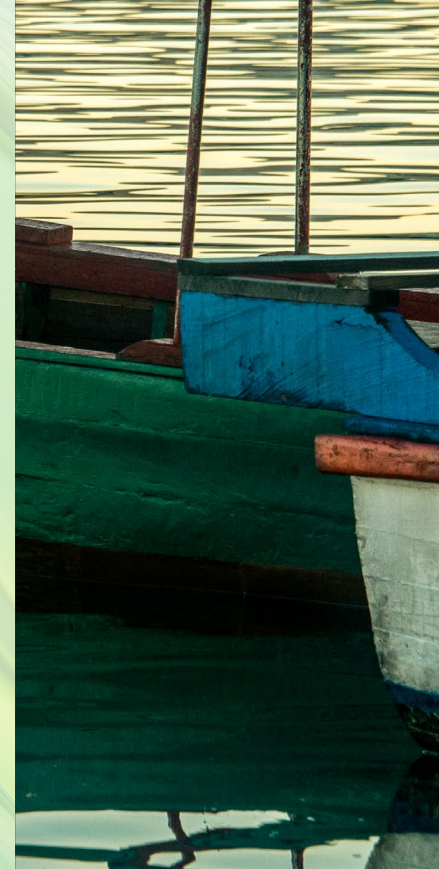
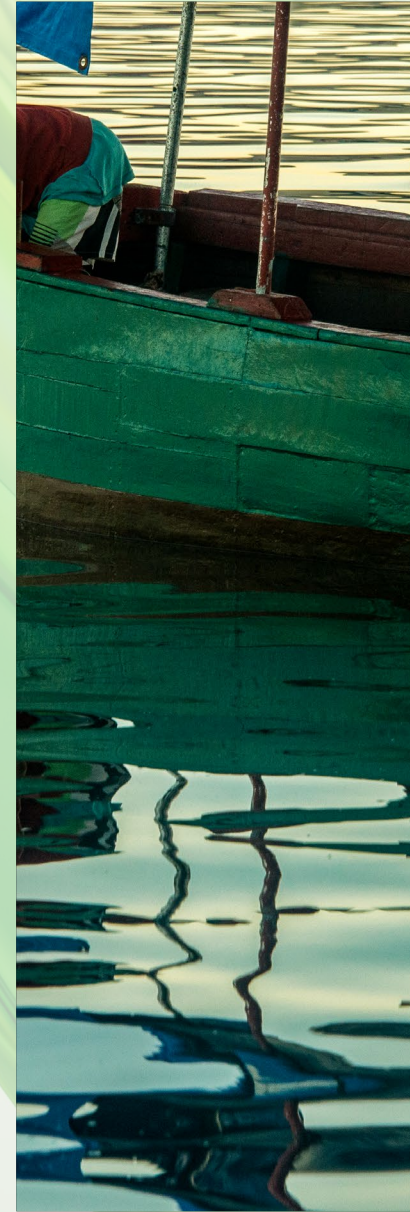


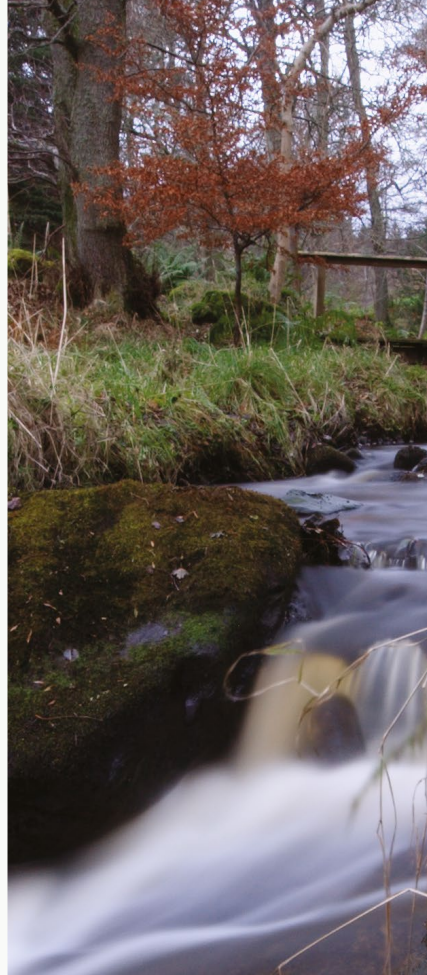
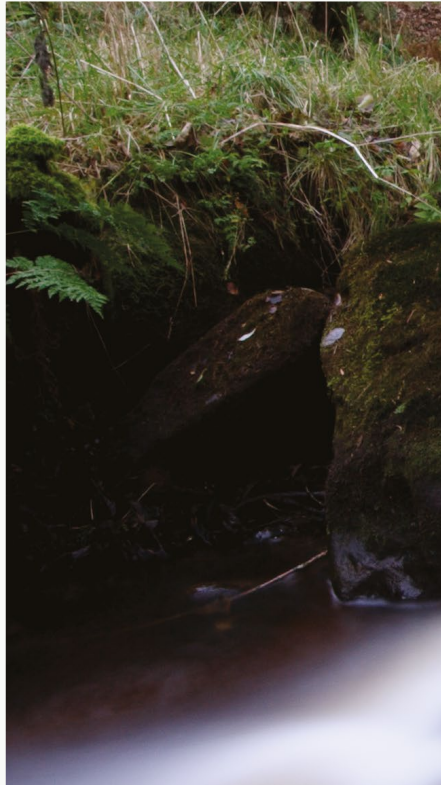
DIAGEO

Modern Slavery Act

STATEMENT

For the financial year
ended 30 June 2023





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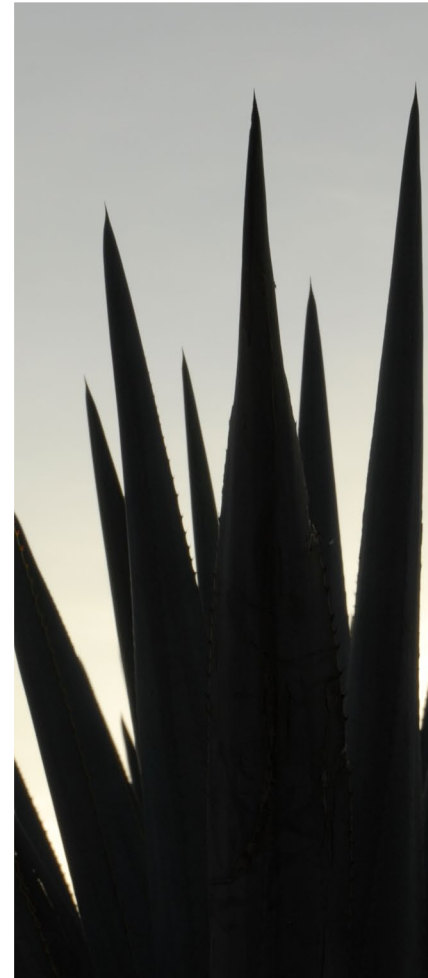
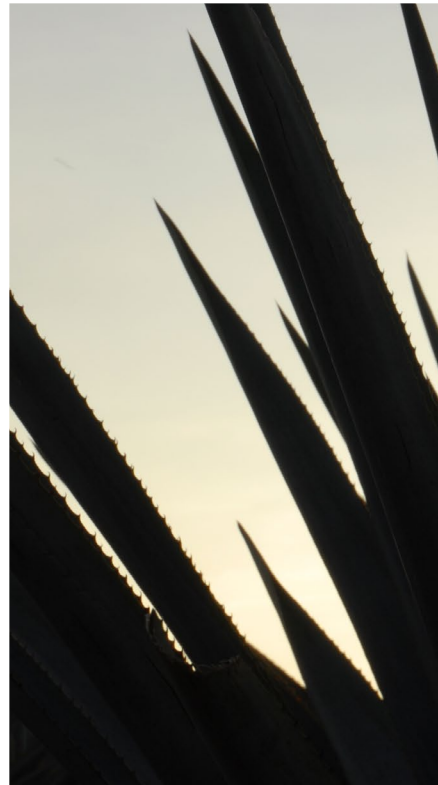
This statement describes the activities being undertaken by Diageo plc and its subsidiaries worldwide, including all subsidiaries incorporated in the United Kingdom, Australia, and Canada, (the Diageo Group) to prevent slavery and human trafficking in our business operations and supply chain.

This statement has been published and submitted on behalf of the Diageo Group by its parent company Diageo plc. This statement has been prepared in compliance with global modern slavery-related legislation including the UK Modern Slavery Act 2015, the California Transparency in Supply Chains Act 2010, the Australian Modern Slavery Act 2018 and the Fighting Against Forced Labour and Child Labour in Supply Chains Act of Canada 2024 (the Canadian Modern Slavery Act).

The Diageo Group has a common coordinated approach to human rights risk identification, risk assessments and due diligence taken to address human rights, including modern slavery risks.

Introduction

*Diageo has a
zero-tolerance approach
to modern slavery*



What is Modern Slavery?

Modern slavery is a crime and a violation of fundamental human rights. Modern slavery takes various forms, including slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

We know that modern slavery is a global issue and is linked in part to the rapid rise in global migration. It exists in every region in the world and in most types of economy, whether industrialised, developing, or transitional. No sector or industry can be considered immune or be complacent.

Diageo has a zero-tolerance approach to modern slavery. This statement describes what we are doing to prevent modern slavery in our business operations and our supply chain.

Diageo's Structure and Operations

Diageo is a publicly listed (LSE and NYSE) multinational alcoholic beverage company, incorporated in the United Kingdom with its corporate headquarters located at

16 Great Marlborough Street, London, W1F 7HS. Further details of Diageo's business organisations, global operations centres and worldwide subsidiaries can be found in its [latest annual report](#).



You can find out more about where we operate [here](#):

Diageo has determined that its subsidiary Diageo Australia Limited (DAL) meets the reporting requirements set out in section 5 of the Australian Modern Slavery Act 2018 and its subsidiary Diageo Canada Inc. (DCI) meets the reporting requirements set out in the Canadian Modern Slavery Act, therefore this statement contains additional detail on DAL and DCI's operations, supply chain, human rights risk assessment and mitigating actions.

Diageo is a publicly listed (LSE and NYSE) multinational alcoholic beverage company

Our Reporting Suite

Reporting transparently on environmental, social and governance (ESG) issues helps us to manage risks, seize opportunities and promote sustainable development everywhere we live, work, source and sell.

Within our [Annual Report](#) we present our most material disclosures and describe how our strategy delivers value for our business and our communities, using the International Integrated Reporting Council (IIRC) Framework as a guide.

Our [ESG Reporting Index](#) is where we give additional disclosures in line with the GRI Standards index and the UNGC advanced reporting criteria index, plus our response to the Sustainability Accounting Standards Board (SASB).



Reporting Concerns

If anyone has concerns about modern slavery or broader human rights issues relating to Diageo's operations or supply chain, our Speak Up service allows them to confidentially raise concerns. Whilst we do encourage all those reporting concerns to identify themselves, to increase the likelihood of being able to adequately establish the facts of the case, we do also allow anonymous reporting for those preferring to do so.

Visit www.diageospeakup.com for more information or contact Diageo's Business Integrity team at business.integrity@diageo.com.





DAL's Structure



DAL is a wholly owned indirect subsidiary of Diageo plc, its ultimate controlling parent company.

