

DIAGEO



Human Rights

GLOBAL POLICY

UPDATED JUNE 2022

Who does this apply to?

- ✓ All Diageo employees.
- ✓ All subsidiaries of Diageo.
- ✓ Joint ventures in which Diageo has a controlling interest.
- ✓ Third party contractors, agents or consultants representing or acting for or on behalf of Diageo.



Our commitment

We are committed to becoming one of the most trusted and respected consumer products companies in the world. As part of that commitment, our employees, everybody who works with us, and everybody who buys our products around the world know us for our values. We value each other and respect each other's human rights as articulated in the Universal Declaration of Human Rights, a declaration we are committed to delivering in its entirety, throughout our business and value chain.

We act in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights. Our Human Rights Policy is informed by the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights to Work, the Children's Rights and Business Principles, UN Global LGBTI Standards of Conduct for Business, UN Women's Empowerment Principles and the UN Global Compact, to which we are a signatory. By committing to these international frameworks, we are dedicated to enriching the workplace. We act with integrity, in compliance with local laws and regulations, and respecting the unique customs and cultures in the communities in which we operate.

Through appropriate contractual arrangements and our Global Partnering with Suppliers standard we make our suppliers aware of and expect their compliance with our human rights commitments. Any new business relationships such as mergers, acquisitions and joint ventures are assessed through a rigorous due diligence process, which includes human rights risks.

We do not tolerate threats, intimidation, physical or legal attacks against human rights defenders, including those exercising their rights to freedom of expression, association, peaceful assembly and protest against the business or its operations.

Context

Wherever we work, our commitment to human rights is fundamental to our way of doing business. We recognise that we are responsible for the impact of our operations on our employees, on all workers in our supply chain, on consumers of our products and on the communities in which we operate.

There is a role for every one of us in respecting the human rights of everybody we work with. We expect our employees to demonstrate ownership and ensure careful oversight of our activities to assure we make a positive impact on human rights. We expect our suppliers and business partners to have similar policies and comply with laws and regulations in the territories in which they operate.

In our communities, we understand that our distilleries, breweries and offices are at the very heart of the communities in which we work. We want to be a leader, to make a positive contribution to society, and take part in building thriving communities.

In support of our programmes, business, human rights and the delivery of shared value, we are also committed to engaging with communities alongside all our stakeholders, both local and global, on an ongoing basis. At a local level, employees across Diageo's business engage their colleagues, local governments, suppliers, farmers, customers, media, civil society and community groups to respond to their interests and concerns. At a global level, we engage investors, customers, suppliers, and multinational organisations such as United Nations agencies or NGOs. By listening to everyone who engages with Diageo, we can ensure that ours is a business that understands stakeholders' expectations and meets them.



Core principles of the policy

Valuing diversity

At Diageo we celebrate cultural and individual diversity, and rely on this to help create an energizing team culture. We all play an important role in creating a culture that is diverse and inclusive of all individuals. We will recruit and hire the best talent reflecting the markets and consumers we serve. We recognise that a diversity of skills and experiences in our workplace and communities will provide a competitive advantage.

Non-discrimination and preventing harassment

Every employee and person we work with is entitled to human rights without discrimination. In all aspects of employment, we treat employees justly according to their abilities to meet the requirements of the role. We will not discriminate based on factors such as race, religion, colour, ethnicity, national origin, disability, sexual orientation, gender, gender identity, gender expression or marital status.

We provide a harassment free environment that promotes openness, teamwork and trust. We will not tolerate employees being subject to physical, sexual, racial, psychological, verbal, or any other form of harassment, bullying or abuse.

Child labour and forced labour

We do not permit exploitation of children or involuntary servitude for our employees, or within our suppliers or business partners. This includes the consideration of debt bondage and unacceptable financial costs forced upon workers. We will not employ anyone under the age of 16. Employees under the age of 18 will not perform any hazardous work. We respect and comply with all relevant local laws regarding voluntary employment and minimum age for employment.

We are committed to protecting the rights of all workers in our value chain, including migrant workers who may be only temporarily present.

Wages and hours

We recognise the skills and contributions of all our employees and pay our employees competitive wages and benefits. We provide our employees with learning and development opportunities to enhance their skills and progress their careers.

