

**SUSTAINABLE RUM SEMINAR**  
**4.9.2019 Helsinki**

**DIAGEO**

**PROMOTING BETTER WORKING  
CONDITIONS IN YOUR SUPPLY CHAIN**





**DIAGEO'S PERFORMANCE AMBITION:**

**DIAGEO**

**“TO CREATE ONE OF THE BEST  
PERFORMING, MOST TRUSTED AND  
RESPECTED CONSUMER PRODUCTS  
COMPANIES IN THE WORLD.”**




# OUR STRATEGY


DIAGEO

OUR AMBITION IS TO CREATE  
SHARED VALUE...

## WHERE WE:


SOURCE 

MAKE 


SELL 

## WITH OUR:


### COMPANY

Working with employees,  
partners and suppliers 

### COMMUNITIES

Acting as a corporate citizen and  
supporting community development 

### CONSUMERS

Increasing our positive impact  
through brand partnerships 

## ON WHAT MATTERS MOST:



LEADERSHIP IN ALCOHOL IN SOCIETY



BUILDING THRIVING COMMUNITIES



REDUCING OUR  
ENVIRONMENTAL IMPACT



## FOR OUR:



BUSINESS



COMMUNITIES



PARTNERS

# SUSTAINABLE AGRICULTURE STRATEGY

## OUR STRATEGY FRAMEWORK

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**OUR VISION**  
Our vision is built on three pillars and guides all our work in sustainable agriculture

We aim to create economically, socially and environmentally sustainable farming throughout our agricultural supply chains



**OUR TARGETS**  
2020 sustainability and responsibility targets will help us measure progress towards our vision



**OUR FOCUS AREAS**  
We are driving progress towards our vision through four key focus areas



**OUR STRATEGY IN ACTION**  
We are working on these focus areas across our six priority crops



# OUR RUM BRANDS

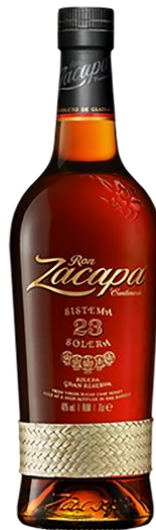
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## GLOBAL GIANTS