DAL is responsible for the marketing, sales and distribution of the Diageo Group's brands and products in Australia. DAL has two subsidiaries, both based in Australia – most notably Bundaberg Distilling Company Pty Ltd (BDC) operating the Bundaberg Distillery – neither of these subsidiaries meets the definition set in section 5 of the Australian Modern Slavery Act 2018 for reporting entities.

DAL's Operations

Diageo has two manufacturing and logistics facilities in Australia, both directly owned or controlled by DAL:

- Bundaberg Distillery is in Bundaberg East, Queensland and produces Bundaberg Rum and ReefTip Drinks Co. rum products. Bundaberg Distillery began its operations in 1888 and was bought by Diageo in 2000.
- Huntingwood facility, is based in Western Sydney where a variety of spirits products, including full strength spirits and ready to drink products, is manufactured. This facility is also DAL's distribution centre.

DAL and BDC are responsible for all aspects of these facilities, including hiring and remuneration of staff and contractors.

DAL had its head office located in McMahons Point, NSW until December 2022 when it re-located to Sydney, NSW. It is responsible for marketing, innovation, commercial and corporate functions. DAL has small satellite office locations in Brisbane, Melbourne, Adelaide, and Perth for sales teams, and employs approximately 470 employees in Australia as of fiscal year 23.

DCI's structure



DCI is an indirect subsidiary of Diageo plc, its ultimate controlling parent company incorporated in the UK.

DCI is responsible for the marketing, sales and distribution of the Diageo Group's brands and products in Canada. DCI does not have any subsidiaries, though two of its affiliates (Diageo Ireland Quebec Distribution Inc. and Diageo Americas Supply Quebec Distribution Inc.) are also based in Canada but do not meet the requirements for reporting under the Canadian Modern Slavery Act.

DCI's Operations

Diageo is a major producer of spirits in Canada, with the following three production facilities:

- Gimli, Manitoba (distilling, maturing);
- Amherstburg, Ontario (blending and bottling); and
- Valleyfield, Quebec (distilling, maturing, blending, and bottling).

Construction of a fourth production facility (distilling and maturing) in St. Clair, Ontario has been announced and will be built in the coming years.

These facilities produce 12 million cases of spirits across over 200 SKUs every year. Canada is the home of Diageo's Crown Royal Canadian Whisky.

DCI is responsible for all aspects of these facilities, including hiring and remuneration of staff and contractors.

DCI had its head office located in Toronto, Ontario. It is responsible for marketing, innovation, commercial and corporate functions. DCI has small satellite office locations in Richmond, British Columbia; Edmonton, Alberta; and Montreal, Quebec. In Canada, DCI employs approximately 745 employees. DCI also has a beer distribution warehouse in Mississauga, Ontario. In Canada, DCI employs approximately 745 employees.

Our Ambition

Diageo is a global leader in alcoholic beverages with an outstanding collection of brands across spirits and beer. With over 200 brands sold in nearly 180 countries, including Johnnie Walker, Crown Royal, J&B and Buchanan’s whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray, and Guinness.

It is our ambition to be one of the best performing, most trusted and respected consumer products companies in the world. We know that we will only achieve this ambition if we conduct business sustainably and responsibly.

Diageo produces its brands from more than 100 manufacturing sites globally and in fiscal year 23 we directly employ over 30,000 people around the world. Our partners employ many more, supporting our global manufacturing, distribution, sales, and marketing operations. We have interdependent relationships throughout our supply chain, from the farmers who grow our ingredients, to our employees and contractors, to the consumers who buy our brands. Throughout our extended value chain, from grain to glass, we are connected to many communities. We want to make sure that throughout that chain – wherever we live, work, source and sell – we are making a positive contribution.

28,000
EMPLOYED
GLOBALLY



Society 2030:
The Spirit of Progress

Society 2030: Spirit of Progress is Diageo’s action plan to help create a more inclusive and sustainable world. It is our commitment to grow as a business in the right way from grain to glass - building on the legacy of our founders to create a positive impact in our company, with our communities and for society. We are committed to promoting a positive role for alcohol, through celebrating moderation and taking steps to address the harmful use of alcohol, to championing inclusion and diversity, to preserving the natural resources on which our long-term success depends and making a positive contribution to the communities in which we operate. To lead our business through to 2030, we have set ourselves 25 goals which are aligned to the United Nations’ Sustainable Development Goals.

A fundamental part of Society 2030: Spirit of Progress is doing business the right way from grain to glass. We believe that doing business the right way contributes to a fair and just society.

At Diageo, we strive to create an environment where all our people feel they are treated fairly and with respect. We commit to understanding what it means to act with integrity in our roles, to ensure we are doing business in the right way, meeting external expectations and our own standards. In 2014, we signed the UN Guiding Principles on Business and Human Rights (UNGPs) and committed to embedding respect for human rights into everyone’s working day, in every country throughout our business and supply chain.



For additional information on Society 2030: Spirit of Progress, [please see our website](#).

We have set ourselves

25 goals which are aligned to the United Nations’ Sustainable Development Goals.



Our Approach

We are a signatory to the United Nations Global Compact and committed to acting in accordance with the UNGPs. We fully endorse and support the principles enshrined in the International Bill of Human Rights and the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work.

Diageo has an embedded policy framework that addresses human rights, and specifically the risk of modern slavery. This framework details our commitment to acting ethically and with integrity in all our business dealings, and to implementing and enforcing systems and controls to prevent modern slavery in our business and in our value chain. We are also committed to ensuring there is transparency in our approach to tackling modern slavery in our own business and throughout our value chain.

We expect these same high standards from all our contractors, suppliers, and business partners. We require our contractors and suppliers to comply with our policies and codes to combat the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. We expect our suppliers in turn to cascade these principles and hold their own suppliers to the same high standards.

We maintain regular contact and utilise several mechanisms to engage with our trading partners and seek assurance that they are committed to adopting best practice in relation to the rights of their workforce and contractors, aligning our approach with the UN Guiding Principles Human Rights Due Diligence Model.

Our Policies and Training

Our policy framework addresses human rights, and specifically the risk of modern slavery, and is supported by on-going training programmes.

Our Policies

Our Code of Business Conduct (our Code) embodies our purpose and values. It sets out our collective and individual commitment to conducting business in accordance with them, and with all relevant laws, regulations, and industry requirements, as well as with a high standard of ethics and responsibility. Our Code also sets out our headline expectations on human rights, which



are further detailed in our Human Rights Global Policy. Our Code is available in 20 languages. You can read about [our Code here](#). We have reviewed our Code to ensure it remains in line with our policies (which are reviewed annually) and our business practices. We have taken the opportunity to ensure the language is as simple as possible for our employees to understand. We launched the refreshed Code globally in September 2022 and again in August 2023. Our Human Rights Global Policy details Diageo's position on our core human rights principles: valuing diversity; preventing harassment, discrimination, child



labour and forced labour; expectations on wages and working hours; and enabling freedom of association to trade unions. You can read about our [Human Rights Global Policy here](#).

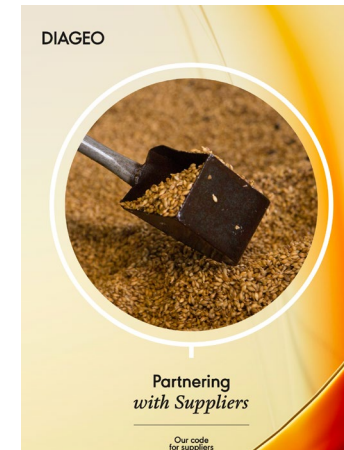
Our Partnering with Suppliers Standard – our code for suppliers – was refreshed at the start of fiscal year 23 to help drive higher standards in our supply chain. It sets out the minimum standards we require of our suppliers, along with the wider sustainability aspirations we expect our suppliers to be working towards in areas such as inclusion and diversity, water stewardship and reductions in carbon emissions. The standard is structured around the following five focus areas of engagement with our suppliers: Business Integrity and Ethical Standards; Human Rights and Labour Standards; Health and Safety; Environmental Impact; and Sustainable Agricultural Supply Chains. Our latest refresh was benchmarked against the requirements set out within the Corporate Human Rights Benchmark,



ensuring our suppliers are partnering with us against a consistently leading set of standards. You can read more about our [Partnering with Suppliers Standard here](#).

Our **Global Brand Promoter Standard** establishes the principles and guidelines for the deployment of brand promoters. It is based on our values and our commitment to respect and protect the rights of all our employees, and those who work with us. We recognise our responsibility to protect the rights of our Brand Promoters, and we expect our third-party suppliers, business partners, as well as the outlets that we partner with, to hold themselves to the same standard. You can read more about our [Brand Promoter Standard here](#):

We are committed to embedding a culture that encourages our people to raise concerns freely and without retaliation, where we listen to what they say and then act upon compliance issues. Our **Breach Management Standard** gives clear direction on how we manage a response to an allegation of a breach of our Code, global policies, or global standards. Although this standard is globally applicable, local regulatory or legal requirements may take precedence. [See further information here](#):



Who these policies apply to

Our Code and Human Rights Global Policy apply to all of our employees worldwide regardless of their role or seniority, including those employed by Diageo subsidiary companies and joint ventures where Diageo has a controlling interest.

We also expect all our business partners to adopt clear commitments on ethical business like those in our Code, and any party operating on Diageo's behalf must ensure that their actions comply with our Code and global policies. We work with our suppliers to ensure they adhere to the contents of our Code and our Partnering with Suppliers Standard, including in some cases contractually committing to compliance. We have also included an 'end-to-end responsibility' statement in our Partnering with Suppliers Standard, setting out the expectation of our suppliers to promote the principles of the standard throughout their own supply chain, and to have the appropriate processes in place to verify and demonstrate applicable compliance standards.

Introduction	Governance	Our supply Network & Risk Identification Process	Human Rights Programme	Responsible Sourcing Programme	Plans for the future	Timeline of activity
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Training on these policies

Diageo understands the importance of building compliance capability across our business and we are working hard to engage our employees.

Our Code training is our way of ensuring that all employees fully understand what is expected of them and is delivered predominantly by e-Learning, with an integrated Annual Certification of Compliance (ACC) requirement. Annual Code training is mandatory and assigned to every employee in every market and covers all areas of our Code, with specific emphasis on key topics reinforced by scenario-based videos. Employees can complete it through e-Learning modules in their chosen language on their desktop, laptop, tablet, or smartphone, with a face-to-face classroom training option delivered at sites where employees do not use computers. All new joiners are required to complete the training within 30 days from their joining date.

Each market has its own training plan for key global policies, which they deliver through locally organised, risk-based training. We have strengthened our communication on good practice through annual engagement events in regions, such as the Pathway of Pride programme in Africa, Ethics Day in Asia Pacific, and Compliance Awareness Day in Latin America. We regularly review our training and communications material, and methods for delivery, to ensure they remain relevant to the risks our employees face in their roles.

Through our ACC requirement, all employees at manager level and above certify that they fully understand what is expected of them. In fiscal year 23, the ACC was completed by 97% of eligible employees, a total of 21,827 people.

We rolled out refreshed Code of Conduct training in September 2022 - Integrity at Diageo - focusing on impactful scenarios that bring to life real world integrity issues and questions employees face day-to-day, using storytelling and animated characters to highlight the role we all play in achieving our performance ambition.