We comply with all wage and hour laws, collective agreements, and the provisions of the relevant ILO standards on working time. In the absence of applicable laws or collective agreements, normal working hours shall not on a regular basis exceed a maximum of 48 hours per working week, or 60 hours per working week including overtime, and employees shall be allowed at least one day of rest in every seven-day period. We require our suppliers and business partners to do the same.

Freedom of association

We respect our employees' choice to join or not join a trade union or other organisations of their choice and to bargain collectively in support of their mutual interests. In countries where the right to freedom of association is restricted by law, we support the development of alternative means to facilitate the representation of employees' interests.

We take appropriate measures to prohibit any form of intimidation or retaliation against workers seeking to exercise their right.

Health, safety and wellbeing

We are committed to the highest standards of safety and security to protect ourselves, our suppliers, our business partners, and our communities.

We will follow all safety policies and procedures, national and local laws and regulations. For more information regarding health and safety, please see the health, safety and personal security section of our Code of Business Conduct, our Health, Safety and Wellbeing Global Policy and our Corporate Security Global Policy.

**At Diageo we celebrate
cultural and individual diversity**

Core principles of the policy (Cont)

Monitoring

We are committed to conducting ongoing human rights due diligence throughout our business and end-to-end value chain. This is prioritised based upon risk assessment initially at a global level and then in each assessment at a local level. Our risk assessment reflects external awareness of human rights risks by geography and issue, and our own assessments of our value chain. This is an ongoing process and it is regularly reviewed and adapted in response to emerging human rights issues.

Our Human Rights Impact Assessments (HRIAs) were undertaken by specialists in human rights alongside our own teams. We also ensure that those members of our own team with a direct involvement in specific areas of human rights risks, such as procurement, receive specific training to support their role. Our HRIAs engaged with the different stakeholders in our value chain, identifying those potentially affected by human rights issues, holding stakeholder interviews and assessing the risk while implementing appropriate remediation. We developed action plans and now review the progress of mitigation through our routine enterprise risk management processes.

We are committed to conducting ongoing *human rights* due diligence

Monitoring of human rights within our supply chain, led through our Partnering with Suppliers standard, is also delivered by an assessment programme carried out in partnership with our peers and suppliers. Suppliers are mapped globally and risk assessed which leads to a prioritised audit programme. Audits of supplier sites consider labour and human rights, and mitigation plans are developed by suppliers to address any issues arising. The standard is a contractual requirement and failure to deliver appropriate mitigation may result in a change to the ongoing business relationship and cessation of trading. We will work with our suppliers to develop, support and implement effective mitigation as appropriate.

Details of our performance against our Code and on human rights are communicated through our Annual Report and our Environmental, Social and Governance (ESG) Reporting Index.





Where to get more information

- ✓ Code of Business Conduct
- ✓ Breach Management Standard,
- ✓ Partnering with Suppliers Standard
- ✓ Brand Promoter Standard
- ✓ Annual Report
- ✓ ESG Index

Data privacy consideration

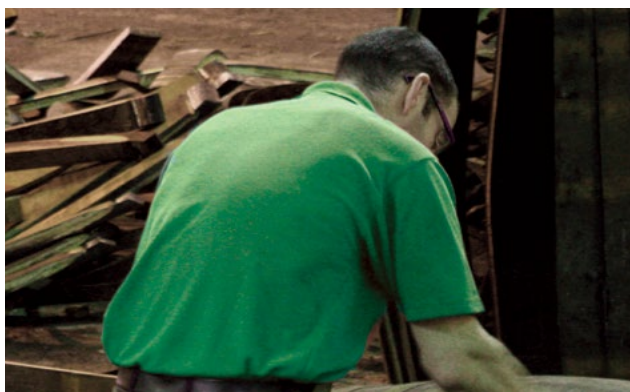
We want Diageo to be the best place to work and for consumers to love our brands. As part of this we want individuals to experience our business as one that respects privacy, protects data and enables trust.

Policy governance

Our Code of Business conduct and Human Rights policy are agreed by our Chief Executive, who reports directly to the Board. Responsibility for delivery is shared between members of Diageo's Executive Committee, all of whom report to the Chief Executive. Our Executive, senior business leaders and functional specialists lead the agenda via our Human Rights Steering Group, and assess risks, emerging issues, compliance and remediation within our routine enterprise risk management processes. Where relevant, human rights risks are reviewed by the Board.

