

DIAGEO

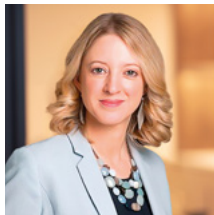
# Great Britain and Scotland *Gender Pay Gap Report* 2022



## Foreword

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

Diageo's purpose is to celebrate life, every day, everywhere, and core to this is to champion inclusion and diversity across our entire business. This commitment applies to the way in which we attract, develop and retain talent, to how we celebrate diversity and challenge stereotypes through our brands, and in our role in creating a more equal society and opportunities for all through our work with our suppliers and in our communities.



**Louise Prashad**  
Chief HR Officer



**Ivan Menezes**  
Chief Executive

### In this report

We have been reporting our gender pay gap in our Diageo Great Britain and Diageo Scotland businesses for six years now, and each year provides an opportunity for us to improve. In this report we explain our pay gap, how we are addressing it, and the challenges we need to overcome.

### Where we stand

We are delighted to report that our mean pay gap for Diageo Great Britain and Scotland combined has narrowed to 0.0% in the last year. At the same time, our combined median gender pay gap increased slightly to +4.3%. Although this is a relatively modest gap, and still significantly below the Office for National Statistics figure for businesses in the United Kingdom, it is an area we will continue to address.

In our Diageo Great Britain business, the median pay gap has decreased by seven percentage points, but remains significantly in favour of women at -16.3%. In our Diageo Scotland business, the median gap continued to narrow, reaching +10.6%, still in favour of men.

### Progress towards our goals

Championing inclusion and diversity is one of our strategic priorities, and is part of our 'Society 2030: Spirit of Progress' ESG action plan. In terms of our

people policies and initiatives, we spent the year continuing to raise awareness of the support available to our employees, such as our 'Thriving Through Menopause' guidelines and our Family Leave policy, which offers 52 weeks equal parental leave, with the first 26 weeks paid in full. And in recruitment, we evolved our approach to help us access the most talented and most diverse candidates, which meant investing in technology to reduce bias in advertising and rolling out training to help our own people tackle the issue.

This year we upweighted our resourcing and frameworks to focus on our progress. We were delighted once again to be recognised for our work on promoting gender equality in the FTSE Women Leaders Review and the Bloomberg Gender-Equality Index. We were also thrilled that, for the fifth time, Diageo leaders were recognised in the HERoes Women Role Model Lists, which celebrate business leaders who act as role models to improve gender equality and champion women in business.

We are proud of the progress we are making on inclusion and diversity across the business, especially on the representation of women in senior roles, and through the support we provide to our female workforce, but we know there is always more to do.

### Fast facts 2022<sup>1</sup>

**64%** of our Board Directors are women

**38%** of our Executive Committee are women<sup>2,4</sup>

**44%<sup>Δ</sup>** of our global senior leadership positions are held by women<sup>3</sup>

**4,323** employees across our businesses in Great Britain and Scotland

**0.0%** Mean pay gap figure

<sup>Δ</sup> Within PricewaterhouseCoopers LLP's (PwC) independent limited assurance scope. For further detail and the reporting methodologies, see our ESG Reporting Index 2022

1. Data points as at 5 April 2022

2, 3. As at 30 June 2022

4. Last year's figure was reported incorrectly, the 2021 report has been updated

## Measuring the pay gap

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 the same or similar jobs or work of equal value.

### Calculating our numbers

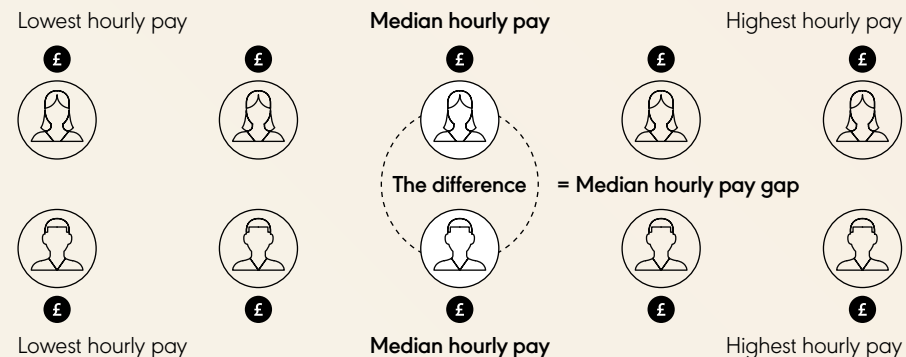
Under the UK Government's Gender Pay Gap Information Regulations, all legal entities in Great Britain with more than 250 employees are required to report their gender pay gap.