**NO.2 RUM IN  
THE WORLD**

## RESERVE



**NO.1 RESERVE RUM  
IN THE WORLD**

## LOCAL STARS



**NO.1 RUM IN  
AUSTRALIA**

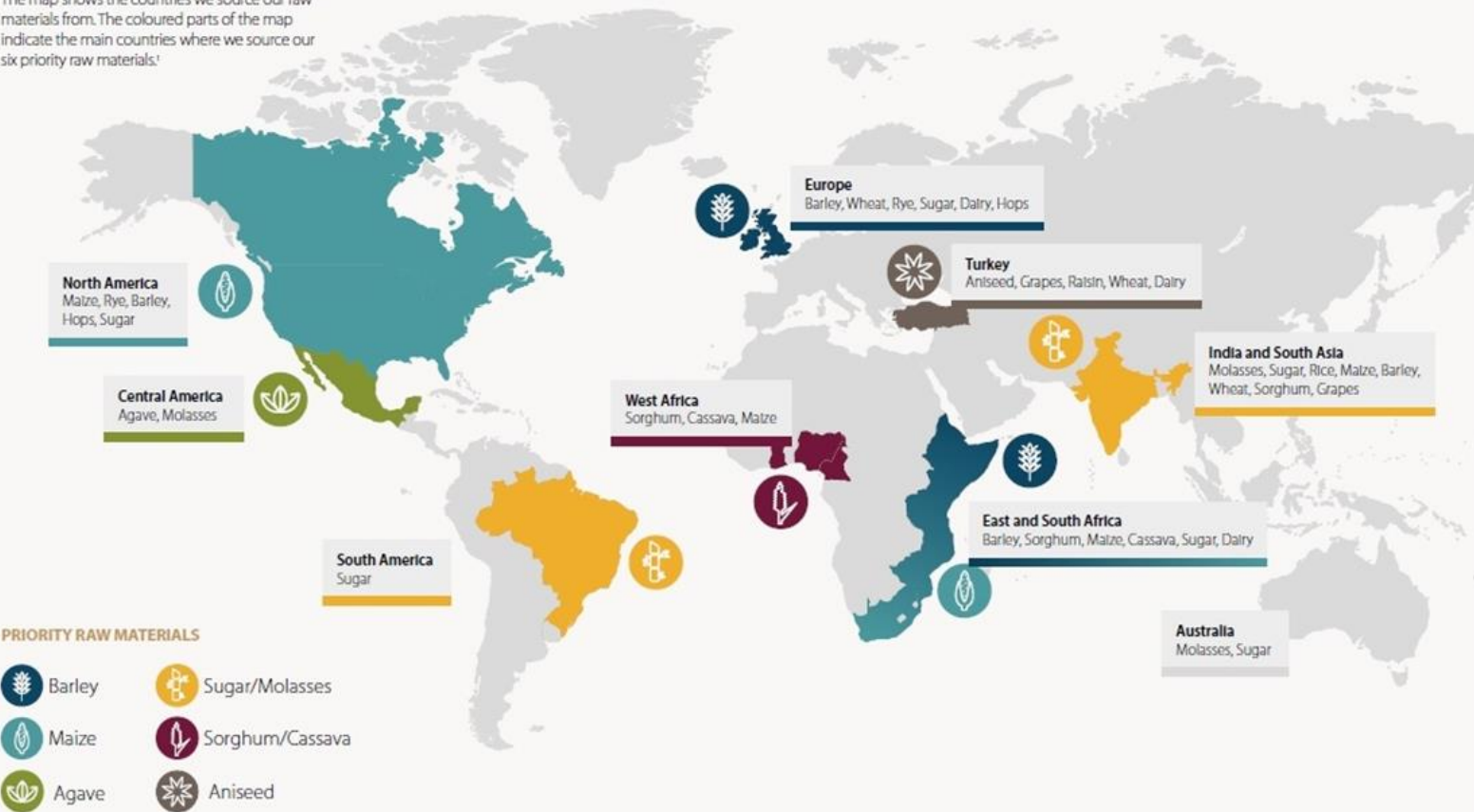


# OUR GLOBAL SUPPLY OF RAW MATERIALS



## OUR GLOBAL SUPPLY OF RAW MATERIALS

The map shows the countries we source our raw materials from. The coloured parts of the map indicate the main countries where we source our six priority raw materials.<sup>1</sup>



# OUR 2020 TARGETS



## LEADERSHIP IN ALCOHOL IN SOCIETY

### INDUSTRY COLLABORATION

- Implement global alcohol industry commitments to:
  - reduce underage drinking
  - strengthen and expand marketing codes of practice
  - provide consumer information and responsible product innovation
  - reduce drink driving
  - enlist the support of retailers to reduce harmful drinking.

### IMPACTFUL PROGRAMMES

- Going beyond industry commitments, we will work in partnerships to support programmes to address harmful drinking in our top 20 countries. We will evaluate these initiatives for efficacy and impact and report on the results.

### TRAINING & EDUCATION

- Reach 1 million adults with training and educational materials that will enable them to champion responsible drinking.



## BUILDING THRIVING COMMUNITIES

### THRIVING COMMUNITIES

- Our community programmes enable those who live and work in our communities, particularly women, to have the skills and resources to build a better future for themselves. We will evaluate and report on the tangible impacts of our programmes.

### SUSTAINABLE SUPPLY CHAINS

- Establish partnerships with farmers to develop sustainable agricultural supplies of key raw materials.
- Source 80% of our agricultural raw materials locally in Africa by 2020.
- Deliver our responsible sourcing commitments with suppliers to improve labour standards and human rights in our supply chains.
- Act in accordance with the UN Guiding Principles on Business and Human Rights.

### OUR PEOPLE

- Build diversity, with 30% of leadership positions held by women and measures implemented to help female employees attain and develop in leadership roles.
- Increase employee engagement to 80% - a top quartile performer on measures such as employee satisfaction, pride and loyalty. Raise our Performance Enablement score, which measures a link between engagement and performance commitment, to 83%.
- Keep our people safe by achieving less than 1 Lost Time Accident (LTA) rate per 1000 employees and no fatalities.

