

# GRI Index

# GRI Index

## This index outlines our response to the GRI Sustainability Reporting Standards

Our definition of material is relatively broad and includes most issues that surfaced as part of our materiality assessment, regardless of priority, as illustrated on page 5. We have continued to develop our approach to reporting, building on our 2021 GRI report, and continue to 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 materiality review. This year we have reported on the revised GRI Standards for the fourth time, staying true to our philosophy of reporting in a transparent manner to global standards of best 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, so as to be most informative for our stakeholders. The following table maps our activities and programmes against the GRI Standards.

GRI Standards			Our strategic focus area	
Universal standards	1	Foundation – reporting principles	<ul style="list-style-type: none"> <li>● Approach to reporting</li> </ul>	<ul style="list-style-type: none"> <li>● Doing business the right way from grain to glass</li> </ul>
	2	General disclosures	<ul style="list-style-type: none"> <li>● Organisational profile</li> <li>● Strategy</li> <li>● Ethics and integrity</li> <li>● Governance</li> <li>● Stakeholder engagement</li> <li>● Reporting practice</li> </ul>	<ul style="list-style-type: none"> <li>● Doing business the right way from grain to glass</li> </ul>
	3	Material topics	<ul style="list-style-type: none"> <li>● Material topics and their boundaries</li> <li>● Management approaches</li> <li>● Evaluation of management approaches</li> </ul>	<ul style="list-style-type: none"> <li>● Doing business the right way from grain to glass</li> </ul>
Topic-specific standards	200	Economic		<ul style="list-style-type: none"> <li>● Champion inclusion and diversity</li> <li>● Pioneer grain-to-glass sustainability</li> </ul>
	300	Environmental		<ul style="list-style-type: none"> <li>● Pioneer grain-to-glass sustainability</li> </ul>
	400	Social		<ul style="list-style-type: none"> <li>● Promote positive drinking</li> <li>● Champion inclusion and diversity</li> <li>● Pioneer grain-to-glass sustainability</li> </ul>

## GRI Index

### How we have complied with the GRI Standards

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

FOUNDATION	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	<b>Accuracy</b>	<p>We clearly, consistently and transparently report our performance against our <a href="#">Society 2030: Spirit of Progress</a> plan on pages 35-38 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. PricewaterhouseCoopers LLP (PwC) was engaged to provide independent limited assurance over selected information in the Annual Report and in this ESG Reporting Index for the year ended 30 June 2022.</p>
1-2	<b>Balance</b>	<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. We aim to present information in such a way that the reader can assess trends in performance year on year.</p>
1-3	<b>Clarity</b>	<p>Our ESG and responsibility journey is described at a high level on our <a href="#">website</a>, 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 the GRI Standards.</p> <p>Our approach to ESG reporting is outlined in our Annual Report on page 41. A guide on how to use this ESG Reporting Index can be found on page 4 of this ESG Reporting Index.</p>
1-4	<b>Comparability</b>	<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	<b>Completeness</b>	<p>Our coverage of material topics is explained in the Reporting boundaries and methodologies section at the end of this ESG Reporting Index.</p>
1-6	<b>Sustainability context</b>	<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 Sustainable Development Goals.</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	<b>Timeliness</b>	<p>We continue to publish this ESG Reporting Index alongside the Annual Report.</p>
1-8	<b>Verifiability (Reliability)</b>	<p>Our reporting methodologies for non-financial information can be found on pages 90-110 of this ESG Reporting Index. Last year we refreshed our reporting boundaries and methodologies, making them easier to navigate. 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 2022.</p> <p>Corporate Citizenship was engaged to assess our community investment figures. Corporate Citizenship is the manager of Business for Societal Impact – a global standard for measuring, benchmarking and reporting on corporate community investment – of which we are a member.</p>

## Universal standards

## GRI 2: GENERAL DISCLOSURES

## ORGANISATIONAL PROFILE AND ITS REPORTING PRACTICES

Disclosure		Our response
2-1	<b>Organisational details</b>	<p>Legal name: Diageo plc.</p> <p>Nature of ownership and legal form: Diageo is a limited liability public company listed on the London, New York, Paris and Dublin 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 132 supply sites in 23 countries. A breakdown of which markets are in each region can be found in the Business review section of the Annual Report, which is on pages 63-73 and in the Reporting boundaries and methodologies section of this ESG Reporting Index on page 91.</p>
2-2	<b>Entities included in the consolidated financial statements</b>	<p>We describe the entities included in our sustainability reporting within the Reporting boundaries and methodologies section on page 90-110. 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	<b>Reporting period, frequency and contact point</b>	<p>Reporting period: Year ended 30 June 2022.</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 4 August 2022.</p> <p>Contact information: <a href="mailto:spiritofprogress@diageo.com">spiritofprogress@diageo.com</a></p>
2-4	<b>Restatements of information</b>	<p>Our approach to restating information from previous reporting periods is included within the Reporting boundaries and methodologies section of this ESG Reporting Index. This includes restatements of baseline environmental data on page 91 and restatement of code breach data on page 110.</p>
2-5	<b>External assurance</b>	<p><b>Assurance policy and practice</b></p> <p>Our policy is to align our reporting of non-financial information with the best and most up-to-date 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 <a href="#">website</a> under ESG reporting approach.</p> <p><b>PwC</b></p> <p>PwC, an independent auditor, was engaged to provide independent limited assurance over selected information in the Annual Report and Accounts, and this ESG Reporting Index, for the year ended 30 June 2022. Information that is within PwC's limited scope is marked with the symbol Δ. Our Audit Committee approve the appointment and set the scope of PwC's limited assurance engagement.</p> <p><b>Corporate Citizenship</b></p> <p><a href="#">Corporate Citizenship</a> was engaged to assess our corporate community investment figures. Corporate Citizenship is the manager of Business for Societal Impact – a global standard for measuring, benchmarking and reporting on corporate community investment – of which we are a member. The Global Director of Society appoints and sets the scope of Corporate Citizenship's engagement.</p> <p>Both PwC's and Corporate Citizenship's assurance statements can be found on pages 111-114 of this ESG Reporting Index.</p>

## Universal standards

## GRI 2: GENERAL DISCLOSURES continued

## ACTIVITIES AND WORKERS

Disclosure		Our response
2-6	<b>Activities, brands, products and services</b>	<p><b>Activities, products and services</b></p> <p>We are active in the beverages sector. 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 brands can be found in the Our brands section of the Annual Report on pages 2-3 and a review of our product categories on pages 74-75. An overview of our production can be found in the Our business model section on pages 18-19.</p> <p>This year we made £15,452 million in net sales. More details of our financial performance can be found in our Financial Statements, from page 136 of the Annual Report.</p> <p><b>Markets served</b></p> <p>Our customers vary from large global retailers and convenience stores, and bars, restaurants and hotels, to 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 63-73.</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 complain to one of the many regulatory bodies of which we are a member, or directly to us through our <a href="#">website</a> or our customer care lines. We will always respond to complaints made to industry bodies and abide by the decisions made, and we respond to all consumer enquiries and complaints.</p> <p><b>Supply chain</b></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 30-31.</p> <p>For acquisitions and disposals, see Note 8 to the Financial Statements in the Annual Report on pages 163-164. For material organisational restructuring programmes, see Note 3 to the Financial Statements in the Annual Report on page 155. For changes in share capital structure, see Note 9 to the Financial Statements in the Annual Report on pages 166-169.</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>

## Universal standards

## GRI 2: GENERAL DISCLOSURES continued

## ACTIVITIES AND WORKERS continued

Disclosure	Our response																																																																																																																																																												
2-7	We employ 27,987 people around the world. The production side of the business includes 132 sites in 23 countries.																																																																																																																																																												
Employees	Employees by region, by gender and by employment contract type <sup>1</sup>																																																																																																																																																												
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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/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 section of our Annual Report on page 18.

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 90-110.

## Universal standards

## GRI 2: GENERAL DISCLOSURES continued

## ACTIVITIES AND WORKERS continued

Disclosure		Our response
2-8	<b>Workers who are not employees</b>	<p>Most people who work on our behalf are employed by Diageo – although, like most manufacturing companies, we also employ contractors, the numbers of whom vary significantly by region. For the most part, when we use contractors, it's for:</p> <ul style="list-style-type: none"> <li>• Construction projects, resulting from investments we're making in the business</li> <li>• Logistics (from the end of the packaging line), such as warehouse operators, forklift truck drivers and loaders</li> <li>• Selected sales and merchandising activity</li> <li>• Cleaning, catering and site security.</li> </ul> <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 to our overall number of employees.</p> <p>This year, the total number of our agency extended workforce was 5,122 as of June 2022, which accounts for agency-supported operations in 35 countries around the world. This does not include people working through Consultancy, Master Service Agreements (MSA) or Statements of Work (SoW). The number of people in the agency extended workforce is reported using a combination of data from HR, Procurement and Finance.</p>

## GOVERNANCE


Disclosure		Our response
2-9	<b>Governance structure and composition</b>	<p>Our governance structure is included in the Governance section of the Annual Report on pages 84-132. Our Chief Executive, Ivan Menezes, is ultimately accountable for overall performance against ESG goals and targets, while responsibility for the component parts of <a href="#">Society 2030: Spirit of Progress</a> 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"> <li>• 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</li> <li>• 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.</li> </ul> <p>To continue to improve our oversight of ESG, our Board receives updates on our ESG strategy and performance every quarter. Additionally, 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 issues or risks to do with other ESG topics are discussed, the Board or Committee assign an executive to look into it and report back. In some cases, an issue will become a standing 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.</p> <p>At the date of the Annual Report 2022, the Board was made up of 11 members: the Chairman, eight other Non-Executive Directors, all of whom were independent, and two executive directors. Seven members of the Board were women. Five 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 section of the Annual Report.</p>
2-10	<b>Nomination and selection of the highest governance body</b>	<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 <a href="#">website</a>.</p> <p>More detail is included in the Governance section of the Annual Report on pages 84-132.</p> <p>The terms of reference of all Board committees are available on our <a href="#">website</a>.</p>


## Universal standards


## GRI 2: GENERAL DISCLOSURES continued

## GOVERNANCE continued

Disclosure		Our response
2-11	<b>Chair of highest governance body</b>	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	<b>Role of the highest governance body in overseeing the management of impacts</b>	<p>The Board helped shape and approve our approach to our <a href="#">Society 2030: Spirit of Progress</a> targets. 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 targets are provided to the Board at least four times a year, incorporating stakeholder consultation where possible. 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 policies relating to material risks are 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 around 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 <a href="#">SpeakUp</a> 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 Your Voice 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. And, relevant members of the Executive Committee and other senior leaders present context informing our strategy, including risks, to the Board.</p> <p>More details can be found in the Governance section of the Annual Report on pages 84-132.</p>
2-13	<b>Delegation of responsibility for managing impacts</b>	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	<b>Role of the highest governance body in sustainability reporting</b>	Our Annual Report is approved by a duly appointed and authorised committee of the Board, and ultimately signed off by our Chief Executive and Chief Financial Officer. The Board regularly reviews our performance against our ESG-related targets.
2-15	<b>Conflicts of interest</b>	<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 <a href="#">Code of Business Conduct</a> (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 84-85.</p>
2-16	<b>Communication of critical impacts</b>	<p>The Board maintains a process for communicating critical concerns through the Audit Committee, which reviews the effectiveness of our systems of internal control and risk management, including oversight of all whistleblowing activities.</p> <p>The Annual Report sets out the total number of allegations of breaches reported during the financial year ended 30 June 2022, together with the substantiation rate. The number of people who exited the business during the year as a result of breaches declined compared to the year before, because of a reduction in the severity and type of breach.</p> <p>More details can be found in the Doing business the right way section of the Annual Report on pages 39-40, and in the Governance section on pages 84-132. Also see the principal risks table in the Annual Report on pages 42-46.</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	<b>Collective knowledge of the highest governance body</b>	<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.</p> <p>The Board and Executive Committee discussed ESG topics in detail – including a deep dive into our Society 2030: Spirit of Progress plan and initiatives – at the 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 too.</p> <p>The Board is also responsible for reviewing our Annual Report, which gives important contextual and performance information on economic and ESG topics. The Audit Committee of the Board reviews and recommends approval of the Annual Report.</p> <p>The Board helped shape and approve our approach to our Society 2030: Spirit of Progress targets and receives an update on our performance against those targets at least four times a year.</p>
2-18	<b>Evaluation of the performance of the highest governance body</b>	<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 the year ended 30 June 2022, the Company Secretary oversaw an internally facilitated evaluation of the Board's effectiveness. This saw each Director 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 proposed actions for the Board to consider and approve. These actions, which are described in the Governance section of our Annual Report on pages 84-132, include an increased focus on ESG matters and improved processes around Board papers.</p>
2-19	<b>Remuneration policies</b>	<p>The Directors' remuneration report in the Annual Report on pages 106-131 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 are directly incentivised through their long-term incentive plans to achieve ESG goals. 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	<b>Process to determine remuneration</b>	<p>Our Remuneration Committee determines senior- and executive-level remuneration. Key aspects are included in the Directors' remuneration report in the Annual Report on pages 106-131. Details of independent third-party advisers, including remuneration consultants, are described on page 111 of the Annual Report.</p> <p>As described in the Directors' remuneration report, the Remuneration Committee actively engages with shareholders each year. In 2020, the Committee consulted a large number of shareholders about introducing ESG performance goals under the long-term incentive plan. In 2020 and 2021, the impact of the pandemic on outstanding incentive plans, and the approach to target setting under the incentive plans, were discussed in depth.</p> <p>Each year, including in 2022, the Remuneration Committee engages with shareholders about implementing policy for the year ahead. The Committee also reviews insights from the Chairman's discussions with employees to help inform its decision-making on an ongoing basis.</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 96.04% 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.</p>

## Universal standards

## GRI 2: GENERAL DISCLOSURES continued

## GOVERNANCE continued

Disclosure		Our response
2-21	<b>Annual total compensation ratio</b>	<p><b>Annual total compensation ratio</b></p> <p>We report the remuneration of our highest-paid executives in the Directors' remuneration report in our Annual Report on pages 106-131. We report the Chief Executive's pay ratio – that is, the total compensation for the Chief Executive versus median total compensation for UK employees – on page 126 of the Annual Report.</p> <p><b>Percentage increase in annual total compensation ratio</b></p> <p>We report the remuneration of our highest-paid executives in the Directors' remuneration report in our Annual Report on pages 109-129. We report the year-on-year change in Directors' salaries, bonuses and benefits relative to the average increase for all employees globally on pages 109-129. We also report the total amount paid in salaries and benefits to employees under GRI 201-01.</p>


## STRATEGY POLICIES AND PRACTICES

Disclosure		Our response
2-22	<b>Statement on sustainable development strategy</b>	<p>In our Annual Report on pages 6-11, our Chairman and Chief Executive comment on how our role in society and our ESG strategy and targets support our Performance Ambition to create one of the best performing, most trusted and respected consumer products companies in the world.</p>
2-23	<b>Policy commitments</b>	<p><b>Our policy commitments and approach</b></p> <p>Our Code sets out what we stand for as a business and how we demonstrate the highest standards of integrity and ethical behaviour. It is guided by our strong purpose and values. It provides clarity on how we are expected to behave to build the trust and respect 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 each of these every year to make sure we take account of any changes in our external environment and update them accordingly through Executive Committee approval. Each one reflects our values and our commitment to doing business the right way – and all can be found on our <a href="#">website</a>.</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 <a href="#">Environment Policy</a>. We describe this in how we are working to reduce emissions in the Pioneer grain-to-glass sustainability and Responding to climate-related risk sections of the Annual Report on pages 30-31 and 47-56 respectively.</p> <p><b>Policy commitment to respect human rights</b></p> <p>Our <a href="#">Global Human Rights Policy</a> 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. These include the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights to Work, the Children's Rights and Business Principles, the UN Global LGBTI Standards of Conduct for Business, the UN Women's Empowerment Principles and the UN Global Compact.</p> <p><b>Due diligence</b></p> <p>Our approach is set out in our policies and guidelines and is reviewed through our Global Audit and Risk function and through analysing our breach reporting mechanism, which is available to both our employees and business partners. We are also enhancing our internal assurance framework to identify opportunities to further strengthen our approach.</p>

Universal standards



GRI 2: GENERAL DISCLOSURES continued

STRATEGY POLICIES AND PRACTICES continued

Disclosure		Our response
2-24	 <b>Embedding policy commitments</b>	<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 <a href="#">Partnering with Suppliers Standard</a>. 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 directly related to 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, all suppliers will adhere and commit to our Partnering with Suppliers Standard, which sets out the minimum expectations on environmental, social and governance criteria of working and partnering with Diageo.</p> <p>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 15,522 eligible employees. Our Code is available in 20 languages to make sure all our 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	 <b>Processes to remediate negative impacts</b>	<p>Our ambition to do business the right way means we are committed to remediating any negative impacts we have caused or contributed to. We do this through our grievance mechanisms, which provide a framework for dealing with any negative issues that arise.</p> <p><b>Our environmental and social grievance mechanisms</b></p> <p>Our grievance mechanisms cover a wide range of social and environmental issues: impacts on society; human rights, including child and forced labour; wages and hours; health, safety and wellbeing; preventing harassment and discrimination; environmental spills, including volume of material from significant spills.</p> <p>Our key grievance mechanism is our third-party <a href="#">SpeakUp</a> helpline and website, available in all 20 Code 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 to line managers, the Legal team, the 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 <a href="#">Partnering with Suppliers Standard</a>. They are also encouraged to raise concerns to their most senior Diageo contact, a Diageo lawyer, or the market managing director or function head. We also expect our suppliers to apply these principles and processes to their own suppliers.</p> <p>Environmental grievances are reviewed in-market by the relevant functions and escalated as needed to the 2030 Grain-to-Glass Strategic Business Review (SBR) team. This team meets quarterly and develops mitigations as appropriate.</p> <p>During the reporting year, 68 grievances about environmental impacts were filed. All were addressed, with 12 being resolved through formal grievance mechanisms. Four grievances about environmental impacts, filed last year, were resolved this year. We do not disclose how each individual grievance is resolved because this may compromise the anonymity of those involved.</p> <p><b>How we assess the effectiveness of our grievance mechanisms</b></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 and non-compliances from the Sedex Members Ethical Trade Audit (SMETA) supplier assessment systems. Our reviews have led us to work more closely with Sedex on SMETA activities, and with suppliers, to assess and strengthen compliance with labour standards.</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"> <li>• Drawing on internal and/or independent external expertise and feedback</li> <li>• Conducting meaningful consultation with potentially affected groups and other relevant stakeholders</li> <li>• Reviewing internal and external audit schedules.</li> </ul>
2-26	 <b>Mechanisms for seeking advice and raising concerns</b>	<p>We have a confidential service (SpeakUp) available for people to raise concerns about compliance with the law, our Code, any of our global policies or standards, or any other compliance and 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. Overall statistics and significant 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 of the Annual Report on pages 42-46.</p>

