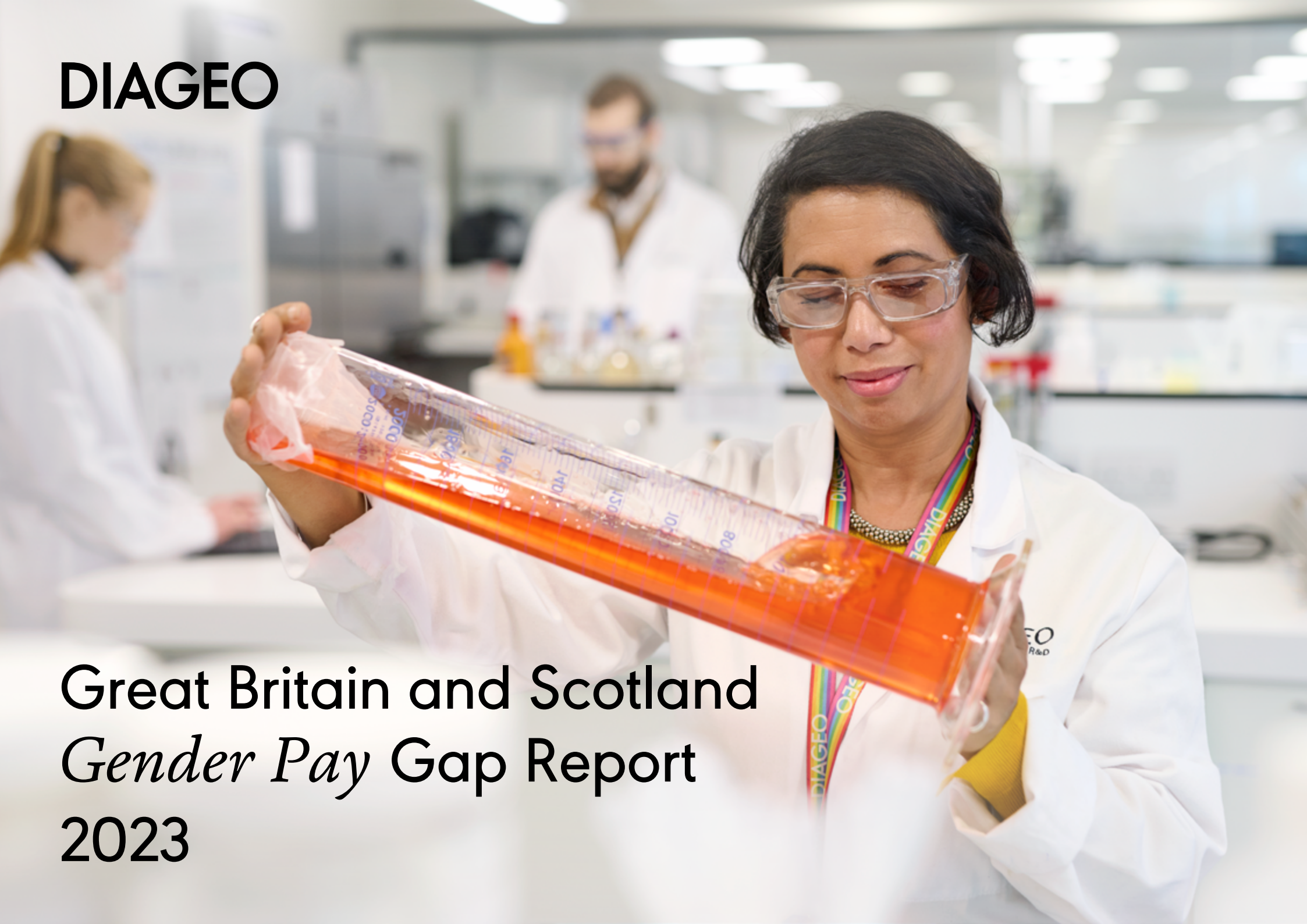


DIAGEO



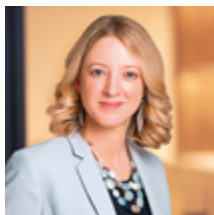
**Great Britain and Scotland
Gender Pay Gap Report
2023**

Our ambition is to be *one of the best performing, most trusted and respected* consumer products companies in the world.

