

DIAGEO



HUMAN RIGHTS
Global Policy

We value each other

Our commitment to respecting human rights

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.

In our workplaces and the communities in which we operate, we believe a serious commitment to respecting human rights is fundamental to our way of 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. This includes a commitment to support the rights of indigenous peoples, and the communities where we work including their land rights, and rights to water and sanitation, delivered through our Diageo Water Blueprint, our community programmes such as Water of Life, and our Partnering with Suppliers Code of Practice.

As a demonstration of our commitment, we are a signatory to the UN Global Compact and the UN Women's Empowerment Principles and we will act in accordance with the UN Guiding Principles on Business and Human Rights. Our Human Rights Policy is also guided by the International Labour Organization's Declaration on Fundamental Principles and Rights to Work. By committing to these international frameworks, we are dedicated to enriching the workplace. We act with integrity, in compliance with local law, and respecting the unique customs and cultures in the communities in which we operate.

There is a role for every one of us in respecting the human rights of all those we work with and come into contact with as Diageo employees. We expect our employees to demonstrate ownership of our operations 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 wineries 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. To build communities, we are focusing on our programmes to provide safe drinking water and sanitation, skills development and women's empowerment.

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. At a local level, employees across Diageo's business engage their colleagues, local governments, suppliers, farmers, customers, media, civil society and community groups on issues of immediate concern to them. 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.

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. Our policies and standards are also available to anybody via our website which also acts as a route for external enquiries. Delivering our standard is a contractual requirement for all suppliers, and

Q&A

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

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 as part of our 2020 Sustainability and Responsibility targets.

all suppliers are screened by a risk assessment process including human rights before we begin working with them.



Plan W is part of Diageo’s new 2020 sustainability and responsibility targets which aims to build thriving communities. Through Plan W, Diageo is empowering women through learning – growing a diverse and inclusive talent base in our company, our industry, our communities and with our consumers. As of 2017, Plan W has empowered over 315,000 women through learning, and indirectly impacted more than 1,700,000 people and is building thriving communities across 17 countries.

Our core human rights principles

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.

As a signatory to the UN Global Compact and the UN Women’s Empowerment Principles, we are committed to supporting the rights of women within our business and in our value chain, and we assess these as part of our human rights assessment programme. Our diversity programmes and our work in communities, such as our Plan W programme, promote gender equality and female empowerment in our value chain, support women’s rights and enable them to play a greater role in the economy.

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.

Through our Partnering with Suppliers Standard, we similarly expect our suppliers to treat their employees fairly and not discriminate (in any aspect of employment) on factors such as race, gender, colour, caste, religion, ethnicity, sexual orientation, disability, age, marital status, health, pregnancy, union membership, political affiliation, or national origin.

Child labour and forced labour

As part of our commitment to broader human rights, we are committed to protecting the rights of children. 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 all relevant local laws regarding voluntary employment and minimum age for employment.

We recognise that particular areas of our value chain may have higher risks of labour exploitation. In particular, although not exclusively, this can affect agricultural supply networks in emerging markets.

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

Q&A

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?

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.

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?

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.

Wages and hours

We recognise the skills and contributions of all our employees and pay our employees competitive wages and benefits. We comply with all wage and hour laws, such as minimum wage, working hours and overtime laws, and require our suppliers and business partners to do the same.

We provide our employees with learning and development opportunities to enhance their skills and progress their careers.

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.

Within our value chain, we require our suppliers and business partners to do similarly.

Health and safety

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 occupational health and safety global policy and our corporate security global policy.

Who does this policy apply to?

This Policy applies to all Diageo employees and employees of subsidiaries and joint ventures where Diageo has a controlling interest. In joint ventures where Diageo does not have overall control, the leaders and managers of those businesses are strongly encouraged to adopt the same or similar standards. If any human rights issues arise in joint ventures we will work actively with the business leaders to address them. We expect our business partners and suppliers to deliver this policy and refer our suppliers to our Partnering with Suppliers standard which is a contractual requirement and where a breach may result in the ending of a business relationship. If there is a difference between the content of this policy and any local law or regulation, the more stringent requirement will apply.

Monitoring and remediation

Any breach of this Policy is also considered to be a breach of the Diageo Code of Business Conduct and should be reported promptly through one of the routes described in the Code. Breaches of this policy will be dealt with in accordance with the Breach Management Global Standard, Diageo Investigations Guidelines and local disciplinary policies, as permitted by law.

We are committed to working directly with our suppliers and customers to tackle human rights issues where we become aware of them. Our whistleblowing phone line and web reporting tool can be accessed by employees or by those in our value chain. Where matters are brought to us, we are committed to protect the rights of those reporting matters, 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 address matters.

How does this apply to me?

I am expected to:

- treat everyone with dignity and respect
- celebrate cultural and individual diversity
- not tolerate discriminatory, offensive or intimidating behaviour, harassment, or bullying
- commit to the highest standards of safety
- 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 I work to adopt similar standards with respect to human rights and operate in with the principles in our Partnering with Suppliers standard

How we are putting this policy into practice?

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. Discussions at Executive and Board level cover emerging aspects of human rights and our delivery of them as appropriate.

Responsibility for day-to-day delivery of our Code and Human Rights Policy is everybody's responsibility. All of our teams receive routine training in our Code. Our Executive, senior business leaders and functional specialists lead the agenda, and assess risks, emerging issues, compliance and remediation within our routine business processes.

We have developed a programme to assess human rights throughout our business and end-to-end value chain. This is prioritised based upon risk assessment, reflecting external awareness of human rights risks by geography and issue, and our own assessments of our value chain. This risk assessment is an ongoing process and reacts to emerging human and labour rights issues.

Our human rights assessments include our own operations and those of our suppliers, including primary producers such as farmers, and within the consumer markets where we operate. A local level risk assessment considers risks in the immediate market as part of planning priorities for consideration within the assessment. We consider all aspects of human rights during our human rights assessment programme, within focussed assessments and through our routine engagement of key areas of our value chain such as agriculture.

The programme is progressively addressing all of our markets, and is 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 programme engages with the different stakeholders in our value chain, identifying those potentially affected by human rights issues and assessing the risk while implementing appropriate remediation. We develop action plans and review the progress of mitigation through our routine business processes.

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 website.

This policy was last reviewed and updated in July 2017.