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## REDUCING OUR ENVIRONMENTAL IMPACT

### WATER

- Reduce water use through a 50% improvement in water use efficiency.
- Return 100% of waste water from our operations to the environment safely.
- Replenish the amount of water used in our final product in water stressed areas.
- Equip our suppliers with tools to protect water resources in the most water stressed locations.

### CARBON

- Reduce absolute greenhouse gas emissions from direct operations by 50%, and achieve a 30% reduction along the total supply chain.
- Ensure all our new refrigeration equipment in trade are HFC-free, with a reduction in associated GHG emissions from 2015.

### PACKAGING

- Reduce total packaging by 15%, while increasing recycled content to 45% and making 100% of packaging recyclable.
- Sustainably source all of our paper and board packaging to ensure zero net deforestation.

### WASTE

- Achieve zero waste to landfill.

# OUR 2020 TARGETS

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## LEADERSHIP IN ALCOHOL IN SOCIETY

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### IMPACTFUL PROGRAMMES

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### TRAINING & EDUCATION

- Reach 1 million adults with training and educational materials that will enable them to champion responsible drinking.



## BUILDING THRIVING COMMUNITIES

### THRIVING COMMUNITIES

- Our communities are safe and healthy places where people who live

## SUSTAINABLE SUPPLY CHAINS

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- Reduce greenhouse gas emissions from direct operations by 50%, and achieve a 30% reduction along our supply chain.

- Equip our new refrigeration equipment in trade areas with a reduction in associated GHG emissions of 15%.

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### WASTE

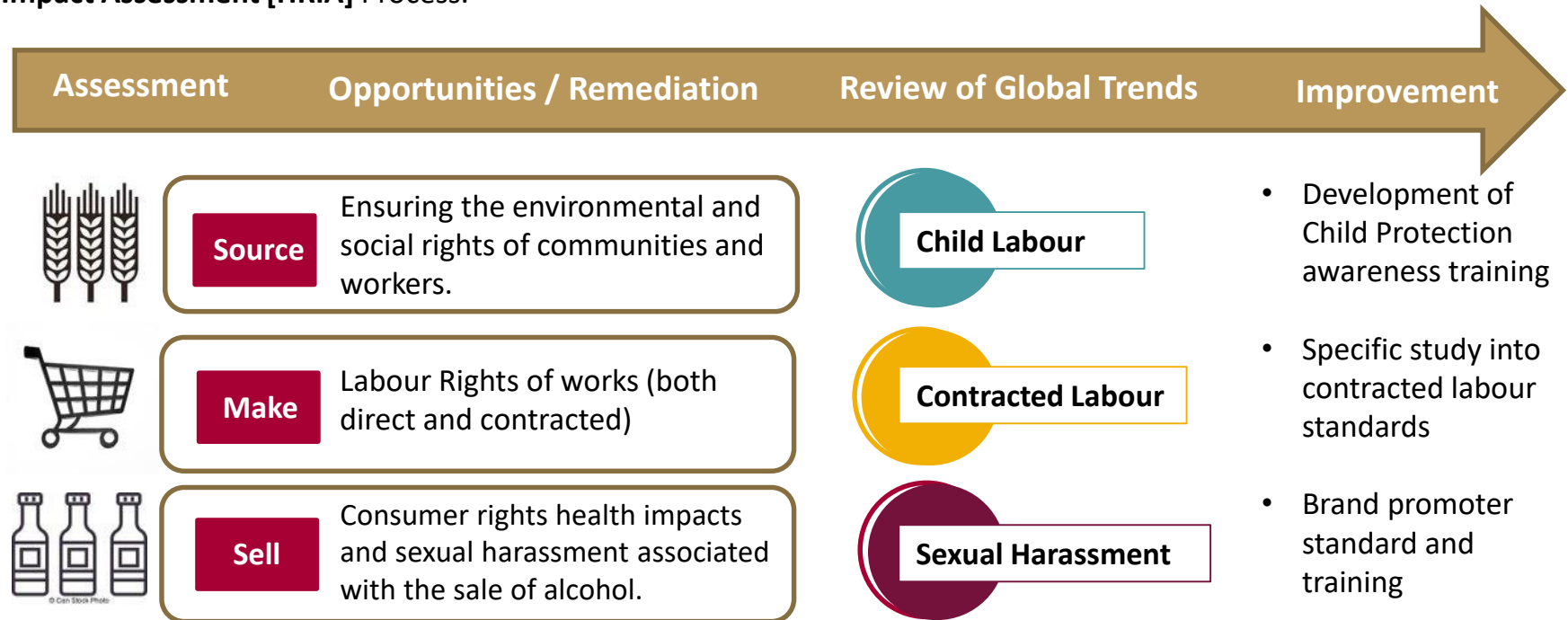
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# RISK IDENTIFICATION AND REMEDIATION [HUMAN RIGHTS IMPACT ASSESSMENT]