We have also delivered training on our Human Rights Global Policy for teams directly responsible for its implementation to build their capability in identifying and managing human rights risks. This helps us to be alert to these risks and enables us to act effectively when we see them.

Each market has its own training plan for key global policies, which they deliver through locally organised, risk-based training.

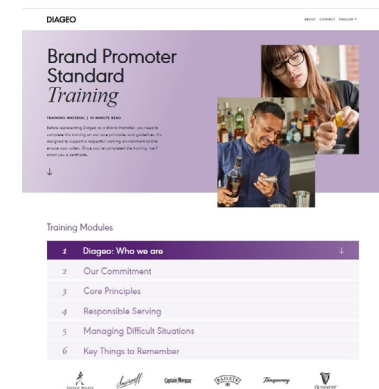
Case Study: Brand Promoter Training



Brand Promoters, such as Beer Promoters, Brand Ambassadors, Bar Teams, Hosts and Activation Specialists, play an important role promoting our portfolio to customers and consumers at the point of sale and events. Our Brand Promoter Standard highlights key principles around harassment, employment status, diversity, uniforms, transportation, alcohol, and grievance mechanisms. During fiscal year 23, we launched our Brand Promoter training programme. We created two online training courses designed around the Diageo Global Brand Promoter Standard which targets individual Brand Promoters and their employing agencies to ensure they are aware of critical risks, such as harassment in the alcohol sector, and what actions to take.

This training aims to better manage and mitigate risks for our Brand Promoters when they are promoting our brands as well as give us better visibility on who has been trained prior to an event. We aim to ensure every person promoting a Diageo brand has completed this training

before attending an event. To date we have trained over 12,000 individual Brand Promoters and will continue working with our experiential community to train every single Brand Promoter and build awareness of the key issues they can face.



Dedicated Modern Slavery Training

Internal

Key employees in Procurement and Sustainability who have direct responsibility for our Human Rights, Responsible Sourcing or Supply Governance programmes are required to be trained on modern slavery, with external input to build awareness of possible risks in key geographies and supply networks. Our training is designed both to educate employees on the principles of human rights - with a specific emphasis on modern slavery - and to empower staff to recognise the potential signs of forced labour occurring and the mechanisms they could utilise to challenge these practices and intervene. Training is rolled out to both Procurement staff and a selection of key stakeholder and influencing functions within Diageo.

We also provide training to our Procurement teams on our Responsible Sourcing programme and our Partnering with Suppliers Standard, which includes guidance on how we manage human rights and labour standard risks within our supply chain. All Category Managers have access to our internal Responsible Sourcing Toolkit, which provides detailed end-to-end guidance on taking suppliers through each step of the responsible sourcing journey. We also have a Responsible Sourcing Toolkit guide for suppliers hosted on the new Diageo Suppliers Service Hub. Both the internal and external toolkits remain live documents which are regularly updated with the latest information relating to our responsible sourcing programme. We have recently focused training focused on responsible purchasing practices, looking in depth at how planning and purchasing can have an effect and influence on modern slavery issues within the supply chain. This training was developed

following work launched by the Ethical Trading Initiative and through partnering on content with Better Buying to ensure that business relationships support suppliers in providing decent workplace conditions.

Our Procurement Category Managers have also been trained on the Organisation for Economic Cooperation and Development (OECD) guidelines for identifying and managing salient human rights risks in their respective supply chain categories. The training looked at what risks occur within the sourcing regions linked to their category, how to conduct further due diligence relevant to their area, remediation of any identified risks and finally how to track and communicate the impact of this activity.

For our supply sites specifically, we provide Security Standards and Awareness training to ensure the integrity of our supply chain and to reduce the risk of human trafficking.

External

Diageo is committed to ensuring that it continually supports the capability building of our supply chain aimed at increasing awareness of modern slavery risks and their indicators. We have developed an online learning module for our suppliers with the objective of upskilling them on human rights issues that may take place within their own operations and their supply chain, so that they are sufficiently prepared to be able to identify and mitigate potential and actual human rights risks. The online module contains scenarios and proposes different methods of response according to how to identify salient human rights risks, conducting further due diligence and options for remediation. Our aim is to roll-out this training globally during fiscal year 24.

As well as producing online learning content, we have also collaborated on several in-person training activities during fiscal year 23. In May 2023, as part of our wider programme to improve the economic and social resilience of our smallholder farmers, we piloted a child labour awareness training for our smallholder farmers in two regions of Kenya. The training was delivered through a Train-the-Trainer model to then reach our smallholder farmers based on the Child Protection Toolkit we previously developed in partnership with The Coca-Cola Company and ABInBev. We will continue to refresh this training and expand the scope of delivery to other regions in fiscal year 24.

Diageo are members of Aim-Progress, a stakeholder initiative for the fast-moving consumer goods (FMCG) sector on responsible sourcing. Through our membership of Aim-Progress, we play an active role in the regional hubs within Africa and Asia Pacific. These regional hubs provide training programmes on key issues relating to modern slavery which member companies from across the FMCG community can invite their suppliers to. During fiscal year 23 we partnered with several other FMCG companies and with our suppliers who joined several of in-person and virtual modern slavery training sessions within Kenya, Mexico, Malaysia and the United States.

Our suppliers joined a *number* of in-person and virtual modern slavery training sessions

Whistleblowing and Breaches

We have a Global Breach Management Standard for managing allegations of breaches, providing guidance to those involved in the process to ensure our investigations are handled fairly and effectively across all markets.

This includes breaches raised through our confidential whistleblowing line, SpeakUp, which is available for all Diageo employees or business partners to use in order to raise concerns about a potential or actual breach of our Code, global policies or standards, or when something doesn't feel right or live up to our Diageo values. SpeakUp is managed by a company independent of Diageo and is available to employees and business partners in 21 languages.

Where appropriate, we share anonymous case studies of breaches of different areas of our Code with employees so that they can learn from them. Our general approach is to 'communicate what we can, where we can, as soon as we can' about closed breach cases, regardless of level, length of service and record of those involved. We achieve this via the dedicated Breach Management Case Study section available on our internal Business Integrity homepage.

In fiscal year 23, 35 human rights allegations were raised via SpeakUp. Of these 35 cases, one related to Child / Forced Labour, which was investigated and addressed appropriately, and three related to failure to pay wages adequately, in respect of which corrective action was taken.

To assist in ensuring we have an effective grievance mechanism for both our own employees and for workers in our supply chain, we have joined the Grievance Mechanism Activation Working Group through Aim-Progress. Membership of this group helps us build and enhance our governance and through improving the effectiveness of our grievance process and supporting potential victims of modern slavery, enabling them to voice concerns and access remedy.



For more information contact www.diageospeakup.com



Governance

Diageo plc's Board of Directors is responsible for setting the company's purpose, values, and strategy, and for ensuring that the company's culture is aligned with these. Our Code and Human Rights Global Policy are an integral part of ensuring that Diageo's culture is aligned with our purpose and values. Our Code of Business Conduct is approved by our Board of Directors and our Human Rights Global Policy is approved by our Chief Executive. Our human rights strategy is reviewed on a periodic basis by the Audit Committee of the Board of Directors and by Executive's Audit and Risk Committee (ARC).

Responsibility for delivery is shared between the members of Diageo's Executive Committee that are responsible for the human rights of our employees, suppliers, and communities. Our Executives, 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 enterprise risk management processes. We believe that day-to-day delivery of our Code and Human Rights Global Policy is everybody's responsibility.

Within our Sustainable Procurement structure, a dedicated Responsible Sourcing team is in place to lead the management and implementation of human rights beyond our own operations. The team work closely with regional in-market Risk & Governance leads accountable for driving performance within their respective markets. This performance is reported through a tier process through Procurement and

into the Human Rights Steering Group. Responsible Sourcing is also classified as a material risk at Diageo's global risk management committee, ensuring our current performance as well as upcoming risks are monitored to measure performance and reported through to the ARC.

We measure the effectiveness of our human rights governance through our internal assurance framework and global audit and risk team, in addition to monitoring allegation and breach trends and root causes. From fiscal year 24, human rights audits will be completed by external experts for high-risk direct operations (Diageo owned or controlled sites within high-risk locations), including an assessment of our governance procedures. We continue to enhance our risk mitigation plans based on lessons learned.

We support our employees to embed human rights in their work through an annual training plan including general awareness for all employees, as well as detailed training for functions directly related to managing human rights risks. We communicate our Code and Human Rights Global Policy throughout our business and, alongside our Partnering with Suppliers Standard, to all our suppliers around the world where applicable. Our suppliers are also invited to training and engagement events such as our annual Pathway of Pride programme in Africa.



Responsibility for *day-to-day* delivery of our Code and Human Rights Policy is every employee and partner's responsibility.

Our Supply Network and Risk Identification Process

MORE THAN
100
 COUNTRIES
29,000
 DIRECT
 SUPPLIERS

Around 29,000 direct suppliers from more than 100 countries provide us with the raw materials, expertise and other resources that help us make great brands and products. All the products we make rely on high-quality agricultural raw materials and the people who grow them. Just a few key raw materials go into many of our well-known brands – from barley in Johnnie Walker and wheat in Smirnoff, to molasses in Captain Morgan and cream in Baileys.

These agricultural raw materials are drawn from farms all over the world, ranging from large, highly mechanised farms over thousands of hectares in Europe and the USA, to family-owned smallholdings in Africa which may be less than two hectares in size.

We recognise that different farm types and locations, involving a wide variety of types of employee (permanent, temporary, contract and seasonal), pose different risks in terms of modern slavery. We adapt our approach to assessing standards and managing issues, accordingly, working with major international suppliers and, in some cases, directly with smallholder farmers.