Diageo employs 4,323 people across the two legal entities in Great Britain covered by the regulations: Diageo Great Britain (1,243) and Diageo Scotland (3,080). We therefore report separately on each of these legal entities on 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 4,364.

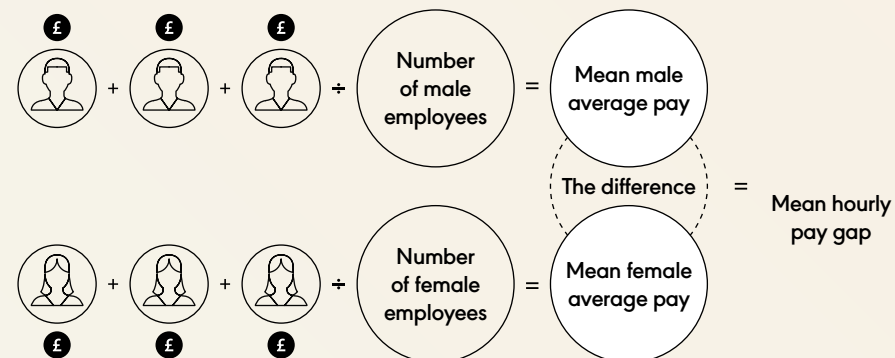
In this report, as required by the regulations, we disclose the median and mean (average) pay gaps between men and women's hourly pay and bonuses.

### Calculating the difference

#### How we calculate the median difference



#### How we calculate the mean difference





## Understanding our pay gap

### Continuing to see *positive movement* in our combined hourly mean pay gap.

#### Diageo Great Britain and Diageo Scotland combined

Diageo Great Britain is our in-market sales, marketing and management business looking after our customers in England, Scotland and Wales. Diageo Scotland is primarily a manufacturing and Supply Chain organisation which, through its packaging, distilling, maturing and logistics operations, supplies all of our markets globally. It is also where Diageo's entire Scotch business originates. Because so many of our employees work in manufacturing functions, which are traditionally more popular with men, the sheer numbers have a significant influence on the pay gap.

We are delighted to report that our mean hourly pay gap has narrowed from -12.4% in 2021 to 0% in 2022. Our median hourly pay gap, however, increased slightly from +1.3% last year to +4.3%. Although this is still significantly below the current Office for National Statistics figure of +14.9%<sup>1</sup> for businesses in the United Kingdom, we continue to evaluate and improve how we approach hiring and promoting employees, and how we retain talent across our businesses.

We have made good progress in increasing the number of women represented in our upper quartile this year, with women representing 41.2% of the quartile compared with 32% last year.

Our median combined bonus pay gap decreased from +11.8% to -29.1% in 2022. This shift comes as a result of returning to pre-Covid-19 levels of bonus payments in October 2021, following the pandemic's impact on our global performance in 2020. The increased representation of women in our upper quartile, as stated above, also contributed to the reduced bonus median pay gap.



Median hourly pay gap

**+4.3%**

2021: +1.3%

Median bonus pay gap

**-29.1%**

2021: +11.8%

Mean hourly pay gap

**0.0%**

2021: -12.4%

Mean bonus pay gap

**+26.3%**

2021: +101.0%

% receiving a bonus payment<sup>2</sup>



**58.1%**

2021: 25.2%



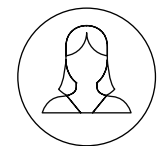
**69.5%**

2021: 20.1%



**62%**

2021: 64%



**38%**

2021: 36%

1. Office for National Statistics, 26 October 2022: 'Gender pay gap in the UK: 2022'

2. Includes all employees across all of Diageo's legal entities in Great Britain

# DIAGEO

## Gender Pay Gap Report 2022

### Understanding our pay gap *continued*

#### Diageo Great Britain

We have 1,243 employees in Diageo Great Britain. 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, like most manufacturing businesses, has a higher representation of men.