## Universal standards

## GRI 2: GENERAL DISCLOSURES continued


## STRATEGY POLICIES AND PRACTICES continued

Disclosure		Our response
2-27	<b>Compliance with laws and regulations</b>	<p><b>Environmental compliance</b></p> <p>Our approach to water, energy, biodiversity, emissions, and effluents and waste is described in section 300: Environment, from page 30-51 below. These form part of our overall approach to managing our environmental impact and complying with all local laws and regulations, or with our own standards – whichever are higher – at each site. These are set out in our <a href="#">Environment Policy</a> 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 13 incidents of non-compliance with environmental consents this reporting year, resulting in a total of £1,215,253 in fines. There were three incidents of non-compliance with environmental consents from last year reported this year.</p> <p><b>Socioeconomic compliance</b></p> <p>This year there were no charges to exceptional items in respect of non-compliance with social and economic laws and regulations. For more information on how we manage socioeconomic compliance, please see GRI 2-23 and 2-24.</p> <p><b>Omissions:</b> 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><b>Reason:</b> not applicable.</p> <p><b>Explanation:</b> 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 on pages 91-103.</p>
2-28	<b>Membership of associations</b>	<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 IARD, the International Alliance of 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 <a href="#">website</a>.</p> <p>We are proud signatories of a number of environmental initiatives including Business Ambition for 1.5°C, UNGC/SBTi Uniting Business to Recover Better, the Race To Zero, Race to Resilience and 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	 <b>Approach to stakeholder engagement</b>	<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, ranging from employees, investors and commercial partners to governments, NGOs, local communities and consumers. A full list is included in the Stakeholder engagement section of our <a href="#">website</a>.</p> <p>We actively engage stakeholders at both 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 <a href="#">website</a>.</p>
2-30	 <b>Collective bargaining agreements</b>	<p>We have a strong commitment to transparent dialogue. In 2022, 47.1% of our employees were covered by collective bargaining agreements. Our collective bargaining data for fiscal 22 includes two additional groups not included in the fiscal 21 report – Ypóca, Brazil and Don Julio, Mexico.</p>

## Universal standards

## GRI 3: MATERIAL TOPICS

## MATERIAL TOPICS AND THEIR BOUNDARIES

Disclosure		Our response
3-1	 <b>Process to determine material topics</b>	<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, including impacts on human rights. This assessment examined the external trends shaping our operating environment. It also assessed how we can most effectively align our work and the way we do business with the UN Sustainable Development Goals (SDGs).</p> <p>Following this assessment, we interviewed 40 internal and external stakeholders and explored the findings in workshops with experts from our business functions in Bangalore, London, Nairobi, New York and Singapore.</p> <p>Finally, we held a full-day workshop with our Executive Committee and had multiple interactions reviewing the strategy with the Board.</p> <p>This exercise enabled us to determine how significant these impacts were in terms of severity, scale, scope and likelihood, and it informed how we prioritise the most significant impacts – which we have illustrated in our materiality matrix on page 5 of this ESG Reporting Index. The findings have guided how we have developed our Society 2030: Spirit of Progress plan, our reporting priorities and our assurance process.</p> <p>We review materiality on an ongoing basis, considering stakeholder comments – including those arising from our internal subject-matter experts – Corporate Relations activity, financial analysis and external developments – including the UN SDGs, the Paris Climate Agreement, Business Ambition for 1.5°C, UNGC/SBTi Uniting Business and Governments to Recover Better, the Race To Zero and the UNGC Government Letter on SDGs in Recovery.</p>
3-2	 <b>List of material topics</b>	<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 and in the communities where we live, work, source and sell. As shown in our materiality matrix on page 5, this year we have moved the position of two topics, firstly, strengthening security of agri-food chains and secondly, protecting the natural ecosystems our business relies on, to reflect the increasing importance of these topics to our external stakeholders.</p> <p>Those risks considered most material from a financial and non-financial perspective are included in our Annual Report on pages 42-46. Like last year, we have highlighted climate-related risks within the Our principal risks and risk management section of our Annual Report: see page 50 for more information.</p> <p>The following GRI aspects are particularly material to our 132 supply sites in 23 countries: procurement practices, materials, energy, water and effluents, biodiversity, emissions, waste, supplier environmental assessment, environmental grievance mechanisms, occupational health and safety, and supplier assessment for labour practices. The remaining additional aspects are material to all 180 countries where we sell products around the world – 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	 <b>Management of material topics</b>	<p>To make this index easier to understand, we have described our management of material topics (GRI 103-02 and GRI 103-03) alongside the relevant indicators. So, for example, find the management approach and its evaluation for GRI 201 Economic performance on page 23 of this ESG Reporting Index, with the economic performance indicators following it.</p>

# GRI Index

## Topic-specific standards

### GRI 200: ECONOMIC



#### ECONOMIC PERFORMANCE

103-02	Our management approach to economic performance	103-03	Evaluation of the management approach
	<p>Our relationships with suppliers, investors, lenders, governments, employees and local community stakeholders have direct economic and social impacts, which we measure, manage and evaluate.</p> <p>Our Annual Report explains how we manage financial performance and includes financial KPIs. Each market and function is responsible for monitoring and reporting economic performance against annual plans and targets. That allows us to report on overall performance against strategy.</p>		<p>The Board, the Executive Committee and management teams at market and function level review economic performance at each of their meetings, tracking KPIs and annual operating plans. Details of financial KPIs are in the Annual Report.</p> <p>Where necessary, we develop or adapt our activities to improve performance against our targets or in response to external factors.</p>
Disclosure	Our response		
201-01	<b>Direct economic value generated and distributed</b>	<p>Our revenues this year totalled £22,401 million<sup>1</sup>. Economic value distributed contains operating costs (£9.3 billion), taxes (£8.0 billion), employee salaries and benefits (£1.8 billion), payments to providers of capital (£2.2 billion) and community investment (£22 million). Tax paid contains all cash tax paid by the company excluding £1.4 billion of VAT.</p> <p><b>Omissions:</b> direct economic value by local market.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> we do not currently break down direct economic value by local market.</p> <p>1. Data is presented on a cash basis.</p>	
201-02	<b>Financial implications and other risks and opportunities due to climate change</b>	<p>Climate-related risk is identified as one of our principal risks (see pages 42-46 of our Annual Report). It has the potential to impact our business in many ways, which we outline in detail in the Responding to climate-related risks section of our Annual Report on pages 47-56, in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The physical climate risk with the greatest disruptive potential is water stress, and we are also exposed to transition climate risk associated with the cost of decarbonising our supply chain.</p> <p>We are taking steps to better understand the direct and indirect impacts of climate change and water stress on our business, so that we can develop plans to ensure our supply chains remain resilient. During 2021 and 2022 we conducted physical climate change risk assessments in the markets where three quarters of our volume is produced, assessed transition risks in key markets, and also 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 in 2030, beyond 2030 the impact of water stress in particular could potentially be significant. Further details on the financial implications of climate-related risks can be found in our Annual Report on pages 47-56.</p> <p>Recognising the importance of water efficiency and replenishment we have set targets for both, as outlined on page 36 and 37 of our Annual Report. Our total spend on environmental protection (decarbonisation, water preservation, energy efficiency and waste reduction) in fiscal 22 was approximately £18 million.</p>	





## Topic-specific standards

## GRI 200: ECONOMIC continued

## ECONOMIC PERFORMANCE continued

Disclosure		Our response
201-03 	<b>Defined benefit plan obligations and other retirement plans</b>	<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 on pages 172-176.</p> <p><b>Omissions:</b> the number of employees included in the schemes or the percentage of salary contributed by employer and employee.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> this information is not readily available, except in our larger markets, including the United Kingdom, Republic of Ireland and North America.</p>
201-04 	<b>Financial assistance received from government</b>	<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 on pages 160 and 170 respectively.</p> <p><b>Omissions:</b> information broken down by country.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> this information is not broken down by country.</p>

## MARKET PRESENCE


103-02 	<b>Our management approach to market presence</b>	103-03 	<b>Evaluation of the management approach</b>
	<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 63-73.</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 KPIs.</p>		<p>Our market presence – considering issues such as scale of activity in markets, presence in current or potential product sectors, and the relative risks and opportunities – is reviewed as part of developing our overall strategy, as described in our Annual Report. It is routinely reported to the Executive Committee and the Board.</p>
Disclosure		Our response	
202-01 	<b>Ratios of standard entry level wage by gender compared to local minimum wage</b>	<p><b>Omissions:</b> ratios of standard entry-level wage by gender compared to local minimum wage.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> 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 	<b>Proportion of senior management hired from the local community</b>	<p><b>Omissions:</b> proportion of senior management hired from the local community.</p> <p><b>Reason:</b> information unavailable / incomplete.</p> <p><b>Explanation:</b> employee information is not currently captured for this purpose. The global nature of our business encourages diversity in leadership and we believe in supporting local communities.</p>	

## Topic-specific standards

## GRI 200: ECONOMIC continued

## INDIRECT ECONOMIC IMPACTS

103-02	Our management approach to indirect economic impacts	103-03	Evaluation of the management approach
	<p>As a global business operating in numerous locations, we have many indirect economic impacts on the communities we operate in.</p> <p>Our <a href="#">Society 2030: Spirit of Progress</a> plan has been developed to address all our most material issues, including to 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.</p> <p>Find more information about our strategy and indirect economic impacts in the Our strategic priorities section of our Annual Report on pages 19-31.</p> <p>And see GRI 413-01 and the Reporting boundaries and methodologies section on pages 85-100 of this ESG Reporting Index for more about how we monitor and evaluate the impact of our programmes.</p>		<p>Indirect economic impacts are reviewed as part of strategy development and risk management and are reported to the Executive Committee and the Board.</p>

Disclosure	Our response
203-01  <b>Infrastructure investments and services supported</b>	<p>Examples of significant infrastructure and services supported can be found on our website, in the Our strategic priorities section of the Annual Report on pages 26-31, and in the Reporting boundaries and methodologies section of this ESG Reporting Index on pages 90-110.</p> <p>Details of the water-related infrastructure and services that we support, for example, are outlined in the Society 2030 section of our <a href="#">website</a>, under <a href="#">Preserve water for life</a>. 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 are supporting development of recycling infrastructure can be found on our <a href="#">website</a>, under Society 2030 in action and under GRI 103-02 and GRI 304-03 on page 31 and 44 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-specific standards

## GRI 200: ECONOMIC continued

## INDIRECT ECONOMIC IMPACTS continued

Disclosure

203-02

Significant indirect economic impacts

Our response

We have a diverse array of indirect economic impacts associated with our business relationships and community investment projects. This year, we invested £22 million or 0.5% of operating profit in programmes to support the communities where we live, work, source and sell.

Community investment by focus area and investment type

	Investment (£ million)	%
Positive drinking	3.5	16
Inclusion and diversity	4.2	19
Grain-to-glass sustainability	1.9	9
Local and brand-led	11.7	53
Total cash	21.3	97
Total in-kind	0.02	0
Total management cost	0.6	3
Total	21.9	

Community investment (cash) per region

Cash by region	Investment (£ million)	%
Africa	2.1	10
Asia Pacific	1.7	8
Europe	4.4	21
India	1.0	4
Latin America and the Caribbean	2.5	12
North America	9.6	45
Total	21.3	

In 2021, we made a two-year, \$100 million commitment to support the recovery of the hospitality sector around the world, namely our Raising the Bar initiative.

Find details about the impact of our community investment this year, and how we contribute to local economic development, in the Sustainability performance section of our Annual Report on pages 35-38 – and on our [website](#).

## Topic-specific standards

## GRI 200: ECONOMIC continued

## PROCUREMENT PRACTICES



103-02	<b>Our management approach to procurement practices</b>	103-03	<b>Evaluation of the management approach</b>
	<p>We select our suppliers based on their ability to effectively deliver services, materials and timings, as set out in our <a href="#">Partnering with Suppliers Standard</a>.</p> <p>Suppliers are also evaluated against various risk processes such as business continuity and financial risks. These include the risk of bribery and corruption through our Know Your Business Partner (KYBP) assessment, which considers operating risks, market or sector risks, and feedback from our internal reviews and assessments.</p> <p>A supplier's ongoing performance against contract and service levels is reviewed by Procurement teams, while their adhering to specific requirements on issues such as labour and human rights is addressed as we have described it from GRI 406-01 to GRI 412-03 in this ESG Reporting Index.</p> <p>In fiscal 21, as part of our <a href="#">Society 2030: Spirit of Progress</a> plan, we set targets around building supplier diversity. More information about our supplier diversity activities can be found on page 29 of our Annual Report.</p>		<p>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.</p>

Disclosure		Our response
204-01	<b>Proportion of spending on local suppliers</b>	We estimate that more than 68% of our raw materials volume is dedicated to 'in-country' suppliers for our sites in the following locations: India, Ireland, the United Kingdom, the United States, Mexico and Turkey. For our sites in Africa, 72% of agriculture raw material volume in our operations came from suppliers based in Africa during this financial year.

## Topic-specific standards

## GRI 200: ECONOMIC continued



## ANTI-CORRUPTION

103-02	<b>Our management approach to anti-corruption</b>	103-03	<b>Evaluation of the management approach</b>
	<p>We have an internal Anti-Corruption Global Policy. Its core principles are included in our <a href="#">Code</a> and it's 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, which includes our internal anti-corruption principles. Our Internal Audit team regularly audits our markets, which includes auditing their compliance procedures. The team specifies any required improvements, along with a mandatory completion date and recommended improvements.</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 Board.</p>
Disclosure	Our response		
205-01	<b>Operations assessed for risks related to corruption</b>	<p>Each of our markets is required to carry out a legal compliance risk assessment each year, including considering human rights, bribery and corruption, and to develop mitigation plans for their most significant risks.</p> <p>Every business unit must also carry out assessments of the risk of corruption.</p>	
205-02	<b>Communication and training about anti-corruption policies and procedures</b>	<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 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	<b>Confirmed incidents of corruption and actions taken</b>	<p>Material cases are reported in Note 19 to the Financial Statements of the Annual Report on pages 191-192.</p> <p><b>Omissions:</b> non-material incidents.</p> <p><b>Reason:</b> not applicable.</p> <p><b>Explanation:</b> 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>	

Topic-specific standards

GRI 200: ECONOMIC continued

ANTI-COMPETITIVE BEHAVIOUR

103-02	<b>Our management approach to anti-competitive behaviour</b>	103-03	<b>Evaluation of the management approach</b>
	<p>We have an internal competition and anti-trust policy, which is included in our <a href="#">Code</a> 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.</p>		<p>Our Business Integrity team monitors compliance with our Code, which includes our internal competition and anti-trust principles.</p> <p>Find more information on how we evaluate our approach to compliance issues, including anti-competitive behaviour, in GRI 103-03 Anti-corruption above.</p>

Disclosure	Our response	
206-01	<b>Legal actions for anti-competitive behaviour, anti-trust and monopoly practices</b>	<p>Each of our markets is required to carry out a legal compliance risk assessment each year, including considering human rights, bribery and corruption, and to develop mitigation plans for their most significant risks.</p> <p><b>Omissions:</b> any non-public incidents are not reported.</p> <p><b>Reason:</b> confidentiality constraints.</p> <p><b>Explanation:</b> 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.</p>

## Topic-specific standards

## GRI 200: ECONOMIC continued

## TAX

103-02	Our management approach to tax	103-03	Evaluation of the management approach
●	<p>We pay tax in accordance with all relevant laws and regulations in the countries where we do business.</p> <p>Our approach to tax seeks to enable and support our ambition and business strategy, as well as balance the various interests of our stakeholders, including shareholders, governments, employees, customers, consumers and the communities in which we operate.</p> <p>Our approach to tax, including our commitments, core principles and governance mechanisms, are described in detail in our publicly available global <a href="#">Tax Policy</a>.</p>	●	<p>The Board of Directors approves our <a href="#">Tax Policy</a> and tax strategy, and monitors compliance each year through the Audit Committee – and, as appropriate, on an ad hoc basis. It delegates the authority to execute against this policy framework to the group CEO, who then delegates that authority to the Finance Committee.</p> <p>From an operational perspective, the Finance Committee – made up of senior management with relevant expertise, including the CEO and CFO – is considered to be the supervisory body for all group tax activities. Three times a year, this Committee reviews any relevant developments on issues covered by our policy – and, as appropriate, on an ad hoc basis.</p> <p>For more information about our tax governance and how we evaluate our approach, see page 5 of our <a href="#">Tax Policy</a>.</p>
Disclosure	Our response		
207-01 ●	<b>Approach to tax</b>	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 <a href="#">Tax Policy</a> on pages 3-5.	
207-02 ●	<b>Tax governance, control and risk management</b>	<p>Information about our tax governance, risk management and compliance can be found in our <a href="#">Tax Policy</a> 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 <a href="#">Code</a> 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 ●	<b>Stakeholder engagement and management of concerns related to tax</b>	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 <a href="#">Tax Policy</a> .	
207-04 ○	<b>Country-by-country reporting</b>	<p><b>Omissions:</b> country-by-country reporting.</p> <p><b>Reason:</b> not applicable.</p> <p><b>Explanation:</b> 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-specific standards

## GRI 300: ENVIRONMENTAL

## MATERIALS

103-02

**Our management approach to materials**

For information on our management approach to materials, see two sections of the Society 2030 section of our [website](#): Become sustainable by design and Responsible sourcing. For information about our Society 2030: Spirit of Progress targets relating to packaging and raw materials, see the Sustainability performance section of our Annual Report on pages 35-38.

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

**Packaging**

Our Become sustainable by design targets include commitments to continue 'light-weighting' our packaging, to reduce our carbon footprint and to increase recycled content and recyclability across all formats, with particular emphasis on glass and plastics. This year we have continued to collaborate with local authorities 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.