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More details of the key crops we use, and their various origins, are contained in our [Sustainable Agriculture Guidelines, which can be found here](#)

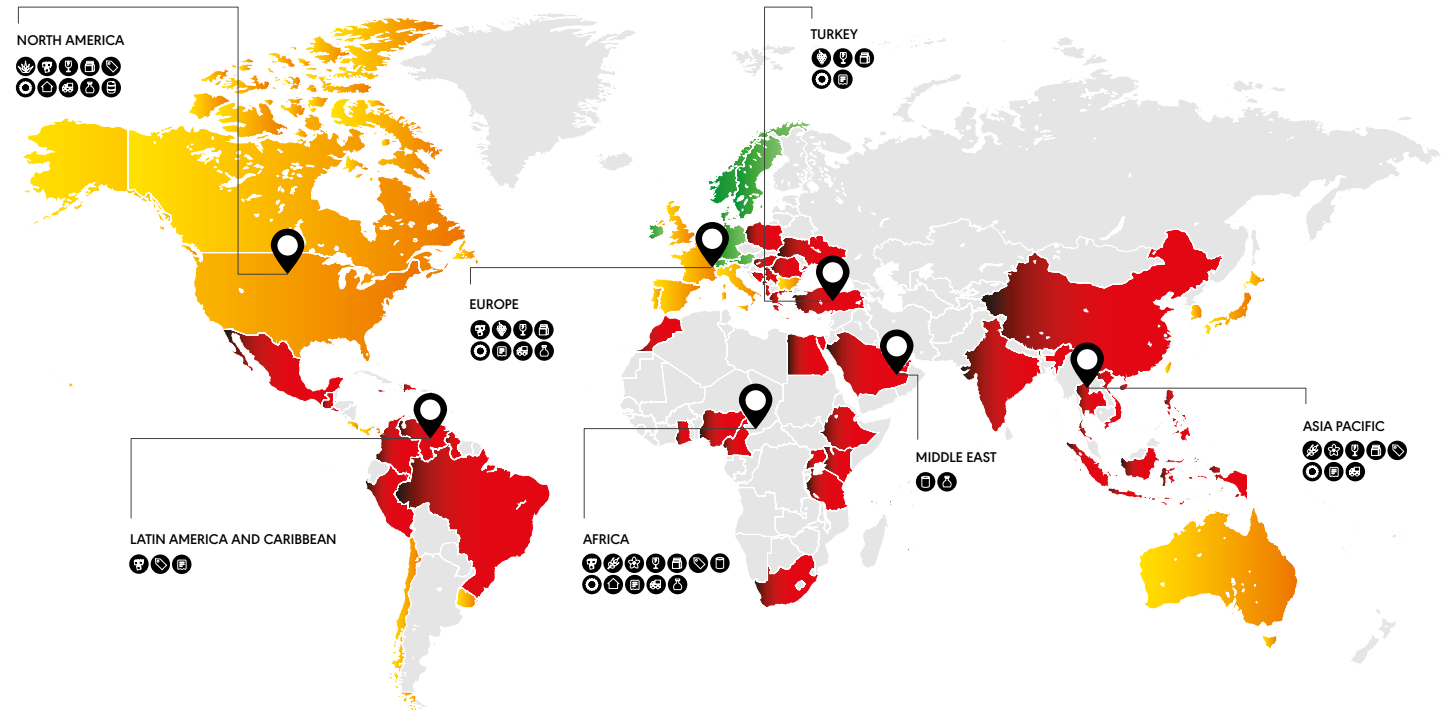


PROVIDE US WITH
 RAW MATERIALS

Supply Chain Overview Map

This map shows 15 of our priority sourcing categories from a human rights perspective and where they are being sourced from globally. The colour coding of each country is derived from third-party risk data that comes through the Sedex Radar risk assessment tool, which is updated regularly and informed by several external sources that specialise in sustainability data. This data allows us to prioritise further due diligence as an indicator of potential risk which looks at labour standards, health and safety, business ethics and environmental impact.

We have created overviews of identified salient human rights risks by region which includes Africa, North America, Latin America as well as Europe and Asia-Pacific. The risks identified here at country level have been determined as high priority for Diageo. This determination is based on the inherent risk level of the country from third-party data, data we have gathered from suppliers in that region and for the commodity based on previous risk assessments, our ability to mitigate the risk given the supply chain model and how connected we are to those stakeholders which are impacted.



High-Priority Categories

- | | | |
|-----------------------|---------------------|-----------------------------|
| Agave | Glass | Facilities & Real Estate |
| Sugar & Sweeteners | Corrugate & Cartons | Point-of-sale Merchandising |
| Cereals | Labels & Sleeves | Transportation |
| Grapes | Cans & Can ends | MRO Chemicals & Gases |
| Flavours & Botanicals | Closures & Crowns | CAPEX - Barrels and Kegs |

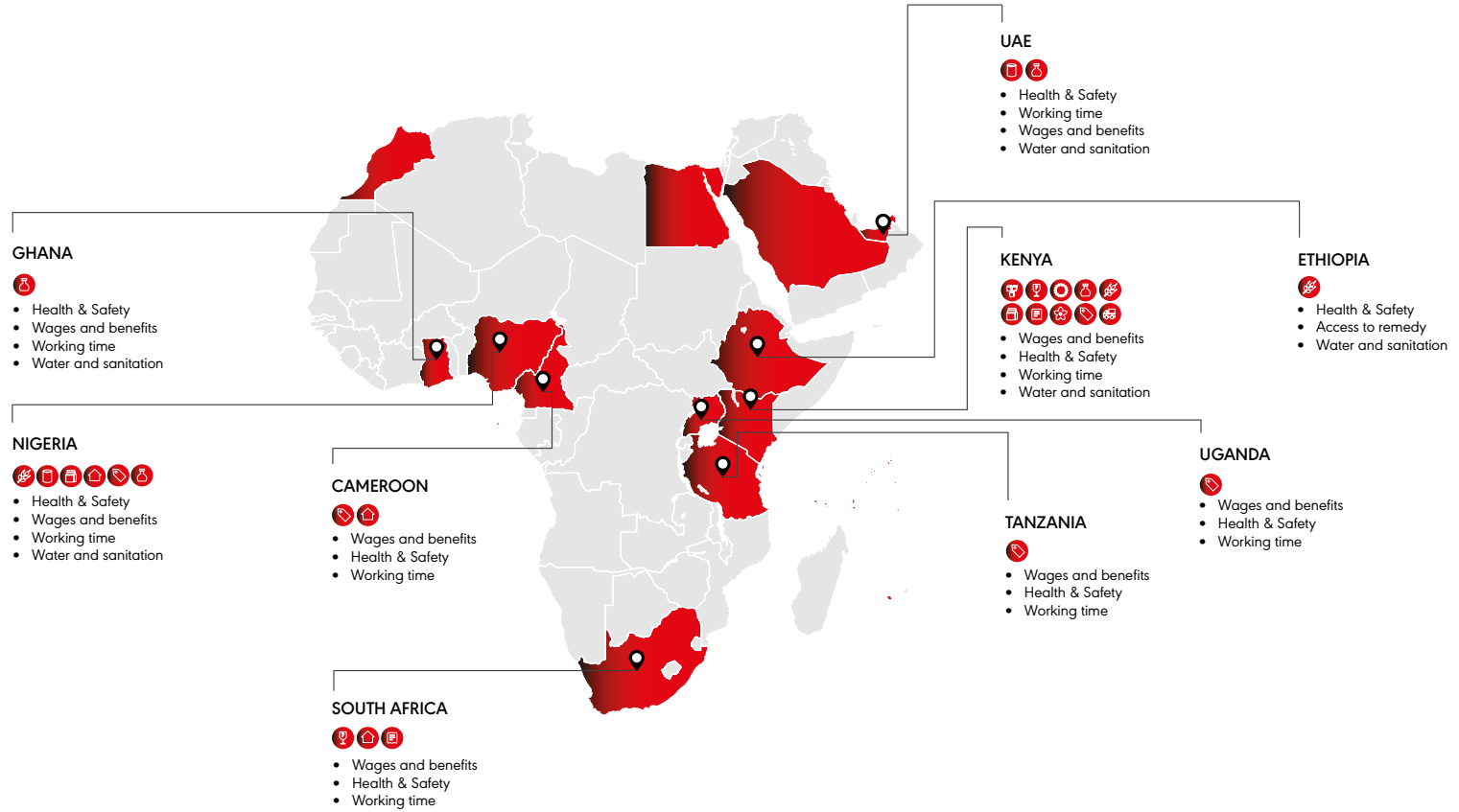
Risk Level



*Regions we don't directly source from

(*scope of data is only applicable to high-risk categories from above a spend threshold limit)

Africa & the Middle East



High-Priority Categories

Agave	Glass	Facilities & Real Estate
Sugar & Sweeteners	Corrugate & Cartons	Point-of-sale Merchandising
Cereals	Labels & Sleeves	Transportation
Grapes	Cans & Can ends	MRO Chemicals & Gases
Flavours & Botanicals	Closures & Crowns	CAPEX - Barrels and Kegs

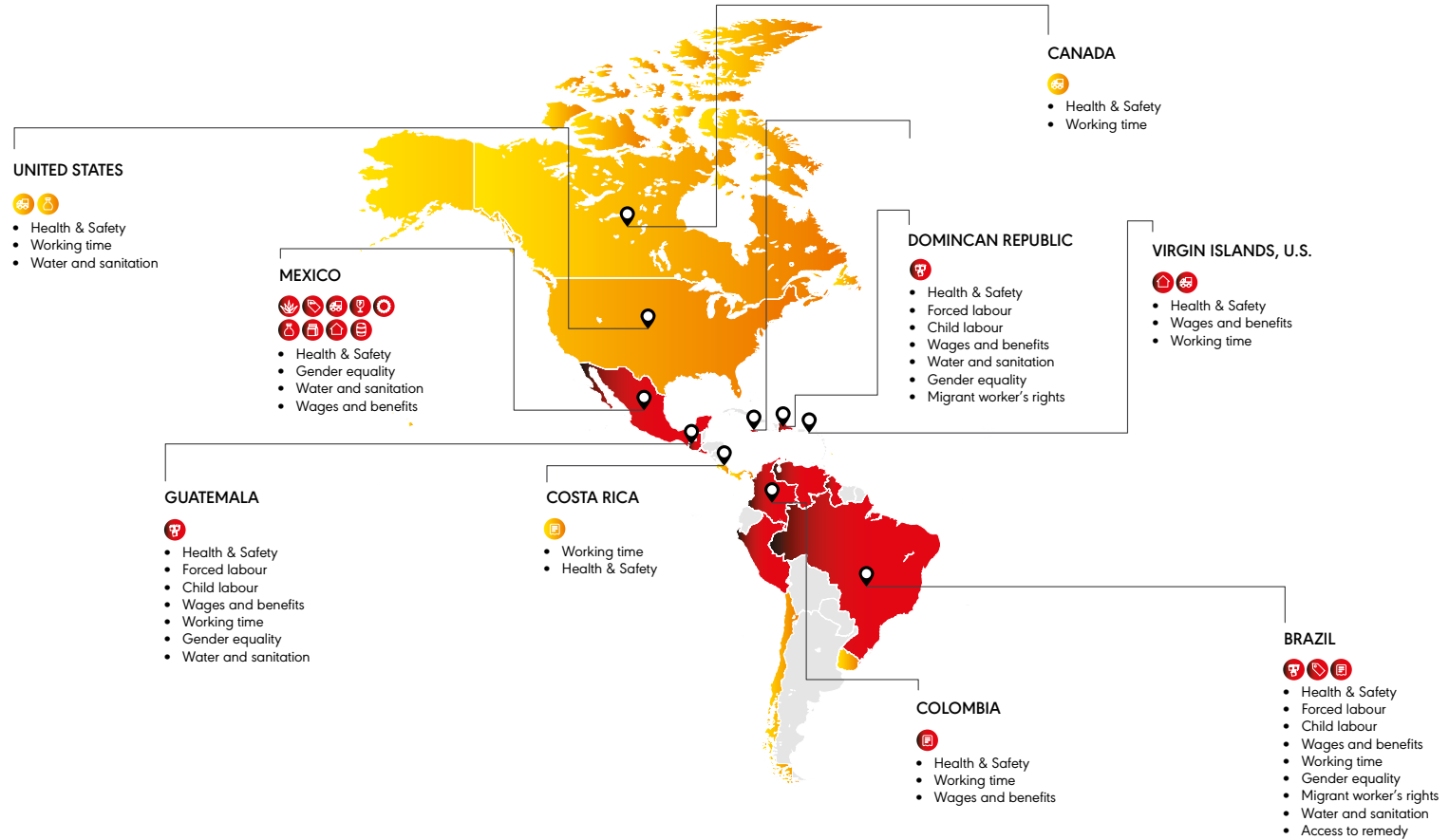
Risk Level



*Regions we don't directly source from

(*scope of data is only applicable to high-risk categories from above a spend threshold limit)