Our purpose

At Diageo, we are committed to nurturing the most inclusive and diverse culture, as well as shaping market-leading policies and practices because it is both the right thing to do and helps our business grow. This is integral to our purpose of “celebrating life, everyday, everywhere.”

To shape a more diverse and successful long-term business and society requires ambition and action, which is why we’ve set bold goals as part of our ‘Society 2030: Spirit of Progress’ ESG action plan, including 50% representation of women in leadership roles and 45% from ethnically diverse backgrounds by 2030.



Louise Prashad
Chief HR Officer



Debra Crew
Chief Executive

We believe there is power in diversity and when diverse groups work together, greater success can be achieved. We want to attract, grow and retain the most diverse talent that reflects our consumer base. Our ambition is clear: we must create the most inclusive and diverse culture that ensures all our people thrive.

In this report

We have been reporting our gender pay gap in our Diageo Great Britain and Diageo Scotland businesses for seven years; each year provides us with an opportunity to learn and grow. In this report we explain our pay gap, how we are addressing it and the opportunities to improve.

We can report that our combined median hourly pay gap has decreased from +4.3% in 2022 to -6.6% in favour of women in 2023. This is significantly below the current Office for National Statistics figure of +14.3% for businesses in the United Kingdom¹. Similarly, our mean hourly pay gap has also decreased from 0.0% last year to -12.9%.

In Great Britain, we are pleased to report that the number of female and male employees is the closest to 50/50 since reporting began (49.6% female, 50.4% male) and our median bonus pay is +4.2%, which is the lowest bonus gap since reporting began.

Our progress

We have made significant strides to accelerate gender equality within our business. Not only is 73% of our board female (compared to 64% in 2022), but representation of women in our leadership, including our Executive Committee, remains strong at 44% (June 2023).

We are delighted that Diageo has been recognised for our achievements as a leading company in gender equality. In the FTSE Women Leaders Review, we were named the top company for female representation at board level for the third year in a row, and beyond the board we were ranked 17th overall and 1st within our sector for female representation across leadership.

Diageo ranked number two globally in the Equileap Global Report (March 2023), and number one in the UK. The report showcased Diageo as a leading company for gender equality, acknowledging our industry-leading Family Leave policy, high female representation across leadership positions, as well as our company’s transparency regarding our gender pay gap.

In the UK, Diageo was the joint-winner of the FTSE 100 Trailblazer Award at the 2023 Balance in Business Awards, which recognises companies that are leading the way through innovation, re-designing policies and levelling the playing field for women and men in the workplace.

We’re proud of our progress, but change doesn’t happen overnight and we’re constantly learning and striving to do more.

Fast facts 2023

73% of our Board Directors are women²

44% of our Executive Committee are women²

4,623 employees across our businesses in Great Britain and Scotland³

-6.6% combined median hourly pay gap³

The gender pay gap shows the *difference in average pay* between women and men.

The gender pay gap shows the difference in average pay between women and men. Positive measures (percentages with a '+') indicate the extent to which women earn, on average, less per hour than men. Negative measures (percentages with a '-') indicate the extent to which women earn, on average, more per hour than men. The gender pay gap does not measure equal pay, which relates to what women and men are paid for doing the same or similar jobs or work of equal value.

Calculating our numbers

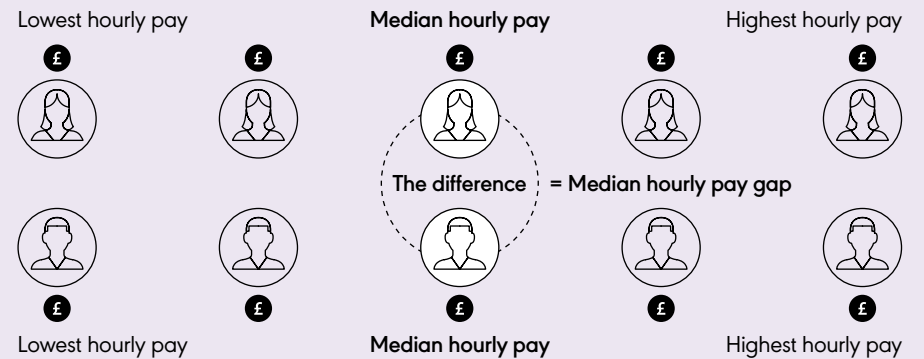
Under the UK Government's Gender Pay Gap Information Regulations, all legal entities in Great Britain with more than 250 employees are required to report their gender pay gap.

