %
Lake	4	0
Third-party municipal	52	1
Land	3	0
River	11	0
Sea	30	99
Wetland	0	0
Total	100	100

Wastewater polluting power by region, by year (BOD/tonnes)¹

	2021	2022	2023
North America	518	59	176
Europe	28,893	28,470	35,661
Asia Pacific	1	1	19
Latin America and Caribbean	0	0	0
Africa	102	108	48
Total	29,513	28,638	35,905
Total under direct control	29,344	28,426	35,742[▲]

1. 2020 baseline and data for the periods ended 30 June 2021 and 30 June 2022 were restated in line with our own environmental reporting methodologies.

▲ Within PwC's independent limited assurance scope - see pages 116-119 of this ESG Reporting Index.

Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.

How we have met each disclosure

● Fully disclosed as outlined by the GRI Sustainability Reporting Standards

◐ Partially disclosed and missing at least one required indicator

○ Not disclosed

⊗ Not considered material to our business at this time

Topic standards

ENVIRONMENTAL continued

WATER AND EFFLUENTS continued

Disclosure	Our response																											
303-04	<p>Water discharge continued</p> <p>Wastewater treatment by method</p> <p>In fiscal 23, wastewater was treated on site at our operations using one or more of the following methods: aerobic treatment, anaerobic treatment, pH balance, filtration, reverse osmosis, settling area and stabilisation ponds. Some 52% of wastewater volume was sent to off-site treatment facilities. This represents 1% of final BOD to the environment.</p> <table border="1"> <thead> <tr> <th>Treatment method</th> <th>Sites using treatment method %</th> <th>Volume (m³) of effluent by treatment method</th> </tr> </thead> <tbody> <tr> <td>Aerobic treatment</td> <td>18</td> <td>1,962,272</td> </tr> <tr> <td>Anaerobic treatment</td> <td>31</td> <td>3,440,085</td> </tr> <tr> <td>pH balance</td> <td>50</td> <td>5,450,734</td> </tr> <tr> <td>Filtration</td> <td>7</td> <td>802,275</td> </tr> <tr> <td>Reverse osmosis</td> <td>5</td> <td>561,698</td> </tr> <tr> <td>Settling area</td> <td>5</td> <td>521,967</td> </tr> <tr> <td>Stabilisation ponds</td> <td>2</td> <td>187,417</td> </tr> <tr> <td>Other</td> <td>8</td> <td>820,861</td> </tr> </tbody> </table> <p>There were 37 spills or incidents during the reporting year, totalling approximately 539,000 litres of spilled material. In each case, regulators were informed and were satisfied with our response and follow-up. There were no significant spills, so none was reported in the Financial Statements. Our business does not generate significant volumes of waste deemed hazardous under the terms of the Basel Convention. None of our operations has a known significant impact on protected water bodies as a result of wastewater discharge or run-off.</p> <p>Omissions: volume of unplanned discharges is not monitored.</p> <p>Reason: data unavailable/incomplete.</p> <p>Explanation: monitoring programme to be established to determine number of occasions and volumes.</p>	Treatment method	Sites using treatment method %	Volume (m ³) of effluent by treatment method	Aerobic treatment	18	1,962,272	Anaerobic treatment	31	3,440,085	pH balance	50	5,450,734	Filtration	7	802,275	Reverse osmosis	5	561,698	Settling area	5	521,967	Stabilisation ponds	2	187,417	Other	8	820,861
Treatment method	Sites using treatment method %	Volume (m ³) of effluent by treatment method																										
Aerobic treatment	18	1,962,272																										
Anaerobic treatment	31	3,440,085																										
pH balance	50	5,450,734																										
Filtration	7	802,275																										
Reverse osmosis	5	561,698																										
Settling area	5	521,967																										
Stabilisation ponds	2	187,417																										
Other	8	820,861																										
303-05	<p>Water consumption</p> <table border="1"> <thead> <tr> <th></th> <th>All areas (ML)</th> <th>Areas with water stress (ML)</th> </tr> </thead> <tbody> <tr> <td>Total water consumption</td> <td>4,783</td> <td>2,740</td> </tr> <tr> <td>Change in water storage, if water storage has been identified as having a significant water-related impact</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p>		All areas (ML)	Areas with water stress (ML)	Total water consumption	4,783	2,740	Change in water storage, if water storage has been identified as having a significant water-related impact	0	0																		
	All areas (ML)	Areas with water stress (ML)																										
Total water consumption	4,783	2,740																										
Change in water storage, if water storage has been identified as having a significant water-related impact	0	0																										

Topic standards

ENVIRONMENTAL *continued*

BIODIVERSITY

3-3 **Our management approach to biodiversity**

Many of our distilleries, breweries and other sites are surrounded by valuable ecosystems that support a wide range of plant and animal species and can be vital to the livelihoods of local people. The production of the raw materials that we source from suppliers can also affect nature, for example, by affecting natural habitats, reducing the availability and/or quality of water, or through the use of pesticides and fertilisers.

For more information, see:

- [Our website](#): For more information about how we manage biodiversity around our distilleries, breweries and other sites, see the Biodiversity section of our website.
- [Our reports](#): For information about how we report on biodiversity, including definitions, scope and data preparation, see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.
- [Our policies and standards](#): Our Deforestation Guidelines set out our commitments around deforestation and Our Sustainable Agriculture Guidelines set out our expectations for farmers, including on the use of pesticides and fertilisers.

We take responsibility for the impact our business has on biodiversity, particularly in relation to water, our main ingredient. For more information on how we manage water and effluents, please see pages 34-37 of this ESG Reporting Index. Where appropriate, we measure and report our impact, mitigate the risks and work towards improving the environment. We also carry out biodiversity impact assessments for new builds and sites in sensitive locations. We have created a framework to develop biodiversity management plans for our operational sites.

We have identified 35 operational sites, and other areas of land we own, that are in or adjacent to protected areas or areas of high biodiversity value, as defined by the Integrated Biodiversity Assessment Tool. These sites are listed under GRI 304-01 below.

Several of our sites are also close to the habitats of threatened species, as designated by the International Union for Conservation of Nature (IUCN). In all cases, we are managing these sites in line with our licence conditions and are aiming to meet the expectations of local stakeholders.

We have also carried out an assessment of deforestation risk within our supply chains. It found that while most of our raw materials are not directly associated with high deforestation risk, some may pose a potential risk, and we could do more to quantify possible impacts. We have set a commitment of net zero conversion of all natural habitats by 2025 for direct suppliers, and by 2030 for indirect suppliers. We are developing regenerative agricultural pilot programmes to help farmers deliver positive outcomes for nature.

To increase the efficacy of our approach to biodiversity, we will strengthen our ability to quantify our biodiversity impacts and dependencies across our raw material and packaging supply chains. We are aligning our work with external frameworks including the Taskforce for Nature-related Financial Disclosures. The outcomes of this work will be reviewed by a cross-functional working group and at our quarterly 2030 Grain-to-Glass Strategic Business Review meetings. These developments will help us manage biodiversity risks and opportunities and ensure we have the right level of resources to meet our commitments.

Topic standards

ENVIRONMENTAL continued

BIODIVERSITY continued

Disclosure		Our response				
304-01	Operational sites owned, leased, managed in, or adjacent to protected areas or areas of high biodiversity value outside protected areas	See table below.				
Site	Type of operation	Protected status of area	Position in relation to area of high biodiversity value			Biodiversity value attribute
			Inside	Adjacent		
Abercrombie Engineering, Scotland	Engineering	IUCN Category I-VI, SSSI, Ramsar, Marine Protected Area, Key Biodiversity Area		●		Coastal
Amherstburg Packaging, Canada	Packaging	Key Biodiversity Area		●		Fresh water
Bangkok, Thailand	Offices	Key Biodiversity Area	●			Terrestrial
Blackgrange, Scotland	Warehousing	IUCN Category I-VI		●		Terrestrial
Brussels, Belgium	Offices	IUCN Category I-VI		●		Terrestrial
Budapest, Hungary	Offices	National Nature Conservation Area		●		Terrestrial
Burghead Maltings, Scotland	Maltings	IUCN Category I-VI, SSSI, Marine Protected Area		●		Coastal, marine
Cambus Cooperage, Scotland	Warehousing	IUCN Category I-VI, SSSI, Ramsar, Marine Protected Area, Nature Reserve, Key Biodiversity Area		●		Coastal, terrestrial
Caol Ila Distillery, Scotland	Distilling	National Scenic Area		●		Coastal
Caracas, Venezuela	Offices	IUCN Category I-VI	●			Terrestrial
		IUCN Category I-VI		●		Terrestrial
Cragganmore Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI		●		Terrestrial, fresh water
Dailuaine Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI		●		Terrestrial, fresh water
Dalwhinnie Distillery, Scotland	Distilling	IUCN Category I-VI	●	●		Terrestrial
Glen Elgin Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI		●		Terrestrial
Glen Spey Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI		●		Terrestrial, fresh water
Isipingo Packaging, South Africa	Packaging	Key Biodiversity Area	●			Coastal
Johnnie Walker Princes St, Scotland	Retail	IUCN Category I-VI, SSSI, Nature Reserve		●		Terrestrial
Knockando Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI		●		Terrestrial, fresh water
Lagavulin Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI, Marine Protected Area		●		Terrestrial, marine
Lochnagar Distillery, Scotland	Distilling	IUCN Category I-VI, National Scenic Area	●			Terrestrial
		IUCN Category I-VI, SSSI, Key Biodiversity Area		●		Terrestrial
Madrid, Spain	Offices	Special Areas of Conservation (Habitats Directive), Special Protection Area (Birds Directive), Key Biodiversity Area		●		Terrestrial
Menstrie Brand Technical, Scotland	Offices	IUCN Category I-VI, SSSI		●		Terrestrial
Menstrie Warehousing, Scotland	Warehousing	IUCN Category I-VI, SSSI		●		Terrestrial
Mwanza Brewery, Tanzania	Brewing	Key Biodiversity Area	●			Terrestrial, fresh water

How we have met
each disclosure● Fully disclosed as outlined by the GRI
Sustainability Reporting Standards◐ Partially disclosed and missing
at least one required indicator

○ Not disclosed

⊗ Not considered material
to our business at this time

Topic standards

ENVIRONMENTAL continued

BIODIVERSITY continued




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	See table below.			
Site	Type of operation	Protected status of area	Position in relation to area of high biodiversity value		Biodiversity value attribute
			Inside	Adjacent	
Nairobi, Kenya	Brewing, offices	Forest Reserve	●		Terrestrial
Relay Packaging, United States	Packaging	IUCN Category I-VI		●	Terrestrial
Runcorn Packaging, United Kingdom	Packaging	IUCN Category I-VI		●	Terrestrial
Seychelles Breweries Ltd, Seychelles	Brewing	Key Biodiversity Area		●	Terrestrial
Shenzhen, China	Offices	Key Biodiversity Area		●	Coastal, fresh water
St James's Gate, Republic of Ireland	Brewing, offices	Sites of Community Importance (Habitats Directive)		●	Freshwater
St Thomas Quebec, Canada	Warehousing	IUCN Category I-VI, Key Biodiversity Area		●	Terrestrial, fresh water
Sydney, Australia	Offices	IUCN Category I-VI		●	Coastal
Teainich Distillery, Scotland	Distilling	IUCN Category I-VI, SSSI, Ramsar, Key Biodiversity Area		●	Coastal
Valencia Warehousing, Venezuela	Warehousing	IUCN Category I-VI	●		Terrestrial
Zepf Engineering, Scotland	Engineering	IUCN Category I-VI		●	Terrestrial

For more information about how we report on biodiversity, including definitions, scope and data preparation, see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.

Topic standards

ENVIRONMENTAL continued

BIODIVERSITY continued

Disclosure		Our response						
304-02	 Significant impacts of activities, products and services on biodiversity	<p>None of our operations or land that we own has a significant impact on protected areas, or on areas of high biodiversity value outside protected areas. Through the sourcing of our agricultural and packaging commodities, we will affect biodiversity, particularly through the use of land for farming and resulting land-use change, the use of agrochemicals in these production systems, and the effect on fresh water availability and quality.</p> <p>Omissions: quantitative upstream effects on biodiversity.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: we are currently completing our assessment of our upstream effects on biodiversity.</p>						
304-03	 Habitats protected or restored	<p>This year, we have implemented various initiatives to protect and restore habitats. Our water replenishment efforts focus on environmental restoration and conservation. In Jalisco, Mexico, we partnered with local authorities in San Diego de Alejandría to establish a tree nursery. This initiative promotes reforestation activities and the preservation of local species to maintain landscapes.</p> <p>Through our regenerative agriculture programmes, we aim to protect and restore soils. In Ireland, we have collaborated with 44 farmers to plant cover crops and actively monitor biodiversity both above and below the ground.</p> <p>Our brands are also leading initiatives for nature restoration: for example, Bulleit Frontier Whiskey and American Forests have extended their partnership, committing to planting and restoring 2.5 million white oak trees by 2026. These trees are essential for the production of whisky barrels and contribute to combating climate change by absorbing carbon, purifying air and conserving water.</p> <p>Seedlip contributes 1% of its annual global revenues to environmental causes. In Europe, we support the Urban Nature Project led by the Natural History Museum. This project focuses on creating urban green spaces and wildlife habitats.</p> <p>We have also reported a total area of 5.74 square kilometres of habitats protected and restored across our supply locations.</p>						
304-04	 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<table border="0"> <tr> <td>Critically endangered</td> <td>2,748</td> </tr> <tr> <td>Endangered</td> <td>4,888</td> </tr> <tr> <td>Vulnerable</td> <td>10,934</td> </tr> </table> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p>	Critically endangered	2,748	Endangered	4,888	Vulnerable	10,934
Critically endangered	2,748							
Endangered	4,888							
Vulnerable	10,934							

Topic standards

ENVIRONMENTAL continued

EMISSIONS

3-3 Our management approach to emissions

Climate change is having increasingly severe physical impacts around the world. At Diageo, we recognise that there is a climate emergency and we are committed to reducing our emissions across Scope 1, 2 and 3, in line with the Science Based Targets initiative guidance.