Our hourly median rate for women continues to be higher, chiefly because we have more women in office-based roles. These roles are typically higher paid than more junior roles in field sales and manufacturing, which continue to be filled predominantly by men.

Our median bonus pay moved significantly from last year in favour of women, again impacted by the return to a pre-pandemic level of bonus awards, but also because more women became eligible for a bonus, increasing to 51% from 37.2% last year. Additionally, the bonus gap continues to be affected by eligible employees selling their LTIP and share awards, and improved share prices.

#### Median hourly pay gap

**-16.3%**

2021: -23.3%

#### Mean hourly pay gap

**+4.8%**

2021: -8.5%

#### % receiving a bonus payment



**69.4%**

2021: 42.6%



**78.9%**

2021: 29.2%

#### Median bonus pay gap

**-9.0%**

2021: +25.8%

#### Mean bonus pay gap

**+24.5%**

2021: -16.4%

#### % of total employees

**52.0%**



**48.0%**

#### Diageo Scotland

We have 3,080 employees in Diageo Scotland, which operates a number of distilling and packaging sites along with warehousing operations, our cooperage and our coppersmith workshop.

In 2022, our median pay gap narrowed from +15% to +10.6%, continuing a positive trend since 2018. However, our gap continues to be significantly affected by men holding a majority of the roles in our manufacturing business, consistent with demographics in the wider manufacturing sector. In particular, these roles are eligible for premium shift allowances in our 24/7 operations and tend to be more highly represented by men. Though progress is gradual in this area, we continue to work hard to address these imbalances. This year we have re-examined how we hire at scale in our operations and have identified a number of ways which we believe will significantly improve our ability to attract, hire and retain diverse talent. Progress here will create a positive impact on our gender pay gap and allow us to achieve a more diverse workforce at all levels in the organisation.

Our median bonus gap continued to improve and, at -7.6%, is the lowest for Diageo Scotland since reporting began. As mentioned above, this is a result of returning to pre-pandemic levels for bonus awards, and increasing the number of women eligible for a bonus to 37%, from 25.6% last year. As in Diageo Great Britain, the bonus gap was also affected by eligible employees selling their LTIP and share awards, and improved share prices.

#### Median hourly pay gap

**+10.6%**

2021: +15.0%

#### Mean hourly pay gap

**+7.6%**

2021: +6.7%

#### % receiving a bonus payment



**54.2%**

2021: 19.5%



**63.6%**

2021: 14.3%

#### Median bonus pay gap

**-7.6%**

2021: +12.9%

#### Mean bonus pay gap

**-21.2%**

2021: -5.2%

#### % of total employees

**66.0%**



**34.0%**

## Closing the gap

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

This year was one of consolidation. We've challenged ourselves on how we attract, develop and promote women and worked to further embed existing initiatives in our company. This way, our plans for gender parity are rooted in firm foundations and will produce lasting results.

#### Rethinking our approach to recruitment

If we want to attract the best and most diverse talent, we need to challenge ourselves on anything that may act as a barrier to us reaching the gender and ethnicity representation goals set out in our Society 2030: Spirit of Progress plan.

One way we're doing this is by tackling unconscious bias in recruitment. In January 2022 we launched Hiring for Performance, a comprehensive learning toolkit that provides resources for all our hiring managers in attracting, assessing and recruiting the best and most diverse talent, including women. In Diageo Great Britain, we partnered with an external group who champion inclusion and diversity to help bring to life the Hiring for Performance toolkit, by taking our managers through a mandatory interactive workshop designed to help them recognise and reduce biases. This piece of work is critical because it is not enough to simply widen where we recruit from; we also must ensure that those making the decisions about hiring are more open to diverse candidates.