Diageo employs 4,623 people across the two legal entities in Great Britain covered by the regulations: Diageo Great Britain (1,350) and Diageo Scotland (3,273). We therefore report separately on each of these legal entities (page 4). Our combined gender pay data, however, covers all employees across Great Britain and Scotland, including those in legal entities with fewer than 250 employees. Our combined numbers this year were 4,647.

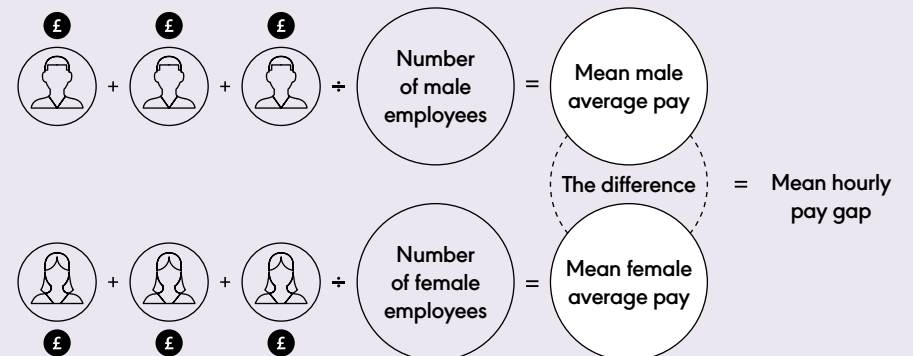
In this report, as required by the regulations, we disclose the median and mean (average) pay gaps between men and women's hourly pay and bonuses.

Calculating the difference

How we calculate the median difference



How we calculate the mean difference



Continuing to see *positive movement* in our upper quartile.

Diageo Great Britain and Diageo Scotland combined

The combined pay gap includes all employees within our UK business. This comprises Diageo Great Britain and Diageo Scotland and those entities with less than 250 employees. Diageo Great Britain incorporates our employees who work in our market sales, marketing and management roles who support our customers in England, Scotland, and Wales. Diageo Scotland encompasses our Manufacturing and Supply Chain organisation, where the majority of our employees work in packaging, distilling, maturing and logistics operations, supplying all our markets globally. Due to the substantial number of employees working in manufacturing, where there is typically a higher representation of men, this has a significant influence on our pay gap. Please refer to the 'Closing the Gap' section of this report which shows how we are working to address this.

In 2023 we can report that our median hourly pay gap has remained in single digits and moved from +4.3% in 2022 to -6.6% in favour of women in 2023. The new median is significantly below the current Office for National Statistics figure of +14.3%⁴ for business in the United Kingdom. We have continued to make positive progress

in increasing the number of women represented in our upper quartile this year, with women representing 48.5% of the quartile compared with 41.2% last year. The movement demonstrates that women are continuing to progress into the highest paid jobs within Diageo Group. As a result of this greater representation, our mean hourly pay gap has also moved from 0.0% last year to -12.9% in favour of women.

Overall, for the combined entities bonus receivership for males and females has increased positively from 62.7% to 86.2%. Our median combined bonus pay gap moved from -29.1% last year to -143.0% in 2023. This movement is the result of a bonus scheme introduced for our manufacturing population. Further insight is provided in the Scotland entity section on page 4. When we exclude the manufacturing bonus scheme from the calculation, the median bonus gap would reduce to -10.2%. Our mean bonus gap has subsequently decreased from +26.3% to -23.2% in favour of women, which is also impacted by the bonus scheme for our manufacturing employees.



Median hourly pay gap

-6.6%

2022: +4.3%

Median bonus pay gap

-143.0%

2022: -29.1%

Mean hourly pay gap

-12.9%

2022: 0.0%

Mean bonus pay gap

-23.2%

2022: +26.3%

% receiving a bonus payment⁵



87.5%

2022: 58.1%



82.7%

2022: 69.5%

% of total employees



60.7%

2022: 62%



39.3%

2022: 38%

Diageo Great Britain

We have 1,350 employees in Diageo Great Britain, representing the largest number of employees since reporting began. Most are based at our headquarters and work in core functions such as sales, marketing, finance, procurement, legal, HR and corporate relations. We also have a packaging operation at Runcorn, which, as is common in many manufacturing sites, has a higher proportion of men.

