

Diageo partners with SAP and IBM on five-year global digital transformation programme

The collaboration will leverage SAP and IBM's expertise to modernise Diageo's IT environment and standardise its business operations across 180 countries

24 May 2023 – Diageo, the maker of Guinness, Smirnoff and Johnnie Walker, today announces a five-year business transformation program in partnership with SAP (NYSE: SAP) and IBM (NYSE: IBM). This new initiative, which marks the company's most significant ever investment in technology and services, will redesign and improve Diageo's processes across the 180 countries where it operates.

Fully global in nature, the programme will revolutionise Diageo's IT environment by introducing intuitive processes, powered by market-leading technology, to provide more information to enable the company to make better and quicker decisions. This transformation will enhance Diageo's business resilience in a constantly evolving external landscape, improve its customer service offering and help the company adapt to a fast-changing consumer base.

The programme involves a move to RISE with SAP S/4 HANA Cloud, with the support of IBM Consulting. Diageo's implementation of the new cloud-based model will ensure its IT infrastructure is simplified and supported in a unified way.

IBM Consulting, which has been selected to lead the project, has a proven track record in the consumer sector and supporting client transformations and migrations to the SAP S/4 HANA Cloud platform. Diageo, SAP and IBM will work together to apply the latest technology to make Diageo's business more efficient.

The five-year programme will transform Diageo's business finance operations in a number of areas:

- Advanced workflow solutions will allow orders to be tracked in real-time on a global scale and facilitate more effective customer engagement and better customer service.
- By moving to a single operating platform, Diageo will simplify its technology support model and IT landscape, making it easier for the company to do business and evolve amid changing consumer trends and market needs.
- The program will transform Diageo's performance reporting capabilities, giving the company better insight into trade and growth opportunities.
- The digitisation of controls and compliance will make the business more robust, resilient and adaptable to changing market conditions.

Lavanya Chandrashekar, Chief Financial Officer, Diageo, said: "This partnership with IBM and SAP demonstrates our continued investment in digital transformation. It will enable greater agility in how we respond to our global consumer and customer needs. It will provide us with world-class actionable insights and enhanced data capabilities to support growth whilst allowing us to be more efficient in our day-to-day operations."

Scott Russell, Executive Board Member, Customer Success, SAP, said: "In today's disruptive consumer goods industry, success lies in navigating unpredictable supply chains, managing ongoing macro-economic volatility and staying one step ahead of ever-shifting customer demands. Through our

continued partnership with Diageo, one of the world's leading brand builders, we're proud to support them in building a more resilient business that is enhancing the customer experience and can adapt to rapidly changing market pressures, realising its vision to revolutionise the consumer goods industry."

Rahul Kalia, Managing Partner, IBM Consulting, UK & Ireland, said: "The consumer goods industry is striving to address the challenges posed by inflationary pressures and supply chain disruptions, while staying focused on delivering exceptional products and services for its customers and consumers. IBM is proud to partner with Diageo and SAP to bring our global business and digital transformation experience on this exciting journey."

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About Diageo

Diageo is a global leader in beverage alcohol with an outstanding collection of brands across spirits and beer categories. These brands include Johnnie Walker, Crown Royal, J&B and Buchanan's whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, our people, our brands, and performance, visit us at www.diageo.com. Visit Diageo's global responsible drinking resource, www.DRINKiQ.com for information, initiatives, and ways to share best practice.

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About SAP

SAP's strategy is to help every business run as an intelligent enterprise. As a market leader in enterprise application software, we help companies of all sizes and in all industries run at their best: SAP customers generate 87% of total global commerce. Our machine learning, Internet of Things (IoT), and advanced analytics technologies help turn customers' businesses into intelligent enterprises. SAP helps give people and organizations deep business insight and fosters collaboration that helps them stay ahead of their competition. We simplify technology for companies so they can consume our software the way they want - without disruption. Our end-to-end suite of applications and services enables business and public customers across 25 industries globally to operate profitably, adapt continuously, and make a difference. With a global network of customers, partners, employees, and thought leaders, SAP helps the world run better and improve people's lives. For more information, visit www.sap.com.

About IBM Consulting

IBM Consulting is the catalyst for business transformation. With deep industry expertise spanning strategy, experience design, technology, and operations, we have become the trusted partner to over 3,000 of the world's most innovative and valuable companies. Our 160,000 consultants embrace an open way of working, bringing a diverse set of voices, experiences and technologies like Hybrid Cloud and AI together to accelerate business transformation. Supported by IBM Garage, our proven

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co-creation method, we bring speed and scale to innovation with an enduring ecosystem of technology leaders to deliver solutions for some of the world's most complex challenges. We collaborate closely, ideate freely, and apply breakthrough innovations that drive sustainable change and re-invent how business gets done. Find out more at [IBM.com/consulting](https://www.ibm.com/consulting).