We continue to reuse returned glass bottles in parts of our business and are investing in research to explore how we can expand return-and-reuse models in other markets. Almost 100% of our paper and board is FSC, PEFC or SFI certified.

Last year we also launched our Diageo Sustainable Solutions programme, which calls on innovators to help us advance more sustainable technologies and practices across the full lifecycle of our brands from grain to glass.

**Agricultural raw materials**

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

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.

As a member of the Sustainable Agriculture Initiative Platform, we are engaging in industry working groups to contribute to the guiding frameworks on regenerative agriculture principles, practices and outcomes, and on carbon-removal accounting and verification methodologies through Verra, a voluntary carbon standard.

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 will be underpinned by being digitally connected with Diageo so we can better understand who and where growers are in our supply chain.

103-03

**Evaluation of the management approach**

Our performance against our [Society 2030: Spirit of Progress](#) targets, including those relating to packaging and raw materials, is reported internally every quarter. Performance is reviewed at market, regional and global level by stakeholders throughout the business, including the 2030 Grain-to-Glass Strategic Business Review (SBR) team and our Executive Committee.

**Packaging**

Covid-19 has provided its challenges in availability of post-consumer recycled material because communities have slowed or halted collection in many of their markets. Despite this, we remain focused on our goals to continue to improve the amount of recycled content across all our packaging materials, with a particular focus on plastics and glass.

**Agricultural raw materials**

Our performance is reviewed by our Procurement function, which reports to the SBR team. The SBR team meets quarterly. We develop mitigation and improvement activities as appropriate.

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## MATERIALS continued

Disclosure		Our response																																																																		
301-01	<b>Materials used by weight or volume</b>	<p>This year, we used approximately 2.17 million tonnes of agricultural raw materials such as barley, wheat and maize, and approximately 1.65 million tonnes of packaging.</p> <p><b>Global raw materials<sup>1</sup> by volume</b> (Total - 2.17 million tonnes)</p> <table> <tr> <th>Raw material</th><th>Volume</th><th>%</th></tr> <tr> <td>Barley<sup>2</sup></td><td>545,213</td><td>25.1</td></tr> <tr> <td>Agave</td><td>448,005</td><td>20.6</td></tr> <tr> <td>Wheat</td><td>209,379</td><td>9.6</td></tr> <tr> <td>Maize</td><td>203,936</td><td>9.4</td></tr> <tr> <td>Molasses</td><td>176,280</td><td>8.1</td></tr> <tr> <td>Rice</td><td>158,602</td><td>7.3</td></tr> <tr> <td>Grapes</td><td>119,966</td><td>5.5</td></tr> <tr> <td>Sugar</td><td>120,227</td><td>5.5</td></tr> <tr> <td>Sorghum</td><td>110,871</td><td>5.1</td></tr> <tr> <td>Dairy</td><td>23,172</td><td>1.1</td></tr> <tr> <td>Rye</td><td>23,658</td><td>1.1</td></tr> <tr> <td>Raisins</td><td>16,462</td><td>0.8</td></tr> <tr> <td>Others</td><td>14,725</td><td>0.7</td></tr> </table> <p>1. Figures represent raw materials we buy directly, and exclude raw materials used to make the neutral spirit we purchase. 2. Includes malted barley.</p> <p><b>Global packaging materials<sup>1</sup> by weight</b> (Total - 1.65 million tonnes)</p> <table> <tr> <th>Raw material</th><th>Volume</th><th>%</th></tr> <tr> <td>Glass</td><td>1,362,044</td><td>82.6</td></tr> <tr> <td>Corrugate</td><td>100,749</td><td>6.1</td></tr> <tr> <td>Cartons</td><td>66,212</td><td>4.0</td></tr> <tr> <td>Closures and crowns</td><td>30,260</td><td>1.8</td></tr> <tr> <td>PET</td><td>22,670</td><td>1.4</td></tr> <tr> <td>Cans</td><td>29,497</td><td>1.8</td></tr> <tr> <td>Other (beverage cartons, labels, sleeves, bags and sachets)</td><td>37,662</td><td>2.3</td></tr> </table> <p>1. Excludes promotional materials.</p>	Raw material	Volume	%	Barley <sup>2</sup>	545,213	25.1	Agave	448,005	20.6	Wheat	209,379	9.6	Maize	203,936	9.4	Molasses	176,280	8.1	Rice	158,602	7.3	Grapes	119,966	5.5	Sugar	120,227	5.5	Sorghum	110,871	5.1	Dairy	23,172	1.1	Rye	23,658	1.1	Raisins	16,462	0.8	Others	14,725	0.7	Raw material	Volume	%	Glass	1,362,044	82.6	Corrugate	100,749	6.1	Cartons	66,212	4.0	Closures and crowns	30,260	1.8	PET	22,670	1.4	Cans	29,497	1.8	Other (beverage cartons, labels, sleeves, bags and sachets)	37,662	2.3
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## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## MATERIALS continued

Disclosure		Our response																																																
301-02	<b>Recycled input materials used</b>	This year, 40.2% of the materials used in our packaging were recycled input materials.																																																
301-03	<b>Reclaimed products and their packaging materials</b>	<b>Recovery rates and recycling rates for packaging categories<sup>1</sup></b> <table> <tr> <th>Market</th><th>Recovery rate %</th><th>Recycling rate %</th></tr> <tr> <td>Germany</td><td>94.9</td><td>63.2</td></tr> <tr> <td>Republic of Ireland</td><td>94.4</td><td>61.4</td></tr> <tr> <td>Italy</td><td>79.1</td><td>67.6</td></tr> <tr> <td>Great Britain</td><td>68.2</td><td>62.1</td></tr> <tr> <td>Spain</td><td>75.5</td><td>69.6</td></tr> <tr> <td>Greece</td><td>60.1</td><td>60.1</td></tr> <tr> <td>Brazil</td><td>No published data</td><td>No published data</td></tr> <tr> <td>Australia</td><td>68</td><td>56</td></tr> <tr> <td>North America</td><td>No published data</td><td>50.1</td></tr> <tr> <td>South Africa</td><td>No published data</td><td>47</td></tr> <tr> <td>Venezuela</td><td>No published data</td><td>No published data</td></tr> <tr> <td>Kenya</td><td>No published data</td><td>No published data</td></tr> <tr> <td>Nigeria</td><td>No published data</td><td>No published data</td></tr> <tr> <td>South Korea</td><td>No published data</td><td>58</td></tr> <tr> <td>Singapore</td><td>No published data</td><td>61</td></tr> </table>	Market	Recovery rate %	Recycling rate %	Germany	94.9	63.2	Republic of Ireland	94.4	61.4	Italy	79.1	67.6	Great Britain	68.2	62.1	Spain	75.5	69.6	Greece	60.1	60.1	Brazil	No published data	No published data	Australia	68	56	North America	No published data	50.1	South Africa	No published data	47	Venezuela	No published data	No published data	Kenya	No published data	No published data	Nigeria	No published data	No published data	South Korea	No published data	58	Singapore	No published data	61
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		1. Categories include glass, aluminium, paper and board.																																																

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## ENERGY

103-02

## Our management approach to energy

See our Pioneer grain-to-glass sustainability and Responding to climate-related risks sections of our Annual Report on pages 30-31 and 47-56 respectively, and our [Environment Policy](#), each of which outline our approach to energy.

Our [Society 2030: Spirit of Progress](#) plan includes a target for 100% renewable energy use by 2030 – see page 37 of our Annual Report for more details about our performance so far.

Our approach to energy is based on four main activities:

**1. Reducing energy consumption**

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

**2. Recovering and reusing energy**

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

**3. Converting energy sources to renewables**

Generating renewable energy on our sites and switching to renewable supplies directly adjacent or indirectly through the supply network are two ways we are increasing our use of renewable energy. We continue to invest in on-site solar and on-site bioenergy plants generating renewable heat, predominantly using a Diageo co-product or waste and residue feedstock. Creating more renewables capacity – on-site and off-site through power purchase agreements, and by prioritising direct emissions abatement over use of energy attribute certificates – is an important outcome we have in our net zero strategy. We are committed to using 100% renewable energy and 100% renewable electricity by 2030.

**4. Minimising energy use across our supply chain**

Reducing energy use in our supply chain is closely linked to our Scope 3 decarbonisation activity and our Become sustainable by design goal. We are working closely with our suppliers to influence what we can control: taking action by minimising the weight of our packaging, increasing its recycled content and implementing alternative formats or reuse models, all of which reduce supply chain energy use. We're also engaging directly with suppliers to accelerate decarbonisation of materials, services and products, which is underpinned by energy and cost reduction.

103-03

## Evaluation of the management approach

Our performance against our Society 2030: Spirit of Progress targets, including those focused on energy and carbon, is reported every quarter. Performance is reviewed at market, regional and global level by stakeholders throughout the business, including the 2030 Grain-to-Glass Strategic Business Review (SBR) team.

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


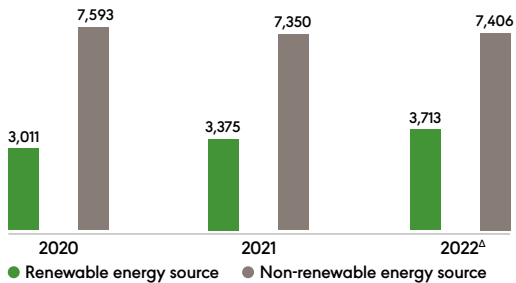


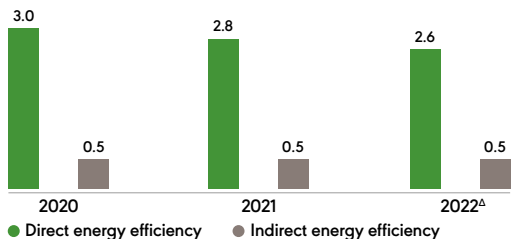


For more information, see GRI 201-02 of this ESG Reporting Index and the Responding to climate-related risks section of our Annual Report on pages 47-56.

Also see our Reporting boundaries and methodologies section on pages 90-110 of this ESG Reporting Index for more information about how we measure and report on our energy-related targets.


## Topic-specific standards


## GRI 300: ENVIRONMENTAL continued

## ENERGY continued

Disclosure		Our response												
302-01	 <b>Energy consumption within the organisation</b>	<p>We report renewable and non-renewable direct energy consumption for the past three years, with our new baseline year being 2020. This includes both energy generated and used on site and energy supplied to our facilities.</p> <p><b>Renewable and non-renewable direct energy consumption (TJ)<sup>1,2</sup></b></p>  <table border="1"> <thead> <tr> <th>Year</th> <th>Renewable energy source (TJ)</th> <th>Non-renewable energy source (TJ)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>3,011</td> <td>7,593</td> </tr> <tr> <td>2021</td> <td>3,375</td> <td>7,350</td> </tr> <tr> <td>2022<sup>Δ</sup></td> <td>3,713</td> <td>7,406</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 period ended 30 June 2021, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies. Δ Total direct energy (TJ), renewable and non-renewable, is within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.</p> <p>Indirect (grid electricity) accounted for 15.1% of total energy consumption.</p> <p><b>Omissions:</b> breakdown of energy consumption by heating, cooling and steam.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> 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)	2020	3,011	7,593	2021	3,375	7,350	2022 <sup>Δ</sup>	3,713	7,406
Year	Renewable energy source (TJ)	Non-renewable energy source (TJ)												
2020	3,011	7,593												
2021	3,375	7,350												
2022 <sup>Δ</sup>	3,713	7,406												
302-02	 <b>Energy consumption outside of the organisation</b>	<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 35,186,366 gigajoules (GJ). Packaging materials account for 13.4 million GJ, raw materials for 20.3 million GJ, transport and distribution for 9,291 GJ, and chilling and refrigeration equipment for 230,635 GJ.</p>												
302-03	 <b>Energy intensity</b>	<p>Here we report direct and indirect energy efficiency for the past three years, including our baseline year of 2020.</p> <p><b>Direct and indirect energy efficiency (MJ/litre packaged)<sup>1,2,3</sup></b></p>  <table border="1"> <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>2020</td> <td>3.0</td> <td>0.5</td> </tr> <tr> <td>2021</td> <td>2.8</td> <td>0.5</td> </tr> <tr> <td>2022<sup>Δ</sup></td> <td>2.6</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 period ended 30 June 2021, 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. Δ Total energy efficiency (MJ/litre packaged), direct and indirect, is within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.</p>	Year	Direct energy efficiency (MJ/litre packaged)	Indirect energy efficiency (MJ/litre packaged)	2020	3.0	0.5	2021	2.8	0.5	2022 <sup>Δ</sup>	2.6	0.5
Year	Direct energy efficiency (MJ/litre packaged)	Indirect energy efficiency (MJ/litre packaged)												
2020	3.0	0.5												
2021	2.8	0.5												
2022 <sup>Δ</sup>	2.6	0.5												
302-04	 <b>Reduction of energy consumption</b>	<p>This year, energy consumption from fuel, electricity, heating, cooling and steam increased by 4.9% compared with fiscal 21. Significantly higher distilled and packaged volumes were the main drivers. We have ongoing energy efficiency initiatives designed to decouple and minimise the impact of production volume increases from energy consumption. Reporting boundaries and methodologies can be found on pages 90-110 of this ESG Reporting Index.</p>												
302-05	 <b>Reductions in energy requirements of products and services</b>	<p>Energy requirements of products and services are not deemed relevant, given GHG emissions from this energy use do not meet the relevancy criteria stipulated by the WRI Scope 3 Reporting Standard. Specifically, these emissions do not contribute significantly to our overall Scope 3 footprint, nor do they contribute to our business-wide risk exposure.</p>												

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-specific standards

## GRI 300: ENVIRONMENTAL continued

## WATER AND EFFLUENTS

103-02	Our management approach to water and effluents	103-03	Evaluation of the management approach
	<p>Water is an essential ingredient in all our brands and is also a precious shared resource that is coming under increasing pressure in many parts of the world. We describe the actual and potential negative and positive impacts of our business operations on water and effluents in the economy, environment and society on our <a href="#">website</a> and within the Responding to climate-related risks section of our Annual Report on pages 47-56.</p> <p>As part of our Society 2030: Spirit of Progress plan, our priority to preserve water for life defines our strategic approach to water stewardship. This strategy is made up of four key pillars:</p> <ol style="list-style-type: none"> <li>1. Water in our operations</li> <li>2. Water in our supply chain</li> <li>3. Water in our communities</li> <li>4. Water advocacy</li> </ol> <p>For more information on each pillar, please see the Preserve water for life section of the Society 2030 section of our <a href="#">website</a>.</p> <p>To deliver our strategy, we have set four key water targets to be achieved by 2030, against a 2020 baseline. Please see page 36 and 37 of our Annual Report for details of our water targets and our performance against them this year.</p> <p>As part of our global <a href="#">Environment Policy</a>, we will comply with consent limits on abstraction and discharges of water, or with appropriate Diageo standards where there is no regulation. We use water-quality indicators to manage performance and look for locally appropriate solutions, informed by robust scientific assessment, for wastewater management. This includes recycling and reuse, where appropriate.</p>		<p>Performance against our Society 2030: Spirit of Progress targets is assessed every quarter at a market, regional and global level. It's reviewed by market General Managers, functional leadership teams and at our quarterly 2030 Grain-to-Glass Strategic Business Review (SBR) meetings.</p> <p>This regular assessment of performance against our targets enables us to manage programme risks and opportunities and ensures we have the right level of resources to deliver our commitments.</p> <p>Please see Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information on how we measure and report on our water-related targets.</p>

Disclosure		Our response
303-01	 <b>Interactions with water as a shared resource</b>	<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. We are committed to best practice water stewardship across our value chain including in local communities.</p> <p>We carry out a detailed, data-driven assessment of our impact on water throughout our value chain, which includes assessing the water embedded in our products, through to water used to grow our raw materials and source-vulnerability assessments in selected watersheds.</p> <p>We conduct ongoing water assessments for brands and suppliers and undertake assessments every two years at our own sites. To do this, we use a range of tools, including lifecycle analysis, environmental footprinting, the World Resource Institute Aqueduct tool and our internal risk assessment process.</p> <p>Find more information about how we address water-related impacts and how we work with our stakeholders – including suppliers, consumers, local communities, governments and regulatory groups – in GRI 103-01 above.</p>

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## WATER AND EFFLUENTS continued

Disclosure	Our response		
303-02	<b>Management of water discharge-related impacts</b>	We aim to return all wastewater from operations to the environment safely. Our internal voluntary standard sets stringent criteria for wastewater discharge to ensure we meet or exceed local and national regulations and return our wastewater in a state as close to nature as possible – and so maximise circularity. The criteria for wastewater discharge include temperature, pH, total suspended solids and chemical oxygen demand (COD) and/or biological oxygen demand (BOD) – key parameters in determining the pollution potential and oxidisable organic matter present in the water discharge. The global wastewater standard applies across all sites, including locations where local discharge parameters do not exist or are being developed.	
303-03	<b>Water withdrawal</b>		
		<b>All areas</b>	<b>Areas with water stress</b>
	<b>Water withdrawal by source</b>		
	Surface water	1,781 ML <sup>Δ</sup>	1,089 ML
	– Freshwater	0 ML	1,089 ML
	– Other water	6,462 ML	0 ML
	Ground water	6,462 ML <sup>Δ</sup>	1,842 ML
	– Freshwater	0 ML	1,842 ML
	– Other water	0 ML	0 ML
	Seawater	0 ML	0 ML
	Produced water	9,272 ML	0 ML
	Mains water	9,272 ML <sup>Δ</sup>	3,153 ML
	– Freshwater	0 ML	3,153 ML
	– Other water	No published data	0 ML
	Total mains water withdrawal by withdrawal source		
	Surface water	9,272 ML	3,153 ML
	Ground water	0 ML	0 ML
	Seawater	0 ML	0 ML
	Produced water	0 ML	0 ML
	<b>Total water withdrawal</b>	<b>17,515 ML<sup>Δ</sup></b>	<b>6,084 ML</b>


Δ Within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.

Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## WATER AND EFFLUENTS continued

Disclosure	Our response			
303-04	Water discharge			
			All areas	Areas with water stress
	Water discharge	Surface water	2,323 ML	1,368 ML
		Ground water	744 ML	430 ML
		Seawater	3,064 ML	0 ML
		Third-party water (total)	5,907 ML	1,320 ML
		Third-party water sent for use to other organisations	0 ML	0 ML
	Total water discharge		12,038 ML	3,118 ML
	Water discharge by freshwater and other water	Fresh water	0 ML	0 ML
		Other water	0 ML	0 ML

Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.