Americas



High-Priority Categories

- | | | |
|-----------------------|---------------------|-----------------------------|
| Agave | Glass | Facilities & Real Estate |
| Sugar & Sweeteners | Corrugate & Cartons | Point-of-sale Merchandising |
| Cereals | Labels & Sleeves | Transportation |
| Grapes | Cans & Can ends | MRO Chemicals & Gases |
| Flavours & Botanicals | Closures & Crowns | CAPEX - Barrels and Kegs |

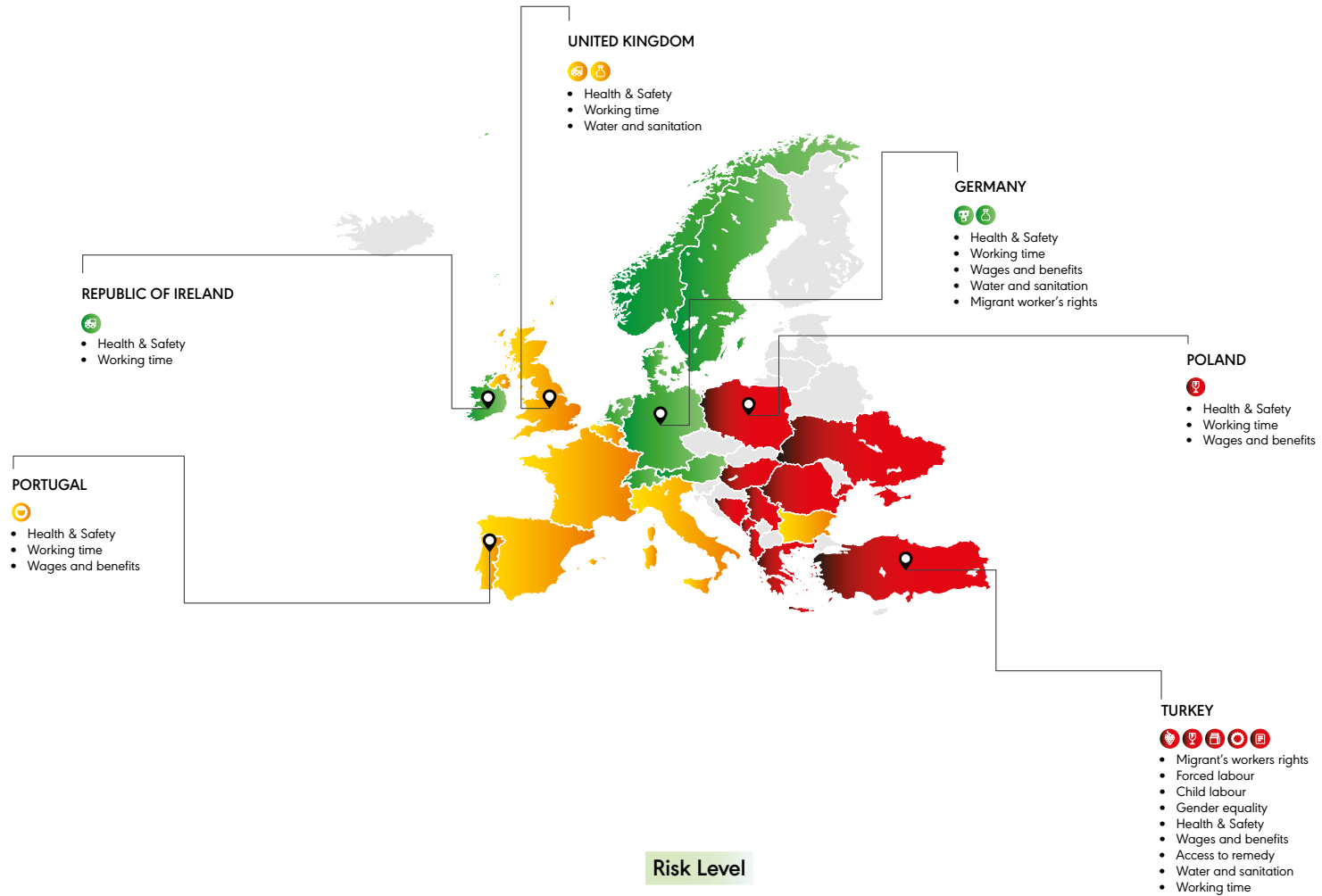
Risk Level



*Regions we don't directly source from

(*scope of data is only applicable to high-risk categories from above a spend threshold limit)

Europe



High-Priority Categories

- | | | |
|-----------------------|---------------------|-----------------------------|
| Agave | Glass | Facilities & Real Estate |
| Sugar & Sweeteners | Corrugate & Cartons | Point-of-sale Merchandising |
| Cereals | Labels & Sleeves | Transportation |
| Grapes | Cans & Can ends | MRO Chemicals & Gases |
| Flavours & Botanicals | Closures & Crowns | CAPEX - Barrels and Kegs |

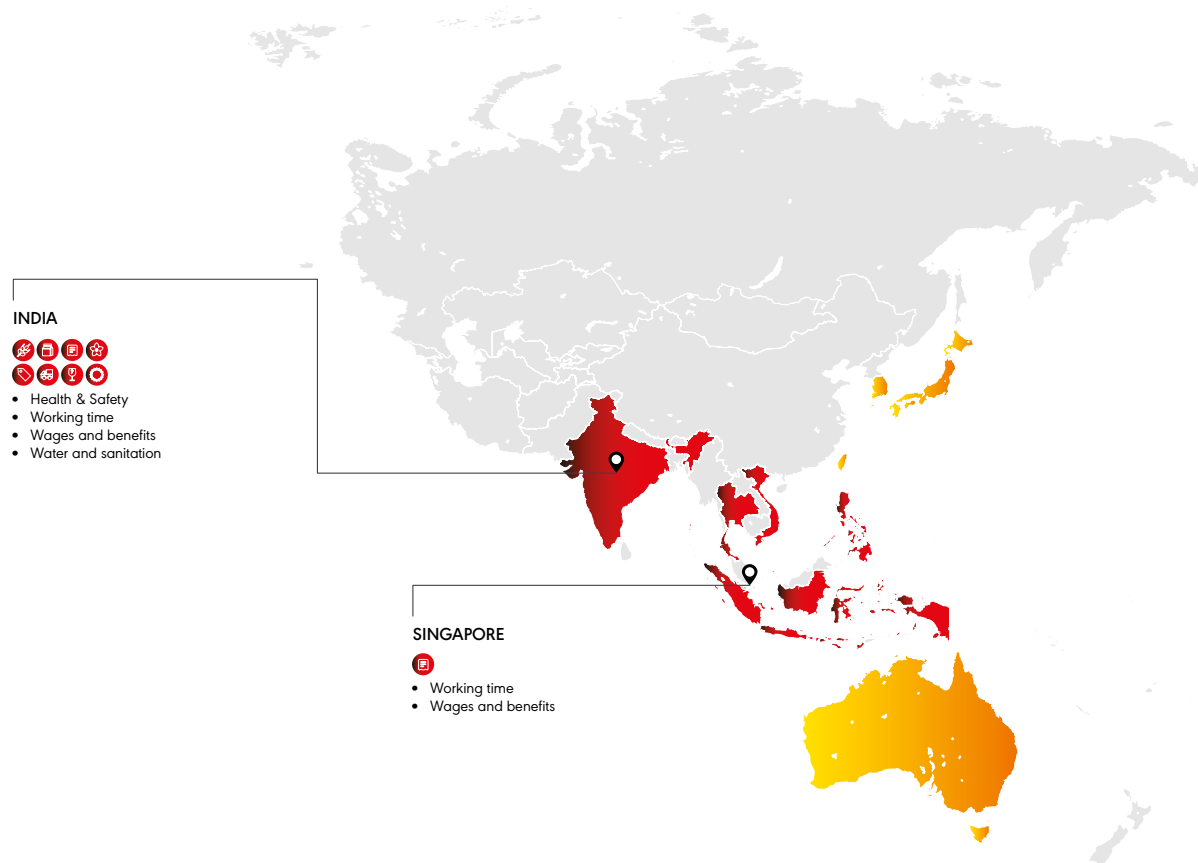
Risk Level



*Regions we don't directly source from

(*scope of data is only applicable to high-risk categories from above a spend threshold limit)

Asia Pacific



High-Priority Categories

- | | | |
|-----------------------|---------------------|-----------------------------|
| Agave | Glass | Facilities & Real Estate |
| Sugar & Sweeteners | Corrugate & Cartons | Point-of-sale Merchandising |
| Cereals | Labels & Sleeves | Transportation |
| Grapes | Cans & Can ends | MRO Chemicals & Gases |
| Flavours & Botanicals | Closures & Crowns | CAPEX - Barrels and Kegs |

Risk Level



*Regions we don't directly source from

(*scope of data is only applicable to high-risk categories from above a spend threshold limit)

In fiscal year 23, we designed and piloted a new Third-Party Risk Management (TPRM) programme. This allows us to manage human rights risks (alongside several other commercial areas of risk management) when onboarding new suppliers against a set criteria mapped to our Partnering with Suppliers Standard. The Human Rights risk assessment involves screening of suppliers to provide an initial risk level. These suppliers are then required to answer questions and demonstrate evidence related to their working practices and policies focused on key risk areas like harassment, discrimination, forced labour, child labour, working hours etc. If gaps or potential risk areas are identified, then suppliers are asked to take corrective actions that are then monitored and tracked to closure.

To date, 3,063 suppliers have been approved through the TPRM assessment and out of these 1,018 (33%) suppliers have been identified as high risk for human rights, requiring them to answer the human rights questionnaire. 925 (90%) suppliers have successfully completed the human rights Third Party Questionnaire assessment and out of these, around 117 (12%) suppliers have committed to remediation actions. 14 suppliers (1% of total suppliers identified as high risk for human rights) in total are currently blocked from engaging in business with Diageo, as they have failed to action their remediation commitments.

DAL's supply chains



For this reporting period, DAL sourced direct and indirect materials and services from approximately 440 suppliers. Local Australian production relies on raw materials and packaging largely sourced from Australian based suppliers. In this reporting period, about 90% of suppliers (including of raw materials, such as molasses, sugar, neutral alcohol, of packaging materials such as glass, cans, closures and paper products, and logistics services) were locally sourced. Materials sourced internationally (including flavours, bulk spirit, and glass bottles) were imported from established suppliers operating in countries such as China, the United States and within Europe.

DCI's supply chains



For this reporting period, DCI sourced direct and indirect materials and services from approximately 561 suppliers. Local Canadian production relies on raw materials and packaging largely sourced from Canadian based suppliers. In this reporting period, about 76% of suppliers (including of raw materials, such as rye and corn, packaging materials such as glass and plastic, logistics services and general contractors) were locally sourced. Materials sourced internationally (including rum) were imported from established suppliers operating in countries from within the Caribbean, China, within Europe and the United States.

We recognise, that notwithstanding robust global procurement policies, this does not automatically prevent risks to labour standards or modern slavery, irrespective of the nature and location of suppliers, and we monitor and assess suppliers against international standards and our own Partnering with Suppliers standard.