For more information, see:

- [Our website](#): For more information on our approach to emissions in the context of our Society 2030: Spirit of Progress 10-year strategy, please see the Pioneer grain-to-glass sustainability section of our website, which includes our [Net-Zero Carbon Strategy](#).
- [Our reports](#): See the Pioneer grain-to-glass sustainability section of our Annual Report on pages 71-87 for information on our approach to emissions and performance against our emissions targets. Also see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how we measure and report on our targets.
- [Our policies and standards](#): See our Net-Zero Carbon Strategy and our Environment Policy for information on our approach to energy and emissions.

GHG emissions from our own operations

By actively increasing the use of renewable energy in our operations, we're working towards reducing our energy-related emissions. To meet our target to be net zero in our direct operations by 2030, we have to directly abate our operational emissions by at least 95% compared with our 2020 baseline.

We are committed to driving down residual emissions from non-zero emission bioenergy sources, nitrogen oxides (NO_x) and sulphur oxides (SO_x) emissions from kilning cereals and fugitive gas emissions. We measure and reduce these emissions under the We Mean Business initiative to address short-lived climate pollutants. Our residual emissions are minimal, making up less than 5% of our direct operations' GHG emissions. A maximum of 5% of our 2020 baseline emissions could be compensated using carbon credits to reach net zero and meet our commitments under the Science Based Targets initiative.

We report any biological or biogenic carbon dioxide emissions separately – these emissions are considered 'outside of scope' and are balanced out by biological carbon crop-growing cycles in our value chain.

GHG emissions from our supply chains

In addition to our operational emissions target, we have set a Science Based Targets initiative-approved target to reduce our value chain emissions by 50% by 2030 from our 2020 baseline. To do so, we are building long-lasting partnerships with our suppliers and are helping our third-party operations to join us on this journey. Transforming the way we do business to embed a lower-carbon, more collaborative and circular way of sourcing our materials and services will enable us to deliver significant emission reductions.

We have developed and rolled out decarbonisation roadmaps across Diageo to reduce our Scope 3 emissions and we are partnering with our suppliers to improve the granularity of our Scope 3 carbon footprint data while driving reductions together.

Key contributors to our Scope 3 carbon emissions are the raw materials we source, the packaging we buy and the energy purchased by our suppliers. We are dedicating significant resources to deploy and scale regenerative agriculture solutions to reduce our raw material emissions, as well as developing circular packaging propositions to reduce the volume and type of packaging materials we use.

We are also working with our suppliers to help them access low-cost, reliable renewable energy.

Topic standards

ENVIRONMENTAL continued

EMISSIONS continued

Disclosure	Our response																												
305-01 and 305-02 ● Direct and indirect GHG emissions (location and market-based) ('000 tonnes CO₂e)	<p>Direct and indirect carbon emissions (location/gross) this year were 640[▲] ('000 tonnes CO₂e) (2022: 674 ('000 tonnes CO₂e)), comprising direct emissions (Scope 1) of 485[▲] ('000 tonnes CO₂e) (2022: 536 ('000 tonnes CO₂e)) and indirect emissions (Scope 2) of 155[▲] ('000 tonnes CO₂e) (2022: 138 ('000 tonnes CO₂e)).</p> <p>Direct and indirect GHG emissions (market-based) ('000 tonnes CO₂e)^{1,2}</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Direct GHG emissions</th> <th>Indirect GHG emissions</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>413</td> <td>32</td> </tr> <tr> <td>2022</td> <td>418</td> <td>6</td> </tr> <tr> <td>2023[▲]</td> <td>395</td> <td>6</td> </tr> </tbody> </table> <p>1. CO₂e figures are calculated using the WRI/WBCSD Greenhouse Gas Reporting Protocol Guidance available at the beginning of our fiscal year, the kWh/CO₂ conversion factor provided by energy suppliers, or the relevant emission factors from the country of operation or from the International Energy Agency, as applicable.</p> <p>2. 2020 baseline data, and data for the periods ended 30 June 2021 and 30 June 2022, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies.</p> <p>▲ Within PwC's independent limited assurance scope - see pages 116-119 of this ESG Reporting Index.</p> <p>Our fiscal 23 biogenic CO₂ emissions associated with the combustion of bioenergy in our direct operations were 290 ('000 tonnes CO₂) and associated removals were 250 ('000 tonnes CO₂). Other biological CO₂ emissions are approximated at 373 ('000 tonnes CO₂).</p> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.</p>	Year	Direct GHG emissions	Indirect GHG emissions	2021	413	32	2022	418	6	2023 [▲]	395	6																
Year	Direct GHG emissions	Indirect GHG emissions																											
2021	413	32																											
2022	418	6																											
2023 [▲]	395	6																											
305-03 ● Other indirect (Scope 3) GHG emissions	<p>Global Scope 3 GHG emissions (Total - 5.9 million metric tonnes)</p> <table border="1"> <thead> <tr> <th>Sources of Scope 3 GHG^{1,2} emissions</th> <th>Metric tonnes CO₂e (2023)</th> </tr> </thead> <tbody> <tr> <td>Purchased goods: packaging</td> <td>1,871,317</td> </tr> <tr> <td>Purchased goods: raw materials</td> <td>2,051,697</td> </tr> <tr> <td>Purchased goods: services</td> <td>750,979</td> </tr> <tr> <td>Upstream transportation and distribution (Category 4 Outbound logistics)³</td> <td>356,940[▲]</td> </tr> <tr> <td>Upstream transportation and distribution (Category 4 Inbound logistics)⁴</td> <td>170,921</td> </tr> <tr> <td>Use of sold products (chillers/refrigeration)</td> <td>213,323</td> </tr> <tr> <td>Capital goods</td> <td>293,060</td> </tr> <tr> <td>Upstream/downstream transportation and distribution (Categories 1-9, except Outbound and Inbound logistics)</td> <td>0</td> </tr> <tr> <td>End-of-life treatment of sold product</td> <td>46,129</td> </tr> <tr> <td>Waste generated in operations</td> <td>48,918</td> </tr> <tr> <td>Fuel- and energy-related activities (not included in Scope 1 or 2)</td> <td>60,946</td> </tr> <tr> <td>Employee commuting</td> <td>14,026</td> </tr> <tr> <td>Business travel</td> <td>33,015</td> </tr> </tbody> </table> <p>1. The principal greenhouse gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs).</p> <p>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. Our Scope 3 2020 baseline has been restated this year because of planned Diageo disposals. More information on Diageo's disposals can be found in the Financial Statements of our Annual Report. In addition, crop GHG emission factors have been upgraded this year to include land-use change, similarly affecting our baseline data. This year, our Scope 3 2020 GHG emissions baseline is reported at 4.9 million tCO₂e (2022: 4.6 million tCO₂e).</p> <p>3. Global Logistics Emissions Council (GLEC) methodology has been adopted for upstream transportation and distribution (Category 4). Category 4 totals include GHG emissions from 2022. These are reported as part of 2023 Scope 3 GHG emissions because of the one-year lag in reporting. 2023 Category 4 emissions will therefore be included in our 2024 reporting.</p> <p>4. For consistency, Inbound logistics is for the year ended 30 June 2022.</p> <p>▲ Scope 3 distribution and logistics GHG emissions (CO₂e tonnes) for the year ended 30 June 2022 are within PwC's independent limited assurance scope - see pages 116-119 of this ESG Reporting Index.</p> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p>	Sources of Scope 3 GHG ^{1,2} emissions	Metric tonnes CO ₂ e (2023)	Purchased goods: packaging	1,871,317	Purchased goods: raw materials	2,051,697	Purchased goods: services	750,979	Upstream transportation and distribution (Category 4 Outbound logistics) ³	356,940 [▲]	Upstream transportation and distribution (Category 4 Inbound logistics) ⁴	170,921	Use of sold products (chillers/refrigeration)	213,323	Capital goods	293,060	Upstream/downstream transportation and distribution (Categories 1-9, except Outbound and Inbound logistics)	0	End-of-life treatment of sold product	46,129	Waste generated in operations	48,918	Fuel- and energy-related activities (not included in Scope 1 or 2)	60,946	Employee commuting	14,026	Business travel	33,015
Sources of Scope 3 GHG ^{1,2} emissions	Metric tonnes CO ₂ e (2023)																												
Purchased goods: packaging	1,871,317																												
Purchased goods: raw materials	2,051,697																												
Purchased goods: services	750,979																												
Upstream transportation and distribution (Category 4 Outbound logistics) ³	356,940 [▲]																												
Upstream transportation and distribution (Category 4 Inbound logistics) ⁴	170,921																												
Use of sold products (chillers/refrigeration)	213,323																												
Capital goods	293,060																												
Upstream/downstream transportation and distribution (Categories 1-9, except Outbound and Inbound logistics)	0																												
End-of-life treatment of sold product	46,129																												
Waste generated in operations	48,918																												
Fuel- and energy-related activities (not included in Scope 1 or 2)	60,946																												
Employee commuting	14,026																												
Business travel	33,015																												

How we have met
each disclosure● Fully disclosed as outlined by the GRI
Sustainability Reporting Standards○ Partially disclosed and missing
at least one required indicator

○ Not disclosed

⊗ Not considered material
to our business at this time

Topic standards

ENVIRONMENTAL continued

EMISSIONS continued

Disclosure		Our response																												
305-04	GHG emissions intensity	<p>This year, the market-based (net) intensity ratio of our Scope 1 and 2 GHG emissions was 105g^Δ CO₂e per litre of packaged product (2022: 105g/l) and the location-based (gross) intensity ratio of our Scope 1 and 2 GHG emissions was 169g[▲] CO₂e per litre of packaged product (2022: 167g/l).</p> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p> <p>Δ Within PwC's independent limited assurance scope - see pages 263-266 of the Annual Report. ▲ Within PwC's independent limited assurance scope - see pages 116-119 of the ESG Reporting Index.</p>																												
305-05	GHG emissions reductions	<p>The percentage reduction of absolute carbon emissions (direct and indirect carbon emissions by weight (market/net based)) from the prior year was 5.4%^Δ.</p> <p>Our Scope 3 GHG emissions decreased by 1.2% compared with fiscal 22. For more information, see page 82 of our Annual Report.</p> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p> <p>Δ Within PwC's independent limited assurance scope - see pages 263-266 the Annual Report.</p>																												
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 border="1"> <thead> <tr> <th></th> <th>Present (kg)</th> <th>Emitted (kg)</th> <th>Emissions CO₂e (tonnes)</th> </tr> </thead> <tbody> <tr> <td>Halons</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>CFC</td> <td>25</td> <td>5</td> <td>29</td> </tr> <tr> <td>HCFC</td> <td>2,117</td> <td>624</td> <td>1,128</td> </tr> <tr> <td>HFC</td> <td>15,130</td> <td>692</td> <td>1,349</td> </tr> <tr> <td>SF₆</td> <td>16</td> <td>0</td> <td>0</td> </tr> <tr> <td>PCC</td> <td>0</td> <td>0</td> <td>1</td> </tr> </tbody> </table>		Present (kg)	Emitted (kg)	Emissions CO ₂ e (tonnes)	Halons	0	0	0	CFC	25	5	29	HCFC	2,117	624	1,128	HFC	15,130	692	1,349	SF ₆	16	0	0	PCC	0	0	1
	Present (kg)	Emitted (kg)	Emissions CO ₂ e (tonnes)																											
Halons	0	0	0																											
CFC	25	5	29																											
HCFC	2,117	624	1,128																											
HFC	15,130	692	1,349																											
SF ₆	16	0	0																											
PCC	0	0	1																											
305-07	NO_x, SO_x and other significant air emissions	<p>Emissions from stationary combustion sources have impacts on the environment. In 2023, we emitted 648 tonnes of NO_x and 473 tonnes of SO_x. NO_x and SO_x are determined using measured stack emissions and also calculated emissions based on fuel usage and standard emission factors. A small number of sites have NO_x and SO_x air emissions associated with the roasting and kilning of cereals. These emissions are measured but are minimal to our overall total NO_x and SO_x levels, which remain low compared with background NO_x and SO_x data.</p> <p>NO_x and SO_x emissions by year (tonnes)</p> <table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>NO_x</td> <td>418</td> <td>628</td> <td>648</td> </tr> <tr> <td>SO_x</td> <td>196</td> <td>373</td> <td>473</td> </tr> </tbody> </table>		2021	2022	2023	NO _x	418	628	648	SO _x	196	373	473																
	2021	2022	2023																											
NO _x	418	628	648																											
SO _x	196	373	473																											

How we have met
each disclosure● Fully disclosed as outlined by the GRI
Sustainability Reporting Standards◐ Partially disclosed and missing
at least one required indicator

○ Not disclosed

⊗ Not considered material
to our business at this time

Topic standards

ENVIRONMENTAL *continued*

WASTE

3-3 **Our management approach to waste**

As with most products, making alcoholic drinks has the potential to generate waste at multiple stages of the product lifecycle. If left unmanaged, waste from our operations and supply chain can create negative environmental and social impacts, including contributing to greenhouse gas emissions, air pollution, biodiversity loss and harm to human health. Given these risks, managing waste is one of our priorities.

For more information, see:

- [Our website](#): For more information on our approach to waste and our zero waste to landfill commitment see the Pioneer grain-to-glass sustainability section on our website.
- [Our reports](#): For information on our approach to waste and performance against our waste-related targets, see Pioneer grain-to-glass sustainability section of our Annual Report on pages 71-87. For information on how we measure and report on our targets, also see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.
- [Our policies and standards](#): Our Environment Policy and our Partnering with Suppliers Standard set out our commitments around waste and our expectations of our suppliers.

We purchase much of the packaging material we use. That's why we look to engage with our suppliers and encourage them to set zero waste targets across their own operations, as is stipulated within our Partnering with Suppliers Standard. For suppliers under contract, we have also included wording in our standard templates to encourage dialogue and action to reduce waste. We are also working through our Diageo Sustainable Solutions programme with innovators, customers, suppliers and researchers to find and accelerate breakthrough solutions to make packaging more sustainable.

To minimise the waste we send to landfill, we work with certified waste handlers and, together, operate a hierarchy of actions: eliminate, reduce, reuse, recycle, recover and dispose.

To track the effectiveness of our actions, we monitor waste streams, promoting awareness of the need to increase resource efficiency. We also monitor levels of waste recycling and waste-to-energy recovery.