In 2022, total effluent volume was 12,038,000m<sup>3</sup> and total BOD was 28,642 tonnes, of which 28,430<sup>A</sup> tonnes were under our direct control and representing a 3.7% reduction versus the prior year. We report on wastewater polluting power by region and by year in GRI 303-03 above.

## 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	3	—
Third-party municipal	51	1
Land	4	—
River	17	1
Sea	25	98
Wetland	—	—
<b>Total</b>	<b>100</b>	<b>100</b>

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

	2020	2021	2022
North America	357	518	59
Europe and Turkey	18,053	28,893	28,416
Africa	883	292	166
Latin America and Caribbean	1	0	0
Asia Pacific	1	1	1
<b>Total</b>	<b>19,295</b>	<b>29,704</b>	<b>28,642</b>
<b>Total under direct control</b>	<b>19,074</b>	<b>29,532</b>	<b>28,430<sup>A</sup></b>

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

<sup>A</sup> Within PwC's independent limited assurance scope - see pages 112-116 of this ESG Reporting Index.

For standards and methodologies, see pages 90-110 of this ESG Reporting Index.

Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## WATER AND EFFLUENTS continued

Disclosure	Our response																											
303-04	<div><div><div>Water discharge continued</div></div><div><div><div>Wastewater treatment by method</div><div>In 2022, 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 49.1% of wastewater volume was sent to off-site treatment facilities. This represents 1% of final BOD to the environment.</div><table><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>20</td><td>2,372,252</td></tr><tr><td>Anaerobic treatment</td><td>33</td><td>3,946,098</td></tr><tr><td>pH balance</td><td>43</td><td>5,226,123</td></tr><tr><td>Filtration</td><td>15</td><td>1,856,063</td></tr><tr><td>Reverse osmosis</td><td>4</td><td>430,970</td></tr><tr><td>Settling area</td><td>9</td><td>1,021,645</td></tr><tr><td>Stabilisation ponds</td><td>3</td><td>327,758</td></tr><tr><td>Other</td><td>6</td><td>703,430</td></tr></tbody></table><div><p>There were 69 spills or incidents during the reporting year, totalling 3,853,736 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. Waste deemed hazardous under the terms of the Basel Convention is not relevant to our business. None of our operations has a known significant impact on protected water bodies as a result of wastewater discharges or run-off.</p><p><b>Omissions:</b> volume of unplanned discharges.</p><p><b>Reason:</b> data unavailable/incomplete.</p><p><b>Explanation:</b> our monitoring programme is to be established to determine the number of occasions and volumes.</p></div></div></div></div>	Treatment method	Sites using treatment method %	Volume (m³) of effluent by treatment method	Aerobic treatment	20	2,372,252	Anaerobic treatment	33	3,946,098	pH balance	43	5,226,123	Filtration	15	1,856,063	Reverse osmosis	4	430,970	Settling area	9	1,021,645	Stabilisation ponds	3	327,758	Other	6	703,430
Treatment method	Sites using treatment method %	Volume (m³) of effluent by treatment method																										
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Stabilisation ponds	3	327,758																										
Other	6	703,430																										
303-05	<div><div><div>Water consumption</div></div><div><table><thead><tr><th></th><th>All areas</th><th>Areas with water stress</th></tr></thead><tbody><tr><td>Total water consumption</td><td>5,477 ML</td><td>2,966 ML</td></tr><tr><td>Change in water storage, if water storage has been identified as having a significant water-related impact</td><td>0 ML</td><td>0 ML</td></tr></tbody></table><div><p>Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.</p></div></div></div>		All areas	Areas with water stress	Total water consumption	5,477 ML	2,966 ML	Change in water storage, if water storage has been identified as having a significant water-related impact	0 ML	0 ML																		
	All areas	Areas with water stress																										
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Change in water storage, if water storage has been identified as having a significant water-related impact	0 ML	0 ML																										

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## BIODIVERSITY

103-02	<p><b>Our management approach to biodiversity</b></p> <p>Many of our distilleries, breweries and other sites are surrounded by valuable ecosystems that not only support a wide range of plant and animal species but can be vital to the livelihoods of local people.</p> <p>We take responsibility for the impact our business has on these ecosystems and the wider environment, particularly in relation to water, our main ingredient. Where appropriate, we measure and report our impact, mitigate the risks and work towards improving the environment. We also carry out biodiversity impact assessments for new builds and sites in sensitive locations.</p> <p>See the Biodiversity section of our <a href="#">website</a> for more information about how we manage biodiversity around our distilleries, breweries and other sites.</p>	103-03	<p><b>Evaluation of the management approach</b></p> <p>We have identified 55 operational sites, and other land we own, that are near or adjacent to areas designated as having biodiversity value by the United Nations or national conservation lists. These sites have a total area of approximately 6.77km<sup>2</sup> and are listed under GRI 304-01 below.</p> <p>Several of our sites are also in, or close to, the habitats of species that are designated as threatened by the International Union for Conservation of Nature. In all cases, we are managing these sites in line with our licence conditions and are aiming to meet the expectations of local stakeholders.</p>
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## Disclosure

## Our response

304-01	<p><b>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</b></p>	See table below.
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Site	Type of operation	Protected status of area	Position in relation to area of high biodiversity value				Biodiversity value attribute
			Inside	Adjacent	Near	Close	
Victoria, Seychelles	Brewing	IUCN Category I-VI, Alliance for Zero Extinction, Key Biodiversity Area			●		Terrestrial, freshwater, marine ecosystem
Cragganmore, Scotland	Distilling	IUCN Category I-IV, Natura 2000; Key Biodiversity Area.		●			Terrestrial, freshwater
Alaşehir, Turkey	Distilling & packaging	CI (Conservation International Biodiversity Hotspot)	●				Terrestrial, freshwater
Lochnagar, Scotland	Distilling	IUCN Category V-VI		●			Terrestrial, freshwater
		IUCN Category I-IV, Natura 2000,			●		
		Key Biodiversity Area				●	
Nevşehir, Turkey	Distilling & packaging	CI (Conservation International Biodiversity Hotspot)	●				Terrestrial, freshwater
Gazimagusa, Cyprus	Packaging	CI (Conservation International Biodiversity Hotspot)	●				Terrestrial, freshwater
Dailuaine, Scotland	Distilling	IUCN Category I-IV, Natura 2000		●			Terrestrial, freshwater
Dufftown, Scotland	Distilling	Natura 2000		●			Terrestrial, freshwater
		Key Biodiversity Area		●			Terrestrial, freshwater
Bilecik, Turkey	Distilling & packaging	IUCN Category I-IV, Natura 2000		●			Terrestrial, freshwater
Acipayam, Turkey	Aniseed	IUCN Category I-IV, Natura 2000, Key Biodiversity Area	●				Terrestrial, freshwater

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-specific standards

## GRI 300: 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	Near	Close	
Nairobi, Kenya	Brewing	IUCN Category V-VI, Key Biodiversity Area			●		Terrestrial, freshwater
		CI (Conservation International Biodiversity Hotspot)			●		
St Croix, USVI	Distilling	IUCN Red List Category I-IV, IUCN Category V-VI	●				Terrestrial, freshwater
Istanbul, Turkey	Offices	CI (Conservation International Biodiversity Hotspot)		●			Terrestrial, freshwater, marine ecosystem
Elazığ, Turkey	Winery	IUCN, Key Biodiversity Area	●				Terrestrial, freshwater
Abercrombie, Scotland	Engineering	Natura 2000			●		Terrestrial, freshwater
		Ramsar				●	
Auchroisk, Scotland	Distilling	IUCN Category I-IV, Natura 2000			●		Terrestrial, freshwater
		Ramsar, Key Biodiversity Area				●	
Benrinnes, Scotland	Distilling	IUCN Category I-IV, Natura 2000, Key Biodiversity Area		●			Terrestrial, freshwater
Blackgrange, Scotland	Warehousing	Natura 2000 IUCN Category I-IV			●		Terrestrial, freshwater
		Ramsar				●	
Cluny, Scotland	Warehousing	Natura 2000			●		Terrestrial, freshwater
		Ramsar			●		
Bonnybridge, Scotland	Warehousing	Natura 2000			●		Terrestrial, freshwater
		Ramsar			●		
Blair Athol, Scotland	Distilling	Natura 2000		●			Terrestrial, freshwater
		IUCN Category I-IV, IUCN Category V-VI, Natura 2000, Key Biodiversity Area			●		
		Key Biodiversity Area				●	
Blythswood, Scotland	Distilling	IUCN Category I-IV, Natura 2000, Key Biodiversity Area			●		Terrestrial, freshwater
		Ramsar				●	
Broxburn, Scotland	Distilling	Ramsar, Natura 2000, IUCN Category I-IV, Key Biodiversity Area				●	Terrestrial, freshwater
Burghead, Scotland	Distilling	IUCN Category I-IV, Natura 2000		●			Terrestrial, freshwater
		Ramsar			●		
Caol Ila, Scotland	Distilling	Natura 2000			●		Terrestrial
		Ramsar				●	
Clynesh, Scotland	Distilling	Natura 2000			●		Terrestrial
		Ramsar				●	

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-specific standards

## GRI 300: 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	Near	Close	
Cambus, Scotland	Warehousing	Natura 2000, Key Biodiversity Area			●		Terrestrial, freshwater
		Ramsar, IUCN Category I-IV, IUCN Category V-VI				●	
Cardhu, Scotland	Distilling	IUCN I-IV, Natura 2000		●			Terrestrial, freshwater
		Key Biodiversity Area				●	
Inchgower, Scotland	Distilling	Natura 2000			●		Freshwater
		Ramsar				●	
Dalwhinnie, Scotland	Distilling	Natura 2000		●	●	●	Terrestrial, freshwater
Linkwood, Scotland	Distilling	Natura 2000			●		Freshwater
		Ramsar				●	
Glen Elgin, Scotland	Distilling	Natura 2000				●	Terrestrial, freshwater
		Ramsar				●	
Glenlossie, Scotland	Distilling & bio-energy	Natura 2000				●	Terrestrial, freshwater
		Ramsar				●	
Tarsus, Turkey	Distilling	CI (Conservation International Biodiversity Hotspot)	●				Terrestrial, freshwater
		IUCN Category I-IV, IUCN Category V-VI, Natura 2000, Key Biodiversity Area				●	
Glen Ord, Scotland	Distilling	Natura 2000, IUCN Category I-IV			●		Terrestrial, freshwater
		Ramsar, Key Biodiversity Area				●	
Glen Spey, Scotland	Distilling	IUCN Category I-IV, Natura 2000		●			Terrestrial, freshwater
Glendullan, Scotland	Distilling	IUCN Category I-IV, Natura 2000, Key Biodiversity Area		●			Terrestrial, freshwater
Knockando, Scotland	Distilling	IUCN Category I-IV, Natura 2000		●			Terrestrial, freshwater
Menstrie, Scotland	Warehousing	Natura 2000			●		Terrestrial, freshwater
		Ramsar				●	
Mortlach, Scotland	Distilling	Natura 2000		●			Terrestrial, freshwater
		IUCN Category I-IV, Key Biodiversity Area				●	
Mannachmore, Scotland	Distilling	Natura 2000				●	Terrestrial, freshwater
		Ramsar				●	
Strathmill, Scotland	Distilling	Natura 2000				●	Terrestrial, freshwater
		Ramsar				●	

How we have met  
each disclosureFully disclosed as outlined by the GRI  
Sustainability Reporting StandardsPartially disclosed and missing  
at least one required indicator

Not disclosed

Not considered material  
to our business at this time

## Topic-specific standards

## GRI 300: 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	Near	Close	
Moray, Scotland	Offices	Natura 2000			●		Marine ecosystem
		Ramsar				●	
Karaman, Turkey	Distilling	CI (Conservation International Biodiversity Hotspot)	●				Terrestrial, freshwater
Port Ellen, Scotland	Maltings	Natura 2000			●		Terrestrial
		Ramsar				●	
Glenkinchie, Scotland	Distilling	Natura 2000				●	Freshwater
		Ramsar				●	
Oban, Scotland	Distilling	Natura 2000			●		Terrestrial, marine ecosystem
Lagavulin, Scotland	Distilling	Natura 2000			●		Terrestrial
		Ramsar				●	
Cameronbridge, Scotland	Distilling & bio-energy	Natura 2000			●		Marine ecosystem
		Ramsar, Key Biodiversity Area			●	●	
Roseisle, Scotland	Distilling, Maltings	Natura 2000			●		Terrestrial
		Ramsar				●	
Talisker, Scotland	Distilling	Natura 2000			●		Terrestrial, marine ecosystem
Brora, Scotland	Distilling	Natura 2000			●		Terrestrial
		Ramsar				●	
Port Ellen, Scotland	Distilling	Natura 2000			●		Terrestrial
		Ramsar				●	
Teainich, Scotland	Distilling	Natura 2000, Key Biodiversity Area		●			Terrestrial, freshwater
		Ramsar, IUCN Category I-IV			●		
Kampala, Uganda	Brewing	Ramsar				●	Freshwater

For more information about how we report on biodiversity, including definitions, scope and data preparations, see the Reporting boundaries and methodologies section on pages 85-100 of this ESG Reporting Index.

## Topic-specific standards

## GRI 300: 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.</p> <p><b>Omissions:</b> impacts of products and services on biodiversity.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> the impact of products and services on biodiversity is deemed to be low impact.</p>										
304-03	Habitats protected or restored	<p>This year, we have continued to carry out various initiatives to protect and restore habitats, including undertaking the largest biodiversity study of its kind in Mexico in and around our agave fields. The assessment concluded that we are conducting our agriculture activities responsibly in a way that is not negatively impacting the biodiversity in and around our agave fields.</p> <p>In the United States, Bulleit Bourbon in collaboration with American Forests has reached their goal of planting one million trees three years ahead of schedule. Alongside this, Diageo employees across the world, such as in India and Vietnam, took part in a tree planting initiative to restore forests and improve the ecosystems of their local community.</p> <p>This year we formed a new Society 2030 Call-action group in Budapest to tackle the waste pollution in the river Tisza. So far the group has collected over 600kgs of waste, with an aim of 690 tonnes of waste to be collected and recycled by the end of the two-year programme. And our employees around the world took part in volunteered environment-related activities, such as tree planting, establishing community gardens and community clean-ups to support the United Nations World Water Day on 22 March and World Environment Day on 5 June 2022.</p> <p>In addition, the total area of habitats protected and restored is 5.74km<sup>2</sup>.</p>										
304-04	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<table><tr><td>Critically endangered</td><td>11</td></tr><tr><td>Endangered</td><td>23</td></tr><tr><td>Vulnerable</td><td>55</td></tr><tr><td>Near threatened</td><td>69</td></tr><tr><td>Least concern</td><td>488</td></tr></table> <p>See the table in GRI 304-01 above for a list of locations.</p>	Critically endangered	11	Endangered	23	Vulnerable	55	Near threatened	69	Least concern	488
Critically endangered	11											
Endangered	23											
Vulnerable	55											
Near threatened	69											
Least concern	488											

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## EMISSIONS

103-02

**Our management approach to emissions**

See our Pioneer grain-to-glass sustainability and Responding to climate-related risks sections of our Annual Report on pages 30-31 and 47-56 respectively, and our [website](#) under Accelerate to a low carbon world, each of which outline our approach to emissions.

As part of our Society 2030: Spirit of Progress plan, we have two targets around carbon emissions – see page 37 of our Annual Report for information on how we are performing against those targets.

**Direct operations GHG emissions**

By actively increasing our use of renewable energy in our operations, we're reducing our energy-related emissions towards our science-based approved 2030 net zero target. This means we have to directly abate our operational emissions to at least a 95% reduction on our 2020 baseline.

We are committed to driving down residual emissions from non-zero emission bioenergy sources, NO<sub>x</sub> and SO<sub>x</sub> from kilning cereals and fugitive gas emissions by measuring and reducing these emission sources under the We Mean Business initiative to reduce short-lived climate pollutants. 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 SBTi commitments.

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

**Supply chain GHG emissions**

To meet our approved science-based 50% reduction in emissions by 2030 from our 2020 baseline, we are focusing on building long-lasting partnerships with our suppliers, and helping our third-party operations to join us on this journey. Rethinking our way of doing business to embed a more collaborative and circular way of sourcing our materials and services will enable us to deliver significant emission reductions.

We remain committed to accelerating opportunities related to our products and their use, including ensuring that all our new refrigeration equipment in-trade is free from hydrofluorocarbons (HFCs).

103-03

**Evaluation of the management approach**

See GRI 103-03 on page 34 of this ESG Reporting Index for more information about how we evaluate our approach towards energy and emissions.

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

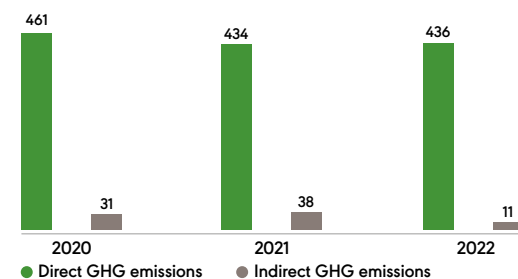
## EMISSIONS continued

## Disclosure

## Our response

305-01 and  
305-02**Direct and indirect  
GHG emissions  
(location and  
market-based)  
('000 tonnes CO<sub>2</sub>e)**

Our total direct and indirect carbon emissions (location/gross) this year were 712,260<sup>Δ</sup> tonnes, comprising direct emissions (Scope 1) of 554,476<sup>Δ</sup> tonnes and indirect emissions (Scope 2) of 157,784<sup>Δ</sup> tonnes.

**Direct and indirect GHG emissions (market-based) ('000 tonnes CO<sub>2</sub>e)<sup>1,2</sup>**

- CO<sub>2</sub>e figures are calculated using the WRI/WBCSD GHG Protocol Guidance available at the beginning of our financial year, the kWh/CO<sub>2</sub> conversion factor provided by energy suppliers, the relevant factors to the country of operation or the International Energy Agency, as applicable.
- 2020 baseline data, and data for the period ended 30 June 2021, have been restated in line with the WRI/WBCSD Greenhouse Gas Reporting Protocol and our own environmental reporting methodologies.

Δ Total GHG emissions ('000 tonnes CO<sub>2</sub>e), direct and indirect, is within PwC's independent limited assurance scope - see pages 112-116 of this ESG Reporting Index.