Our approach to assessing modern slavery risk is aligned to how we address other human rights issues. This is done through monitoring standards and developing actions to address issues within two principal areas of activity:

- 1 **Our Human Rights programme**, including self-assessment questionnaires for all countries where we have direct employees, human rights audits for high-risk direct operations once every three years and detailed Human Rights Impact Assessments (HRIAs) which are based on our geographic markets around the world and consider human rights aspects of our value chain, from farming activity, through our own operations, to third parties and our consumer markets in the hospitality sector.
- 2 **Our Responsible Sourcing programme**, working with suppliers across the world to improve labour standards and human rights in our supply chains in accordance with the UNGPs. Suppliers are screened for risk using third-party data and are required to complete a self-assessment questionnaire with those considered high-risk undergoing a third-party ethical audit. Diageo will then work with our supply chain to remediate any areas of non-compliance highlighted through those assessments.

Human Rights programme

We have been signatories to the UNGPs since 2014. As part of our commitment to act in accordance with the UNGPs, we partnered with Business for Social Responsibility (BSR) in 2015 to formulate and deliver our human rights strategy. We have since conducted a corporate-level risk assessment and mapped our global policies and processes against the UNGPs, while also considering risks in different geographies informed by our own understanding and external reference data.

Following the corporate-level assessment, we developed a comprehensive HRIA toolkit to guide our markets through a systematic review of their businesses to identify and assess potential human rights impacts, including modern slavery risks. Our assessments are designed to be robust, and involve detailed examination of our value chain, from raw material sourcing – which includes visits to farming communities and fields where we source our barley, wheat, sorghum, sugarcane, agave and other agricultural products – to the suppliers and manufacturing units where we procure our glass, labels, caps and other items, to our own production operations, and to the retailers and bars selling our products. They involve meetings with employees, union members, workers on factory production lines, manpower providers, contract workers, NGOs we support and other external parties.



Our assessments are robust, and involve detailed examination of our value chain

Where assessments identify human rights concerns or suggest our approach can be strengthened to better identify and prevent risk, we put in place robust action plans to resolve matters, working with external experts when appropriate.

To date, we have conducted HRIAs in Australia, Brazil, China, Colombia, Ghana, Guatemala, India, Kenya, Mexico, the Middle East, Nigeria, North America (United States and Canada), North Asia (South Korea and Japan), PEBAC (Peru, Ecuador, Bolivia, Argentina, and Chile), South Africa, Tanzania, Thailand, Turkey, Uganda and the United Kingdom.

Having completed comprehensive HRIAs in these markets to identify the most salient human rights risks for our business and supply chain, we have embedded the findings and recommendations into our routine enterprise risk management processes.

This includes:

- A strategic human rights review with the Board at least once a year;
- An annual review of our list of high-risk markets for direct operations;
- An annual review of human rights risks for direct operations against a self-assessment questionnaire;
- A commitment to audit high-risk markets at least once every three years.

This will make sure our interventions are sustainable and let us track emerging risks on an ongoing basis.

DAL Human Rights Impact Assessment



The Australian HRIA was undertaken between September and December 2019, with a final report provided in January 2020. The assessment focused on DAL’s own manufacturing and logistics operations, raw material suppliers (sugar cane), manufacturing suppliers (glass), and sales and marketing (own operations and sales agency).

The HRIA found that DAL’s operations are generally well-managed with good implementation of robust policies, aided by Australia’s highly regulated labour market, which minimises risks of labour rights violations. The assessment did uncover potential risks around supply chain management, supply chain visibility, and working conditions.

DAL’s operations are working to continue compliance with Australian labour laws, and continue to engage casual workers correctly, including correct identification of casual employees entitled to continual employment. Modern Slavery Act clauses have been added into supplier contracts to supplement human rights clauses already referenced in the Partnering with Suppliers standard.

DAL’s country risk data is provided through the Sedex Radar Tool and indicates Australia to be a low-risk region. This should be considered in the context of Diageo operating in nearly 180 countries and with supply chains in many countries with higher levels of modern slavery risks than Australia. However, the HRIA carried out in Australia, identified Australia’s agricultural supply chain, and manufacturing suppliers from China and Indonesia as potential risks for forced labour or modern slavery. Potential harassment of staff promoting DAL products was also identified as a potential human rights risk. These are risks common to other parts of Diageo’s business and are being addressed on a global basis as set out in this statement.

DCI Human Rights Impact Assessment



The North America HRIA was undertaken between October and December 2019. The assessment focused on Diageo’s manufacturing operations in Ontario and Illinois, interviewing staff and workers as well as key suppliers. Site visits were complemented with phone interviews.

The HRIA found that human resources is well managed, robust health and safety procedures are in place, women are well represented and significant improvements have been made on worker-management relationships. The assessment did uncover communication between management and workers can be challenging, training is limited to new workers and oversight of labour and working conditions of key business partners and contractors could be improved.

DCI’s country risk data is provided through the Sedex Radar Tool and indicates Canada to be a low-risk region. This should be considered in the context of Diageo operating in nearly 180 countries and with supply chains in many countries with higher levels of modern slavery risks than Canada.

Where assessments identified human rights concerns or suggest our approach can be strengthened to better identify and prevent risk, we put in place robust action plans to resolve matters

Identifying and Remediating Risks

In line with the UNGPs, as a direct result of carrying out HRIAs from 2015-21, we identified three risks as particularly salient to our global business:

- labour rights, including the risk of child labour, especially in agricultural supply networks.
- labour standards for contract workers.
- sexual harassment in the hospitality sector.

These issues are external risk factors in the places where we operate, and we recognise the challenges they pose in our value chain. We are particularly aware of these risks in our supply chain and when carrying out HRIAs.

Having identified these risks, we developed a child protection programme for our work with smallholder farmers, where we have trained key functions and business partners on our local sourcing programme in seven countries in Africa to prevent child labour. We commissioned an independent study into contracted labour. We also developed initiatives aimed at preventing sexual harassment in the hospitality sector and, as part of this, we launched a Global Brand Promoter Standard which establishes principles and guidelines to protect the rights of Brand Promoters. In fiscal year 23 we further strengthened our approach through the launch of our Brand Promoter training website designed to increase accessibility, target promoters directly and increase our ability to track training completion.



You can read about [our standard here](#).

To refresh and enhance our assessment of salient issues, high risk markets and vulnerable groups in fiscal year 23 we have:

- 1 Reviewed current and emerging laws and regulations alongside our internal processes to assess our operational, commercial and reputational risk in priority jurisdictions;
- 2 Completed our first Self-Assessment Questionnaires for all countries with direct employees.
- 3 Assessed salient risks for third-party suppliers in priority supply chains.

This will inform our updated human rights strategy and action plans from 2024.



Understanding Salient Risks in the Supply Chain

During fiscal year 23, we've worked on a project to understand where our salient risks sit across our full value chain to allow us to prioritise our actions and enable us to drive social impact where it is needed most. We have worked to establish best-practice processes for the identification, management, reporting and remediation of human rights issues, with focus on integrating the UNGPs in our approach.

We worked through 15 prioritised supply chains and across 15 human rights issue areas. These were then scored on their attribution to Diageo and our leverage to address and remediate each of the issues in each of the supply chains. These findings allow us to focus on regions where we're sourcing certain products and services from, either directly or through our supply chain partners. It allows us to focus and address issues and use due-diligence tools which are designed to identify specific human rights issues.

Methodology

According to the UNGPs, the saliency of a human rights issue is determined by its significance and importance to stakeholders who may be affected by company's activities. Using the below framework of defining saliency scores, we can identify and prioritise human rights issues based on their potential severity as well as likelihood.

We are also factoring in our response to adverse human rights impacts when we consider our prioritisation criteria. This is determined according to attribution of impacts (i.e. the extent to which Diageo has 'caused', 'contributed to' or is 'directly linked to' the impact) and our leverage in addressing the impact.

	Severity			Likelihood
	Scope the number of individuals that are or could be affected	Scale the gravity of the impact on the human rights	Remediability the ease with which those impacted could be restored to their prior enjoyment of the rights	probability of occurring in the future, recognising that these are often, though not limited to, those impacts that have occurred in the past
1 - Low	Limited number of rightsholders could be affected	Could have a limited detrimental impact on physical or mental health & wellbeing	The impact can be easily remediated	Unlikely - there is low/no inherent risk and/or controls are not in place to mitigate
2 - Medium	Moderate number of rightsholders could be affected	Could have a serious detrimental impact on physical or mental health & wellbeing	The impact can be remediated but would require significant resource or time	Likely - there is some inherent risk and/or no or limited controls are in place to mitigate
3 - High	Large number of rightsholders could be affected (potentially in multiple tiers of the supply chain)	Could result in death	It's possible the impact cannot be remediated	Very likely - there is high inherent risk and/or controls to mitigate are limited or not in place

We also expect all our business partners to *adopt clear commitments* on ethical business

Enhanced Due Diligence

This project on salient risk identification is in place to allow us to prioritise our actions so we can deliver positive social impact throughout the full value chain. Using the salient risk prioritisation criteria above, we will continue to develop and roll-out an enhanced human rights due diligence and remediation strategy in fiscal year 24.

Our enhanced due diligence process follows a **4-step approach** as per the UNGPs. This allows us to review priority human rights issues for suppliers within a specific category and deploy the most effective due diligence tool which includes the entire value chain. Our enhanced due diligence approach will consider five categories across supplier assessment, supplier capability building and incentives, stakeholder engagement, supply chain transparency and collaboration.

Due-Diligence Process

Step 1 - Identify



Step 2 - Integrate



Step 3 - Track



Step 4 - Report

Enhanced Remediation

Once we have this level of data and insights on the risks occurring, we will deploy a formalised remediation process for breaches in our supply chains, again following a **4-step approach** aligned with the Ethical Trading Initiative and the Organisation for Economic Co-operation and Development (OECD) framework.

This framework allows us to determine for each human rights breach whether and the extent to which Diageo's supply chain operations have caused, contributed, or are linked to the issue. How we provide remedy is context-dependent but our aim is to restore individuals or groups that have been harmed by business activity to the situation they would have been in had the impact not occurred. We would consider various options of remediation including financial compensation, rehabilitation, restitution, apology, punitive sanctions and guarantees of non-repetition.

Remediation Process

Step 1 - Identify



Step 2 - Investigate



Step 3 - Remediate



Step 4 - Monitor



Responsible Sourcing Programme

We manage social and ethical risks in our supply chain through our Responsible Sourcing programme, which is embedded across our procurement function. Our programme starts with our Partnering with Suppliers standard, which sets out our commitment to acting in accordance with the UNGPs and the international standards set out by the eight core ILO conventions and recommendations.