We report our performance against our Society 2030: Spirit of Progress goals, including those that contribute to waste minimisation, on a monthly and quarterly basis. Performance is reviewed at market, regional and global level by market and regional leadership teams throughout the business, as well as by our Executive Committee and our quarterly 2030 Grain-to-Glass Strategic Business Review meetings. Compliance with our Environment Policy and Global Waste Elimination Standard is continually monitored and reviewed at the quarterly Supply Chain and Procurement Environmental Compliance meetings, managed by our Governance function.

We are evolving our approach with suppliers so that we understand the waste in their operations and can collaborate with them to minimise it.


Topic standards


ENVIRONMENTAL continued


WASTE continued

Disclosure		Our response
306-01	Waste generation and significant waste-related impacts	<p>Co-products and by-products from brewing and distilling represent the key waste streams from our operations and are also a resource for further use. Applying circularity measures is central to our approach to handling these materials and reducing any waste-related impacts. We mitigate risk by recovering and reusing co-products and by-products from brewing, distilling and malting in agricultural applications such as animal feed 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. There are also 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 on pages 71-93 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 through circular-economy initiatives, such as our EcoSpirits solution in Southeast Asia, for example.</p>
306-02	Management of significant waste-related impacts	<p>As a multinational company selling products in more than 180 countries, 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 pages 83-86 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 perform waste traceability assessments on third parties to make sure they manage waste in line with our contractual agreements and government legislation. We have committed to an ambitious capital works plan to decarbonise our sites and improve water efficiency. Managing construction waste streams will require dedicated focus, although we will continue to apply the same circularity principles. In fiscal 23, following a review of third-party waste handler contractual agreements, we mandated new Zero Waste to Landfill terms going forward.</p> <p>Over recent years, we have undertaken various initiatives to develop recycling infrastructure in communities where we make and sell products. In Ghana, for example, we implemented a post-consumer plastics collection solution and, along the Tisza River in Eastern Europe, we partnered with Plastic Cup to develop capacity in waste collection, processing and recycling.</p>

How we have met
each disclosure

 Fully disclosed as outlined by the GRI Sustainability Reporting Standards

 Partially disclosed and missing at least one required indicator

 Not disclosed

 Not considered material to our business at this time

Topic standards

ENVIRONMENTAL continued

WASTE continued

Disclosure	Our response																																			
306-03	Waste generated																																			
	Total weight of waste by type and disposal method (tonnes)																																			
	<table border="1"> <thead> <tr> <th></th> <th>Total waste to landfill</th> <th>Other disposal (incinerated without reuse/legislation requiring landfill)</th> <th>Total waste used or recycled</th> <th>Total waste</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>70</td> <td>2</td> <td>252,752</td> <td>252,824</td> </tr> <tr> <td>Europe</td> <td>6</td> <td>19</td> <td>426,138</td> <td>426,163</td> </tr> <tr> <td>Asia Pacific</td> <td>82</td> <td>124</td> <td>122,223</td> <td>122,309</td> </tr> <tr> <td>Latin America and Caribbean</td> <td>20</td> <td>31</td> <td>56,189</td> <td>56,240</td> </tr> <tr> <td>Africa</td> <td>2</td> <td>4</td> <td>286,000</td> <td>286,126</td> </tr> <tr> <td>Total</td> <td>180[▲]</td> <td>180</td> <td>1,143,302</td> <td>1,143,662</td> </tr> </tbody> </table>		Total waste to landfill	Other disposal (incinerated without reuse/legislation requiring landfill)	Total waste used or recycled	Total waste	North America	70	2	252,752	252,824	Europe	6	19	426,138	426,163	Asia Pacific	82	124	122,223	122,309	Latin America and Caribbean	20	31	56,189	56,240	Africa	2	4	286,000	286,126	Total	180[▲]	180	1,143,302	1,143,662
	Total waste to landfill	Other disposal (incinerated without reuse/legislation requiring landfill)	Total waste used or recycled	Total waste																																
North America	70	2	252,752	252,824																																
Europe	6	19	426,138	426,163																																
Asia Pacific	82	124	122,223	122,309																																
Latin America and Caribbean	20	31	56,189	56,240																																
Africa	2	4	286,000	286,126																																
Total	180[▲]	180	1,143,302	1,143,662																																

▲ Within PwC's independent limited assurance scope - see pages 116-119 in this ESG Reporting Index.

Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.

Hazardous waste reused, recycled and sent to landfill (tonnes)

	Hazardous waste to landfill	Other disposal (incineration without reuse)	Hazardous waste used or recycled	Total hazardous waste
North America	0	1	982	983
Europe	18	0	1,827	1,845
Asia Pacific	1	32	107	111
Latin America and Caribbean	21	18	96	135
Africa	0	3	242	273
Total	40	53	3,253	3,347

Waste by composition, in metric tonnes (t)¹

	Waste diverted from disposal (used or recycled)	Waste directed to disposal (landfill/incineration)	Total waste generated
Co-products spent grains	878,025	0	878,025
Solid waste	262,024	267	262,291
Hazardous waste	3,253	93	3,346
Total	1,143,302	360	1,143,662

1. This information is collected both by us and by our waste disposal contractors.

Topic standards

ENVIRONMENTAL continued

WASTE continued

Disclosure		Our response																																																				
306-04	Waste diverted from disposal	Waste diverted from disposal by recovery operation, in metric tonnes (t)^{1,2}																																																				
		<table border="1"> <thead> <tr> <th></th> <th>Total waste generated</th> <th>Waste diverted from disposal (used or recycled)</th> <th>Waste directed to disposal</th> </tr> </thead> <tbody> <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>3,346</td> <td>3,253</td> <td>93</td> </tr> <tr> <td>Other recovery operations</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>3,346</td> <td>3,253</td> <td>93</td> </tr> <tr> <td colspan="4">Non-hazardous waste</td> </tr> <tr> <td>Preparation for reuse</td> <td>878,025</td> <td>878,025</td> <td>0</td> </tr> <tr> <td>Recycling</td> <td>262,291</td> <td>262,024</td> <td>267</td> </tr> <tr> <td>Other recovery operations</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Total</td> <td>1,140,316</td> <td>1,140,049</td> <td>267</td> </tr> <tr> <td colspan="4">Waste prevented</td> </tr> <tr> <td>Total</td> <td></td> <td>1,140,049</td> <td></td> </tr> </tbody> </table>		Total waste generated	Waste diverted from disposal (used or recycled)	Waste directed to disposal	Hazardous waste				Preparation for reuse	0	0	0	Recycling	3,346	3,253	93	Other recovery operations	0	0	0	Total	3,346	3,253	93	Non-hazardous waste				Preparation for reuse	878,025	878,025	0	Recycling	262,291	262,024	267	Other recovery operations	0	0	0	Total	1,140,316	1,140,049	267	Waste prevented				Total		1,140,049	
	Total waste generated	Waste diverted from disposal (used or recycled)	Waste directed to disposal																																																			
Hazardous waste																																																						
Preparation for reuse	0	0	0																																																			
Recycling	3,346	3,253	93																																																			
Other recovery operations	0	0	0																																																			
Total	3,346	3,253	93																																																			
Non-hazardous waste																																																						
Preparation for reuse	878,025	878,025	0																																																			
Recycling	262,291	262,024	267																																																			
Other recovery operations	0	0	0																																																			
Total	1,140,316	1,140,049	267																																																			
Waste prevented																																																						
Total		1,140,049																																																				
		<p>1. This information is collected both by us and by our waste disposal contractors.</p> <p>2. Includes waste diverted to energy generation.</p>																																																				
306-05	Waste directed to disposal	Waste directed to disposal by disposal operation, in metric tonnes (t)^{1,2}																																																				
		<table border="1"> <thead> <tr> <th></th> <th>On-site</th> <th>Off-site</th> <th>Total</th> </tr> </thead> <tbody> <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>53</td> <td>53</td> </tr> <tr> <td>Landfilling³</td> <td>0</td> <td>40</td> <td>40</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>93</td> <td>93</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>107</td> <td>107</td> </tr> <tr> <td>Landfilling</td> <td>0</td> <td>160</td> <td>160</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>267</td> <td>267</td> </tr> </tbody> </table>		On-site	Off-site	Total	Incineration (with energy recovery)	0	0	0	Incineration (without energy recovery)	0	53	53	Landfilling ³	0	40	40	Other disposal operations	0	0	0	Total	0	93	93	Non-hazardous waste				Incineration (with energy recovery)	0	0	0	Incineration (without energy recovery)	0	107	107	Landfilling	0	160	160	Other disposal operations	0	0	0	Total	0	267	267				
	On-site	Off-site	Total																																																			
Incineration (with energy recovery)	0	0	0																																																			
Incineration (without energy recovery)	0	53	53																																																			
Landfilling ³	0	40	40																																																			
Other disposal operations	0	0	0																																																			
Total	0	93	93																																																			
Non-hazardous waste																																																						
Incineration (with energy recovery)	0	0	0																																																			
Incineration (without energy recovery)	0	107	107																																																			
Landfilling	0	160	160																																																			
Other disposal operations	0	0	0																																																			
Total	0	267	267																																																			
		<p>1. This information is collected both by us and by our waste disposal contractors.</p> <p>2. Excludes waste to energy as detailed in 306-04. (Waste to energy is deemed recovery, as specified in EU Directive 2008/98/EEC.)</p> <p>3. Includes hazardous waste required by legislation to be landfilled.</p>																																																				

Topic standards

ENVIRONMENTAL *continued*

SUPPLIER ENVIRONMENTAL ASSESSMENT

3-3 **Our management approach to supplier environmental assessment**

Many of the environmental impacts of the products we sell take place within our supply chain. Assessing the performance of our suppliers is an important step in supporting them to manage and reduce these impacts.

We work with suppliers on environmental issues through our climate change and water security supply chain programmes with CDP, and by implementing our sustainable agriculture strategy.

To develop our engagement with participating suppliers, in support of our [Society 2030: Spirit of Progress](#) Scope 3 emissions reductions target, we have developed supplier questionnaires that include a suite of performance measures relating to climate change and water security.

Through our climate change questionnaire, our suppliers are assessed on their transparency, their ability to report Scope 1 and 2 emissions data, the reduction initiatives they have in place, how they are setting targets against those initiatives, their ability to transition to renewable energy and how they are managing their Scope 3 supply chain emissions.

Through our water security questionnaire, our suppliers are assessed on their transparency, how they report their operational water risk, their water accounting information, the governance structures they have in place, their water usage targets and how they engage with their supply chains.

Our Procurement function reviews suppliers against a range of factors including quality, cost, reliability and sustainability, indicating overall effectiveness and suitability. To assess environmental performance, our Procurement teams leverage performance indicators, as outlined above. We have held detailed reviews with our largest suppliers about their carbon and water performance and developed specific action plans around areas for improvement.



Environmental performance of our suppliers is reviewed by the Procurement function, which reports to the 2030 Grain-to-Glass Strategic Business Review team, which meets quarterly. We develop mitigation and improvement activities as appropriate.

For more information about our approach to environmental management with suppliers, see our [Partnering with Suppliers Standard](#).

Topic standards

ENVIRONMENTAL continued

SUPPLIER ENVIRONMENTAL ASSESSMENT continued

Disclosure	Our response
308-01  New suppliers that were screened using environmental criteria	We screen suppliers according to their category and spend when considering environmental criteria. This is to make sure we're driving the greatest impact within our supply chain when working with suppliers on carbon and water programmes. We review certain industries that have the greatest impact on carbon. We use an Industrial Water Impact Matrix, which prioritises those industries with the greatest impact on water. This data is provided directly by CDP.
308-02  Negative environmental impacts in the supply chain and actions taken	<p>We have identified a variety of environmental impacts associated with our supply chain. Because of its relevance across the vast majority of our suppliers, we actively track and manage the carbon footprint of our supply chain through our membership of the CDP Supply Chain programme, which reports by calendar year. Many of our suppliers report to multiple customers through CDP, removing the need to duplicate data-reporting requests. In 2022, the average Diageo supplier responded to eight unique customers.</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 calendar year 2022, we identified 277 that account for our biggest spend globally in the categories we identified as having 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). Of these 277 suppliers, 81% responded to the CDP climate change questionnaire.</p> <p>Some 60% of suppliers are able to report their Scope 1 and 2 emissions data, an increase of 3% from the previous year. Some 51% of suppliers have carbon reduction initiatives in place, with 46% having set a carbon reduction target. And 49% of suppliers have started their transition to renewable energy, while 47% are engaging their supply chain on carbon reduction.</p> <p>As part of our work with suppliers, we review their carbon performance, enabling us to analyse and assess the emissions they report to the CDP. We recognise the challenge some suppliers face in completing their climate-change disclosures and in identifying opportunities to work with us to improve. This year, we've taken steps to improve our engagement with them: we offer support webinars, and have developed a suite of performance measures to help benchmark their performance and guide them to make improvements to reach the next level of each indicator.</p> <p>Water</p> <p>Water is a significant focus area in our supply chain and we are committed to equipping our suppliers with tools to protect water resources in our most water-stressed locations. Through our membership of the CDP Supply Chain programme, in the 2022 calendar year we asked 207 of our largest suppliers to disclose their water management practices. Of the 72% of suppliers that responded, 22% reported having a water-related usage target. Some 67% of suppliers are able to report their operational risk, while 48% can provide water accounting data. Meanwhile, 52% of suppliers integrate water management into their governance structures and 56% are engaging their own supply chains on water reduction.</p> <p>In 2018, we carried out a water risk assessment of all our third-party manufacturing sites and identified 18 in water-stressed areas. Since then, we have worked with these sites to better understand their water performance. We are updating the water risk assessment of all of our third-party operator sites and planning an ongoing water stewardship engagement programme.</p> <p>For more information about the assessments performed, see the Reporting boundaries and methodologies section in this ESG Reporting Index on pages 83-114.</p>

Topic standards

SOCIAL

EMPLOYMENT

3-3 Our management approach to employment

We are committed to providing a safe, healthy and flexible working environment for all our people. We also strive to create a working environment that is inspiring and where talent is nurtured, developed and rewarded. We promote an inclusive culture where our employees feel secure, respected and valued for their contribution.

For more information, see:

- Our [website](#) and [reports](#): For more information on our approach to employment, see the Our people and culture section of our Annual Report on page 67 and the Our inclusive culture page on our website.
- Our [policies and standards](#): We comply with all local labour laws and regulations and expect our suppliers to do the same. In addition, our Global Human Rights Policy includes our own policies for employees and our Partnering with Suppliers Standard sets the minimum standards for our suppliers.