Our 2022 biogenic CO<sub>2</sub> emissions associated with the combustion of bioenergy in our direct operations were 271 ('000 tonnes CO<sub>2</sub>) and associated removals were 235 ('000 tonnes CO<sub>2</sub>). Other biological CO<sub>2</sub> emissions are approximated at 387 ('000 tonnes CO<sub>2</sub>).

Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.

305-03

**Other indirect  
(Scope 3) GHG  
emissions****Sources of Scope 3 GHG<sup>1</sup> emissions****Metric tonnes CO<sub>2</sub>e  
(fiscal 22)**

Purchased goods: raw materials	1,976,211
Purchased goods: packaging	2,009,758
Purchased goods: services	524,304
Capital goods	234,765
Fuel- and energy-related activities (not included in Scope 1 or 2)	19,324
Upstream transportation and distribution <sup>2</sup> (Category 4 Outbound logistics)	279,820 <sup>Δ</sup>
Upstream transportation and distribution (Category 4 Inbound Logistics)	240,289
Upstream/downstream transportation and distribution, (Categories 1-9, except outbound and inbound logistics)	121,216
Waste generated in operations	25,876
Use of sold products (chillers/refrigeration)	237,025
End of Life treatment of sold product	35,056
Business travel	0
Employee commuting	11,402

1. The principal greenhouse gases are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs).

2. The latest industry standards and best practices were included in the reporting to establish the most complete, consistent and accurate GHG footprint as required by the GHG protocol. The Scope 3 report of the baseline is now 4.6 million tCO<sub>2</sub>e.

Δ PwC was engaged to provide limited assurance of this figure in our Scope 3 Logistics GHG Report for the year ended 30 June 2021. This figure has been reproduced here.

Our total fleet miles travelled during the year was 89,878,298.

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued



## EMISSIONS continued

Disclosure		Our response																												
305-04	<b>GHG emissions intensity</b>	<p>The market-based (net) intensity ratio of our GHG emissions was 106g<sup>Δ</sup> CO<sub>2</sub>e per litre of packaged product (2021: 122g/l) and the location-based (gross) intensity ratio of our GHG emissions was 168g<sup>Δ</sup> CO<sub>2</sub>e per litre of packaged product (2021: 175g/l).</p> <p>Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.</p> <p>Δ Within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.</p>																												
305-05	<b>Reduction of GHG emissions</b>	<p>This year we reduced GHG emissions by 5.3%<sup>Δ</sup> compared with fiscal 21. For more details, see page 40 of our Annual Report. For reporting methodologies, see pages 90-110 of this ESG Reporting Index.</p> <p>Δ Within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.</p>																												
305-06	<b>Emissions of ozone-depleting substances (ODS)</b>	<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><b>Ozone-depleting substances and fluorinated gases</b></p> <table><tr><th></th><th>Present (kg)</th><th>Emitted (kg)</th><th>Emissions CO<sub>2</sub>e (tonnes)</th></tr><tr><td>Halons</td><td>0</td><td>0</td><td>0</td></tr><tr><td>CFC</td><td>4</td><td>0</td><td>0</td></tr><tr><td>HCFC</td><td>2,488</td><td>600</td><td>1,085</td></tr><tr><td>HFC</td><td>15,095</td><td>1,142</td><td>2,214</td></tr><tr><td>SF<sub>6</sub></td><td>11</td><td>0</td><td>0</td></tr><tr><td>PCC</td><td>1</td><td>0</td><td>0</td></tr></table>		Present (kg)	Emitted (kg)	Emissions CO <sub>2</sub> e (tonnes)	Halons	0	0	0	CFC	4	0	0	HCFC	2,488	600	1,085	HFC	15,095	1,142	2,214	SF <sub>6</sub>	11	0	0	PCC	1	0	0
	Present (kg)	Emitted (kg)	Emissions CO <sub>2</sub> e (tonnes)																											
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PCC	1	0	0																											
305-07	<b>Nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and other significant air emissions</b>	<p>The use of fuel and the distillation of alcohol generate emissions that have impacts on the environment. In 2022, we emitted 630 tonnes of nitrogen oxides (NO<sub>x</sub>) and 373 tonnes of sulphur oxides (SO<sub>x</sub>). NO<sub>x</sub> and SO<sub>x</sub> are calculated based on fuel usage and standard emission factors. A small number of sites have NO<sub>x</sub> and SO<sub>x</sub> air emissions associated with the roasting and kilning of cereals. These emissions are measured but are minimal to our overall total NO<sub>x</sub> and SO<sub>x</sub> levels, which remain low compared with background NO<sub>x</sub> and SO<sub>x</sub> data.</p> <p><b>NO<sub>x</sub> and SO<sub>x</sub> emissions by year (tonnes)</b></p> <table><tr><th></th><th>2020</th><th>2021</th><th>2022</th></tr><tr><td>NO<sub>x</sub></td><td>880</td><td>418</td><td>630</td></tr><tr><td>SO<sub>x</sub></td><td>810</td><td>196</td><td>373</td></tr></table>		2020	2021	2022	NO <sub>x</sub>	880	418	630	SO <sub>x</sub>	810	196	373																
	2020	2021	2022																											
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## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## WASTE

103-02	Our management approach to waste	103-03	Evaluation of the management approach
	<p>As with most products, making alcoholic drinks has the potential to generate waste at many stages of the product lifecycle. If left unmanaged, waste from our operations and supply chain has the potential to create negative environmental and social impacts, including contributing to greenhouse gas emissions, air pollution, biodiversity loss and harm to human health. Given these risks, waste is seen as a material issue for us and, like other material ESG topics, accountability for waste-related impacts sits with our Executive Committee.</p> <p>As part of our Society 2030: Spirit of Progress plan, we have committed to achieving zero waste in our direct operations and zero waste to landfill in our supply chain by 2030. Indeed, many of our Society 2030 targets contribute to minimising waste: see the Become sustainable by design section of our <a href="#">website</a> for an overview of waste and packaging-related targets and of our strategy supporting minimising waste in our operations and supply chain.</p> <p>We monitor waste streams, promoting awareness of the need to increase resource efficiency. To minimise the waste we send to landfill, we work with certified waste handlers and, together, operate a hierarchy of actions: omit, reduce, reuse, recycle and dispose. We monitor levels of waste recycling and waste-to-energy recovery.</p> <p>We engage with our suppliers and encourage them to set a zero waste target across their own operations, which is stipulated within our <a href="#">Partnering with Suppliers Standard</a>.</p> <p>For information about our performance against our waste-related targets, see page 38 of our Annual Report. For more information about our waste minimisation initiatives, see pages 30-31 of our Annual Report, our <a href="#">website</a> and our <a href="#">Environment Policy</a>.</p>		<p>Our performance against our Society 2030: Spirit of Progress targets, including those that contribute to waste minimisation, are reported on a monthly and quarterly basis. Performance is reviewed at market, regional and global level by market and regional leadership teams throughout the business, as well as at our quarterly 2030 Grain-to-Glass Strategic Business Review (SBR) meetings. Compliance with our Environment Policy is measured and monitored at quarterly Supply Chain and Procurement Environmental Compliance reviews, managed by our Governance function.</p> <p>Our <a href="#">Partnering with Suppliers Standard</a> sets out our expectations for suppliers, which includes our zero waste-to-landfill commitment. For suppliers under contract, we have also included wording in our standard templates to drive the right conversations and actions against the target. We are evolving our approach with suppliers so that we understand the waste in their operations and can collaborate with them to minimise it.</p> <p>See our Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how we measure and report on our waste-related targets.</p>

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## WASTE continued

Disclosure		Our response
306-1	<b>Waste generation and significant waste-related impacts</b>	<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 obviating 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 and/or in valorisation processes.</p> <p>The most significant waste-related impacts associated with our upstream supply chain originate from growing the raw materials that make our products. And there are significant waste-related impacts associated with our downstream supply chain – that is, the disposal of our products and packaging after use.</p> <p>See GRI 306-02 below and our Annual Report for information about our strategy to minimise upstream waste, including how we partner with our suppliers to carry out regenerative agriculture techniques. Downstream, we try to minimise waste and waste-related impacts through circular-economy initiatives, such as our EcoSpirits solution in South East Asia, for example.</p>
306-2	<b>Management of significant waste-related impacts</b>	<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 <a href="#">website</a> and page 38 of our Annual Report for information about the strategy, targets and performance that contribute towards us becoming sustainable by design.</p> <p>We work with third parties to manage the waste that is created when producing and manufacturing our products. We do waste traceability assessments on third parties to make sure they are managing waste in line with our contractual agreement and government legislation. 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, though we will continue to apply the same circularity principles.</p> <p>This year, we have delivered various initiatives to develop recycling infrastructure in communities where we make and sell products. In Ghana, for example, we are piloting a post-consumer plastics collection solution and, along the Tisza River in Eastern Europe, we have partnered with Plastic Cup to develop capacity in waste collection, processing and recycling.</p>

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued

## WASTE continued

Disclosure	Our response			
306-3	Waste generated	Total weight of waste by type and disposal method (tonnes) <sup>1</sup>		
		Total waste to landfill	Total waste used or recycled	Total waste
		26	133,861	133,887
		1	363,561	363,562
		6	351,703	351,709
		0	3,781	3,781
		135	130,983	131,118
		168 <sup>A</sup>	983,889	984,057

Δ Within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.

Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.

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

	Hazardous waste to landfill	Hazardous waste used or recycled	Total hazardous waste
North America	60	1,055	1,115
Europe and Turkey	24	628	652
Africa	0	598	598
Latin America and Caribbean	0	151	151
Asia Pacific	6	117	123
<b>Total</b>	<b>90</b>	<b>2,549</b>	<b>2,639</b>

**Waste by composition, in metric tonnes (t)<sup>1</sup>**

	Waste diverted from disposal (used or recycled)	Waste directed to disposal (landfill)	Total waste generated
Co-products spent grains	749,848	0	749,848
Solid waste	231,402	168	231,570
Hazardous waste	2,549	90	2,639
<b>Total</b>	<b>983,799</b>	<b>258</b>	<b>984,057</b>

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

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued



## WASTE continued

Disclosure		Our response																																																				
306-4	Waste diverted from disposal	<div>Waste diverted from disposal by recovery operation, in metric tonnes (t)<sup>1</sup></div> <table><thead><tr><th></th><th>Total waste generated</th><th>Waste diverted from disposal (used or recycled)</th><th>Waste directed to disposal (landfill)</th></tr></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>2,639</td><td>2,549</td><td>90</td></tr><tr><td>Other recovery operations</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>2,639</td><td>2,549</td><td>90</td></tr><tr><td colspan="4">Non-hazardous waste</td></tr><tr><td>Preparation for reuse</td><td>749,848</td><td>749,848</td><td>0</td></tr><tr><td>Recycling</td><td>231,402</td><td>231,402</td><td>0</td></tr><tr><td>Other recovery operations</td><td>168</td><td>0</td><td>168</td></tr><tr><td>Total</td><td>981,418</td><td>981,250</td><td>168</td></tr><tr><td colspan="4">Waste prevented</td></tr><tr><td>Total</td><td></td><td>981,250</td><td></td></tr></tbody></table> <div>1. This information is collected both by us and by our waste disposal contractors.</div>		Total waste generated	Waste diverted from disposal (used or recycled)	Waste directed to disposal (landfill)	Hazardous waste				Preparation for reuse	0	0	0	Recycling	2,639	2,549	90	Other recovery operations	0	0	0	Total	2,639	2,549	90	Non-hazardous waste				Preparation for reuse	749,848	749,848	0	Recycling	231,402	231,402	0	Other recovery operations	168	0	168	Total	981,418	981,250	168	Waste prevented				Total		981,250	
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Total		981,250																																																				
306-5	Waste directed to disposal	<div>Waste directed to disposal by disposal operation, in metric tonnes (t)<sup>1</sup></div> <table><thead><tr><th></th><th>Onsite</th><th>Offsite</th><th>Total</th></tr></thead><tbody><tr><td colspan="4">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>232</td><td>232</td></tr><tr><td>Landfilling</td><td>0</td><td>90</td><td>90</td></tr><tr><td>Other disposal operations</td><td>0</td><td></td><td></td></tr><tr><td>Total</td><td>0</td><td>322</td><td>322</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>207</td><td>207</td></tr><tr><td>Landfilling</td><td>0</td><td>168</td><td>168</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>375</td><td>375</td></tr></tbody></table> <div>1. This information is collected both by us and by our waste disposal contractors.</div>		Onsite	Offsite	Total	Hazardous waste				Incineration (with energy recovery)	0	0	0	Incineration (without energy recovery)	0	232	232	Landfilling	0	90	90	Other disposal operations	0			Total	0	322	322	Non-hazardous waste				Incineration (with energy recovery)	0	0	0	Incineration (without energy recovery)	0	207	207	Landfilling	0	168	168	Other disposal operations	0	0	0	Total	0	375	375
	Onsite	Offsite	Total																																																			
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Total	0	375	375																																																			

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued



## SUPPLIER ENVIRONMENTAL ASSESSMENT

103-02	<b>Our management approach to supplier environmental assessment</b>	103-03	<b>Evaluation of the management approach</b>
	<p>We work with suppliers on environmental issues through our climate change and water security supply chain programmes with CDP, and on implementing our sustainable agriculture strategy. We have held detailed reviews with our largest suppliers about their carbon and water performance and developed specific action plans around areas for improvement.</p> <p>This year we shared supplier profile data and feedback that highlights areas of improvement with participating suppliers. To develop our engagement with participating suppliers, in support of our <a href="#">Society 2030: Spirit of Progress</a> Scope 3 emissions reductions target, we have developed supplier questionnaires that include a suite of KPIs relating to climate change and water security.</p> <p>Through our climate change questionnaire, our suppliers are assessed on their transparency, their ability to report Scope 1 and 2 emissions data, what 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 supply chain and Scope 3 emissions.</p> <p>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 their supply chain.</p> <p>Our Procurement function reviews suppliers' environmental performance across the programmes and the KPIs outlined above.</p> <p>We track progress throughout the year and expect suppliers to take action on areas identified for improvement.</p> <p>For more details on our approach to environmental management with suppliers, see our <a href="#">Partnering with Suppliers Standard</a>.</p>		<p>Environmental performance is reviewed by the Procurement function, which reports to the 2030 Grain-to-Glass Strategy Business Review (SBR) team, which meets quarterly. We develop mitigation and improvement activities as appropriate.</p>

## Topic-specific standards

## GRI 300: ENVIRONMENTAL continued



## SUPPLIER ENVIRONMENTAL ASSESSMENT continued

Disclosure		Our response
308-01	 <b>New suppliers that were screened using environmental criteria</b>	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 improvement programmes. We review certain industries that have the greatest impact on carbon. We use an Industrial Water Impact Matrix, which prioritises those industries with greatest impact on water. This data is provided directly by CDP.
308-02	 <b>Negative environmental impacts in the supply chain and actions taken</b>	<p>We have identified a variety of environmental impacts associated with our supply chain. Some, such as climate change through GHG emissions, are relevant to the majority of our suppliers. Other impacts, such as on biodiversity, are most relevant to our agricultural raw material suppliers. Because of its wider relevance, 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 2021 the average Diageo supplier responded to more than six different customers.</p> <p><b>Carbon</b></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 2021, we identified 293 that account for our biggest global spend 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 293 suppliers, 74% responded to the CDP climate-change questionnaire.</p> <p>Some 57% of suppliers are able to report their Scope 1 and 2 emissions data, a decrease of 21% from the previous year. Some 45% of suppliers have carbon reduction initiatives in place, with 39% having set a carbon-reduction target. And 39% of suppliers have started their transition to renewable energy, while 41% 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 to complete their climate-change disclosures and to identify 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 KPIs to help benchmark their performance and guide them to make improvements to reach the next level of each indicator.</p> <p><b>Water</b></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 2021 calendar year we asked 245 of our largest suppliers to disclose their water management practices. Of the 65% of suppliers that responded, 24% reported having a water-related usage target. Some 62% of suppliers are able to report their operational risk, while 42% can provide water accounting data. Meanwhile, 44% of suppliers have water integrated into their governance structures and 45% are engaging their own supply chains on water reduction.</p> <p>In 2018 we carried out water risk assessments 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.</p> <p>Please see more information about the assessments performed in the Reporting boundaries and methodologies section in this ESG Reporting Index on pages 90-110.</p>

## Topic-specific standards

## GRI 400: SOCIAL

## EMPLOYMENT

103-02	Our management approach to employment	103-03	Evaluation of the management approach
	<p>We are committed to providing a safe and healthy working environment for all our people. We also strive to create an inspiring work environment, where talent is nurtured, developed and rewarded. We promote an inclusive culture where our employees feel secure, respected and valued for their contribution.</p> <p>For more details, see the Our people section of our Annual Report on page 18 and the Our inclusive culture page on our <a href="#">website</a>.</p> <p>We abide by all local labour laws and regulations and expect our suppliers to do the same. Above and beyond that we have our own policies for employees (<a href="#">Human Rights Global Policy</a>) and for suppliers (<a href="#">Partnering with Suppliers Standard</a>).</p>		<p>We measure employee engagement as one of our overarching KPIs, as set out in our Annual Report on page 18, using our annual employee Your Voice survey. Based on the outcomes of this survey and our ongoing engagement programmes, each team develops its own action plan to improve employee engagement and satisfaction.</p> <p>Our Human Resources team routinely reviews our policies and standards to ensure they are sufficiently rigorous and will continue to strengthen our reputation as an employer. This helps us retain our employees while also attracting new people to the business.</p> <p>During the pandemic, an employee pulse survey tool helped to strengthen the employee voice on topics such as health and wellbeing, helping us in our duty of care at this difficult time.</p>



## Topic-specific standards

## GRI 400: SOCIAL continued

## EMPLOYMENT continued

Disclosure

401-01

New employee hires and employee turnover

Our response

Employee turnover in 2022 was 17.1%, a result of voluntary departures of 11.6% and involuntary departures of 5.5% stemming mainly from organisational changes and one-off disposals in certain areas of the business.

We employ 27,987 people around the world. In fiscal 22, we hired 6,389 employees, which included strategic investments in key growth priorities and markets for the business.