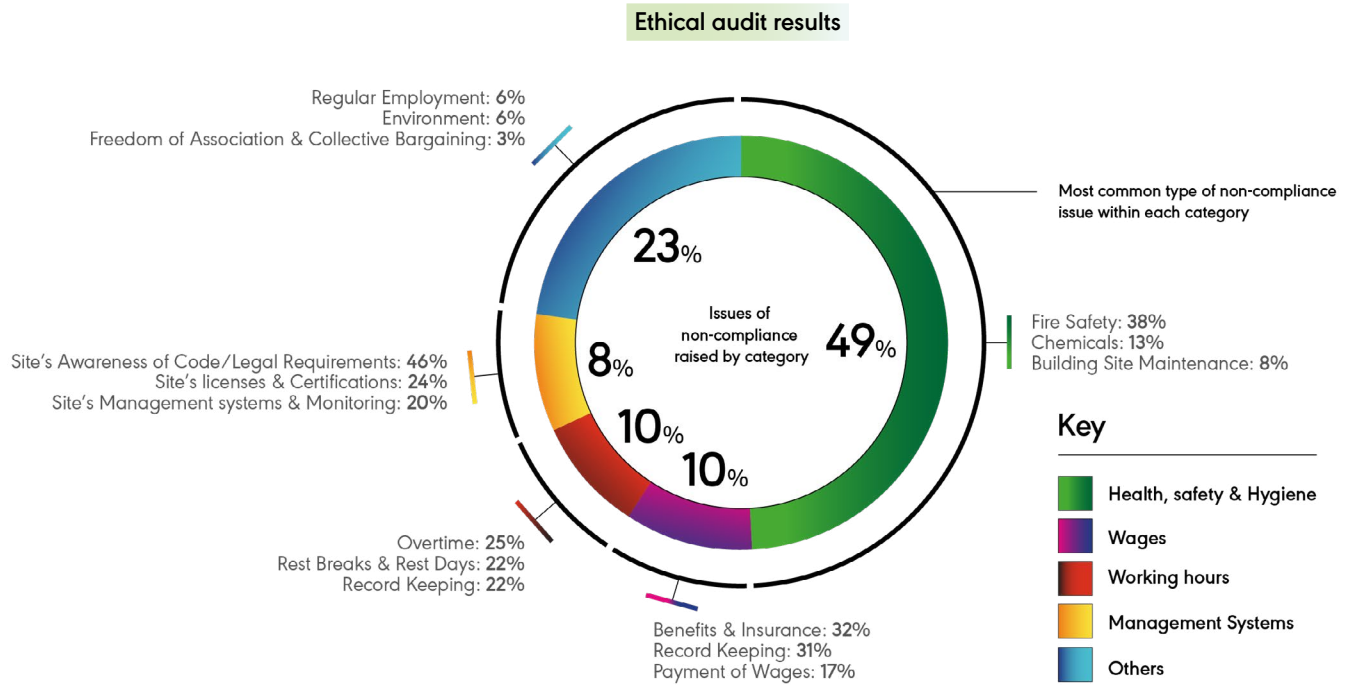
We expect our suppliers *strictly to prohibit the use of forced labour, whether in the form of slave labour, indentured labour, bonded labour, coercion of any employee through any means, or any other form.*



Our Responsible Sourcing programme follows a risk-based approach to assessing adherence to our Partnering with Suppliers standard. Suppliers are risk-assessed against the following three criteria: location of supplier site, category of product or service and spend. Suppliers assessed as potential risk are required to register with Sedex and complete a Self-Assessment Questionnaire (SAQ). Sedex is an online platform used to manage and improve working conditions in global supply chains and help businesses source responsibly. Suppliers who are assessed as high risk are also required to undertake an independent third-party Sedex Members Ethical Trade Audit (SMETA) or an equivalent four-pillar ethical audit. As of the end of fiscal year 23, 1,196 suppliers have completed the latest version of the SAQ in Sedex. This is one of several Responsible Sourcing factors internally monitored at a market and global level.

Our ethical audit programme

Our ethical audit programme of suppliers remains a key part of our due diligence process to identify and manage ethical risks in our supply chain, including modern slavery. Suppliers are independently audited against the SMETA Four Pillar Audit Protocol or equivalent. These audits are carried out by independent third-party audit bodies which are qualified by Sedex as Affiliate Audit Companies and member of the Association of Professional Social Compliance Auditors. During fiscal year 23, we have 443 such suppliers, of whom 340 (77%) were independently audited during the last three years (audits are valid for three years); 304 audits were commissioned by Diageo, and 36 were accessed through Sedex and Aim-Progress. Another workstream we participate in as part of Aim-Progress is the mutual recognition of supplier audits commissioned by other members, thereby reducing audit burden that allows suppliers to instead focus on continuous improvement of working conditions.



2,831 issues of non-compliance have been raised through these audits, with 49% relating to health, safety, and hygiene issues, 10% relating to wages and benefits, 9% relating to management systems, 9% relating to working hours; and the remaining 23% to other categories. We have followed up with the relevant suppliers with corrective action plans and are working together to resolve them. Where required, we are arranging follow-up audits to verify the issues have been identified and resolved.

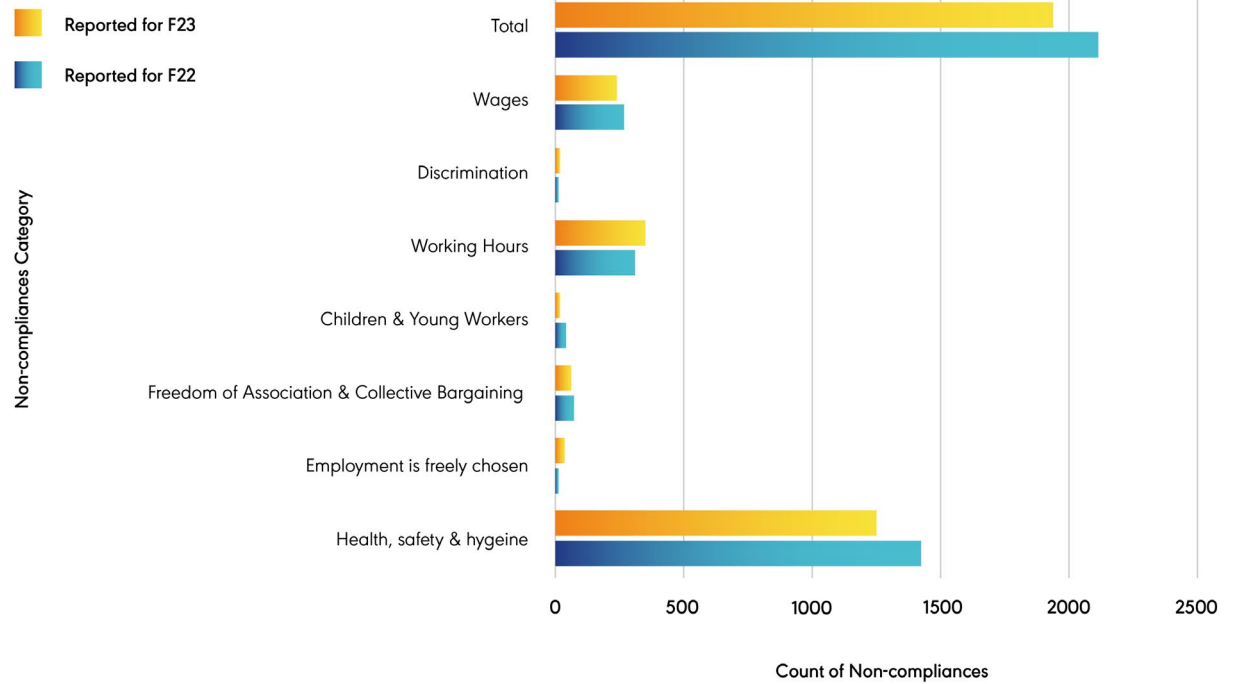
Where required, we are arranging follow-up audits to verify the issues have been identified and resolved. Over 77% of all instances of non-compliance raised during the year (2,307) have been closed, positively impacting 72,383 workers from 255 sites. We are following up with the relevant suppliers through corrective action plans and are working together to resolve all remaining open issues.

Our review of all high-risk supplier audits raised 23 issues of non-compliance related to the SMETA audit section 'Employment is freely chosen'. Nine of these issues relate to the lack of a formal policy at the supplier's facility on employment freely chosen/modern slavery & human trafficking/bonded/prison labour, eight relate to the practice of compulsory overtime, one relates to restricted toilet and rest breaks, one relates to compulsory probation contrary to law, two relate to migrant workers being required to pay for return travel to their home country, one relates to monetary deposits or wage deductions made for work-related items that employer should pay and takes wages below minimum and one relates to unlawful deductions from wages without workers consent. We have followed up with the relevant suppliers with corrective action plans. At the time of writing, 15 of these issues of non-compliance have been verified as closed whilst we are following up with corrective action plans on the remaining open issues.

Our review of all high-risk supplier audits raised 18 issues of non-compliance under the category of 'children and young workers'. 12 issues relate to the lack of a formal policy at the supplier's facility in relation to working age, recruitment of young workers, child labour or underage labour, and remediation of individuals employed under the minimum working age or young people under improper conditions, four relate to the lack of or inadequate records or process in place to verify workers' age, one relates to inadequate child care facilities and one relates to inadequate risk assessment conducted regarding child and young workers. At the time of writing, 15 issues of non-compliance have 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.

When we consider modern slavery risk beyond our tier 1 supply chain, merchandising materials remain one of our highest-risk categories. This is because they are frequently made in higher-risk countries and are often purchased through intermediaries. 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 over 55% of factories in our supply chain.

YoY Trend of Reported Non-compliances



Case Study: Protecting Workers in a Changing Climate



We are working with the non-governmental organisation La Isla Network and our rum supply chains on an intervention programme to help protect workers from the impacts of climate change on working conditions. This project, piloting in Jamaica and Guatemala, is designed to educate stakeholders while assessing their current practices and engaging with workers directly. We are implementing improvements to assure occupational safety and health risks are addressed, including heat stress and subsequent kidney injury and other poor outcomes for sugarcane workers due to exposure to extreme temperatures and working in harsh conditions. As well as improving health conditions for workers and reducing the risk of forced labour for these workers, this programme addresses the knock-on effects of child labour which occurs when workers are removed from the workforce due to unaddressed occupational safety and health risks resulting in minors leaving school and taking their place in the workforce, thereby increasing their own risk of occupational illness and injury.

We've partnered with La Isla Network members who are epidemiologists to measure the level of exposure workers must heat stress. This is done through measuring heart rates, metabolic loads, air temperature, humidity levels and wind speed amongst other metrics.

We aim to build a global approach to adaptable occupational safety and health programmes in the sugar industry and beyond utilizing comparable protocols that allow the demonstration of global impact with reliable metrics. We believe collaborating and working together to create tangible solutions to the challenges this sector is facing is key to protecting workers and managing the effects of climate change on their human rights.



Photo Credit: Ed Kashi

We are also involved in programmes such as building supply chain capability so that organisations and their suppliers are competent in executing robust responsible sourcing programmes, developing common evaluation methodologies, and also shared tools including a deep dive on living wages. Aim-Progress has developed a regional strategy to extend the reach and scale of support and impacts for global members, including Diageo, and we are active members of both the Africa and APAC regional hubs. Through these hubs, we are working with other existing members to address the most salient human rights and responsible sourcing issues across Africa and APAC, with the intention to provide direct supplier training and capability building, as well as providing a platform to pilot new tools and methodologies that support the promotion of human rights and collective mitigation of modern slavery risks.

As first reported in 2017, we continue to be officially accredited as a Living Wage employer in the United Kingdom, a first for a major drinks company in the UK. With treatment of contracted labour being a potential risk, this provides a further safeguard to all Diageo employees within the UK and all our contract labour.



Assessment of effectiveness

Diageo plc and its subsidiaries, including DAL and DIC use various methods of assessing the effectiveness of the actions taken to assess and address modern slavery risks. We are continually reviewing our approaches both through internal and external measures to ensure the risk of exploitation in our operations and supply chain is reduced through our practices.