We measure employee engagement as one of our overarching performance measures, as set out in our Annual Report on page 34, using our annual Your Voice employee survey. Based on the outcomes of this survey, in addition to ongoing engagement programmes, teams develop their own action plans to improve employee engagement and satisfaction.

Our HR 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. Our Executive Committee is provided with half-yearly updates on talent planning.

Topic standards

SOCIAL continued

EMPLOYMENT continued

Disclosure		Our response																																																																																																																																																
401-01	 New employee hires and employee turnover	<p>Employee turnover in fiscal 23 was 16.3%, a result of voluntary departures of 9.5% and involuntary departures of 5.4%, stemming mainly from organisational changes and one-off disposals in parts of the business. The remaining 1.4% of turnover was for other reasons, such as retirements and end of fixed-term contracts.</p> <p>In fiscal 23, we hired 4,977 employees, which included strategic investments in key growth priorities and markets for the business, for example our Tequila operation in Mexico. We also saw a strong increase in hiring to increase our digital marketing capability.</p> <p>New hires by region by age¹</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Under 30</th> <th>30-50</th> <th>Over 50</th> <th>Total</th> <th>Percentage of headcount (%)</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>161</td> <td>241</td> <td>48</td> <td>450</td> <td>14</td> </tr> <tr> <td>Europe</td> <td>809</td> <td>860</td> <td>66</td> <td>1,735</td> <td>17</td> </tr> <tr> <td>Asia Pacific</td> <td>474</td> <td>557</td> <td>34</td> <td>1,065</td> <td>15</td> </tr> <tr> <td>Latin America and Caribbean</td> <td>522</td> <td>706</td> <td>51</td> <td>1,279</td> <td>30</td> </tr> <tr> <td>Africa</td> <td>169</td> <td>272</td> <td>7</td> <td>448</td> <td>12</td> </tr> <tr> <td>Total</td> <td>2,135</td> <td>2,636</td> <td>206</td> <td>4,977</td> <td>18</td> </tr> <tr> <td>Percentage of total new hires</td> <td>42.9%</td> <td>53.0%</td> <td>4.1%</td> <td>17.5%</td> <td></td> </tr> </tbody> </table> <p>New hires by region by gender¹</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Men</th> <th>Women</th> <th>Not declared</th> <th>Total</th> <th>Percentage of headcount %</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>263</td> <td>185</td> <td>2</td> <td>450</td> <td>14</td> </tr> <tr> <td>Europe</td> <td>759</td> <td>973</td> <td>3</td> <td>1,735</td> <td>17</td> </tr> <tr> <td>Asia Pacific</td> <td>550</td> <td>515</td> <td>–</td> <td>1,065</td> <td>15</td> </tr> <tr> <td>Latin America and Caribbean</td> <td>853</td> <td>426</td> <td>–</td> <td>1,279</td> <td>30</td> </tr> <tr> <td>Africa</td> <td>213</td> <td>233</td> <td>2</td> <td>448</td> <td>12</td> </tr> <tr> <td>Total</td> <td>2,638</td> <td>2,332</td> <td>7</td> <td>4,977</td> <td>18</td> </tr> <tr> <td>Percentage of total new hires</td> <td>53.0%</td> <td>46.9%</td> <td>0.1%</td> <td>17.5%</td> <td></td> </tr> </tbody> </table> <p>Leavers by region by age¹</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Under 30</th> <th>30-50</th> <th>Over 50</th> <th>Total</th> <th>Percentage of headcount (%)</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>152</td> <td>225</td> <td>138</td> <td>515</td> <td>17</td> </tr> <tr> <td>Europe</td> <td>382</td> <td>815</td> <td>202</td> <td>1,399</td> <td>14</td> </tr> <tr> <td>Asia Pacific</td> <td>273</td> <td>749</td> <td>172</td> <td>1,194</td> <td>17</td> </tr> <tr> <td>Latin America and Caribbean</td> <td>290</td> <td>439</td> <td>39</td> <td>768</td> <td>18</td> </tr> <tr> <td>Africa</td> <td>105</td> <td>559</td> <td>72</td> <td>736</td> <td>20</td> </tr> <tr> <td>Total</td> <td>1,202</td> <td>2,787</td> <td>623</td> <td>4,612</td> <td>16</td> </tr> <tr> <td>Percentage of total new hires</td> <td>26.1%</td> <td>60.4%</td> <td>13.5%</td> <td>16.3%</td> <td></td> </tr> </tbody> </table>	Region	Under 30	30-50	Over 50	Total	Percentage of headcount (%)	North America	161	241	48	450	14	Europe	809	860	66	1,735	17	Asia Pacific	474	557	34	1,065	15	Latin America and Caribbean	522	706	51	1,279	30	Africa	169	272	7	448	12	Total	2,135	2,636	206	4,977	18	Percentage of total new hires	42.9%	53.0%	4.1%	17.5%		Region	Men	Women	Not declared	Total	Percentage of headcount %	North America	263	185	2	450	14	Europe	759	973	3	1,735	17	Asia Pacific	550	515	–	1,065	15	Latin America and Caribbean	853	426	–	1,279	30	Africa	213	233	2	448	12	Total	2,638	2,332	7	4,977	18	Percentage of total new hires	53.0%	46.9%	0.1%	17.5%		Region	Under 30	30-50	Over 50	Total	Percentage of headcount (%)	North America	152	225	138	515	17	Europe	382	815	202	1,399	14	Asia Pacific	273	749	172	1,194	17	Latin America and Caribbean	290	439	39	768	18	Africa	105	559	72	736	20	Total	1,202	2,787	623	4,612	16	Percentage of total new hires	26.1%	60.4%	13.5%	16.3%	
Region	Under 30	30-50	Over 50	Total	Percentage of headcount (%)																																																																																																																																													
North America	161	241	48	450	14																																																																																																																																													
Europe	809	860	66	1,735	17																																																																																																																																													
Asia Pacific	474	557	34	1,065	15																																																																																																																																													
Latin America and Caribbean	522	706	51	1,279	30																																																																																																																																													
Africa	169	272	7	448	12																																																																																																																																													
Total	2,135	2,636	206	4,977	18																																																																																																																																													
Percentage of total new hires	42.9%	53.0%	4.1%	17.5%																																																																																																																																														
Region	Men	Women	Not declared	Total	Percentage of headcount %																																																																																																																																													
North America	263	185	2	450	14																																																																																																																																													
Europe	759	973	3	1,735	17																																																																																																																																													
Asia Pacific	550	515	–	1,065	15																																																																																																																																													
Latin America and Caribbean	853	426	–	1,279	30																																																																																																																																													
Africa	213	233	2	448	12																																																																																																																																													
Total	2,638	2,332	7	4,977	18																																																																																																																																													
Percentage of total new hires	53.0%	46.9%	0.1%	17.5%																																																																																																																																														
Region	Under 30	30-50	Over 50	Total	Percentage of headcount (%)																																																																																																																																													
North America	152	225	138	515	17																																																																																																																																													
Europe	382	815	202	1,399	14																																																																																																																																													
Asia Pacific	273	749	172	1,194	17																																																																																																																																													
Latin America and Caribbean	290	439	39	768	18																																																																																																																																													
Africa	105	559	72	736	20																																																																																																																																													
Total	1,202	2,787	623	4,612	16																																																																																																																																													
Percentage of total new hires	26.1%	60.4%	13.5%	16.3%																																																																																																																																														

1. In some markets, the concept of 'permanent employment' does not exist. For reporting purposes, we have considered as 'permanent' all those employees whose contract is not fixed term or temporary.

Topic standards

SOCIAL continued

EMPLOYMENT continued

Disclosure		Our response					
401-01 continued	New employee hires and employee turnover continued	Leavers by region by gender¹					
		Region	Men	Women	Not declared	Total	Percentage of headcount %
		North America	322	185	8	515	17
		Europe	711	686	2	1,399	14
		Asia Pacific	745	449	0	1,194	17
		Latin America and Caribbean	503	265	0	768	18
		Africa	485	251	0	736	20
		Total	2,766	1,836	10	4,612	16
		Percentage of total leavers	60.0%	39.8%	0.2%	16.3%	

1. In some markets, the concept of 'permanent employment' does not exist. For reporting purposes, we have considered as 'permanent' all those employees whose contract is not fixed term or temporary. In addition, we have excluded data from some of our business units where local regulation restricts us from collecting hire and leaver information.

For total workforce by employees and supervised workers, and by gender, see GRI 2-7 and the Our people and culture section of the Annual Report on page 63.

401-02	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>Benefits provided to employees vary across the countries where we do business. In the United Kingdom, for example - which accounts for 16% of our global employee base - we make no differentiation in relation to access to benefits between full-time and part-time employees: all employees have access to the same benefits applicable to their grade and location, regardless of the number of hours worked. In the United States and Canada - which account for 10% of our global employee base - non-unionised employees who work fewer than 20 hours per week are not eligible to receive benefits; those employees who work 20 hours or more in a week have access to the same benefits applicable to their grade and location, regardless of the number of hours worked.</p> <p>Omissions: list of benefits, details across all locations.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: benefit packages are provided according to in-country guidelines to ensure we capitalise on local knowledge and remain competitive. We do not currently collate this information for a single statement.</p>
--------	---	--

401-03	Family leave	<p>We comply with all local legislation in our provision of family leave and provide benefits beyond minimum requirements in many countries. In May 2019, we announced an ambitious new global Family Leave policy, which is applicable to all parents regardless of gender, sexual orientation or whether they become parents biologically, via surrogacy or adopt. The policy offers women in all markets a minimum of 26 weeks of fully paid maternity leave, and men in all markets a minimum of four weeks of fully paid paternity leave. In some markets, we offer 26 weeks of fully paid paternity leave - these include Australia, India, Ireland, Italy, the Netherlands, North America, the Philippines, Singapore, Spain, Thailand, the United Kingdom and Venezuela.</p> <p>As a result, we have seen a significant increase in the use of parental leave and the amount of time taken, with a total of 205,197 days of family leave used by our employees this year. The number of men making use of this policy increased from 654 in fiscal 22 to 733, showing the positive impact of the policy. Data on family leave is only available for markets where we have implemented our global HR system, Workday.</p> <p>Number of employees taking parental leave and average number of days taken by gender</p>			
			Men	Women	Total
		Number of employees taking family leave	733	843	1,576
		Average days of family leave taken in the year	95	161	130

Topic standards

SOCIAL continued

LABOUR/MANAGEMENT RELATIONS

3-3 Our management approach to labour/management relations

We have a strong commitment to discuss the concerns of all our people, including those who are represented through a trade union or works council. Our HR team builds relationships with these groups where they exist and is encouraged to involve employee representatives early in business decisions to give them an opportunity to contribute to key issues.

In countries where the right to freedom of association is restricted by law, we support the development of alternative means of representing employees' interests, by investing in individual consultations.

For more information, see:

- [Our policies and standards](#): Dedicated training modules that cover our Code and our Dignity at Work Policy help uphold our commitment to treating employees with respect and integrity. We expect our suppliers to adhere to these principles, as is outlined in our Partnering with Suppliers Standard. For more information, see our Global Human Rights Policy.

We measure employee engagement as one of our overarching performance measures, as set out in our Annual Report on page 63, using our annual Your Voice employee 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.

Our HR 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.

Disclosure	Our response
402-01 ● Minimum notice periods regarding operational changes	We adhere to the law in countries that define a minimum consultation period and requirements for collective and individual consultation. We also aim to redeploy affected employees or find suitable alternative employment for them wherever possible. If we can't do that, we pay severance or redundancy. We also offer outplacement support, which varies by market, to help those who leave Diageo to find another job.

Topic standards

SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY

3-3 Our management approach to occupational health and safety

We maintain best practice 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 deliver a world-class health and safety culture and environment where everybody plays their part.

For more information, see:

- [Our website](#): For more information about our management approach to health, safety and wellbeing for our employees, contractors and visitors.
- [Our reports](#): For more information about how we measure and report on our health and safety data, see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.
- [Our policies and standards](#): For more information, see our Global Health, Safety and Wellbeing Policy.

Our Global Health, Safety and Wellbeing Policy, endorsed by members of the Board and Executive Committee requires each location to:

- Assure 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
- Track actions robustly, including learning from incidents and identified hazards (unsafe behaviours and conditions).

We also have a number of specific occupational health and safety targets, which include:

- Achieving a leading total recordable accident frequency rate (TRAFR) of less than 3.5 per 1,000 people
- Achieving less than one lost-time accident (LTA) per 1,000 people and no fatalities.

To track the effectiveness of our approach, our site, market and global functional teams regularly monitor and review occupational health and safety. We report our performance measures to Governance Leadership weekly, to Supply Chain and Procurement Leadership monthly and to the Executive Committee quarterly.

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.

The goal of benchmarking is continuous improvement. Given we are always striving to improve our Health and Safety performance and are keen to understand how our culture and approach measures against our competitors or similar businesses, we have embarked on a benchmarking exercise. The expectation is that we begin to understand what they are doing that makes them successful and use the learning outcomes to challenge our own approach and strategy.