**New hires by region by age<sup>1</sup>**

Region	Under 30	30-50	Over 50	Total	Percentage of headcount %
North America	173	274	46	493	15.0
Europe and Turkey	640	829	99	1,568	14.6
Africa	210	304	4	518	12.5
Latin America and Caribbean	877	887	87	1,851	43.2
Asia Pacific	651	1,284	24	1,959	35.4
<b>Total</b>	<b>2,551</b>	<b>3,578</b>	<b>260</b>	<b>6,389</b>	<b>22.8</b>
Percentage of total new hires	39.9%	56.0%	4.1%	22.8%	

**New hires by region by gender<sup>1</sup>**

Region	Men	Women	Total	Percentage of headcount %
North America	317	175	493	15.0
Europe and Turkey	767	796	1,568	14.6
Africa	232	286	518	12.5
Latin America and Caribbean	1,216	635	1,851	43.2
Asia Pacific	1,098	859	1,959	35.4
<b>Total</b>	<b>3,630</b>	<b>2,751</b>	<b>6,389</b>	<b>22.8</b>
Percentage of total new hires	56.8%	43.1%	22.8%	

**Leavers by region by age<sup>1</sup>**

Region	Under 30	30-50	Over 50	Total	Percentage of headcount %
North America	112	177	84	373	11.3
Europe and Turkey	281	735	319	1,335	12.4
Africa	124	491	64	679	16.4
Latin America and Caribbean	396	473	40	909	21.2
Asia Pacific	291	920	269	1,480	26.8
<b>Total</b>	<b>1,204</b>	<b>2,796</b>	<b>776</b>	<b>4,776</b>	<b>17.1</b>
Percentage of total new hires	25.2%	58.5%	16.2%	17.1%	

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/temporary.

## Topic-specific standards

## GRI 400: SOCIAL continued

## EMPLOYMENT continued

Disclosure		Our response																																								
401-01 continued	<b>New employee hires and employee turnover</b> continued	<b>Leavers by region by gender<sup>1</sup></b> <table><tr><th>Region</th><th>Men</th><th>Women</th><th>Total</th><th>Percentage of headcount %</th></tr><tr><td>North America</td><td>245</td><td>119</td><td>373</td><td>11.3</td></tr><tr><td>Europe and Turkey</td><td>736</td><td>594</td><td>1,335</td><td>12.4</td></tr><tr><td>Africa</td><td>460</td><td>219</td><td>679</td><td>16.4</td></tr><tr><td>Latin America and Caribbean</td><td>634</td><td>275</td><td>909</td><td>21.2</td></tr><tr><td>Asia Pacific</td><td>900</td><td>580</td><td>1,480</td><td>26.8</td></tr><tr><td><b>Total</b></td><td><b>2,975</b></td><td><b>1,787</b></td><td><b>4,776</b></td><td><b>17.1</b></td></tr><tr><td>Percentage of total leavers</td><td>2.3%</td><td>37.4%</td><td>17.1%</td><td></td></tr></table> <p>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/temporary.</p> <p>For total workforce by employees and supervised workers, and by gender, see GRI 2-7 and the Our people section of the Annual Report on page 18.</p>	Region	Men	Women	Total	Percentage of headcount %	North America	245	119	373	11.3	Europe and Turkey	736	594	1,335	12.4	Africa	460	219	679	16.4	Latin America and Caribbean	634	275	909	21.2	Asia Pacific	900	580	1,480	26.8	<b>Total</b>	<b>2,975</b>	<b>1,787</b>	<b>4,776</b>	<b>17.1</b>	Percentage of total leavers	2.3%	37.4%	17.1%	
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401-02	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b>	<p>Benefits provided to employees vary across the countries where we do business. In the United Kingdom, for example – which makes up 17% 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 for their grade/location regardless of the number of hours worked. In the United States and Canada – which make up 11% of our global employee base – non-unionised employees who work less 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 for their grade/location regardless of the number of hours worked.</p> <p><b>Omissions:</b> list of benefits, details across all locations.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> benefit packages are provided according to in-country guidelines, to ensure we capitalise on local knowledge and remain competitive. We do not collate this information for a single statement currently.</p>																																								
401-03	<b>Parental leave</b>	<p>We comply with all local legislation in our provision of parental 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 198,924 days of parental leave used by our employees this year. The number of men taking advantage of this policy increased from 561 in fiscal 21 to 654, showing the positive impact of the policy.</p> <p><b>Number of employees taking parental leave and average number of days taken by gender</b></p> <table><tr><th></th><th>Men</th><th>Women</th><th>Total</th></tr><tr><td>Number of employees taking parental leave</td><td>654</td><td>905</td><td>1,712</td></tr><tr><td>Average days of parental leave taken in the year</td><td>87</td><td>140</td><td>116</td></tr></table>		Men	Women	Total	Number of employees taking parental leave	654	905	1,712	Average days of parental leave taken in the year	87	140	116																												
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## Topic-specific standards

## GRI 400: SOCIAL continued

## LABOUR/MANAGEMENT RELATIONS

103-02	Our management approach to labour/ management relations	103-03	Evaluation of the management approach
	<p>We have a strong commitment to dialogue with all our people, including those who are represented through a trade union or works council. Our Human Resources team builds relationships with these groups where they exist and is encouraged to involve employee representatives early in business decisions to give them an opportunity to contribute to key issues.</p> <p>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.</p> <p>Dedicated training modules that cover our <a href="#">Code</a> and Dignity at Work help uphold our commitment to treating employees with respect and integrity. As outlined in our <a href="#">Partnering with Suppliers Standard</a>, we expect our suppliers to adhere to these principles.</p> <p>More information can be found in our <a href="#">Human Rights Global Policy</a>.</p>		<p>We measure employee engagement as one of our overarching KPIs, as set out in our Annual Report on page 18, using our annual employee Your Voice survey. Based on the outcomes of this survey and our ongoing engagement programmes, each team develops its own action plan to improve employee engagement and satisfaction.</p> <p>Our Human Resources team routinely reviews our policies and standards to ensure they are sufficiently rigorous and will continue to strengthen our reputation as an employer. This helps us retain our employees while also attracting new people to the business.</p> <p>During the pandemic, an employee pulse survey tool helped to strengthen the employee voice on topics such as health and wellbeing, helping us in our duty of care at this difficult time.</p>

Disclosure	Our response
402-01	<p><b>Minimum notice periods regarding operational changes</b></p> <p>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 impacted 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.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## OCCUPATIONAL HEALTH AND SAFETY

103-02	<p><b>Our management approach to occupational health and safety</b></p> <p>We maintain best practice global risk management standards 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.</p> <p>Each location is required to:</p> <ul style="list-style-type: none"> <li>● Assure compliance with our global standards</li> <li>● Undergo regular formal corporate independent assurance audits</li> <li>● Maintain and assure legal compliance assessment processes</li> <li>● Train employees in hazard identification and incident reporting</li> <li>● Track actions robustly, including learning from incidents and identified hazards (unsafe behaviours and conditions).</li> </ul> <p>For more details, see our Global <a href="#">Health, Safety and Wellbeing Policy</a>.</p> <p>Our occupational health and safety targets include:</p> <ul style="list-style-type: none"> <li>● Achieving a leading Total Recordable Accident Frequency Rate (TRAFFR) of less than 3.5 per 1,000 people</li> <li>● Achieving less than one Lost-time Accident (LTA) per 1,000 employees and no fatalities.</li> </ul>	103-03	<p><b>Evaluation of the management approach</b></p> <p>Occupational health and safety is monitored continually and reviewed by site, market and global functional teams. We report our KPIs to the Supply Chain Leadership team every month.</p> <p>Performance trends are monitored closely and intervention activities – such as capability building and improvements to processes with associated investments in systems, technology, assets and resources – are implemented as required.</p> <p>For more information about how we measure and report on our health and safety data, see the Reporting boundaries and methodologies section on pages 90-110 of this ESG Reporting Index.</p>
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Disclosure	Our response
<p>403-01</p> <p><b>Occupational health and safety management system</b></p>	<p>We implement our Occupational Health and Safety Management System through a robust audit assurance programme and by adhering to our risk management standards.</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>
<p>403-02</p> <p><b>Hazard identification, risk assessment and incident investigation</b></p>	<p>Through an extensive risk management programme, as well as compliance with 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 enables us to identify and rectify unsafe conditions or behaviours as well as recognise positive behaviours. Through our global <a href="#">Health, Safety and Wellbeing Policy</a>, 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>

## Topic-specific standards

## GRI 400: SOCIAL continued




## OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response
403-03	<b>Occupational health services</b>	<p>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.</p> <p>Internal data protection and privacy policies and national regulations apply to recording or disclosing occupational health-related incidents, making sure that workers' participation in occupational health services is not used in any favourable or unfavourable treatment of workers.</p>
403-04	<b>Worker participation, consultation and communication on occupational health and safety</b>	<p>Our global risk management standards (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>In April 2022 we updated our global Covid-19 protocols and processes, including removing and adjusting some previous guidelines. Given the varying impacts of Covid-19 around the world, we recognise that government requirements and restrictions differ significantly by country – and should always be adhered to. There are some areas where we may continue to use Diageo-specific or enhanced measures to protect our employees and business. We continue to update the dedicated Covid-19 area of our Mosaic intranet site with information and supporting links that outline our updated protocols and processes. If employees have questions or concerns, they can flag those to their line manager or their HR manager. 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>This year we refreshed our health and safety vision, aiming to create a world-class, high-performing health and safety culture – one where everyone, everywhere, is safer together when working on site, at home and on the road. Additionally, our dedicated health and safety Yammer page and health and safety channel on My Learning Hub, our internal learning management system, aims to improve health and safety communication and visibility across the end-to-end supply chain.</p>
403-05	<b>Worker training on occupational health and safety</b>	<p>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"> <li>● 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</li> <li>● 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 and competent internal and external trainers</li> <li>● Other subject-matter-expert training, delivered through video conferencing.</li> </ul>
403-06	<b>Promotion of worker health</b>	<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"> <li>● Our Benefits team facilitates non-occupational medical and healthcare services. We provide optional medical insurance, which is communicated to employees through internal communication channels</li> <li>● We offer an Employee Assistance Programme, as well as access to voluntary health promotion training courses on My Learning Hub, including those that promote positive drinking behaviours</li> <li>● We offer a Wellbeing channel on My Learning Hub, where employees will find the most up-to-date news and resources, and events. There are four sections covering mental, physical, social and financial wellbeing</li> <li>● Our Employee Engagement team runs health and wellbeing awareness capability weeks covering subjects including, for example, mental health, mindfulness techniques and nutrition.</li> </ul>

## Topic-specific standards

## GRI 400: SOCIAL continued

## OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response
403-07	 <b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>	We build core health and safety requirements and KPI deliverables 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 KPIs. 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 KPIs within the SLAs.
403-08	 <b>Workers covered by an occupational health and safety management system</b>	<p>All our employees must comply with the mandatory requirements of our <a href="#">Global Health, Safety and Wellbeing Policy</a>, 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>
403-09	 <b>Work-related injuries</b>	<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><b>Severe injury and fatality prevention</b></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><b>Accident rates</b></p> <p>We introduced a new, broader Total Recordable Accident Frequency Rate (TRA FR) metric in 2019, with the aim of achieving a leading TRA FR performance of lower than 3.5 per 1,000 people. This year, our global TRA FR target was successfully delivered with a rate of 2.18.</p> <p>Our global Lost-time Accident (LTA) frequency rate was 0.92<sup>Δ</sup>, a decrease of 10.6% compared with 2021. This means our overall global target of &lt;1 was achieved this year. In addition, the severity rate relating to accidents reduced by 13.9% globally. This rate is represented 84% by men and 16% by women. For rates by region and year since 2018, see the next page of this ESG Reporting Index.</p> <p>This year, there were no fatalities across our business.</p> <p>Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.</p> <p>Δ Within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure		Our response																																										
403-09 continued	Work-related injuries continued	<div>Safety data by region</div> <table><tr><th>Region</th><th>Employee LTA rate</th><th>TRA rate</th><th>Fatalities<sup>1</sup></th><th>Severity rate<sup>2</sup></th><th>Independent contractor LTAs<sup>3</sup></th></tr><tr><td>North America</td><td>1.85</td><td>4.33</td><td>0</td><td>14.43</td><td>1</td></tr><tr><td>Europe and Turkey</td><td>1.09</td><td>2.89</td><td>0</td><td>65.62</td><td>12</td></tr><tr><td>Africa</td><td>1.01</td><td>1.75</td><td>0</td><td>46.91</td><td>8</td></tr><tr><td>Latin America and Caribbean</td><td>0.61</td><td>3.44</td><td>0</td><td>2.42</td><td>4</td></tr><tr><td>Asia Pacific</td><td>0.59</td><td>1.17</td><td>0</td><td>6.95</td><td>2</td></tr><tr><td>Diageo (total)</td><td>0.92<sup>Δ</sup></td><td>2.18</td><td>0</td><td>32.38</td><td>27</td></tr></table>	Region	Employee LTA rate	TRA rate	Fatalities <sup>1</sup>	Severity rate <sup>2</sup>	Independent contractor LTAs <sup>3</sup>	North America	1.85	4.33	0	14.43	1	Europe and Turkey	1.09	2.89	0	65.62	12	Africa	1.01	1.75	0	46.91	8	Latin America and Caribbean	0.61	3.44	0	2.42	4	Asia Pacific	0.59	1.17	0	6.95	2	Diageo (total)	0.92 <sup>Δ</sup>	2.18	0	32.38	27
Region	Employee LTA rate	TRA rate	Fatalities <sup>1</sup>	Severity rate <sup>2</sup>	Independent contractor LTAs <sup>3</sup>																																							
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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, and the severity rate reduced by 13.9%. Introducing our total recordable accident metric means more accidents are investigated with the same rigour as LTAs, helping to prevent more serious injuries in the future.

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 112-116 of this ESG Reporting Index.

Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.

Lost-time accident frequency rate per 1,000 full-time employees<sup>1</sup>

Region	2018	2019	2020	2021	2022
North America	0.00	1.76	0.31	1.14	1.85
Europe and Turkey	1.58	1.00	1.03	2.44	1.09
Africa	1.35	1.22	0.36	0.25	1.01
Latin America and Caribbean	0.36	1.15	1.56	1.06	0.61
Asia Pacific	0.66	0.57	0.30	0.33	0.59
<b>Diageo (total)</b>	<b>1.00</b>	<b>0.98</b>	<b>0.60</b>	<b>1.03<sup>2</sup></b>	<b>0.92<sup>Δ</sup></b>

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


2. As a result of our performance in 2021, the LTA frequency rate trend was closely monitored by market and timely interventions implemented to deliver an improved performance.

Δ Within PwC's independent limited assurance scope - see pages 112-116 of this ESG Reporting Index.


## Topic-specific standards

## GRI 400: SOCIAL continued

## OCCUPATIONAL HEALTH AND SAFETY continued

Disclosure	Our response																																				
403-09 continued	<div><div><div>Work-related injuries continued</div><div><div>Types of injury (employee) %</div><div><table><tr><td>Slip/trip with fall</td><td>18%</td><td>Entanglement in moving machinery/parts</td><td>5%</td></tr><tr><td>Manual handling - lift, push, pull, repeated motion</td><td>13%</td><td>Chemical contact/splash</td><td>2%</td></tr><tr><td>Cut by knife/razor/other</td><td>12%</td><td>Fall to lower level &lt;2 metres</td><td>2%</td></tr><tr><td>Struck by moving/flying/falling object</td><td>10%</td><td>Fall to lower level &gt;2 metres</td><td>1%</td></tr><tr><td>Cut by glass</td><td>8%</td><td>No/inadequate procedure</td><td>1%</td></tr><tr><td>Slip/trip without fall</td><td>8%</td><td>Vehicle incident - FLT</td><td>1%</td></tr><tr><td>Crushed/pinched/trapped (caught in or between)</td><td>6%</td><td>Vehicle incident - Motor vehicle (car)</td><td>1%</td></tr><tr><td>Struck against</td><td>6%</td><td>Vehicle incident - other</td><td>1%</td></tr><tr><td>Contact with hot surface or liquid</td><td>5%</td><td></td><td></td></tr></table></div></div></div></div>	Slip/trip with fall	18%	Entanglement in moving machinery/parts	5%	Manual handling - lift, push, pull, repeated motion	13%	Chemical contact/splash	2%	Cut by knife/razor/other	12%	Fall to lower level <2 metres	2%	Struck by moving/flying/falling object	10%	Fall to lower level >2 metres	1%	Cut by glass	8%	No/inadequate procedure	1%	Slip/trip without fall	8%	Vehicle incident - FLT	1%	Crushed/pinched/trapped (caught in or between)	6%	Vehicle incident - Motor vehicle (car)	1%	Struck against	6%	Vehicle incident - other	1%	Contact with hot surface or liquid	5%		
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## Types of injury (contractor) %



Slip/trip with fall	31%	Fall to lower level <2 metres	6%
Manual handling - lift, push, pull, repeated motion	17%	Vehicle incident - FLT	5%
Struck by moving/flying/falling object	11%	Contact with hot surface or liquid	3%
Crushed/pinched/trapped (caught in or between)	8%	No/inadequate maintenance	3%
Cut by glass	8%	Struck against	2%
Cut by knife/razor/other	6%		

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. We are working to improve consistency of reporting for future disclosures.