Our hourly median rate has narrowed materially this year by 14% points, to -2%. This is the closest to 0% it has been since reporting began. The mean rate remains unchanged from 2022 at +4.8%. This outcome is influenced by the distribution of our workforce with nearly equal representation of men and women in quartiles 3 and 4, higher representation of men in quartile 1 (61.8% men to 38.2% women) and a greater representation of women in quartile 2 (39.5% men to 60.5% women).

This year our median bonus pay is +4.2%, one of the lowest bonus gaps since reporting began. The mean bonus gap remains consistent with last year with a slight decrease to +22.4%, this gap continues to be impacted by employees selling their LTIP and share awards. Over three quarters of women and men received a bonus this year, as we continue to return to the pre-pandemic level of bonus awards.

Median hourly pay gap

-2.0%
2022: -16.3%

Mean hourly pay gap

+4.8%
2022: +4.8%

% receiving a bonus payment



75.6%
2022: 69.4%



81.3%
2022: 78.9%

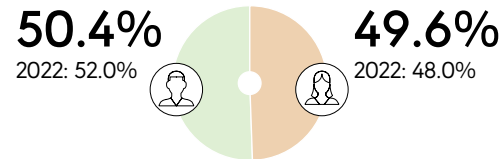
Median bonus pay gap

+4.2%
2022: -9.0%

Mean bonus pay gap

+22.4%
2022: +24.5%

% of total employees



Diageo Scotland

We have 3,273 employees in Diageo Scotland, which operate in a number of distilling and packaging sites along with warehousing operations, our cooperage, and our coppersmith workshop.

In 2023, our mean pay gap decreased from +7.6% to -1.3%, which is the smallest gap since reporting began and the first time that the mean pay gap has been in favour of women in Scotland. The median pay gap continues to be in favour of men at +13.8%. The median pay gap continues to be impacted by a predominant male workforce occupying our manufacturing roles, which is consistent with the wider manufacturing sector, and those employees receiving premium shift allowances in our 24/7 operations. When excluding shift allowances from the calculation our median pay gap is reduced to +1.6%.

Our median bonus pay gap has seen a notable movement from -7.6% to -163.7%. This reflects the introduction of a manufacturing incentive plan, which offers bonuses to employees in manufacturing roles and has led to a positive increase in bonus receivership year on year. A large proportion of our manufacturing takes place in Scotland, and consistent with demographics in the wider manufacturing sector, men make up a higher proportion of these manufacturing roles. As bonuses paid under the manufacturing incentive plan make up a smaller component of the overall reward offering compared to other bonus plans, the adoption of the plan has led to the bonus gap increasing in favour of women.

The bonus is a smaller component of the overall reward package for our manufacturing employees as they also receive other allowances. Whereas the bonus scheme for our non-manufacturing employees is a larger component of the reward package, in line with the market practice for these roles.

Progress has been made by the significant decrease of our mean pay gap as we focus on our ability to attract, hire, and retain diverse talent.

We hope to make further progress by applying the same principles across all levels within our organisation. This will have a positive impact in future years, and through creating a more diverse manufacturing population we would expect our median bonus gap to narrow.

Median hourly pay gap

+13.8%
2022: +10.6%

Mean hourly pay gap

-1.3%
2022: +7.6%

% receiving a bonus payment



91.2%
2022: 54.2%



83.2%
2022: 63.6%

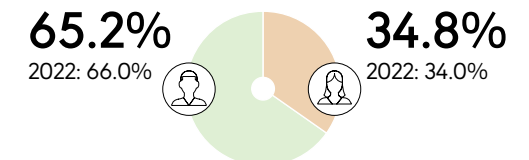
Median bonus pay gap

-163.7%
2022: -7.6%

Mean bonus pay gap

-53.2%
2022: -21.2%

% of total employees



Making Diageo an *even more inclusive and diverse* business.

Nurturing female leadership talent for now and the future

Not only are we working to create a culture with inclusion and diversity at its heart, but also one where increasing diversity is led from the top.

Within our GB business, our Leadership Team consists of 70% female role holders at Director level across Commercial, Marketing, Legal, Supply Chain, HR and Finance. These are key leadership roles at the heart of decision making and future planning for our GB market.

In March 2023, we announced the appointment of Debra Crew as Chief Executive Officer, the first female CEO in our 26-year history, and one of only a small number of female CEOs in the FTSE 100. Alongside our Chief Financial Officer, Lavanya Chandrashekar, Diageo is one of six companies in the FTSE 100 that has both a female CEO and CFO⁶.