Disclosure	Our response
403-01 ● Occupational health and safety management system	<p>We implement our Occupational Health and Safety Management System by adhering to our risk management standards and through a robust assurance programme.</p> <p>The system covers our workers and activities across our functions, from procurement, manufacturing and production to marketing, sales and distribution. It includes on-site third-party contractors and third-party logistics providers.</p>
403-02 ● Hazard identification, risk assessment and incident investigation	<p>Through an extensive risk management programme, as well as observance of global risk management standards, we assess risk, identify work-related hazards and implement appropriate mitigation measures and programmes.</p> <p>A key element to safety at all our locations is hazard reporting. It assists us in identifying and rectifying unsafe conditions or behaviours as well as recognising positive behaviours. Through our global Health, Safety and Wellbeing Policy, all employees are encouraged to report work-related hazards as soon as possible and remove themselves from work situations they believe could cause injury or ill health.</p> <p>We also have recognition schemes in place to proactively encourage every employee to look after their own and their colleagues' health and safety. Our global learning platform, My Learning Hub, has tailored guidance about how to report and investigate work-related incidents, how to identify hazards and how to assess risks to determine corrective actions.</p>

How we have met each disclosure

● Fully disclosed as outlined by the GRI Sustainability Reporting Standards

○ Partially disclosed and missing at least one required indicator

○ Not disclosed

⊗ Not considered material to our business at this time

Topic standards

SOCIAL continued




OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response
403-03	Occupational health services	Our Occupational Health and Safety Strategy aims to create a culture free of work-related injury and illness for workers and a happier, healthier and more engaged workforce. Our continued focus on our global risk management standards makes sure that health, safety and wellbeing controls are in place.
403-04	Worker participation, consultation and communication on occupational health and safety	<p>Our GRMS mandate the use of employee consultation forums – such as safety committees – at facility level. Our GRMS also require employees to be involved in risk assessment and change-management processes where they relate to health and safety.</p> <p>We also continue to use Diageo’s Flex Philosophy, developed in 2021, which provides our employees with a framework and principles of working patterns.</p> <p>Our dedicated health and safety Yammer page and health and safety channel on My Learning Hub, our internal learning management system, aim to improve health and safety communication and visibility across our supply chain.</p>
403-05	Worker training on occupational health and safety	<p>All our sites complete a training needs assessment to determine their occupational health and safety training requirements.</p> <p>We train our people on occupational health and safety through several channels, including:</p> <ul style="list-style-type: none"> • My Learning Hub, which is a learning management platform our people can access every day for occupational health and safety capability and awareness content. Some of this training is mandated and assigned to workers and is based on the requirements of their role. • Face-to-face occupational health and safety training, such as manual handling training, forklift truck training and explosive atmospheres training, which is delivered by approved internal and external trainers. • Other subject-matter-expert training, delivered through video conferencing.
403-06	Promotion of worker health	<p>We promote worker health and encourage workers to access local services and systems, as and when required, through several channels:</p> <ul style="list-style-type: none"> • Our Benefits team facilitates non-occupational medical and healthcare services. We provide optional medical insurance, which is communicated to employees through internal communication channels. • To make wellbeing part of our culture every day, everywhere, we have created the Diageo Wellbeing Philosophy and set up a dedicated intranet site to share information with employees. • On My Learning Hub, we have developed a Wellbeing channel where employees can find learning materials on physical, mental, social and financial wellbeing and other courses, such as on positive drinking behaviours. We have provided all employees with access to the digital mental health app, UNMIND, and we offer an Employee Assistance Programme. • This year we launched a psychological safety employee toolkit, which aims to foster an environment where everyone can openly speak up, take personal risks and offer opposing views without fear of consequence. • Our Employee Engagement team runs health and wellbeing awareness capability weeks covering subjects including, for example, mental health, mindfulness techniques and nutrition.

Topic standards

SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure	Our response
403-07  Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>We build core health and safety requirements and performance measures into our third-party service-level agreements (SLAs). This lets us prevent and mitigate significant occupational health and safety impacts directly linked to our operations, products or services through our business relationships. We regularly meet third-party service providers to review their delivery against performance measures. We will also withdraw from business relations with service providers that put the health and safety of employees at risk or that do not consistently deliver the performance measures within the SLAs.</p>
403-08  Workers covered by an occupational health and safety management system	<p>All our employees must comply with the mandatory requirements of our Global Health, Safety and Wellbeing Policy, as well as adhere to all relevant global risk management standards. Adhering to these standards and requirements is continually assessed by Internal Audit teams.</p> <p>Where appropriate, our sites are accredited to the ISO 45001 (or equivalent) Occupational Health and Safety Management System Standard and are regularly audited against this standard by an approved third party.</p> <p>No employees or workers are excluded from the occupational health and safety management system.</p> <p>Health and safety performance is monitored through regular site, regional and global business performance meetings.</p> <p>Our Partnering with Suppliers Standard - our code for suppliers - has been developed to help drive higher standards in all aspects of our supply chain. In relation to health and safety, our aim is to create a proactive health, safety and wellbeing culture and working environment in which all occupational injuries and illness are foreseeable and preventable. We expect all our suppliers to act in a manner that demonstrates their personal and collective commitment to this aim. For those suppliers based on our sites, they are expected to adhere to relevant Diageo global risk management standards, to engage their employees on the Diageo ways of working and to attend Health and Safety forums where required.</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 business units 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. Local and regional teams make sure 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>Accident rates</p> <p>We introduced a new, broader Total Recordable Accident Frequency Rate (TRAFR) metric in 2019, with the aim of achieving a leading TRAFR performance of lower than 3.5 per 1,000 people. This year, our global TRAFR target was successfully delivered with a rate of 2.06. This rate is represented 76% by men and 24% by women.</p> <p>Our global lost-time accident frequency rate (LTAFR) per 1,000 full-time employees (FTEs) was 0.91^Δ, a decrease of 1.1% compared with 2022. This means our overall global target of less than or equal to 1.0 was achieved this year. While the numbers of LTAs decreased, the severity rate relating to LTAs increased due to carry-over of days lost for accidents in 2022. For rates by region and year since 2019, see the next page of this ESG Reporting Index.</p> <p>This year, there were no employee fatalities on or off our sites and no contractor fatalities on our sites.</p> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p> <p>^Δ Within PwC's independent limited assurance scope - see pages 263-266 of the Annual Report.</p>

Topic standards

SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure	Our response																																										
403-09 continued	<p>Work-related injuries continued</p> <p>Safety data by region (fiscal 23)</p> <table border="1"> <thead> <tr> <th>Region</th> <th>LTAFR</th> <th>TRAFR</th> <th>Fatalities¹</th> <th>Severity rate²</th> <th>Independent contractor LTAs³</th> </tr> </thead> <tbody> <tr> <td>North America</td> <td>0.36</td> <td>2.27</td> <td>0</td> <td>90.5</td> <td>2</td> </tr> <tr> <td>Europe</td> <td>1.59</td> <td>3.89</td> <td>0</td> <td>47.6</td> <td>12</td> </tr> <tr> <td>Asia Pacific</td> <td>0.52</td> <td>1.12</td> <td>0</td> <td>20.02</td> <td>2</td> </tr> <tr> <td>Latin America and Caribbean</td> <td>1.85</td> <td>2.7</td> <td>0</td> <td>77</td> <td>1</td> </tr> <tr> <td>Africa</td> <td>0.15</td> <td>1.01</td> <td>0</td> <td>12.5</td> <td>5</td> </tr> <tr> <td>Diageo (total)</td> <td>0.91^Δ</td> <td>2.06</td> <td>0</td> <td>39.3</td> <td>22</td> </tr> </tbody> </table>	Region	LTAFR	TRAFR	Fatalities ¹	Severity rate ²	Independent contractor LTAs ³	North America	0.36	2.27	0	90.5	2	Europe	1.59	3.89	0	47.6	12	Asia Pacific	0.52	1.12	0	20.02	2	Latin America and Caribbean	1.85	2.7	0	77	1	Africa	0.15	1.01	0	12.5	5	Diageo (total)	0.91^Δ	2.06	0	39.3	22
Region	LTAFR	TRAFR	Fatalities ¹	Severity rate ²	Independent contractor LTAs ³																																						
North America	0.36	2.27	0	90.5	2																																						
Europe	1.59	3.89	0	47.6	12																																						
Asia Pacific	0.52	1.12	0	20.02	2																																						
Latin America and Caribbean	1.85	2.7	0	77	1																																						
Africa	0.15	1.01	0	12.5	5																																						
Diageo (total)	0.91^Δ	2.06	0	39.3	22																																						

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

2. The number of LTAs decreased this year; however, the severity rate increased due to a carry-over of lost days from accidents in 2022. (Severity rate is number of days lost per 1,000 employees and is a measure of the seriousness of the incident and consequent absence from work).

3. An LTA rate is not reported for independent contractors because of the difficulty and administrative burden of accurately recording headcount. Performance is measured by an absolute incident number.

Δ Within PwC's independent limited assurance scope - see pages 263-266 of the Annual Report.

Lost-time accident frequency rate per 1,000 full-time employees¹

Region	2019	2020	2021	2022	2023
North America	1.76	0.31	1.14	1.85	0.36
Europe	1.00	1.03	2.44	1.09	1.59
Asia Pacific	0.57	0.30	0.33	0.59	0.52
Latin America and Caribbean	1.15	1.56	1.06	0.61	1.85
Africa	1.22	0.36	0.25	1.01	0.15
Diageo (total)	0.98	0.6	1.03	0.92	0.91^Δ

1. Number of accidents per 1,000 employees and directly supervised contractors resulting in time lost from work of one calendar day or more.

Δ Within PwC's independent limited assurance scope - see pages 263-266 of the Annual Report.

Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.


Work-related injuries

	2019	2020	2021	2022	2023
Lost-time injury frequency rate (LTIFR) (per million hours worked)	0.49	0.30	0.51	0.46	0.45
Lost-time injury rate (LTIR) (per 200,000 hours worked)	0.10	0.06	0.10	0.09	0.09

Topic standards

SOCIAL continued

OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure	Our response																																
403-09 continued	<p>Work-related injuries continued</p> <p>Types of injury (employee) %</p>  <table border="1"> <tr> <td>Cut by knife/razor/other</td> <td>14%</td> <td>Chemical contact/splash</td> <td>3%</td> </tr> <tr> <td>Cut by glass</td> <td>13%</td> <td>Electricity contact</td> <td>3%</td> </tr> <tr> <td>Slip/trip with fall</td> <td>13%</td> <td>Other</td> <td>3%</td> </tr> <tr> <td>Manual handling - lift, push, pull, repeated motion</td> <td>11%</td> <td>Slip/trip without fall</td> <td>3%</td> </tr> <tr> <td>Crushed/pinched/trapped (caught in or between)</td> <td>8%</td> <td>Vehicle incident - motor vehicle (car)</td> <td>3%</td> </tr> <tr> <td>Struck by moving/flying/falling object</td> <td>8%</td> <td>Vehicle incident - other</td> <td>3%</td> </tr> <tr> <td>Struck against</td> <td>6%</td> <td>Fall to lower level > 2 metres</td> <td>2%</td> </tr> <tr> <td>Contact with hot surface or liquid</td> <td>5%</td> <td>Vehicle incident - forklift truck (FLT)</td> <td>2%</td> </tr> </table>	Cut by knife/razor/other	14%	Chemical contact/splash	3%	Cut by glass	13%	Electricity contact	3%	Slip/trip with fall	13%	Other	3%	Manual handling - lift, push, pull, repeated motion	11%	Slip/trip without fall	3%	Crushed/pinched/trapped (caught in or between)	8%	Vehicle incident - motor vehicle (car)	3%	Struck by moving/flying/falling object	8%	Vehicle incident - other	3%	Struck against	6%	Fall to lower level > 2 metres	2%	Contact with hot surface or liquid	5%	Vehicle incident - forklift truck (FLT)	2%
Cut by knife/razor/other	14%	Chemical contact/splash	3%																														
Cut by glass	13%	Electricity contact	3%																														
Slip/trip with fall	13%	Other	3%																														
Manual handling - lift, push, pull, repeated motion	11%	Slip/trip without fall	3%																														
Crushed/pinched/trapped (caught in or between)	8%	Vehicle incident - motor vehicle (car)	3%																														
Struck by moving/flying/falling object	8%	Vehicle incident - other	3%																														
Struck against	6%	Fall to lower level > 2 metres	2%																														
Contact with hot surface or liquid	5%	Vehicle incident - forklift truck (FLT)	2%																														

Types of injury (contractor) %			
Slip/trip with fall	37%	Bite/sting/animal attack	3%
Fall to lower level < 2 metres	14%	Cut by glass	3%
Struck by moving/flying/falling object	10%	Cut by knife/razor/other	3%
Crushed/pinched/trapped (caught in or between)	7%	Fall to lower level > 2 metres	3%
Struck against	7%	Manual handling - lift, push, pull, repeated motion	3%
Vehicle incident - motor vehicle (car)	7%	Vehicle incident - FLT	3%

Regional breakdowns by injury type are not included because, given the low LTA numbers, the trends are not statistically significant. We do not include absenteeism rates because we do not collect this data at a global level.

403-10	<p>Work-related ill health</p> <p>○</p>	<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, must be reported to us. Acute onset of occupational illness is included in our LTA definition, however, occupational disease rates are not disclosed because of regional variances in capabilities, national practice and regulatory barriers which prevent the recording or disclosure of many communicable diseases. During the next fiscal year we intend to conduct a pilot project across a number of regions with a view to publishing data in subsequent years.</p> <p>Our global health and safety standards require occupational health monitoring for new employees and specific worker groups and for specific conditions, including lung function and audiometry assessments for shift workers, and assessments for lone workers and for professional drivers. Our global standards also include industrial hygiene monitoring requirements for specific work groups or conditions, including workplace chemical exposures, noise, vibration and ionising radiation.</p> <p>Our monitoring programmes and incident data suggest that the only globally material issue is musculoskeletal disorders; however, incidence rates are not disclosed because of regional variations in capabilities and data privacy requirements and regulations.</p> <p>Omissions: data on work-related ill health at a global level.</p> <p>Reason: information not available/incomplete.</p> <p>Explanation: we do not collate data on work-related ill health at a global level.</p>
--------	--	--

Topic standards


SOCIAL continued

TRAINING AND EDUCATION

3-3 Our management approach to training and education

We place great emphasis on continuous learning as a means of developing our people – it is a core pillar of our people strategy. By using training-needs analysis at an organisational level, we identify skills required to win now, and in the future. In addition, we leverage our performance management process to identify development opportunities for every employee across the organisation. We evaluate employees' performance against annual objectives and identify where they may benefit from our extensive range of internal and external training programmes. In addition, each function assesses its own training needs based on its performance goals, and guides employees to the right training, at the right time. To achieve even more targeted training in fiscal 23, we have focused on company-wide capability priorities, as agreed with the Executive Committee, that is, digital upskilling and reskilling, ESG upskilling, and leadership and people management upskilling. See GRI 404-02 below for more detailed information.



We have a well-established process for analysing the efficacy of our management approach to occupational training and education, with regular reviews of take-up, specifically relating to our strategic capability requirements. Our Learning Centre of Excellence is responsible for driving this activity and assessing progress. Where potential improvements are identified, these are translated into an action plan, which is implemented by HR directors and their market teams.