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><b>Work-related ill health</b></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. Internal data protection and privacy policies and national regulations prevent the recording or disclosure of many communicable 'serious diseases', as defined in the GRI implementation guidance.</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. We're currently piloting a new work-related ill-health reporting system in the United Kingdom and Ireland with a view to expanding this in the future.</p> <p><b>Omissions:</b> data on work-related ill health at a global level.</p> <p><b>Reason:</b> information not available/incomplete.</p> <p><b>Explanation:</b> we do not collate data on work-related ill health at a global level.</p>
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Topic-specific standards


GRI 400: SOCIAL continued


TRAINING AND EDUCATION


103-02	<b>Our management approach to training and education</b>	103-03	<b>Evaluation of the management approach</b>
	<p>Training and education are central to our approach to developing our people. The cornerstone of our development initiatives is our Partners for Growth (P4G) performance management programme for all employees. We evaluate employees’ performance against annual objectives and identify where they may benefit from our extensive range of internal and external training programmes. Each function assesses its own training needs and is responsible for succession planning. As a result of these reviews, training is reviewed and developed in partnership with the Global Learning team. We also centrally develop and implement specific training to strengthen the leadership community.</p> <p>See GRI 404-02 for more detailed information.</p>		<p>The process for analysing the efficacy of our management approach to occupational training and education is well-established, with monthly reviews of take-up, including strategic initiatives. Our Learning Centre of Excellence is responsible for carrying out these assessments, monthly, and on an ad hoc basis. Where potential improvements are identified, these are translated into an action plan, which is implemented by HR directors and their market teams.</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-specific standards

## GRI 400: SOCIAL continued



## TRAINING AND EDUCATION continued

Disclosure		Our response
404-01	 <b>Average hours of training per year per employee</b>	<p>Our measurement control system enables markets to track and capture training hours of employees – from both global and local programmes – within our My Learning Hub system.</p> <p>This year the system recorded 506,758 hours in total, an average of 21.7 hours per employee, for the 23,400 employees recorded in the system. This represents an increase in learning hours per employee – from 20.7 in fiscal 21. Furthermore this represents an increase in productive training activity having implemented a decision to reduce the number of mandatory courses from five to one, as part of our Radical Liberation initiative.</p> <p>These figures exclude the bulk of training for our Supply team, which is currently recorded manually in employees' personnel files.</p> <p><b>Omissions:</b> training hours per employee, by gender.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> gender is a sensitive data field that is not included in our learning measurement systems. To protect the integrity of sensitive data, we collect it only when absolutely necessary. There is no current use case for learning and training data to be analysed by gender. Data is typically analysed and provided by region, management level or by topic.</p>
404-02	 <b>Programmes for upgrading employee skills and transition assistance programmes</b>	<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 learning and development that is relevant to them, simply and effectively. We will achieve this through our three core strategic pillars.</p> <p><b>1. Promote a continuous learning culture:</b> to facilitate personalised, micro-learning moments every day where individuals take ownership for their learning needs while line managers remain accountable for development conversations.</p> <p><b>2. Partner with the business to grow capability and performance:</b> to identify strategic capability requirements at both an organisational and local level to close the capability gap, by leveraging data-driven insight and working with pace and agility.</p> <p><b>3. Deliver fulfilling learning experiences:</b> we will reframe the purpose of learning, creating immersive and innovative multi-channel learning experiences that connect our global Diageo community to grow capability and performance.</p> <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 active coaching and mentorship and leadership development programmes such as Accelerate, which in 2020 was made available to all our leadership population.</p>
404-03	 <b>Percentage of employees receiving regular performance and career development reviews</b>	<p>In fiscal 22, 90.7% of our employees received regular performance reviews. Our annual performance review process is supported by a quarterly business planning process, encouraging more regular quality manager-and-employee conversations. Setting clear goals and discussing achievements is key for our people on a regular basis.</p> <p><b>Omissions:</b> data by gender.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> performance review processes, in many parts of the world (and especially in some of our Supply roles), are managed outside our HRIS platform. In some cases, markets will follow locally defined or required guidelines.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued



## DIVERSITY AND EQUAL OPPORTUNITY

103-02	Our management approach to diversity and equal opportunity	103-03	Evaluation of the management approach
	<p>We are committed to creating the most inclusive and diverse culture, not just because it's the right thing to do, but because we believe this commitment also allows us to recruit and retain the best employees, achieve better performance and have a greater impact on society.</p> <p>For more information about our approach to diversity and equal opportunity, see the Champion inclusion and diversity section of our Annual Report on pages 28-29. For more information about <a href="#">Society 2030: Spirit of Progress</a> inclusion and diversity goals and our performance against them this year, see the Sustainability performance section of our Annual Report on pages 35-38.</p> <p>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 global markets where we operate.</p> <p>We make it a priority to support our growing Employee Resource Groups, from our women's network (Spirited Women), to our Race, Ethnicity and Cultural Heritage group (REACH) and our LGBTQIA+ networks (Rainbow). These groups give employees the opportunity to support each other, while helping leaders better understand the barriers and concerns of diverse communities.</p> <p>Across our industry, manufacturing or STEM (science, technology, engineering, 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 apprenticeships, returnships and scholarships – and our annual graduate intake recruits 50% women.</p> <p>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 firmly believe 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 Creative Equals on a returner scheme to support women across the United Kingdom, North America and India to return to the industry following a career break.</p> <p>We're also committed to supporting people with career paths in hospitality, through Learning for Life and our Diageo Bar Academy, ensuring women are proportionately represented. And, by ensuring our supply chain 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, supporting them to reach accreditation with advocacy organisations by creating new opportunities within our business and other large businesses.</p>		<p>We have a number of inclusion and diversity goals, which we track each month, and which are reviewed by our Executive Committee each quarter.</p> <p>We have backed up our ambition by directly linking 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.</p> <p>For more information about our Society 2030: Spirit of Progress inclusion and diversity goals, and our performance against them this year, see the Our sustainability performance section of our Annual Report on pages 35-38.</p> <p>See, too, our Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index, which provide more information on how we track and calculate diversity and equal opportunity performance.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## DIVERSITY AND EQUAL OPPORTUNITY continued

Disclosure		Our response
405-01	 <b>Diversity of governance bodies and employees</b>	<p>Women comprise 44%<sup>Δ</sup> of top leadership roles across the company<sup>1</sup>, 38% of our Executive Committee and 64% of our Board. More employee profile information by gender is included in the Our people section of our Annual Report on page 18.</p> <p>We strive to cultivate a diverse leadership group, both in terms of nationality and ethnic background. To achieve this, we leverage international moves 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 111 different nationalities at Diageo.</p> <p><b>Omissions:</b> employee profile information by age and specific group.</p> <p><b>Reason:</b> not applicable.</p> <p><b>Explanation:</b> leadership is analysed in further detail in the Annual Report. Membership of other groups, such as those described above, is not typically analysed for additional insight.</p> <p>1. Top leadership positions in Diageo below our Executive Committee.  <sup>Δ</sup> Within PwC's independent limited assurance scope – see pages 112-116 of this ESG Reporting Index.</p> <p>Please refer to Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information about how data has been compiled, such as the standards, methodologies and assumptions used.</p>
405-02	 <b>Ratio of basic salary and remuneration of women to men</b>	<p><b>Omissions:</b> ratio of basic salary and remuneration of women to men.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> given the complexity of our operations, we don't currently collect this data at a global level. In 2017 the UK government introduced legislation on gender pay gap reporting, and in February 2022 we published our latest detailed gender pay analysis covering our UK businesses. The headline figure was a mean hourly pay gap of -12.4% – that is, on average, women earned 12.4% more than men.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## NON-DISCRIMINATION

103-02	Our management approach to non-discrimination	103-03	Evaluation of the management approach
	<p>All our employees have the right to expect that their human identity and dignity will be fully respected in the workplace, and we reject any form of discrimination.</p> <p>For more details on our approach to non-discrimination, please see our <a href="#">Human Rights Global Policy</a>.</p> <p>We hold our suppliers accountable to the values set out in our <a href="#">Human Rights Global Policy</a>, as described in our <a href="#">Partnering with Suppliers Standard</a>. This is a contractual requirement.</p> <p>During 2020 our markets rolled out local Dignity at Work policies. Our Dignity at Work policy sets out the responsibility of each of us to demonstrate the highest standards of personal integrity in our behaviour, in line with our values. Our Dignity at Work e-learning module is available in 20 languages and has been adapted in line with local legislation and cultures.</p>		<p>Employees and everyone we work with are entitled to human rights without discrimination.</p> <p>We evaluate this through internal review and in response to feedback received through formal, external processes. Our evaluation includes input from SpeakUp data and from other engagement mechanisms.</p> <p>Any confirmed breach of our Dignity at Work policy is taken seriously and followed up with appropriate disciplinary measures. These are determined by 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.</p>

Disclosure	Our response
<p>406-01</p> <p><b>Incidents of discrimination and corrective actions taken</b></p>	<p><b>Operations</b></p> <p>We have measures in place to monitor and manage any allegations, and we raise awareness among our employees through various function-wide and local programmes and our Dignity at Work policy.</p> <p>This year 49 discrimination and harassment allegations were raised via SpeakUp. At the time of publication, six cases were substantiated and relate to individuals not displaying the leadership behaviours we expect, resulting in discrimination against employees. We have implemented disciplinary action to address the concerns.</p> <p><b>Suppliers</b></p> <p>Our review of all high-risk supplier audits found 11 issues of non-compliance related to the category of discrimination. Six issues have been identified relating to having no discrimination policy in place, one relating to discriminatory systems in hiring practices, one to not having clear information about opportunities for training communicated to workforce, one to having no policy on wages and transparency in remuneration as required by law, one to gender discrimination in hiring and recruitment practices, and one to age discrimination (post-recruitment) in workplace training, promotion or pay.</p> <p>At the time of publication, 10 of the issues of non-compliance had been verified as closed. We're following up with suppliers as part of their corrective action plans to make sure the other issue is resolved. During fiscal 21, we had 15 non-compliances raised – four more than this year.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

103-02	<p><b>Our management approach to freedom of association and collective bargaining</b></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 <a href="#">Human Rights Global Policy</a>. We also expect this of our suppliers, as outlined in our <a href="#">Partnering with Suppliers Standard</a>. 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. For more details, see the Human Rights section of our <a href="#">Partnering with Suppliers Standard</a>.</p>	103-03	<p><b>Evaluation of the management approach</b></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 <a href="#">SpeakUp</a> or other engagement mechanisms.</p> <p>For more details, see our <a href="#">Human Rights Global Policy</a>.</p>
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Disclosure	Our response
407-01	<p><b>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</b></p> <p><b>Operations</b></p> <p>In 2022, 47.1% of our employees were covered by collective bargaining agreements, including Ypióca, Brazil and Don Julio, Mexico (two additional groups not included in the fiscal 21 report). We're not aware of any operations that have violated, or are at significant risk of violating, people's rights to exercise freedom of association and collective bargaining. We will investigate allegations as and when they come up, and will take appropriate remedial action, involving relevant local agencies as appropriate.</p> <p><b>Suppliers</b></p> <p>Our review of all high-risk supplier audits found 66 issues of non-compliance related to the category of freedom of association and collective bargaining, 38 to issues relating to the effectiveness and transparency of worker committees/representatives or trade unions, 19 to the lack of a worker committee/representatives, five to the lack of a formal policy about freedom of association and right to collective bargaining, three to issues concerning collective bargaining agreements, and one to lack of policy/procedures covering effective worker management communications.</p> <p>At the time of publication, 43 of the issues of non-compliance had been verified as closed. We're following up with suppliers as part of their corrective action plans to make sure the other issues are resolved. During fiscal 21, we had 65 non-compliances raised – one fewer than this year.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## CHILD LABOUR

103-02	Our management approach to child labour	103-03	Evaluation of the management approach
	<p>We act in line with the United Nations Guiding Principles on Business and Human Rights. Details of our approach are set out in our <a href="#">Human Rights Global Policy</a>, which is also informed by the Children's Rights and Business Principles. We do not permit exploitation of children by our employees, or by our suppliers or business partners.</p> <p>We have identified child labour as a potential risk within our agricultural supply chains, particularly in Africa.</p> <p>To address this, we developed a child protection toolkit to educate our own people on the risks to children's safety of working on smallholdings farms, including what activities are unacceptable and pose a risk to their development. The toolkit arms them with the knowledge to identify and prevent any form of child labour.</p> <p>We build similar awareness with 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.</p>		<p>Our due diligence approach focuses on child labour, which is one of the areas that our human rights impact assessments (HRIA) investigate.</p> <p>Through our assessments or 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).</p> <p>We have reviewed higher-risk areas of our supply network and are not aware of any operations that have significant risks concerning issues related to child labour. We will investigate allegations as and when they come up, and take remedial action, involving relevant local agencies as appropriate.</p> <p>We have developed a child protection toolkit as described in GRI 103-02. This toolkit increases awareness of the risks faced by children on family farms and supports greater protection. We will continue to assess the risk through our own farm visits and additional reviews. Our market risk management committees and our global human rights steering group are accountable for reviewing this activity as part of our enterprise risk management process. Find more details of our human rights governance process on our <a href="#">website</a>.</p>

Disclosure	Our response
<p>408-01</p> <p><b>Operations and suppliers at significant risk for incidents of child labour</b></p>	<p>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.</p> <p>Our review of all high-risk supplier audits raised 35 issues of non-compliance under the category of children and young workers. Twelve issues relate to the lack of a formal policy at the supplier's facility in relation to child labour or underage labour, minimum age and recruitment processes, 13 to the lack or inadequate records or processes in place to verify workers' age, nine to the absence of childcare facilities provided, and one to having no contracts for young workers signed by a parent or legal guardian as per legal requirements.</p> <p>At the time of publication, 24 issues of non-compliance had been verified as closed. We are following up with the suppliers as part of their corrective action plans to ensure the other issues are resolved. During fiscal 21, we had 58 non-compliances raised – 23 more than this year.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## FORCED OR COMPULSORY LABOUR

103-02	Our management approach to forced or compulsory labour	103-03	Evaluation of the management approach
	<p>Details of our approach to forced or compulsory labour are set out in our <a href="#">Human Rights Global Policy</a>.</p> <p>Through our human rights impact assessments (HRIAs), 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.</p> <p>If any allegations are reported, we will investigate and take remedial action, involving relevant local agencies as appropriate.</p> <p>More details are included in our submission in the United Kingdom under the <a href="#">Modern Slavery Act</a>.</p>		<p>Having completed comprehensive HRIAs in each of our markets to identify the most salient human rights risks for our business and supply chain, we have started to embed the findings and recommendations into our routine enterprise risk management processes.</p> <p>This will make sure our interventions are sustainable and let us track emerging risks on an ongoing basis. We also use the lessons we've learnt to inform our continuous improvement.</p> <p>Our human rights steering group is accountable for setting our human rights governance framework and monitoring its effectiveness. Find more details of our human rights governance process on our <a href="#">website</a>.</p>


Disclosure	Our response
<p>409-01</p> <p><b>Operations and suppliers at significant risk for incidents of forced or compulsory labour</b></p>	<p>Our due diligence approach focuses on the risk of forced and compulsory labour, which is investigated by our HRIAs.</p> <p><b>Operations</b></p> <p>We're not aware of any operations that have significant risks related to forced or compulsory labour. We will investigate allegations as and when they occur, and take remedial action, involving relevant local agencies as appropriate.</p> <p><b>Suppliers</b></p> <p>Our review of all high-risk supplier audits raised 19 issues of non-compliance related to the SMETA audit section Employment is freely chosen. Six of these issues relate to the lack of a formal policy at the supplier's facility on employment freely chosen (no forced, bonded or involuntary prison labour), three to the practice of compulsory overtime, two to unreasonable delays in payments to workers when they leave, two incidents of restricted toilet and rest breaks, two to workers not being able to freely retrieve original papers or passports retained by the employer or agent by law, one to workers paying recruitment fees to meet local law, one to pay or benefits dependent on working a set period of time, and two to deductions from workers' wages for work-related items or required monetary deposits that take wages below minimum.</p> <p>We have followed up with the relevant suppliers with corrective action plans. At the time of publication, 10 of these issues of non-compliance had been verified as closed. During fiscal 21, we had 14 non-compliances raised – five fewer than this year.</p>

## Topic-specific standards


## GRI 400: SOCIAL continued

## SECURITY PRACTICES

103-02	Our management approach to security practices	103-03	Evaluation of the management approach
	<p>Our <a href="#">Corporate Security Policy</a> 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 standards and guidelines detailing the minimum that every market and site must adhere to.</p> <p>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 other local requirements.</p> <p>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.</p> <p>We take a risk-based approach to security, with a global programme to identify and assess risks and produce mitigation plans. We review security risks routinely and communicate with our people around the world to raise awareness.</p>		<p>Market adherence to Corporate Security policies and standards is continually monitored through Corporate Security reviews and audits, as well as other internal mechanisms such as audit by Global Audit and Risk. Any adverse findings are recorded and their remediation tracked.</p> <p>Global Corporate Security policies and standards are also subject to regular review – and all updates or adjustments are communicated clearly to markets and sites.</p> <p>The Corporate Security team regularly benchmarks with other multinationals. It also liaises closely with government security experts through its membership of organisations such as the UK government's Centre for the Protection of National Infrastructure, the US State Department's Overseas Security Advisory Council and the International Security Management Association.</p>

Disclosure	Our response
410-01  <b>Security personnel trained in human rights policies or procedures</b>	<p><b>Omissions:</b> 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><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> 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 <a href="#">Code</a>, which incorporates our <a href="#">Human Rights Global Policy</a>. That policy requires our third-party suppliers to adopt similar human rights standards and to operate in line with our <a href="#">Partnering with Suppliers Standard</a>, which also includes express reference to compliance with human rights conventions.</p>

## RIGHTS OF INDIGENOUS PEOPLES

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

## Topic-specific standards

## GRI 400: SOCIAL continued

## HUMAN RIGHTS ASSESSMENT



103-02	Our management approach to human rights assessment	103-03	Evaluation of the management approach
	<p>For our overall approach to human rights, see our <a href="#">Human Rights Global Policy</a>, which includes the requirement that all our suppliers assess human rights within their organisations.</p> <p>We have been signatories to the UN Guiding Principles on Business and Human Rights (UNGPs) since 2014 and continue to embed human rights throughout our value chain.</p> <p>We have completed a comprehensive human rights impact assessment (HRIA) programme, prioritised by risk and based on a global mapping process. This programme 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.</p> <p>HRIsAs were conducted by specialists in human rights alongside our teams, who received training to support their role. We also make sure that members of teams with direct involvement in specific areas of human rights risks, such as procurement, receive training to support their role.</p> <p>For details of how we assess human rights in our supply chain, see the Supplier social assessment response on page 75 of this ESG Reporting Index.</p>		<p>Having completed comprehensive HRIsAs in each of our markets to identify the most salient human rights risks for our business and supply chain, we have started to embed the findings and recommendations into our routine enterprise risk management processes.</p> <p>This will make sure our interventions are sustainable, and let us track emerging risks on an ongoing basis. We also use the lessons we have learnt to inform our continuous improvement.</p> <p>Our human rights steering group is accountable for setting our human rights governance framework and monitoring its effectiveness. Find more details of our human rights governance process on our <a href="#">website</a>.</p>