Accelerating potential

We are committed to investing in the growth and development of internal talent. One of our critical talent priorities is to accelerate the growth of high potential individuals, which in turn, builds internal succession for key leadership positions. As part of our Global Supply 'Accelerator' programme, a cohort of individuals take part in a series of interventions which focuses on accelerating their leadership potential and growth for a more senior role in the organisation. We are delighted that 67% of participants on the programme this year were female, strengthening our pipeline for key leadership positions with top, female talent.

A disruptive approach to recruitment

We have an inclusive approach to recruitment and hiring, allowing us to hire the best, most diverse talent. We believe our industry should do more to attract women, particularly in areas where women have historically been under-represented, including science, technology, engineering and mathematics (STEM), manufacturing and commercial roles.

To help attract a more diverse pool of talent into manufacturing roles in Scotland, we launched recruitment campaigns and on-site open days, inviting a diverse range of candidates to showcase what a career in manufacturing could offer. This led to a higher rate of diverse individuals applying for roles.

We have also facilitated other forms of engagement sessions to attract talent into our business. Our recruitment teams have delivered numerous webinars and on-site open days to showcase careers you can have within functions such as Finance, Commercial, Hospitality, Travel and Tourism.

We have also introduced a new and disruptive approach to hiring by recruiting based on skills for certain roles, as opposed to experience in a particular industry or field. This shift to a skills-based approach has broadened our talent pools for selection, which has in turn helped us to improve our diversity representation. We have seen great success by adopting this skills-based approach in our recruitment for front line Operations roles in Scotland, which currently have a gender imbalance. Historically, experience in production or manufacturing would have been considered a 'prerequisite' for these roles. Instead, our new approach considers what critical skills are needed for these roles, which could also be gained through experience in other industries. As a result, we have hired individuals who have worked in a variety of roles including as swim instructors, farmers, midwives and police officers, many of whom have been female.

Creating a diverse early career pipeline

We bring in a pool of talented female candidates into our Early Career programmes to build a robust pipeline for future leadership roles. We offer several different graduate programmes within the UK, offering programmes which concentrate on building both functional and leadership skills through varied experiences.

We have established great partnerships with organisations such as BrightNetwork, HigherEd, GradIreland, STEM Women, GradCracker and Psalt to support us to hire a diverse intake of graduates. Our partnerships have a key focus on diversity covering gender, ethnicity, social mobility, disability and neurodiversity.

Within our Great Britain market, 53% of our graduate intake were female, 45% male and 5% non-binary, with many of them accepting positions in our commercial teams. Within our supply organisation, 81% of graduates recruited were female, whilst 53% of apprentices hired were female. We take pride in our efforts to attract and recruit talented women to join Diageo, especially in roles where there is currently a gender imbalance.

Building momentum through Employee Resource Groups

Globally we have 55 Business and Employee Resource Groups, known as BRGs and ERGs. These influential groups, made up of our people, represent various viewpoints, experiences and communities who generate thought-provoking work to enhance our business and workplace, creating a sense of belonging and opportunities for all. They support both leaders and future leaders to develop skills in communications, leadership effectiveness, team building and project management, all while building resilience and forming cross-functional relationships.

Our Employee Resource Groups are key partners and help us develop our progressive policies including, Thriving Through Menopause, Pregnancy Loss, and Gender Identity and Gender Expression guidelines.

Our Spirited Women's Network was established to engage, retain and develop female employees, providing them with a platform to thrive and an environment to flourish. With 17 groups worldwide, including the UK and Ireland, this network aims to inspire women by sharing personal experiences, supporting personal development and career planning, as well as raising awareness on a variety of health-related topics. Throughout March 2023, the Network delivered a number of International Women's Day events to celebrate the theme of #EmbraceEquity including panel events, a mixer with Diageo Executives, fireside chats, with our key leaders focusing on highlighting the importance of being curious, empathetic and proactive.

Leading through policies to promote inclusion

To help us foster an inclusive environment that supports every employee, we've introduced policies and practices, including Pregnancy Loss Guidelines and enhanced bereavement leave, Disability Inclusion Guidelines and Disclosure as well as Domestic and Family Abuse Guidelines, created in partnership with CARE International. We also continued to embed our Thriving through Menopause Guidelines and worked with online support tool, Balance, to launch an employee app to further the understanding of menopause throughout our business.