Responsibility for day-to-day delivery of our Code and Human Rights Policy is everybody's responsibility. We communicate our Code and Human Rights policy throughout our business and, alongside our Partnering with Suppliers standard, to all our suppliers around the world.

All of our teams receive routine training on our Code, and on human rights, with a focus on key human rights risks potentially arising in their area of work where appropriate. Our suppliers are also invited to training and engagement events such as our annual Pathway of Pride programme in Africa.



How to report a breach

Any breach of this Policy is also considered to be a breach of the Diageo Code of Business Conduct and should be reported promptly.



You can report a compliance concern or any actual breach to your line manager or



Breaches of this Policy will be dealt with under the Breach Management Global Standard, the Diageo Investigation Guidelines and local disciplinary policies.

How to report a breach

We are committed to working directly with our suppliers and customers to remedy human rights issues where we become aware of them.

We have policies and processes in place to identify, prevent and mitigate human rights risks and to provide remedy to any adverse impact we have caused or contributed to by our operations.

Our SpeakUp whistleblowing phone line and web reporting tool can be accessed by employees, by those in our value chain, and the communities where we operate. Where matters are brought to us, we are committed to protect the rights of those reporting them, and we do not tolerate reprisal against anyone who raises a matter in good faith or where they have assisted an investigation.

We track and routinely review these mechanisms, along with any feedback on them, developing our approach to improve the process where practical.

Where appropriate we will also engage with local judicial or non-judicial grievance mechanisms to provide remedy. We will not impede access to state-based judicial or non-judicial mechanisms; or any other mechanisms available to people who make allegations of potential human rights impacts. In addition, we will not request that any individuals or communities waive their legal rights as a condition of participating in our (or any other judicial, or non-judicial) grievance/mediation process, or require confidentiality provisions (e.g., non-disclosure agreements) with respect to human rights grievances.

*We are committed to protect
the rights of those
who report to us*



Key things to remember

- ✓ **Treat everyone** with dignity and respect;
- ✓ **Celebrate** cultural and individual diversity;
- ✓ **Do not tolerate** discriminatory, offensive or intimidating behaviour, harassment, or bullying;
- ✓ **Commit to the highest standards** of safety;
- ✓ **Do not knowingly work** with anyone known or suspected to be acting in a way that infringes on anyone's human rights such as not complying with wage and hour laws, or permitting exploitation of children, or not respecting a choice to join or not join a trade union;
- ✓ **Require partners, suppliers and other third parties** with whom you work to adopt similar standards with respect to human rights and operate in line with the principles in our Partnering with Suppliers Standard.





Q and A

Q What are the UN Guiding Principles for Business and Human Rights?

A The United Nations Guiding Principles on Business and Human Rights (UNGPs) are a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity. Diageo has committed to Act In Accordance with the Guiding Principles and to embedding human rights into our daily operations as a fundamental part of doing business the right way from grain to glass.

Q A few months ago, you did not agree with your manager in a large meeting. Now he shouts at you in public and criticizes your work in front of others. You have tried to speak with him but he will not make time to speak with you. What should you do?

A We provide a harassment free environment that promotes openness, teamwork and trust. We will not tolerate employees being subject to psychological, verbal, or any other form of harassment, bullying or abuse. If attempts to speak to your manager are not successful or you are not comfortable doing so, you should speak with your local HR team.

Q I heard informally that one of our suppliers is under investigation for child labour violations. They have been great supplier, and I'm not aware of any previous problems. Should I ignore the rumours since we don't have any proof?

A No. Diageo has a duty to respect Human Rights and this includes not permitting the exploitation of children in our supply chain. Please let your manager and the Procurement team know and they will advise you on next steps in order to ensure standards are met.

Q An allegation has been made that a Third Party Operator is not paying minimum wages to workers. What should I do?

A Our Human Rights Policy also applies to Third Party Operators. This means complying with all wage and hour laws, such as minimum wage, working hours and overtime laws. Please let the Procurement team know and they will advise you on next steps in order to ensure standards are met.