Disclosure	Our response
412-01	<p><b>Operations that have been subject to human rights reviews or impact assessments</b></p> <p>All our business units and operations (100%) are required to carry out a risk assessment, which includes human rights as part of the review process.</p> <p>Beyond this, as part of our commitment to act in accordance with the UNGPs, we have developed a comprehensive HRIA programme.</p> <p>As a result of Covid-19 restrictions, we extended our 2020 target – of conducting HRIsAs in all markets – to December 2021. This year, we finalised the remaining HRIA in India (second phase). To date, we have conducted HRIsAs in Australia, Brazil, China, Colombia, Ghana, Guatemala, India, Kenya, Mexico, the Middle East, Nigeria, North America (United States, Canada), North Asia (South Korea, Japan), PEBAC (Peru, Ecuador, Bolivia, Argentina, Chile), South Africa, Tanzania, Thailand, Turkey, Uganda and the United Kingdom. All markets develop action plans to address specific salient risks.</p> <p>Details of our approach are included in our Annual Report on pages 39-40 and within our submission in the United Kingdom under the Modern Slavery Act.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued



## HUMAN RIGHTS ASSESSMENT continued



Disclosure		Our response
412-02	 <b>Employee training on human rights policies or procedures</b>	<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 (Code), which includes human rights. Within the certification, those for whom the <a href="#">Human Rights Global Policy</a> is most important are required to complete a certification of their knowledge and understanding of some of the key points of the policy.</p> <p>This 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 our internal learning management system.</p> <p>We have implemented a global <a href="#">Brand Promoters Standard</a> and accompanying training aimed at protecting brand promotion teams from all forms of harassment.</p> <p>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>We train our Procurement teams on our <a href="#">Partnering with Suppliers Standard</a>, 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.</p> <p>Details of our approach are included in our group <a href="#">Modern Slavery Statement</a>.</p> <p><b>Omissions:</b> total hours of training on human rights.</p> <p><b>Reason:</b> information incomplete/unavailable.</p> <p><b>Explanation:</b> training sessions about our Code and policies vary in duration, so it's not possible to report accurately the number of hours spent on specific subjects during training sessions.</p>
412-03	 <b>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</b>	<p>All our suppliers are contractually obliged to abide by the standards set out in our Code or <a href="#">Partnering with Suppliers Standard</a>, which includes specific human rights requirements – either through specific contract clauses or, if not bound by a contract, by the requirement to meet our <a href="#">Partnering with Suppliers Standard</a>, which is stipulated in our standard purchase order terms and conditions.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## LOCAL COMMUNITIES

103-02	Our management approach to local communities	103-03	Evaluation of the management approach
	<p>We aim to strengthen our communities by providing engaging, safe and diverse places to work for employees; by building sustainable and inclusive supply chains; and by delivering programmes that empower communities and the individuals within them, enabling them to grow.</p> <p>As part of this approach, we are committed to promoting human rights throughout our value chain. We also invest in promoting positive drinking, building thriving communities and reducing our environmental impact.</p> <p>Our <a href="#">Society 2030: Spirit of Progress</a> targets address these areas, while contributing to the UN Sustainable Development Goals.</p> <p>For more information on our <a href="#">Society 2030: Spirit of Progress</a> plan, targets and approach to local communities, see our <a href="#">website</a> and the Champion inclusion and diversity section of our Annual Report on pages 28-29.</p>		<p>Delivering our <a href="#">Society 2030: Spirit of Progress</a> targets and approach towards local communities is managed by various functions within the business, including Supply, Human Resources, Procurement and Corporate Relations teams.</p> <p>See GRI 103-03 on page 34 of this ESG Reporting Index for more information about our <a href="#">Society 2030: Spirit of Progress</a> quarterly reporting system and review process.</p> <p>Where appropriate, we also evaluate our community and inclusion and diversity programmes through more detailed research, as described in GRI 413-01.</p> <p>See our Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information on how we measure and report on our Champion inclusion and diversity targets.</p>

Disclosure	Our response
413-01 	<p><b>Operations with local community engagement, impact assessments and development programmes</b></p> <p>All our markets have community impact programmes. We carry out detailed research on key community programmes to understand their full impact: for example, we have assessed farming activity with smallholders in Cameroon, Ethiopia, Uganda and Kenya. These assessments help us improve our approach through activities such as improving seed quality and increasing our engagement with farmer organisations or intermediaries. Similar studies have assessed the impact of our Learning for Life skills development programmes in Latin America, North America and Europe, and our water sanitation and hygiene (WASH) programmes in Africa and India.</p> <p>Find more information on our performance against our Society 2030: Spirit of Progress targets, including business and hospitality skills programmes and our WASH programmes, in our Annual Report on pages 37-38.</p> <p>See our Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information on how we measure and report on our community-related targets.</p>
414-01 	<p>The social impacts of our operations and community investment are discussed in our Annual Report on pages 26-38.</p> <p><b>Omissions:</b> the location of operations and the significant actual and potential negative impacts of operations.</p> <p><b>Reason:</b> information unavailable/incomplete.</p> <p><b>Explanation:</b> 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-specific standards

## GRI 400: SOCIAL continued

## SUPPLIER SOCIAL ASSESSMENT

103-02

## Our management approach to supplier social assessment

Our [Partnering with Suppliers Standard](#) sets out the minimum social, ethical and environmental standards we require suppliers to follow as part of their contract with us. Those standards set out our commitment to acting in line with the UN Guiding Principles on Business and Human Rights (UNGPs), and with international standards set out by 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 suppliers are assessed as a potential risk, they are required to register with Sedex and complete a Sedex self-assessment questionnaire. Independent audits of suppliers are conducted for those suppliers who represent a high risk. Audits follow the Sedex Members Ethical Trade Audit (SMETA) Four Pillar Audit Protocol or equivalent. Where non-compliances are identified, a corrective action plan report is raised and we work with that supplier towards a resolution.

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.

In 2020 we rolled out a Supplier Responsible Sourcing Toolkit on the Diageo Supplier Service Hub, allowing our suppliers that are part of the responsible sourcing programme to access guidance and materials that support their development and capability.

**Human rights in our supply chain**

We have been signatories to the UNGPs since 2014 and continue to embed human rights throughout our value chain. We do this through our comprehensive human rights impact assessment (HRIA) programme, prioritised by risk and based on a global mapping process. This programme is our opportunity to reach beyond tier one suppliers to primary producers, such as farmers. For more information on our progress against delivery of HRIsAs, see GRI 103-02 on page 72 of this ESG Reporting Index.

In line with the UNGPs, we have identified issues that are particularly salient to our business: labour rights, including the risk of child labour, especially in agricultural supply networks; treatment of contract labour; and sexual harassment in the hospitality sector. These issues were identified as external risk factors in the places where we operate, rather than through reported incidents in our own value chain. For more information about how we manage these risks, see GRI 103-02 and GRI 103-02 on pages 69 and 70 respectively of this ESG Reporting Index.

**Identifying vulnerable stakeholders**

We identify potentially affected stakeholders of human rights in several ways, including through our HRIsAs, 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 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, containing 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 vulnerable stakeholders of forced labour, child labour – as we did 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 peer companies to identify common vulnerable and affected stakeholders so that we can address any issues and support these stakeholders collectively.


103-03


## Evaluation of the management approach

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

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

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-specific standards

## GRI 400: SOCIAL continued

## SUPPLIER SOCIAL ASSESSMENT continued

Disclosure		Our response
414-01	<b>New suppliers that were screened using social criteria</b>	<p>All suppliers of Procurement-managed spend go through the screening process described in GRI 103-02 on page 27 of the 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 targets and our Responsible sourcing programme within the contractual clauses and within our 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	<b>Negative social impacts in the supply chain and actions taken</b>	<p>All suppliers determined to be a potential risk are required to register with Sedex, and to complete the Sedex self-assessment questionnaire. To date, 1,925 of our supplier sites assessed as a potential risk are registered with Sedex. Of these, 1,070 have completed the Sedex self-assessment questionnaire. In addition, 526 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 Sedex Members Ethical Trade Audit (SMETA) Four Pillar Audit Protocol or equivalent. We have 442 such suppliers, of whom 346 or 78% 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 2,831 issues of non-compliance have been raised through these audits, with 49% relating to health, safety, and hygiene issues; 10% to wages and benefits; 9% to management systems; 9% to working hours; 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 2,292 issues of non-compliance – of which five were business critical – in the financial year ended 30 June 2022. Where required, we are arranging follow-up audits to verify the issues have been closed.</p> <p>Merchandising materials remain 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 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 audited more than 151 factories in our supply chain.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## PUBLIC POLICY

103-02	Our management approach to public policy	103-03	Evaluation of the management approach
	<p>As part of doing business, we engage with governments, public interest groups, industry associations and a broad range of similar bodies around the world.</p> <p>In doing so, our aim is always to comply with all laws governing political activity.</p> <p>Our Corporate Relations team manages our engagement with stakeholders on public policy matters, assessing risk and aiming to support the delivery of our strategy, including, for example, promoting positive drinking and relevant fiscal and regulatory policies. For more details on our approach to public policy, see our <a href="#">Code</a>.</p> <p>The team assesses public policy risks and opportunities and develops our Corporate Relations strategy in line with our Performance Ambition at market and global levels. We regularly monitor and evaluate international trade, indirect tax and regulatory risks around the world, analysing their impact and developing mitigation and response strategies.</p> <p>More information on how we manage indirect tax, trade and regulatory risks can be found in our Annual Report on pages 48-49, while our position on specific issues related to alcohol policy is described on our <a href="#">website</a>.</p>		<p>We track the effectiveness of our approach across our markets through internal reporting frameworks and ensure we adopt our strategy and allocate resources appropriately throughout the year.</p> <p>Our overall approach, along with the management of specific public policy issues, is reviewed by the Executive Committee, the Audit Committee and the management-level Audit and Risk Committee as part of our overall corporate risk management activity.</p> <p>Recent reviews have led to an increased focus on global trade tensions, indirect tax policy – for example, excise – risks and government regulations in response to inflation and geopolitical issues.</p> <p>We continue to make good progress carrying out our public policy strategy in key markets and have strengthened our network of stakeholders. We are also improving our analysis of policy issues through economic modelling.</p> <p>Together, this work means that we're in an increasingly strong position to navigate the global trading environment and engage stakeholders on tax reform, alcohol policies and regulations, including e-commerce.</p>

Disclosure	Our response
415-01	<p><b>Political contributions</b></p> <p>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.</p> <p>We made contributions to non-EU political parties totalling £0.64 million during the financial year in North America, where it is common practice. Contributions of approximately £0.64 million were made to US federal and state candidates and committees, consistent with applicable laws.</p> <p>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.</p>

## Topic-specific standards

## GRI 400: SOCIAL continued

## CUSTOMER HEALTH AND SAFETY

103-02	Our management approach to customer health and safety	103-03	Evaluation of the management approach
	<p>We aim to design and make products that are always safe for consumers to drink, and that meet their expectations in terms of taste, consistency and presentation. We have a programme of certification for our sites that includes:</p> <ul style="list-style-type: none"> <li>• Site internal assessment to Diageo standards</li> <li>• Market independent assurance of adherence to standards</li> <li>• ISO 9001 for our production facilities</li> <li>• FSSC 22000 at our brewing and packaging locations.</li> </ul> <p>At the date of this ESG Reporting Index, 92% of our business units were certified to ISO 9001 and 86% to FSSC 22000. The number of certifications is growing, with eight sites in India recently accredited – but it takes time to bring acquisitions in line with these standards. The pace of accreditation has been slower than anticipated this year given that Covid-19 restricted travel and site accreditation visits. Our focus has been on remote verification of site self-assessment to the standards and on remote surveillance audits.</p> <p>For more details, see our <a href="#">Quality Global Policy</a> and the <a href="#">Diageo Marketing Code</a>.</p>		<p>We review customer safety at a number of levels across the organisation depending on the severity of the issue.</p> <p>Our management-level Audit and Risk Committee reviews our key risks relating to customer health and safety, counterfeit and contamination – with a particular focus on food fraud.</p> <p>The Supply and Procurement Tier 6 meeting, chaired by the President, Global Supply and Procurement, monitors our top KPIs for quality: total and critical pack defects, quality incidents and distribution defects.</p> <p>Market-level teams meet monthly with the market head of governance to review these KPIs, along with other global and local quality KPIs, and escalate any issues to the market head of supply chain. This is part of our broader environment, health, safety and quality agenda.</p>

Disclosure	Our response
<p>416-01</p> <p><b>Assessment of the health and safety impacts of product and service categories</b></p>	<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 include 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 our Reporting boundaries and methodologies on pages 90-110 of this ESG Reporting Index for more information on how we measure and monitor packaging defects and total product concerns (complaints).</p>
<p>416-02</p> <p><b>Incidents of non-compliance concerning the health and safety impacts of products and services</b></p>	<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-specific standards

## GRI 400: SOCIAL continued

## MARKETING AND LABELLING

103-02	<p><b>Our management approach to marketing and labelling</b></p> <p>We take very 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.com, a list of allergens, and recycling and sustainability symbols.</p> <p>For more details about labelling and information, see the <a href="#">Diageo Marketing Code</a>, <a href="#">Quality Global Policy</a> and the <a href="#">Diageo Consumer Information Standard</a>.</p>	103-03	<p><b>Evaluation of the management approach</b></p> <p>We have a cross-functional review process in place for all marketing communications that ensures compliance with the <a href="#">Diageo Marketing Code</a>. 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.</p> <p>We review the Diageo Marketing Code every two years to ensure it remains best-in-class compared with rigorous standards in our industry, and that it is consistent with evolving technologies. Any changes are signed off by the Chief Marketing Officer, General Counsel and Director of Corporate Relations.</p> <p>Our market-based teams, including general managers, review the efficacy of marketing communications, as do our global brand teams and global Marketing function.</p> <p>By continually assessing our communications, we gain feedback that helps improve future campaigns.</p>
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Disclosure		Our response
417-01	<p><b>Requirements for product and service information and labelling</b></p>	<p>Our approach is as follows:</p> <ul style="list-style-type: none"> <li>● <b>Sourcing of components of the product or service:</b> we do not provide sourcing information for our ingredients; 0% of our product labels include this information.</li> <li>● <b>Content, particularly with regard to substances that might produce an environmental or social impact:</b> legislation requires a statement of alcohol by volume on all our products; 100% of our products contain this information.</li> <li>● <b>Safe use of the product or service:</b> the Global Beer, Wine and Spirits Producers' Commitments (see our <a href="#">website</a>) required all our products to carry at least one and up to three responsible drinking symbols by 2017. We have been working towards this in all markets. The majority of our products are compliant, and we continue to work towards full compliance. 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. 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. We started to roll this out last year, where legally permissible, aiming for compliance across all markets by 2024.</li> <li>● <b>Disposal of the product and environmental/social impacts:</b> we mandate the Mobius loop (or equivalent) on all packaging and point of sale materials as part of our Diageo Consumer Information Standard; all of our products comply with this requirement, with the exception of USL, which does not use the Mobius loop on its product labelling at present.</li> </ul>
416-02	<p><b>Incidents of non-compliance concerning product and service information and labelling</b></p>	<p>To the best of our knowledge, we have had no significant incidents of non-compliance with regulations resulting in a fine, a penalty or a warning.</p>
417-03	<p><b>Incidents of non-compliance concerning marketing communications</b></p>	<p>This year one complaint against Diageo was upheld by advertising regulators that we report on, globally. It was a 'no-fault breach' decision issued on 30 May 2022 by the ABAC scheme in Australia. A no-fault finding is appropriate if an alcohol marketer has acted properly and diligently in seeking to comply with its ABAC obligations, but a failure has occurred that was outside the reasonable control of the marketer or their advertising agency. For more details, and for industry complaints, see the Annual Report on page 31.</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-specific standards

## GRI 400: SOCIAL continued

## CUSTOMER PRIVACY

103-02	Our management approach to customer privacy	103-03	Evaluation of the management approach
	<p>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 a Senior Data Privacy Director, has been designed to protect all personal information that we handle in our business activities.</p> <p>Our <a href="#">Code</a> 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.</p> <p>Our Chief Information Security Officer (CISO) is responsible for safeguarding our information assets, including personal data, through simplified compliance management, embedding a security-aware culture and operating an intelligence-driven cyber resilience programme.</p> <p>The CISO co-chairs the Digital and Technology Risk Management Committee, which performs quarterly reviews of key security risks and determines the best actions to mitigate those risks. Cyber drills are conducted every year by our Executives and in manufacturing plants. Red team tests are conducted every year.</p>		<p>Our Global Counsel Asia, Brands, Innovation and Commerce oversees internal accountability and legal compliance across the business and reports on key aspects to the Audit Committee.</p> <p>Our internal audit team regularly audits our global data privacy programme. Any findings are reviewed, with mitigation and improvement activities developed as appropriate, including escalation to our Audit and Risk Committee if required.</p> <p>Data privacy issues may also be raised through our SpeakUp helpline, line managers, market legal counsel, data privacy stewards, HR team or directly to the Senior Data Privacy Director.</p> <p>For more information, see our <a href="#">Code</a>.</p>

Disclosure	Our response
418-01  <b>Substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	<p>We follow our internal procedures when we receive any requests by individuals to exercise their rights – for example, the right to access personal information or to unsubscribe – or receive reports of any personal data incidents.</p> <p>This year, there have been no known instances of regulatory action against, or investigation into, us in the EU concerning consumer privacy.</p>

# Our response to the Sustainability Accounting Standards Board (SASB)

# Our response to the Sustainability Accounting Standards Board (SASB)

The US-based SASB sets out sustainability reporting standards for 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 47-56 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 47-56 of the Annual Report. See our <a href="#">website</a> , 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 <a href="#">Diageo Marketing Code</a> for more details. See page 27 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 page 27 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, pages 191-192 of the Annual Report, for details of contingent liabilities and legal proceedings. See page 27 of the Annual Report for details of breaches of marketing practices.
Description of efforts to promote responsible consumption of alcohol	See pages 26-27 of the Annual Report. See the Society 2030 section of our <a href="#">website</a> , 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 page 38 of the Annual Report.
Description of strategies to reduce the environmental impact of packaging throughout its lifecycle	See GRI 301 in this document. See page 38 of the Annual Report. See the Society 2030 section of our <a href="#">website</a> , under Become sustainable by design.

## 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 49 of the Annual Report for the location of our sites in water-stressed areas.  <b>Omissions:</b> 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 pages 47-56 of the Annual Report.

### ACTIVITY METRIC

SASB metric	Our response
Volume of products sold	See page 12 of the Annual Report.
Number of production facilities	See GRI 103-01 in this document.
Total fleet road miles travelled	See GRI 305-03 in this document.

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