In February 2023, we launched Fertility Support Guidelines and paid leave in the UK, to assist all employees undergoing treatment supported by a partnership with Fertility Matters at Work and training for all employees to ensure greater awareness, understanding and empathy.

We want to ensure our inclusive culture creates a safe and nurturing environment where people feel supported - mentally, physically, socially and financially. We recognise that fertility challenges and the use of assisted conception are increasing with IVF birth rates across the UK tripling in less than 20 years⁷. More people are commencing a journey that can be emotional, long and impact individuals in various ways. We are committed to ensuring Diageo employees are appropriately supported, feel heard, and treated with dignity and respect. Employees in the UK who are either going through fertility treatment, the partner of someone going through fertility treatment, and intended parents, are also entitled to additional paid leave.

In June 2022, we launched Pregnancy Loss Guidelines to raise awareness on the various types of pregnancy loss, including the resources that are made available by Diageo to employees. By introducing these guidelines and enhancing the access to leave available under our Family Leave and Bereavement Leave policies, we hope to provide employees with context to ensure greater understanding and knowledge to navigate sensitive circumstances and provide compassionate and thoughtful support. They have now been launched in over 27 markets.

Sian Davies: Global Head of Digital Consumerism.

Sian works as our Global Head of Digital Consumerism and has been with Diageo for over 4 years. Sian and her partner have a son, that they conceived naturally. "We started trying for a second and we had no luck in that space for 3.5 years. I had a miscarriage but no other pregnancies and then after a lot of medical tests, I was eventually diagnosed with secondary infertility."

Sian and her partner decided to start IVF treatment to conceive a second child, "the thing about going through a fertility journey is it's a huge rollercoaster, it's very intense and there is a lot of cultural baggage that comes with it as well. There is a lot of fear that you will be judged for going through that journey and people tend not to be very open about it.

"What I found was by having this set of policies in place, that there was never any shame, stigma or judgment that I was going through that journey and that I could be completely open with my boss about the support I needed, and I felt I had the right to ask for that as well."

"Because there is a policy there, it is like there is permission to be open about what you are going through. I didn't know anyone else who had been on the same journey and having colleagues who knew what I was going through and could really empathise and in turn can pass that on to the next generation of people going through it has been an incredible and powerful experience."

"When you are going through fertility treatment, it is incredibly time consuming. It is also very unpredictable, you can find out at short notice that you need to go to hospital, take medication you need time off and have to be super flexible as it's so dictated by what your doctors say you need to do."

"I found that having a policy which gave me an explicit right for time off and was really clear on how Diageo would help support me was incredible. I know so many people that have struggled with that aspect they have had to hide it, do everything at 7 in the morning or sneak out of the office and I never felt like that when I was going through treatment."

Sian is now taking some time off work utilising Diageo's family leave policy, enjoying spending time with her new addition to her family.

"I found that having a policy which gave me an explicit right for time off and was really clear on how Diageo would help support me was incredible."



 Sian Davies

Julie Robertson: Senior Operator, Knockando Distillery.



“I was attracted to Diageo as it is a world renowned successful drinks company. They are a supportive, inclusive and a *diverse company that strive to develop* their employees so they continue to learn.”

📷 Julie Robertson

One of the ways in which we have disrupted our approach to talent to improve gender diversity has been to adopt a skills-based hiring approach, to recruit front line operations roles in Scotland. Being less focused on individuals having experience from a specific industry (historically production or manufacturing, which typically have higher male representation fields) we have shifted our focus to recruit based on the skills required for these roles. As a result, we have broadened our talent pools and have hired from industries such as nursing, farming and the police. Between March 2022 and April 2023, we hired 78 additional females into front line Operations roles in Scotland. Julie Robertson brings to life how she made a career change from Policing to Manufacturing Operations at Diageo and how the power of transferrable skills has enabled this to happen.

“Prior to joining Diageo as a senior operator in January 2023, I was employed as a Police Constable with Police Scotland for fifteen years. I was based in Moray and attached to response teams, attending 999 calls, dealing with many stressful and dangerous incidents where I had to think fast and effectively. Every shift was different, you didn’t know what was ahead of you. I thoroughly enjoyed my time in the Police but felt it was time for me to change my career path, I needed a new challenge.”