Disclosure	Our response
404-01  Average hours of training per year per employee	<p>We track employee training hours – from both global and local programmes – within My Learning Hub (our learning and development platform).</p> <p>Using Precision Learning, we have made progress towards our goal of shifting to a more targeted approach that helps close skill gaps and develop new capabilities in emerging business priorities.</p> <p>This year, the system recorded a total of 526,500 learning hours, with each of the 23,400 employees in the My Learning Hub system receiving an average of 22.5 hours of targeted learning. This represents an increase in learning hours per employee compared with the previous fiscal year (21.7 hours).</p> <p>It is important to note that these figures exclude the majority of training for our Supply team, which is currently recorded manually in personnel files.</p> <p>Omissions: training hours per employee, by gender.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: gender is a sensitive data field that is not included in our training measurement systems. To protect the integrity of sensitive data, we collect it only when absolutely necessary. There is no current use case for training data to be analysed by gender. Data is typically analysed and provided by region, management level or by topic.</p>

Topic standards

SOCIAL continued

TRAINING AND EDUCATION continued

Disclosure	Our response
404-02  Programmes for upgrading employee skills and transition assistance programmes	<p>We want our people to be able to access learning opportunities that improve performance and deliver growth. Our mission is for our people to access training and development that is relevant to them, simply and effectively. We achieve this through our three core strategic pillars:</p> <ol style="list-style-type: none"> 1. Promote a continuous learning culture: to facilitate personalised, micro-learning moments every day where individuals take ownership for their learning needs while line managers remain accountable for development conversations. 2. Partner with the business to grow capability and performance: to identify strategic capability requirements at both an organisational and local level, by leveraging data-driven insights. 3. Deliver fulfilling learning experiences: we are reframing the purpose of learning, creating immersive and innovative multi-channel learning experiences that connect our global Diageo community to improve capability and performance. <p>Our learning and development platform, My Learning Hub, contains a library of more than 20,000 external learning resources that complement our own proprietary learning content and provides our people with access to best-in-class learning on any device, anywhere, at any time.</p> <p>Most of our employees use My Learning Hub to supplement their personal development via individual development plans and performance goals, as part of their Partners for Growth (P4G) appraisal system. My Learning Hub also supports leadership development programmes such as Accelerate, which in fiscal 23 was focused on enhancing coaching skills across our senior leader population (of around 500 executives) by blending virtual learning with attendance at in-person expert-led masterclasses.</p>
404-03  Percentage of employees receiving regular performance and career development reviews	<p>In fiscal 23, 80.5% of our employees received regular performance reviews.</p> <p>Our performance and talent management processes encourages managers and employees to have regular meaningful performance and development conversations. Setting clear performance and development goals and discussing achievements against these goals on a regular basis is key for growth - both for our people and the business.</p> <p>Omissions: data by gender and employee category.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: performance management processes in some parts of the world (especially in some of our Supply roles), are managed outside Workday, our HR information management system. In some cases, markets follow locally defined or required guidelines. As described in GRI 404-01, we do not collect data by gender unless there is a strong business case for doing so.</p>

Topic standards

SOCIAL continued

DIVERSITY AND EQUAL OPPORTUNITY

3-3 Our management approach to diversity and equal opportunity

We are committed to creating the most inclusive and diverse culture possible, not just because it's the right thing to do, but because we believe this commitment helps us to recruit and retain the best employees, achieve better performance and have a greater impact on society.

For more information, see:

- [Our website](#): For more information about our approach to diversity and equal opportunity, see the Champion inclusion and diversity section of our website.
- [Our reports](#): For information about inclusion and diversity goals and our performance against them, see the Our people and culture and the Champion inclusion and diversity section of our Annual Report on pages 63-70. For information on how we track and calculate diversity and equal opportunity performance, see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index.

We have a number of initiatives aimed at strengthening the diversity of our talent as a whole, promoting inclusive leadership and ensuring that our workforce reflects the markets where we operate. To track the effectiveness of our approach to diversity and equal opportunity, we monitor a number of inclusion and diversity goals each month, which our Executive Committee reviews each quarter. We have directly linked our senior leader Long-Term Incentive Plan awards to delivering these goals. We also keep track of our employees' experience of diversity through our annual Your Voice survey.

We make it a priority to support our growing Employee Resource Groups. Please see the Resource Groups at Diageo section of our website for more details. These groups give employees the opportunity to support each other, while helping leaders better understand the concerns of diverse communities and the barriers they face.

Across our industry, manufacturing and STEM (science, technology, engineering and mathematics) roles have traditionally been male-dominated, but we are committed to shifting the narrative on this to create an industry that is truly diverse and inclusive. We are working hard to achieve this through graduates, apprenticeships, returnships and scholarships.



As advertisers of some of the world's most loved brands, we know we can make a cultural difference through who we portray in our advertising and content, who we choose to create this work and where we place our advertising. We believe that diverse teams produce better creative work, so we're committed to increasing the number of female and ethnically diverse directors working on our advertising content. We want to encourage more women to stay in the advertising industry, so we partner with the Creative Equals consultancy on a returner scheme to support women across the United Kingdom, North America and India to return to the industry following a career break.

We're also committed to supporting people with career paths in hospitality, through Learning for Life and our Diageo Bar Academy, where women are proportionately represented. By helping to shape our supply chain so that it reflects our values of inclusion and diversity, we believe we can have a much bigger impact on equality beyond our business. That is why we work with diverse suppliers, by helping them become accredited with advocacy organisations and by creating opportunities for them within our business.

Topic standards

SOCIAL continued

DIVERSITY AND EQUAL OPPORTUNITY continued

Disclosure		Our response
405-01	 Diversity of governance bodies and employees	<p>The percentage of female leaders globally is 44%^Δ. In addition, women make up 50% of our Executive Committee and 73% of our Board. More employee profile information by gender is included in the Our people and culture section of our Annual Report on page 63.</p> <p>We strive to cultivate a diverse leadership group, both in terms of nationality and ethnic background. To achieve this, we encourage leaders to move between markets in which we operate, alongside local hiring and development across our global operations. Our leadership and talent programmes are structured to promote a balanced intake of talent across a wide spectrum of markets, and this is reflected in the vibrant mix of 115 different nationalities at Diageo.</p> <p>Omissions: employee profile information by age and specific group.</p> <p>Reason: not applicable.</p> <p>Explanation: leadership is analysed in more detail in the Annual Report. Membership of other groups, such as those described above, is not typically analysed for additional insight.</p> <p>Please refer to the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information about how data has been compiled, including the standards, methodologies and assumptions used.</p> <p>^Δ Within PwC's independent limited assurance scope - see pages 263-266 of the Annual Report.</p>
405-02	 Ratio of basic salary and remuneration of women to men	<p>Omissions: ratio of basic salary and remuneration of women to men.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: given the complexity of our operations, we don't currently collect this data at a global level; however, we have published a gender pay gap report covering our Great Britain business since 2017. In our most recent report, published in December 2022, the headline figures were a mean hourly pay gap of 0.0% and median gender pay gap of 4.3% across our Great Britain businesses. In fiscal 23 we reported a gender pay gap report for our Ireland business for the first time. The headline figures were a mean pay gap of 3.7% and median pay gap of 8.2%. Our gender pay gap reports can be found on our website.</p>

Topic standards

SOCIAL continued

NON-DISCRIMINATION

3-3 Our management approach to non-discrimination

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.

For more information, see:

- [Our policies and standards](#): For information on our approach to non-discrimination, please see our Global Human Rights Policy. We also hold our suppliers accountable to the values set out in our Global Human Rights Policy, as described in our Partnering with Suppliers Standard. This is a contractual requirement.
- [Our website](#): For information about our human rights governance process, see the Doing business the right way section of our website.

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 also available in 17 languages and has been adapted in line with local legislation and cultures.

We ensure adherence to our non-discrimination policies through internal review and in response to feedback received through formal, external processes. Our evaluation includes assessment of our SpeakUp data and other engagement mechanisms, such as through our HR Business Partners who provide HR services to our various departments.

We take breaches of our Dignity at Work Policy seriously, and we follow up with appropriate disciplinary measures. These are determined by local disciplinary committees and overseen centrally by a member of the global Business Integrity or Employee Relations teams to ensure consistency of approach and outcomes.

Disclosure

Our response

406-01

Incidents of discrimination and corrective actions taken

We have measures in place to monitor and manage any allegations of discrimination, and we raise awareness among our employees through various function-wide and local programmes and our Dignity at Work Policy.

This year 54 allegations related to discriminatory behaviours were raised via SpeakUp, of which seven were substantiated. These relate to individuals not displaying the leadership behaviours we expect including our core business value of treating all employees with respect. We have implemented disciplinary action to address the concerns raised in the substantiated matters, ranging from counselling to termination.

Incidents of discrimination occurring in our supply chain are identified through our four-pillar ethical audits, as described in our Global Human Rights Policy.

	Suppliers
Total number of discrimination non-compliances within our supply chain	15
Change versus previous fiscal year	+4
Non-compliance breakdown	
Evidence of discrimination in recruitment, hiring, compensation, access to training, promotion, or retirement based on an individual's characteristic protected by law	8
Discrimination Policy	2
Insufficient evidence to demonstrate non-discrimination	2
Percentage or number of a particular group as required by local law	2
No sexual harassment committee where required by local law	1
Total number of non-compliances verified as closed	9/15

How we have met each disclosure



Fully disclosed as outlined by the GRI Sustainability Reporting Standards



Partially disclosed and missing at least one required indicator



Not disclosed



Not considered material to our business at this time

Topic standards

SOCIAL continued

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

3-3	<p>Our management approach to freedom of association and collective bargaining</p> <p>We have a strong commitment to industrial dialogue, supporting the right of employees to join or not join a trade union, as outlined in our Global Human Rights Policy. We also expect this of our suppliers, as outlined in our Partnering with Suppliers Standard. This is a contractual requirement.</p> <p>We aim to maintain regular, open dialogue with unions over issues of common interest. We also believe in the same principles for our suppliers.</p> <p>We use internal reviews and our supplier assessment process to evaluate our approach. Reviews include input from trade unions and any feedback we receive through SpeakUp and other engagement mechanisms.</p> <p>For more information, see:</p> <ul style="list-style-type: none"> • Our policies and standards: Details of our approach to freedom of association and collective bargaining are set out in our Global Human Rights Policy and in the Human Rights section of our Partnering with Suppliers Standard. • Our website: For information about our human rights governance process, see the Doing business the right way section of our website.
-----	--

Disclosure	Our response	
407-01	<p>Freedom of association and collective bargaining</p> <p>We have a global SpeakUp process in place, where employees may raise concerns on an anonymous or non-anonymous basis about any issue they have, including violations of people's rights to exercise freedom of association and collective bargaining. We are not aware of any such issues being raised in fiscal 23. We will investigate allegations as and when they come up and will take appropriate remedial action, involving relevant local agencies.</p> <p>Within our supply chain we identify issues of non-compliance relating to freedom of association and collective bargaining through our four-pillar ethical audits, as described in our Global Human Rights Policy.</p> <p>We are following up with the suppliers as part of their corrective action plans to ensure open non-compliances are resolved.</p>	Suppliers
	Total number of freedom of association and collective bargaining non-compliances	60
	Change versus previous fiscal year	-6
	Non-compliance breakdown	
	Effectiveness and transparency of worker committees/representatives or trade unions	33
	Lack of a formal policy about freedom of association and right to collective bargaining	10
	Issues concerning collective bargaining agreements	7
	Lack of a worker committee/representatives	4
	Employer does not comply with legal requirements for engagement with worker committees/unions	3
	Unions are not in compliance with the national/local laws including their formation, operation, registration, recruitment of members, collection of fees and so on	3
	Total number of non-compliances verified as closed	42/60

How we have met
each disclosure

● Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

◐ Partially disclosed and missing
at least one required indicator

○ Not disclosed

⊗ Not considered material
to our business at this time

Topic standards

SOCIAL continued

CHILD LABOUR

3-3 Our management approach to child labour

We act in line with the United Nations Guiding Principles on Business and Human Rights. We do not permit child labour within our operations or those of our suppliers or business partners.

We have identified child labour as a potential risk within our agricultural supply chain, particularly in Africa. To address this, we have developed a child protection toolkit to educate our own people on the risks to children's safety from working on smallholdings, including what activities are unacceptable and pose a risk to their development. We build similar awareness within farming communities through our training programme, 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.

We assess our activities for risk of the worst forms of child labour, as defined by the International Labour Organization's Worst Forms of Child Labour Convention, 1999 (No. 182, Article 3). We will investigate allegations as and when they come up, and take remedial action, involving relevant local agencies as appropriate. We assess child labour risk through our own farm visits and ongoing due diligence processes.

For more information, see:

- GRI 3-3 on page 69 of this ESG Reporting Index for more information about our management approach to human rights assessment.
- [Our policies and standards](#): Details of our approach to child labour are set out in our Global Human Rights Policy.
- [Our website](#): For information about our human rights governance process, see the Doing business the right way and Responsible sourcing sections of our website.

Disclosure	Our response	
408-01	Child labour	
	Through our assessments and within our activities, we have not identified any risk of the worst forms of child labour, as defined by the International Labour Organization's Worst Forms of Child Labour Convention, 1999 (No. 182, Article 3). We have reviewed higher-risk areas of our supply network, including agricultural supply chains in Africa, Brazil, Guatemala, Mexico and Turkey, and are not aware of any operations that have significant risks related to child labour. We will investigate allegations as and when they occur and take appropriate remedial action, involving relevant local agencies as appropriate.	
	We have developed a child protection toolkit for both farming supply networks and those of our employees involved with them. Within our supply chain, incidents of non-compliance raised under children and young workers are captured through our four-pillar ethical audits, as described in our Global Human Rights Policy.	
	We are following up with the suppliers as part of their corrective action plans to ensure open non-compliances are resolved.	
		Suppliers
	Issues of non-compliance under the category of children and young workers	18
	Change versus previous fiscal year	-17
	Non-compliance breakdown	
	Lack of a formal policy at the supplier's facility in relation to child labour or underage labour, minimum age and recruitment processes	9
	Lack or inadequate records or processes in place to verify workers' age	4
	No policy on remediation of individuals employed under the minimum working age or young people under improper conditions	3
	Absence of childcare facilities provided	1
	No/inadequate risk assessment conducted regarding child and young workers	1
	Total number of non-compliances verified as closed	15/18

How we have met
each disclosure

● Fully disclosed as outlined by the GRI Sustainability Reporting Standards

○ Partially disclosed and missing at least one required indicator

○ Not disclosed

⊗ Not considered material to our business at this time

Topic standards

SOCIAL continued

FORCED OR COMPULSORY LABOUR

3-3 Our management approach to forced or compulsory labour

We act in line with the United Nations Guiding Principles on Business and Human Rights. We do not permit forced or compulsory labour within our operations or those of our suppliers or business partners.