Diageo takes several approaches to reviewing our risk and controls environment, which are also reported up to our Executive’s Audit and Risk Committee and to the Audit Committee of the Board of Diageo plc, and include:

- Global governance of modern slavery is managed through our Human Rights Steering Group. This group reviews the effectiveness of our practices across the business including our own operations, our supply chain and how we work comply with global legislation. Our Global Procurement Function has an embedded governance process to oversee the global supply base including using risk management dashboards, reviewed monthly by our leaders across all countries and markets concerning modern slavery risks. The performance of our procurement professionals and leaders is monitored through a balanced scorecard of key performance indicators reviewed each month, and a component directly focusses on mitigation of modern slavery risks to ensure we drive prompt action and remediation where necessary. In addition, we have invested in dedicated Global and Local Risk and

Governance Procurement Management resources and Business Integrity resources that monitor our performance across all markets. Responsible Sourcing (including how we manage Modern Slavery risks) is part of our company set of business controls.

- Our Human Rights and Responsible Sourcing Controls measure compliance and are tested as part of our Diageo annual testing cycle. This involves a process by a team outside the Global Procurement organisation to test performance in an impartial way. As part of this cycle, we have a measurement in place to ensure leaders are focussed on reducing control failures and net deficiencies. Functional performance on net deficiencies is reported up to our Audit and Risk Committee and ultimately to the Audit Committee of the Board of Diageo plc.
- Diageo’s internal audit team periodically audits our human rights programme for our own sites and our Responsible Sourcing methodology and approach. Our most recent internal audit of Responsible Sourcing took place in May 2021, where the end-to-end process of onboarding suppliers through to improving their capability was assessed, with recommendations on how to optimise the process for human rights risk management. In addition, from time to time, our external auditor may perform global or country audits of our approach. suppliers through to improving their capability was assessed, with recommendations on how to optimise the process for human rights risk management. In addition, from time to time, our external auditor (PwC) may perform global or country audits of our approach.

Plans for the Future

Our programmes provide a solid platform to continue progress in identifying and reducing the risk of modern slavery in our business and value chain. Our Human Rights and Responsible Sourcing programmes have helped us identify and focus on higher-risk areas within our operations and the full value chain, and to instigate remedial and improvement actions.

Within Responsible Sourcing we will utilise our salient risks framework to ensure we prioritise our action based on the OECD guidelines of positively impacting the most vulnerable stakeholders. We are also integrating our work on carbon, water, and nature to measure and manage the impact on people. As we roll-out more regenerative agriculture programmes in our supply chain, we will look to combine how we work with farmers on improved soil health and carbon reduction with a particular focus on modern slavery within our raw material supply chains and particularly with smallholder farmers.

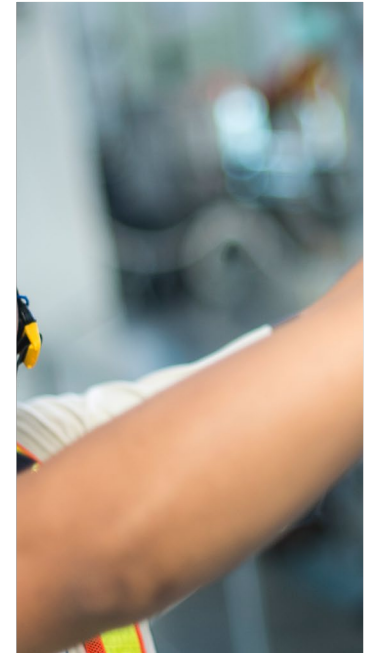
The key risks we have identified will be the focus of further work, as we strengthen child protection, contract labour standards, and our work to tackle sexual harassment in the hospitality industry, whilst also building awareness and capability within our supplier network through training and engagement programmes. Furthermore, we will continue to embed our human rights approach across our global functions, markets and corporate risk management tools so that we can regularly assess and address human rights risks following our initial assessments, as well as monitor the effectiveness of the remedial actions taken.

We previously rolled out our Society 2030: Spirit of Progress contract clauses across all global categories and are now currently updating these contract clauses to more closely align with our Spirit of Progress targets. These clauses form a fundamental cornerstone of how we work with our suppliers going forwards in relation to achieving these targets.

We recognise there can be a heightened risk of modern slavery in some emerging markets where we make acquisitions. We will continue to apply our programmes across all markets, implementing them for acquisitions and their associated supply chains. Any newly acquired operations are incorporated into our global drive to ensure all our companies and their suppliers meet Diageo's high standards in all areas of governance and compliance, including in the fields of human rights and modern slavery.

Review and approval

Senior executives, including the Board of Directors of Diageo Australia Limited and Diageo Canada Inc., have contributed to, reviewed and approved the content of this statement. This statement, which is reviewed on an annual basis by the Board of Diageo plc, was approved for publication by the Board of Diageo plc on 5th December 2023.



Debra Crew
Chief Executive

Timeline of activity

2014

- 1 In 2014, Diageo signed the **UN Guiding Principles on Business and Human Rights (UNGPs)** and committed to embedding respect for human rights into everyone's working day, in every country throughout our supply chain.



2016

- 1 Key employees in Procurement and Sustainability who have direct responsibility for our Human Rights, Responsible Sourcing or Supply Governance programmes were **first trained on human trafficking and modern slavery**, with external input to build awareness of possible risks in key geographies and supply networks. This training was refreshed in 2019 and again in 2020.
- 2 As part of our commitment to **act in accordance with the UNGPs**, we partnered with Business for Social Responsibility (BSR) to formulate and deliver our human rights strategy.



2015

- 1 Launch of our **Human Rights Impact Assessment programme**, a systematic review of business activity and human rights due diligence approach to identify and assess potential human rights impacts, including modern slavery risks. Our assessments involve detailed examination of our value chain, from raw material sourcing to manufacturing units where we procure our glass, labels, caps, and other items, to our own production operations, and to the retailers and bars selling our products.
- 2 Our **Human Rights Impact Assessment business toolkit** was established. This guides our markets through a systematic review of their businesses to identify and assess potential human rights impacts, including modern slavery risks.
- 3 Our **2020 Sustainability and Responsibility targets** were set. Two specific commitments relate to modern slavery: 1) Act in accordance with the UNGPs. 2) Deliver our responsible sourcing commitments with suppliers to improve labour standards and human rights in our supply chains.

2017

- 1 We were **officially accredited as a Living Wage employer** in the United Kingdom, a first for a major drinks company in the UK..
- 2 We celebrated **10 years of commitment to responsible sourcing** through Aim-Progress. Diageo were one of the founding members, working together with other FMCG companies to create solutions and share best practices for improving working conditions in our supply chains at scale.

2018

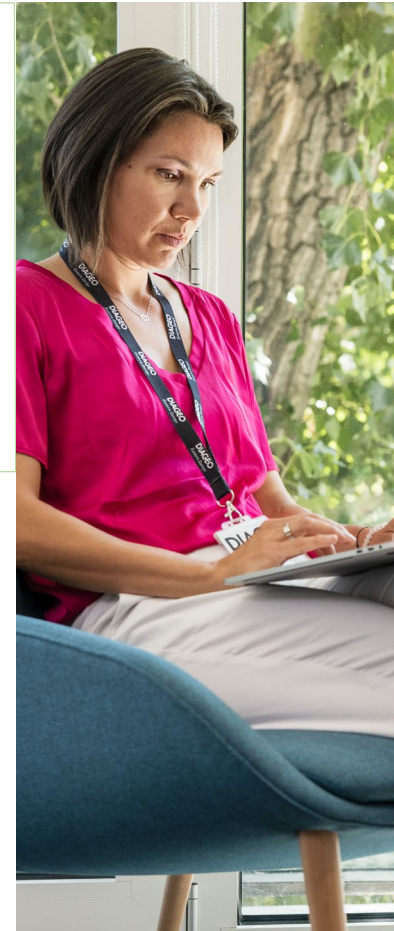
- 1 We recognise **specific risks for women**, as well as opportunities for their empowerment, in agriculture and smallholder farming in Africa. **We conducted research with CARE International UK** to better understand these issues and identify ways of working and policies that improve farm work and better protect the rights of women on these farms.
- 2 We 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 – part of which includes sections on forced labour and child labour.
- 3 Roll out of our **Child Protection Toolkit** in all markets where we source from smallholder farmers to train employees who visit farms about risks to children’s safety.
- 4 **Human Rights Impact Assessments** are completed in Kenya, Ghana, Mexico, Brazil, Thailand, Turkey, Uganda, Colombia, UK, Guatemala, India, Tanzania, Nigeria and South Africa.

2020

- 1 We rolled out refreshed **Code of Conduct training** - Integrity at Diageo - focusing on impactful scenarios that bring to life real life integrity issues and questions employees face day-to-day, using storytelling and animated characters which highlight the role we all play to achieve our performance ambition.
- 2 We carried out **Human Rights Impact Assessments** in China, North America, the Middle East (phase one) and Australia, bringing our total to 17 since we began the programme in 2015.
- 3 **Modern Slavery training** was conducted as part of Diageo’s INC Week, increasing awareness of inclusion and diversity within the business. This was aimed to increase the wider company’s knowledge of the impacts of modern slavery and inform them of the active role they can play in helping Diageo manage these risks.

2019

- 1 **Our Annual Certification of Compliance** is extended to include certification that all employees at manager level and above fully understand what is expected of them, including in relation to human rights risk management.
- 2 We co-sponsored two **Aim-Progress supplier** events in Brazil and India, focusing on issues relating to forced and child labour.
- 3 We launched a **Global Brand Promoter Standard** which establishes principles and guidelines to protect the rights of brand promoters.



2021

- 1 Our **internal Global Audit and Risk team** undertook a full analysis of our responsible sourcing programme at a global level, reviewing the effectiveness of the programme to manage risks of modern slavery. The audit produced some recommendations for progression.
- 2 We carried out **HRIAs in the Middle East** (second phase), **PEBAC** (Peru/Ecuador/Bolivia/Argentina/Chile), and **North Asia** (South Korea/Japan), and the second phase in India will be completed by end of calendar 2021. These last four HRIAs were delayed from 2020 because of Covid-19.
- 3 Our **Partnering with Suppliers** standard was refreshed to include our Society 2030: Spirit of Progress sustainability commitments as well as bringing 'Doing business the right way' to the forefront and including our grievance mechanism 'SpeakUp' contact information.

2022

In 2022, As part of our ongoing commitment to the UNGPs, we updated our human rights governance framework

- 1 As part of our **ongoing commitment to the UNGPs**, we updated our human rights governance framework in line with current best practice from the Corporate Human Rights Benchmark. .
- 2 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.
- 3 We launched our **Brand Promoter Standard training website** to increase accessibility and our ability to track training completion against harassment in the hospitality sector.

2023

To refresh and enhance our assessment of salient issues, high risk markets and vulnerable groups:

- 1 We **reviewed current and emerging laws** and regulations alongside our internal processes to assess our operational, commercial, and reputational risk in priority jurisdictions.
- 2 We completed our **first Self-Assessment Questionnaires** for all countries with direct employees.
- 3 We've **prioritised how we drive social impact** in our supply chains against refreshed salient risks, with a tailored due-diligence programme for each supply chain and enhanced remediation protocol.