“I started looking for new employment. I saw a few adverts for jobs within the whisky industry in Speyside. Scotch whisky is part of Scotland’s heritage and plays a huge part in the UK economy, attracting hundreds of thousands of tourists to Scotland every year. I wanted to be a part of this industry. I did a lot of research online, talking to other operators that were employed in the whisky industry and they all seemed really happy and content in their jobs. I enjoy shift work and if possible, wanted to continue with this.”

“I was attracted to Diageo as it is a world-renowned successful drinks company. It is a supportive, inclusive and diverse company that strives to develop its employees, so they continue to learn and develop. Diageo’s ambition is to have 50% women and 45% from ethnically diverse backgrounds in leadership roles by 2030, which inspires me.”

“I uploaded my CV onto the Diageo careers website, every week I received an email from Diageo with the current vacancies that might suit me. They invited me to attend an open day at Linkwood Distillery, which was very informative. There were two representatives from Human Resources and two-day shift operators there to answer any questions. Being able to talk to them face to face and ask questions about the roles was a huge help. There was also a site walk round where we were shown the working site and got to meet the operators. They answered questions and gave advice and tips of how to improve our CV’s. This was a great help and made me realise that I really wanted to become a senior operator.”

“A short time later I applied for a senior operator role at Diageo, and I was successful. The senior operator role is totally different to my old job. I’ve had to start from scratch, but I have enjoyed the training and learning on the job. There are a lot of transferable skills from my Police career that have come in useful: team working skills, coordinating with work colleagues of all different levels, decision making skills, the ability to think quickly under pressure and to remain calm.”

“I am thoroughly enjoying my role as senior operator, there is so much more to the position than I ever imagined. I look forward to every shift, I’ve never looked back. Diageo is a great company to work for, I’m working with a good team of operators who have been very welcoming and supportive.”

Diageo Great Britain

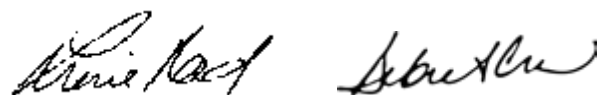
	2023	2022
% male/female employees	50.4%/49.6%	52.0%/48.0%
Median gender pay gap	-2.0%	-16.3%
Mean gender pay gap	+4.8%	+4.8%
Median bonus pay gap	+4.2%	-9.0%
Mean bonus pay gap	+22.4%	+24.5%
% males/females receiving a bonus payment	75.6%/81.3%	69.4%/78.9%
Upper quartile* (male/female %)	49.9%/50.1%	51.8%/48.2%
Upper middle quartile (male/female %)	50.3%/49.7%	42.9%/57.1%
Lower middle quartile (male/female %)	39.5%/60.5%	47.9%/52.1%
Lower quartile (male/female %)	61.8%/38.2%	65.3%/34.7%

Diageo Scotland

	2023	2022
% male/female employees	65.2%/34.8%	66%/34%
Median gender pay gap	+13.8%	+10.6%
Mean gender pay gap	-1.3%	+7.6%
Median bonus pay gap	-163.7%	-7.6%
Mean bonus pay gap	-53.2%	-21.2%
% males/females receiving a bonus payment	91.2%/83.2%	54.2%/63.6%
Upper quartile* (male/female %)	69.8%/30.2%	72.9%/27.1%
Upper middle quartile (male/female %)	71.5%/28.5%	73.2%/26.8%
Lower middle quartile (male/female %)	62.6%/37.4%	63.5%/36.5%
Lower quartile (male/female %)	56.9%/43.1%	55.8%/44.2%

* Quartiles are based on hourly pay rates

DECLARATION We confirm the information and data reported is accurate as of the snapshot date 5 April 2023



Louise Prashad
Chief HR Officer

Debra Crew
Chief Executive

2022 figures do not take into account payments made under the manufacturing incentive plan.

- Office for National Statistics, 01 November 2023: 'Gender Pay Gap in the UK 2023'.
- As at 30 June 2023.
- Reporting period April 2022 to March 2023.
- Office for National Statistics, 01 November 2023: 'Gender Pay Gap in the UK 2023'.
- Includes all employees across all of Diageo's legal entities in Great Britain.
- <https://ftsewomenleaders.com/wp-content/uploads/2023/03/ftse-women-leaders-review-report-2022-v2.pdf>.
- <https://www.hfea.gov.uk/about-us/publications/research-and-data/fertility-treatment-2019-trends-and-figures>.

DIAGEO

Celebrating life,
every day,
everywhere

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