Through our human rights impact assessments, we have reviewed higher-risk areas of our value chain network, including agricultural supply chains in Africa, Brazil, Guatemala, India, Mexico, Turkey and the United Kingdom, and are not aware of any operations that have significant risks concerning issues related to forced or compulsory labour. If any allegations are reported, we will investigate and take remedial action, involving relevant local agencies as appropriate. More details are included in our submission in the United Kingdom's Modern Slavery Statement. We will continue to assess forced or compulsory labour risk through our ongoing due diligence processes. We will investigate allegations as and when they occur, and take remedial action, involving relevant local agencies as appropriate.

For more information, see:

- GRI 3-3 on page 69 of this ESG Reporting Index for more information about our management approach to human rights assessment.
- [Our policies and standards](#): Details of our approach to forced or compulsory labour are set out in our Global Human Rights Policy.
- [Our website](#): For information about our human rights governance process, see the Doing business the right way and Responsible sourcing sections of our website.

Disclosure

Our response

409-01

Forced or compulsory labour

We're not aware of any operations that have significant risks related to forced or compulsory labour.

Within our supply chain, incidents of non-compliance raised under Employment is freely chosen are captured through four-pillar ethical audits.

We are following up with the suppliers as part of their corrective action plans to ensure open non-compliances are resolved.

Suppliers

	Suppliers
Issues of non-compliance under the category of Employment is freely chosen	25
Change versus previous fiscal year	+6
Non-compliance breakdown	
Lack of a formal policy at the supplier's facility on employment freely chosen (no forced, bonded or involuntary prison labour)	9
Compulsory overtime	8
Migrant workers recruited to work at the site are required to pay for return travel to their home country	2
Workers incur fees, legal or otherwise, during the recruitment process	2
Deductions from workers' wages for work-related items or required monetary deposits that take wages below minimum	1
Deductions made from worker pay by the employer without worker consent and which are not provided for by national law	1
Probation period required from the worker is contrary to law	1
Restricted toilet and rest breaks	1
Total number of non-compliances verified as closed	17/25

How we have met
each disclosure

● Fully disclosed as outlined by the GRI Sustainability Reporting Standards

◐ Partially disclosed and missing at least one required indicator

○ Not disclosed

⊗ Not considered material to our business at this time

Topic standards

SOCIAL continued

SECURITY PRACTICES

3-3 Our management approach to security practices

Our [Corporate Security Policy](#) outlines our four pillars of security: people security, physical security (including of our products and assets), investigations, and business continuity and crisis management. This policy is underpinned by a number of minimum standards and guidelines that every market and site must adhere to.


We operate security programmes in all markets and at all sites, with nominated and trained individuals responsible for the programme. The level of security in each market and at each site is determined by its size, risk levels and any local requirements.

Markets and sites are supported by a central team of security experts, who have regional and functional responsibility for 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 we satisfy external regulations and requirements.


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. The Executive Committee, the Audit Committee, and the Audit and Risk Committee review our approach and relevant risks as part of our corporate risk management programme.


Market adherence to our corporate security policies and standards is continually monitored through reviews and audits. Global corporate security policies and standards are also subject to regular review. All updates or adjustments are communicated clearly to markets and sites.


The Corporate Security team regularly benchmarks its practices and performance with other multinationals. It also liaises closely with government security experts through its membership of organisations such as the UK government's National Protective Security Authority, the US State Department's Overseas Security Advisory Council, and the International Security Management Association.


Disclosure	Our response
410-01  Security personnel trained in human rights policies or procedures	<p>Omissions: the percentage of security personnel, including third-party organisations, who have received formal training in human rights policies or specific procedures and their application to security.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: we do not record this data since our security staff contracts and training practices vary by market, with some being direct security employees and others third-party contractors. It's a contractual requirement for third-party security personnel to adhere to our Code, which incorporates our Global Human Rights Policy. That policy requires our third-party suppliers to adopt similar human rights standards and operate in line with our Partnering with Suppliers Standard, which also includes express reference to compliance with human rights conventions.</p>


RIGHTS OF INDIGENOUS PEOPLES

Disclosure	Our response
411-01  Incidents of violations involving rights of indigenous peoples	We do not believe this is material to our business. We do, however, consider land rights in our human rights impact assessments.

How we have met
each disclosure
 Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

 Partially disclosed and missing
at least one required indicator

 Not disclosed

 Not considered material
to our business at this time

Topic standards

SOCIAL continued

HUMAN RIGHTS ASSESSMENT

3-3 Our management approach to human rights assessment

A failure to respect human rights within our organisation and our supply chains could pose serious risks to our business. For our overall approach to human rights, see our [Global Human Rights Policy](#), which includes the requirement that all our suppliers assess human rights within their organisations.

We have policies and processes consistent with the United Nations Guiding Principles on Business and Human Rights (UNGPs) since 2014 and continue to embed human rights throughout our value chain.

We completed a comprehensive human rights impact assessment (HRIA) programme from 2015 to 2021, prioritised by risk and based on a global mapping process. This programme reached across 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. Our three salient external business and supply chain risks are labour rights, including child labour risks; labour standards for contract workers; and sexual harassment in the hospitality sector. In response, we created awareness programmes on child labour and modern slavery, conducted an independent review of contract labour, and developed standards and training to protect brand promotion teams from harassment. Our assessment of vulnerable groups includes women, children, ethnic minorities, persons with disabilities, the LGBTQIA+ community, indigenous peoples and migrant workers.

Specialists in human rights conducted these HRIAs alongside our teams, which 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 appropriate training.

Having completed comprehensive HRIAs in each of our markets to identify the most salient human rights risks for our business and supply chains, we have started to embed the findings and recommendations into our routine enterprise risk management processes. This will make sure our interventions are sustainable and let us track emerging risks.

Our global human rights steering group is accountable for setting our human rights governance framework and monitoring its effectiveness. We measure the effectiveness of our human rights governance through our internal assurance framework and global Audit and Risk team, in addition to monitoring allegation and breach trends and root causes. Lessons learnt inform continuous improvements to our human rights due diligence.

We also work with our suppliers to assess risk and help them meet our standards. For more information about how we assess human rights in our supply chains, see the Supplier social assessment response on page 73 of this ESG Reporting Index.

For more information, see:

- [Our website](#): For more information about our human rights governance process, see the Doing business the right way section of our website.

Disclosure

Our response

412-01

Operations that have been subject to human rights reviews or impact assessments

All our business units and operations are required to carry out a risk assessment, which includes human rights as part of the review process.

Beyond this, as part of our commitment to act in accordance with the UNGPs, we deployed a comprehensive HRIA programme in all our markets from 2015 to 2021. We have conducted HRIAs in Australia, Brazil, China, Colombia, Ghana, Guatemala, India, Kenya, Mexico, the Middle East, Nigeria, North America (United States and Canada), North Asia (South Korea and Japan), PEBAC (Peru, Ecuador, Bolivia, Argentina and Chile), South Africa, Tanzania, Thailand, Turkey, Uganda and the United Kingdom. All markets have developed action plans to address specific salient risks. From fiscal 24, all direct operations will be required to complete a detailed annual human rights self-assessment questionnaire, and take remedial action where necessary.

Details of our approach are included in our Annual Report on pages 61-62 and within our Modern Slavery Statement.

How we have met each disclosure



Fully disclosed as outlined by the GRI Sustainability Reporting Standards



Partially disclosed and missing at least one required indicator



Not disclosed





Not considered material to our business at this time

Topic standards

SOCIAL continued

HUMAN RIGHTS ASSESSMENT continued

Disclosure	Our response
412-02  Employee training on human rights policies or procedures	<p>All middle managers and above are required to complete an Annual Certification of Compliance, which certifies their compliance with, and understanding of, our Code of Business Conduct, which includes human rights. Within the certification, those for whom the Global Human Rights Policy is most important are required to complete a certification of their knowledge and understanding of some of the policy's key points.</p> <p>Last year, we continued to educate all employees on human rights with a short film that brings to life our human rights commitments through the voices of affected stakeholders. This can be watched on My Learning Hub, our internal learning management system. This year, we have developed training for risk management committees to build capability in managing human rights risks. It will be deployed in fiscal 24 and will make sure we're alert to these risks and able to act effectively when we see them.</p> <p>We train our Procurement teams on our Partnering with Suppliers Standard, which includes guidance on how we manage human rights and labour standard risks within our supply chain. We also train employees specifically at our supply sites about security standards and awareness, to ensure the integrity of our supply chain and to reduce the risk of human trafficking. In 2021, we refreshed our training for people in our Procurement and Sustainability functions who have direct responsibility for our human rights, responsible sourcing or supply governance programmes. The training was focused on the impact of purchasing practices on our supply chain.</p> <p>In 2019, we implemented a global Brand Promoters Standard and accompanying training aimed at protecting brand promotion teams from all forms of harassment. This year we launched a new brand promoter training website in 18 languages to help us track training completions and ongoing agency compliance with our Brand Promoter Standard.</p> <p>In fiscal 23, 351 agencies joined our programme, who have in turn trained 6,240 individual promoters. Details of our approach are included in our group Modern Slavery Statement, on pages 4 and 5.</p> <p>Omissions: total hours of training on human rights.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: training sessions about our Code and policies vary in duration, so it's not possible to accurately report the number of hours spent on specific subjects during training sessions.</p>
412-03  Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>All our suppliers are contractually obliged to abide by the standards set out 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 stipulated in our standard purchase order terms and conditions.</p>

Topic standards

SOCIAL continued

LOCAL COMMUNITIES

3-3	<p>Our management approach to local communities</p> <p>We aim to strengthen the communities we operate in by providing engaging, safe and diverse places to work for our employees; building sustainable and inclusive supply chains; and delivering programmes that empower communities and the individuals within them, enabling them to grow.</p> <p>As part of this approach, we are committed to promoting human rights throughout our value chain (see GRI 3-3 on page 70). We also invest in promoting positive drinking, building thriving communities and reducing our environmental impact.</p> <p>Our Society 2030: Spirit of Progress goals address these areas, and help us contribute to the UN Sustainable Development Goals.</p> <p>For more information, see:</p> <ul style="list-style-type: none"> • Our website: For information on our Society 2030: Spirit of Progress plan, targets and approach to local communities and information about our human rights governance process, see the Doing business the right way section of our website. For our Global Human Rights Policy, see the Our policies and standards section. • Our reports: For information on our performance against our commitments to local communities, see the Champion inclusion and diversity section and Pioneer grain-to-glass sustainability section of our Annual Report on pages 67-87. For more information on how we measure and report on our goals, see the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index. <p>Delivery of our community programmes is managed by various functions within the business, including the Supply, HR, Procurement and Corporate Relations teams.</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>
-----	---

Disclosure	Our response
413-01	<p>Operations with local community engagement, impact assessments and development programmes</p> <p>We run community impact programmes in all our markets. We carry out detailed research on key community programmes to understand their full impact: for example, this year we have assessed Learning for Life, our business and hospitality training programme for under-represented groups. Recommendations to enhance the programme will be implemented from fiscal 24. Similar studies have assessed the impact of our smallholder farmer programmes in Africa and our water, sanitation and hygiene (WASH) programmes in Africa and India.</p> <p>For more information on our performance against our Society 2030: Spirit of Progress goals, including business and hospitality skills programmes and our WASH programmes, see our Annual Report on page 80.</p> <p>See the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information on how we measure and report on our community-related targets.</p>
413-02	<p>Operations with significant actual and potential negative impacts on local communities</p> <p>The social impacts of our operations and community investment are discussed in our Annual Report on pages 58-87. Our salient human rights risks and vulnerable groups are disclosed in GRI 3-3 on page 69.</p> <p>Omissions: the location of operations and the significant actual and potential negative impacts of operations.</p> <p>Reason: information unavailable/incomplete.</p> <p>Explanation: we discuss significant actual and potential negative impacts on local communities at global and local levels but do not collate and report this by specific location.</p>

Topic standards

SOCIAL continued

SUPPLIER SOCIAL ASSESSMENT

3-3 Our management approach to supplier social assessment

Many of our real and potential social impacts are found in our supply chain. Assessing the performance of our suppliers is an essential step in reducing any negative impacts and promoting positive ones. 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. Those standards set out our commitment to acting in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), and with international standards set out in the eight core International Labour Organization conventions and recommendations. We also expect our suppliers to promote the principles of our Partnering with Suppliers Standard throughout their own supply chain, and to have appropriate processes in place to verify compliance.

Our [Responsible Sourcing](#) programme enables us to identify, assess and manage social and ethical impacts in our supply chain. While it focuses predominantly on tier one suppliers, we also have a growing programme for tier two suppliers of our point-of-sale (POS) materials, reflecting the inherent risk of procuring POS through marketing agencies. This has since been expanded into our upstream molasses supply chain for rum production in Latin America and the Caribbean.

Our Responsible Sourcing programme also includes an initial screening process. Where the process flags a potential risk, the supplier must register with Sedex and complete a Sedex self-assessment questionnaire. Independent audits are conducted for high-risk suppliers. Audits follow the Sedex Members Ethical Trade Audit (SMETA) Four Pillar Audit Protocol or equivalent. Where we identify instances of non-compliance, we raise a corrective action plan report and work with that supplier towards a resolution.

We have worked with our peers under the umbrella of AIM-Progress to develop a supplier business toolkit to share best practice and provide practical guidance on how to improve productivity, quality and workforce management by ensuring good working conditions and ethical standards.

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 HRIAs, see GRI 3-3 on page 69 of this ESG Reporting Index.

Our three salient external business and supply chain risks are labour rights, including child labour risks; labour standards for contract workers; 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 3-3 on pages 64 of this ESG Reporting Index.

Identifying vulnerable stakeholders

We identify those potentially vulnerable to human rights abuse in several ways, including through our HRIAs, which cover markets in each region 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 our supply chain.