We are also addressing bias with the technology we use in hiring and screening candidates, such as our partnership with HireScore. The company uses artificial intelligence to screen and rank applicants as to how well they suit the roles they have applied for, ultimately reducing bias in our processes.

Across our supply business, we have reframed how we approach hiring in volume, especially in our operator roles within manufacturing where men have traditionally been more represented than women. This year, we have begun to move towards programmes to hire in advance of the need, to give more time and space to explore new talent pools and sources of recruitment. For example, we have established assessment centre cycles that allow us to see more candidates at once and ensure our intake is balanced. We're seeing early signs of positive results from these programmes. We've also started to include salaries on our job advertisements, which is attracting more applications and therefore a bigger pool of diverse talent for us to assess.

#### Creating a robust early careers pipeline

If we want a robust pipeline of talented women as future leaders, we have to get a gender balance at our early careers level. But like many businesses that employ people in science, technology, engineering and mathematics (STEM) roles, we have historically found it difficult to recruit enough women - partly because fewer girls and women have chosen STEM subjects at school and university. This is why, in 2019, we launched the Spirit of STEM Scholarship in partnership with Herriot-Watt University. The scholarship provides financial support, mentorship and ongoing career guidance to talented women studying brewing and distilling, and mechanical engineering degrees. With another two scholarships awarded this year, our total cohort has grown to six.

Our graduate scheme also continues to be a strong pipeline for hiring and developing talented women in STEM. This year in Great Britain and Scotland, 75% of our graduate hires were women.

However, we know that attracting, talented women will not be enough without developing their skills. This, in part, comes through exposure to different parts of the business.

In Scotland, for example, we have expanded our apprenticeship to our Planning and Logistics function and intend to go further to include areas such as Automation and AI (artificial intelligence). We're also attracting more women onto our Graduate Apprenticeship programme who specialise in critical skills such as data science, an area where women are traditionally underrepresented.

To attract the right people in the first place, they need to know about us, so we are partnering with organisations that can help us reach them. This year, we continued our partnership with Bright Network for their Women in STEM and International Women's Day events, which are opportunities to showcase the work we do to champion inclusivity, while broadening our pool of potential applicants.



## Closing the gap *continued*

### Recognising and promoting talented women

As part of our 'Society 2030: Spirit of Progress' action plan, we set global goals for 50% of all leadership roles to be held by women by 2030, as well as increasing representation of leaders from ethnically diverse backgrounds to 45%. We have made good progress this year, having increased the number of women in leadership roles to 44%, and are on track to meet our 2030 goals. In senior levels across Great Britain and Scotland, we increased the representation of women and we are delighted that some are the first women to take up these roles in our history.

In July 2021 we appointed a female Head of On Trade, the largest function in the Great Britain business, while we also appointed the first woman to lead Justerini & Brooks, our Fine Wine and Spirits Merchants. In October 2021, Johnnie Walker appointed Emma Walker - suitably named, although no relation to the founding family - as Master Blender. The role is extremely coveted in the whisky industry and Emma is the first woman to take it up in Johnnie Walker's 200-year history.

### Embedding policies to promote inclusion

In recent years, we've launched ambitious new policies to support our employees. All our policies are underpinned by our Flex Philosophy, launched in 2019, which promotes flexibility and recognises that people may need to work differently according to their circumstances. In 2021, we built on this by launching our Wellbeing philosophy, which seeks to empower our people to prioritise their wellness through supportive tools targeting the social, physical, mental and financial areas of their lives.

In March 2021 we launched our 'Thriving Through Menopause' guidelines, which provide resources for employees who are going through menopause, or who want to support someone who is. The guidelines were greatly welcomed but they're just the beginning, so we are focussing on responding to feedback and looking into practical tools and training that could support people further.

Our leading Family Leave policy, introduced in 2019, is another way we demonstrate our commitment to gender equality. The policy offers all employees 52 weeks of parental leave, with the first 26 paid in full. It applies regardless of how our people become parents - biologically, through surrogacy or through adoption. This means that men can take more paternity leave than the statutory two weeks, and can support their partners as equal caregivers. Shared parental leave also helps women feel more supported both as career women and as parents, since it fights the stigma that taking extended

time off will affect their careers. We support parents transitioning back into work through Keeping in Touch (KIT) days, parental coaching and free counselling. Across Great Britain and Scotland combined, 141 men took an average 109 days of paternity leave between 1 April 2021 and 31 March 2022.

