Diageo Launches Breakthrough Innovation Team to shape innovation beyond new products

London, 25 January 2024 – Diageo, the maker of Johnnie Walker whisky, Don Julio tequila, and Guinness, has launched a 'Breakthrough Innovation' team, a subsidiary within its current Innovation function, to shape innovation at Diageo beyond the development of new products.

Building on the company's commitment to pushing the boundaries of how people socialise, Diageo's Breakthrough team will drive its innovators to think, behave, and create differently. While core innovation at Diageo focuses on developing new products, Breakthrough will focus on platforms, building new business models that will provide transformational value for the future of Diageo, Consumers, and Society.

The team will deliver value through three avenues. It will:

- Facilitate Diageo's disruption into new platforms, technologies, and experiences, building on previous launches such as the Al-powered whisky experience 'What's Your Whisky'.
- Play an important role in shaping the future of Diageo's current portfolio of brands, creating
 more reasons for new and existing consumers to love them. This includes last year's launch of
 'Elli', Seedlip's virtual Al-concierge that helps consumers answer a variety of questions about the
 brand.
- Assist Diageo's progress towards its 'Society 2030: Spirit of Progress' goals, the company's 10year ESG action plan. These goals were created with an innovation gap, as shown by Diageo last year introducing <u>drones</u> to boost efficiency at its agave farms in Mexico.

The team will actively look for partners to collaborate with to test and learn Breakthrough ideas. The recent launch of Diageo's Accelerator programme 'Fusion by Diageo' is one such example, which will identify leading innovators to co-develop with Diageo the next generation of digital products.

The team will be headed up by Global Breakthrough Innovation Director Guy Middleton, previously General Manager Innovation – Asia Pacific. On the launch of the team, Guy commented:

"The Breakthrough Innovation team has been created to stretch Diageo's thinking beyond what it is today, 'painting a picture' of a future that is desirable for Diageo, our consumers, and society as a whole.

People may feel a little discomfort when they initially enter 'Breakthrough' territory, however the ambition of this team is test, learn, and 'de-risk' new ideas, ensuring the future breakthrough innovations that move into the core of the business are less susceptible to potential threats and are more effective at driving Diageo forward.

We're a company built on great innovators like Arthur Guinness and Johnnie Walker, and the launch of this team is a big step towards ensuring our brands remain at the forefront of social celebration."

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About Diageo:

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

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

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