Identifying sexual harassment in the hospitality sector as a salient human rights issue, for example, 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, which contains multiple sources of data on risk broken down to sector and country level. It also contains commodity-level risk, so we know that, through sourcing certain products from certain regions, we may be working with stakeholders vulnerable to forced and child labour or, in supplying regions in Africa, conflict minerals and deforestation.

Finally, we work through stakeholder initiative groups such as AIM-Progress and collaborate with other industry peers to identify common vulnerable and affected stakeholders so that we can address any issues and support these stakeholders collectively.



To track compliance with our standards, we assess suppliers for their impacts on society, and the results are reviewed by our Procurement teams, which consider any instances of non-compliance with our policies. This also includes performance on the Sedex system, as described in GRI 3-3 on this page.

While specific issues of non-compliance are acted on as part of the audit process, these reviews also 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 standards

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 described in GRI 3-3 on page 25 of this ESG Reporting Index. This includes areas such as labour standards, human rights including child labour, and legal compliance on issues such as pay.</p> <p>We have embedded our Society 2030: Spirit of Progress goals and our Responsible sourcing programme within the contractual clauses and tender processes for selecting new suppliers. Our suppliers are therefore incentivised to make progress against the environmental, social and governance focus areas laid out in our Partnering with Suppliers Standard. Doing so will increase their chances of winning new business or maintaining current business.</p>
414-02  Negative social impacts in the supply chain and actions taken	<p>All suppliers flagged as a potential risk are required to register with Sedex, and to complete the Sedex self-assessment questionnaire. To date, 2,137 of our supplier sites assessed as a potential risk are registered with Sedex. Of these, 1,196 have completed the Sedex self-assessment questionnaire. In addition, 614 supplier sites' Sedex memberships lapsed this year, meaning we were unable to view their site data. We've asked these suppliers to renew their membership, and will disconnect on Sedex from those with whom we no longer have a commercial relationship.</p> <p>Suppliers who represent a potential high risk are flagged so they can be independently audited against the SMETA Four Pillar Audit Protocol or equivalent. We have 443 such suppliers, of whom 340 or 77% were independently audited in the past three years. We commissioned all audits, but some will be accessed through the mutual recognition work stream of our stakeholder network AIM-Progress.</p> <p>A total of 2,996 issues of non-compliance have been raised through these audits, with 49% relating to health, safety and hygiene issues; 10% to wages and benefits; 10% to working hours; 8% to management systems; and the remaining 23% to other categories. We've followed up with the relevant suppliers with corrective action plans and are working together to resolve them, having already closed 2,298 issues of non-compliance - of which seven were business-critical - in fiscal 23. Where required, we are arranging follow-up audits to verify the issues have been closed.</p> <p>Merchandising materials remains one of our highest-risk categories, because they're frequently made in higher-risk countries, and we often buy them through intermediaries - so we may not know precisely where they were produced. We continue to work with our key merchandising suppliers to develop their capability and processes to drive auditing and assurance further down their supply chains. To date, our key merchandising suppliers have assessed 84 of 149 (56%) factories in our supply chain.</p> <p>We have continued our work beyond tier one into sugarcane and specifically within our rum supply chains in the Americas and the Caribbean. This has involved cascading requirements on labour standards, health and safety, environmental impact and business ethics throughout the supply chain to farm level and mills. We're also looking deeper into health risks of sugarcane workers in our supply chain and partnering with multiple stakeholders including Bonsucro, NGOs, retailers and government entities to put remediation programmes in place.</p> <p>We are also involved in programmes such as building supply-chain capability so that member organisations and their suppliers are competent in executing robust responsible sourcing programmes, developing common evaluation methodologies and also shared tools including a deep dive on living wages. AIM-Progress has developed a regional strategy to extend the reach and scale of support and impacts for global members, including Diageo, and we are active members of both the regional hubs. Through these hubs, we are working with other existing members to address the most salient human rights and responsible sourcing issues across different regions. Our intention is to provide direct supplier training and capability building, as well as providing a platform to pilot new tools and methodologies that support the promotion of human rights and collective mitigation of human rights risks.</p>

Topic standards

SOCIAL continued

PUBLIC POLICY

3-3 Our management approach to public policy

As part of doing business, we engage with governments, public interest groups, industry associations and a broad range of similar bodies around the world.

In doing so, our aim is always to comply with all laws governing political activity.

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](#).

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.

More information on how we manage indirect tax, trade and regulatory risks can be found in our Annual Report on page 115, while our position on specific issues related to alcohol policy is described on our [website](#).

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.

The Executive Committee, the Audit Committee and the management-level Audit and Risk Committee review our overall approach, along with the management of specific public policy issues, as part of our overall corporate risk management activity.

Recent reviews have led to an increased focus on global trade tensions, indirect tax policy risks – for example, around excise duties – and government regulations in response to inflation and geopolitical issues.

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.

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.

Disclosure

Our response

415-01

Political contributions

We have not given any money for political purposes in the United Kingdom, made no donations to EU political organisations nor incurred any EU political expenditure during the year.

We made contributions to non-EU political parties totalling £0.83 million during the financial year in North America – to US federal and state candidates and committees – where it is common practice.

No particular political persuasion was supported, and contributions were made with the aim of promoting a better understanding of our business and our views on commercial matters, as well as a generally improved business environment.

Topic standards

SOCIAL continued

CUSTOMER HEALTH AND SAFETY

3-3 Our management approach to customer health and safety

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 includes:

- 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.

At the date of this ESG Reporting Index, 87% of our business units were certified to ISO 9001 and 85% to FSSC 22000. The number of certifications is growing and, as we build new sites and bring in acquisitions, it can take time to bring them in line with these standards. We have returned to on-site audits after two years of remote surveillance audits because of Covid-19 travel restrictions.

We review customer safety at a number of levels across the organisation, depending on the severity of the issue.

Our management-level Audit and Risk Committee reviews our key risks relating to customer health and safety, counterfeit products and contamination, with a particular focus on food fraud.

The Supply and Procurement Tier 6 meeting, chaired by the President, Global Supply and Procurement, monitors our top performance measures for quality, tracking total and critical pack defects, and distribution defects.

Market-level teams meet monthly with the market head of governance to review these performance measures, along with other global and local quality performance measures, and escalate any issues to the market head of supply chain. This is part of our broader environment, health, safety and quality agenda.

For more information, see:

- [Our policies and standards](#): For more information, see our Quality Global Policy and the Diageo Marketing Code.

Disclosure	Our response
416-01 ● Assessment of the health and safety impacts of product and service categories	<p>Our products are mostly low risk in that they are unlikely to be a source of food poisoning and are stable at ambient temperatures. All products are subject to liquid testing and inspection for defects – which includes critical defects relating to product safety and legislative requirements.</p> <p>We have continued to review and update our global quality and global risk management standards. These are shared with all production sites as they are published.</p> <p>See the Reporting boundaries and methodologies section on pages 83-114 of this ESG Reporting Index for more information on how we measure and monitor packaging defects and distribution defects.</p>
416-02 ● Incidents of non-compliance concerning the health and safety impacts of products and services	<p>To the best of our knowledge, we have had no incidents of non-compliance with regulations resulting in a fine, a penalty or a warning.</p>

Topic standards

SOCIAL continued

MARKETING AND LABELLING

3-3 Our management approach to marketing and labelling

We take seriously our duty 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). Labels and packaging must include alcohol content and nutrition information per serve, alcohol content by volume (ABV), at least one and up to three responsible drinking symbols, a reference to our global responsible drinking website (DRINKiQ), list of allergens, and recycling and sustainability symbols.

For more information, see:

- [Our policies and standards](#): For more details about labelling and information, see the Diageo Marketing Code, Quality Global Policy and the Diageo Consumer Information Standard.

We have a cross-functional review process in place for all marketing communications that ensures compliance with the Diageo Marketing Code. On rare occasions, where communications are in breach of the Code, we revise them accordingly. Our Marketing, Legal, Brand Technical and Regulatory functions review packaging and labelling of new products to ensure they comply with the Diageo Consumer Information Standard.

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 members of the Executive Committee, including the Chief Marketing Officer, General Counsel and Director of Corporate Relations.

Our market-based teams, including general managers, review the efficacy of marketing communications, as do our global brand teams and global Marketing function. By continually assessing our communications, we gain feedback that helps improve future campaigns.

Disclosure	Our response
417-01 ● Requirements for product and service information and labelling	<p>Our approach is as follows:</p> <ul style="list-style-type: none"> • Sourcing of components of the product or service: We do not provide sourcing information for our ingredients; none of our product labels includes this information. • Content, particularly with regard to substances that might produce an environmental or social impact: Legislation typically requires a statement of alcoholic content on our alcoholic products; where applicable, products contain this information. • Safe use of the product or service: Together with companies that form the International Alliance for Responsible Drinking, we have committed to adding an age-restriction symbol or equivalent words on all our alcohol brand labels, including alcohol-free extensions of alcohol brands. This is alongside our existing commitment to include up to three responsible drinking symbols. This and all other requirements of the Diageo Consumer Information Standard (see above) are implemented on new brand innovations and when we renovate existing brands. Where legally permissible, we are aiming for compliance across all markets by the end of 2024. • Disposal of the product and environmental/social impacts: We mandate the Mobius loop (or equivalent) on packaging and point-of-sale materials as part of our Diageo Consumer Information Standard; this is included on our products where relevant and permitted, with the exception of United Spirits Limited, which does not use the Mobius loop on its product labelling at present. Additional packaging and recycling information is provided on packaging components where required by legislation.

Topic standards

SOCIAL continued

MARKETING AND LABELLING continued

417-02	Incidents of non-compliance concerning product and service information and labelling	<p>We take compliance with product, service information and labelling regulations seriously. Given the breadth of our portfolio we may, on occasion, be subject to challenge, for example, where legislative changes occur with short notice.</p> <p>We address these issues rapidly by means of working closely together with regulators and brand teams to agree the necessary course of action in each case.</p> <p>While we accept some small risk in our labelling, we have an absolute zero-risk policy when it comes to product safety.</p> <p>This fiscal year, an element on the label of one of our rum brands has been challenged in Europe, following which we have immediately taken action to adjust and update.</p>
417-03	Incidents of non-compliance concerning marketing communications	<p>This year, no complaints about Diageo's advertising were upheld by the following key advertising regulators and/or industry bodies: DISCUS (USA), ASA and Portman Group (UK), ASAI (Ireland) and ABAC (Australia). For more details, and for industry complaints, see our Annual Report on page 60.</p>

Topic standards

SOCIAL continued

CUSTOMER PRIVACY

3-3 Our management approach to customer privacy



We hold personal data about employees, customers and suppliers, consumers and other individuals, including prospective and former employees. Our Global Data Privacy Programme, led by our Senior Data Privacy Director, has been designed to protect all personal data that we handle in our business activities.

Our Code and Data Privacy Global Policy set out our key principles and standards in how we handle data in line with our values, data protection laws and respect for privacy as a human right.

Our Chief Information Security Officer, Daven Patel, leads a cyber security programme to defend against cyber attacks. That includes seeking to protect information assets through embedding a security aware culture, implementing compliance management procedures and operating an intelligence-driven cyber resilience programme. He is supported by the Chief Information Officer, Benedetto Conversano, and together they co-chair the Digital and Technology Risk Management Committee in reviewing key security risks and mitigations. They report on the status and mitigations for enterprise risks to the Audit and Risk Committee and the Audit Committee twice a year.

Our Global Audit and Risk team periodically audits our Global Data Privacy Programme. Any findings are reviewed, with mitigation and improvement activities developed as appropriate, including escalation to the Audit and Risk Committee and the Audit Committee if required.

Data privacy issues may also be raised through our SpeakUp helpline, to line managers, market legal counsels, data privacy stewards, the HR team or directly to the Senior Data Privacy Director.

For more information, see our [Code](#).

Disclosure

Our response

418-01



Substantiated complaints concerning breaches of customer privacy and losses of customer data

We follow our internal procedures when we receive any individual requests to exercise data rights, including the right to access personal information or to unsubscribe from marketing communications. This year, there have been no known instances of regulatory action against us in the EU concerning consumer privacy.

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 various sectors. The following table summarises our response to the sector-specific standard for alcoholic beverage companies.

ENERGY MANAGEMENT

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

WATER MANAGEMENT

SASB metric	Our response
(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with high or extremely high baseline water stress	See GRI 303 in this document. See pages 79-80 of the Annual Report .
Discussion of water management risks and description of management strategies and practices to mitigate those risks	See GRI 303 in this document. See pages 79-80 of the Annual Report. See our website , under Preserve water for life.

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. See pages 59-60 of the Annual Report for breaches of our Marketing Code.
Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	See GRI 417-03 in this document. See pages 59-60 of the Annual Report.
Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	See Note 18 of the Financial Statements of the Annual Report, for details of contingent liabilities and legal proceedings. See page 59-60 of the Annual Report for details of breaches of marketing practices.
Description of efforts to promote responsible consumption of alcohol	See pages 58-60 of the Annual Report. See the Society 2030: Spirit of Progress section of our website, under Promote positive drinking.

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	See GRI 301 in this document. See pages 84-85 of the Annual Report.
Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	See GRI 301 in this document. See pages 84-85 of the Annual Report. See the Society 2030: Spirit of Progress section of our website, under Become sustainable by design.

How we have met each disclosure



Fully disclosed as outlined by the GRI Sustainability Reporting Standards



Partially disclosed and missing at least one required indicator



Not disclosed



Not considered material to our business at this time

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	See GRI 414 in this document.


INGREDIENT SOURCING


SASB metric	Our response
Percentage of beverage ingredients sourced from regions with high or extremely high baseline water stress	See page 76 of the Annual Report for the location of our sites in water- stressed areas. Omissions: percentage of ingredients.
List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	See GRI 301 in this document. See page 74 of the Annual Report.


ACTIVITY METRIC

SASB metric	Our response
Volume of products sold	See page 5 of the Annual Report.
Number of production facilities	See GRI 2-7 in this document.
Total fleet road miles travelled	See GRI 305-03 in this document.

How we have met
each disclosure
 Fully disclosed as outlined by the GRI
Sustainability Reporting Standards

 Partially disclosed and missing
at least one required indicator

 Not disclosed

 Not considered material
to our business at this time

DIAGEO

Diageo plc

16 Great Marlborough Street

London

W1F 7HS

United Kingdom

T: +44 (0) 20 7947 9100

www.diageo.com

Registered in England

No. 23307