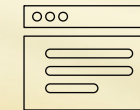
Read more on page 8.

Our Domestic and Family Abuse Guidelines, launched in November 2021, provide further support to our people by outlining our zero-tolerance approach to abuse, whether linked to alcohol or not, while providing practical guidance to employees and line managers on where to go for expert and confidential support. This forms a part of Diageo's ongoing commitment to creating an inclusive culture where our people feel valued and can thrive, allowing them to be their best - both at home and at work.

### Promoting discussion and networks through our ERGs

Our Employee Resource Groups (ERGs) are led by our people; over the years, they have become vital forums for open conversations, for us to listen and learn from. This year the Spirited Women Network, our ERG championing the inclusion, development and progression of women, continued to host events that promote awareness and broach difficult topics. Examples include an allyship discussion on Queer Women in the UK and Africa, hosted alongside the Rainbow Network, our ERG aimed at members of the LGBTQ+ community, as well as a conversation about how taboos and myths concerning contraceptives affect sexual health.

The Spirited Women Network has also worked to improve the visibility of women and strengthen their networks across Diageo. In September 2021 the group held a panel discussion of senior Diageo women, moderated by psychotherapist Emma Turrell, where they discussed self-awareness, imposter syndrome and career progression. In January 2022, the network launched an internal mentorship programme. The programme reported 79% of women and 21% of men as mentees, and 57% of women and 43% of men as mentors. We are pleased with this progress and believe the participation of men is an encouraging sign that we are fostering greater allyship in Diageo.



DIAGEO PEOPLE HAVE BEEN RECOGNISED FOR THEIR EFFORTS TO CHAMPION THE LGBTQ+ COMMUNITY IN BUSINESS. LEARN MORE.

## Case study

### The importance of diversity: in backgrounds and skills.

Kelly's success as Diageo's current Lead Packaging and Automation Engineer in our global business is due to the breadth of experience she has gained through various roles, as well as to her own non-engineering experience. "I was actually an architectural technician. I wanted to do something different, and engineering had always drawn my attention." That's when she found opportunities in operations at Diageo.

"Through a temp agency, I got a foot in the door and learnt about the business, how operations worked and learnt about the standards for machinery," says Kelly. "That led me to apply for a position in the admin team as a technical administrator and then I landed a secondment where I was offered a trainee position. This is where I built my knowledge in engineering."

Kelly took up the opportunity for a degree apprenticeship with Diageo, which allowed her to build her technical skills and helped her grow as a future leader in engineering. Kelly has now been at Diageo for 10 years and today her work includes overseeing a variety of areas such as the design and packaging of our products, the machinery we need and how to put new packaging ideas into practice.

"The role I have in Global Engineering has given me the opportunity to work closely with the Brand and Market Teams through our innovation projects, Procurement at all levels, and building strong relations with multiple equipment and material suppliers globally. Combining this with the opportunity to work on multiple business strategy projects is giving me a very broad

experience opportunity, without actually having to step outside the Global Engineering team."

We're committed to helping women in STEM roles progress, and one way we are doing this is by ensuring they are able to diversify their skill sets. For Kelly, this came from exposure to different business areas. Her current role takes her across the globe where she gets exposure to operations across many regions and cultures, all at very different stages of technical evolution. Kelly is at the forefront of innovation in processes and automation across Diageo through her lead role on Diageo's automation task force. She has already led in the development and implementation of projects that have delivered technical solutions that are new to Diageo and to the world. "You learn different approaches and styles - all of which is compounded by what's gone on in those different areas over the years. It has helped shape me and the role that I do."

Kelly now has the opportunity to mentor young women on foundation apprenticeships from local schools in Leven who spend time at Diageo over the summer. "I've been able to show that you don't have to be the stereotypical man with a hard hat to be an engineer, and that you can bring your own perspective to the role."

"Diageo understands that every difference brings something of value. There's an appreciation that teams need to be made up of many different backgrounds which has led to different thinking in how we hire people."

**"Diageo understands that *every difference* brings something of *value*."**

**Kelly Fraser**





## Case study

### Family leave: creating a level playing field for men and women.



Adam Miller

In Adam's words, having an equal family leave policy of 52 weeks, with the first 26 paid in full, was 'revolutionary'. He can personally testify to the difference it makes - the advanced policy wasn't developed when his first child was born, and he has been hugely appreciative of it with his second.

Adam works in Diageo's On Trade business as National Wholesale Controller. He returned from his full paternity leave in September 2022. The family recently welcomed a baby boy and he found there were profound lessons on empathy and understanding he could only gain through having the longer leave. "When I had my first child, my daughter, my commute was long, so even if I left with every good intention to get home for bath time, nine times out of ten, I missed it - which added up to missing important bonding time with both my child and my wife."

Most important was the opportunity to 'live and breathe' the responsibilities that traditionally fall to women. "It opens your eyes and you become more aware, more supportive of your partner, because becoming a parent can be very challenging at times." The policy also meant that he was able to share responsibility equally with his wife. "She felt supported to change her career and had no worries about the stresses of a new job because I was at home."

Adam found the same support through Keeping In Touch (KIT) days, which made returning to work much easier. "My line manager said I could come in as little or as much as I wanted but ultimately to do what worked best for me and my family. The KIT days allow you to have the flexibility in choosing what you come back in for, like attending important team meetings. I could take in a lot of information but I wasn't under pressure to contribute immediately to these meetings, which meant that when I came back full time, I had quite a bit of context and didn't feel I was starting cold."

After two months back at work, Adam didn't just feel more compassionate and understanding at home, but also felt properly equipped to support members of his own team when they take parental leave. "The more opportunities we get to level the playing field, the better we will become at making people feel valued, respected and understood."

**"The more opportunities we get to level the playing field, the better we will become at making people feel valued and respected."**

## Statutory disclosures

### Diageo Great Britain

	2022	2021
% male/female employees	52.0%/48.0%	53.5%/46.5%
Median gender pay gap	-16.3%	-23.3%
Mean gender pay gap	+4.8%	-8.5%
Median bonus pay gap	-9.0%	+25.8%
Mean bonus pay gap	+24.5%	-16.4%
% males/females receiving a bonus payment	69.4%/78.9%	42.6%/29.2%
Upper quartile* (male/female %)	51.8%/48.2%	49.0%/51.0%
Upper middle quartile (male/female %)	42.9%/57.1%	45.0%/55.0%
Lower middle quartile (male/female %)	47.9%/52.1%	57.0%/43.0%
Lower quartile (male/female %)	65.3%/34.7%	65.0%/35.0%

### Diageo Scotland

	2022	2021
% male/female employees	66%/34%	67.9%/32.1%
Median gender pay gap	+10.6%	+15.0%
Mean gender pay gap	+7.6%	+6.7%
Median bonus pay gap	-7.6%	+12.9%
Mean bonus pay gap	-21.2%	-5.2%
% males/females receiving a bonus payment	54.2%/63.6%	19.5%/14.3%
Upper quartile* (male/female %)	72.9%/27.1%	77.0%/23.0%
Upper middle quartile (male/female %)	73.2%/26.8%	74.0%/26.0%
Lower middle quartile (male/female %)	63.5%/36.5%	67.0%/33.0%
Lower quartile (male/female %)	55.8%/44.2%	55.0%/45.0%

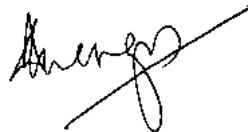
\* Quartiles are based on hourly pay rates

## Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2022



**Louise Prashad**  
Chief HR Officer



**Ivan Menezes**  
Chief Executive

# DIAGEO

*Celebrating life,*  
**every day, everywhere**

**Diageo plc**

16 Great Marlborough Street  
London  
W1F 7HS

United Kingdom

T: +44 (0) 20 7947 9100

**[www.diageo.com](http://www.diageo.com)**

Registered in England  
No. 23307