DIAGEO

In 2015, Diageo conducted a **company wide assessment** of our human rights risks and opportunities across the core areas of our operation. Using the results of this assessment, we consequently established the Diageo **Human Rights Impact Assessment [HRIA]** Process.



# TRANSFORMATIVE MEASURES

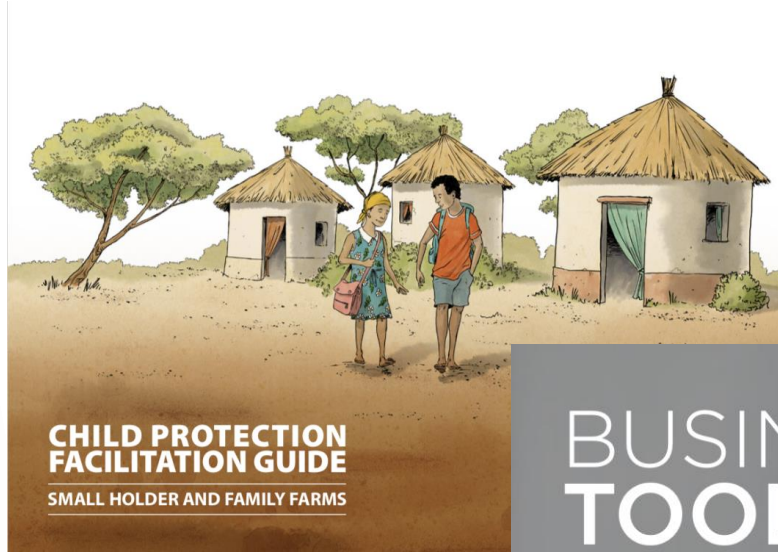
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CODE OF  
BUSINESS  
CONDUCT



BRAND  
PROMOTER  
STANDARD



## CHILD PROTECTION FACILITATION GUIDE

SMALL HOLDER AND FAMILY FARMS

SPEAKUP

## BUSINESS TOOLKIT

MAKING YOUR BUSINESS THRIVE

PRACTICAL GUIDANCE ON IMPROVING PRODUCTIVITY,  
QUALITY AND WORKFORCE MANAGEMENT



Partner  
Africa

Ethical Solutions in global trade

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## MODERN SLAVERY TRAINING

PROCUREMENT – F20



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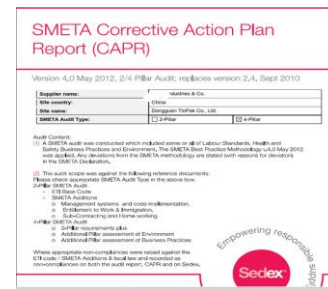
## DIAGEO



## Tier 1



- ✓ PQQ
- ✓ KYBP
- ✓ Due Diligence



## Farm Level

# DIAGEO SUPPLY CHAIN CASE STUDIES



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DIAGEO'S PURPOSE

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**DIAGEO**

**CELEBRATING LIFE,  
EVERY DAY, EVERYWHERE**



A photograph of an elderly man with a mustache and a straw hat, smiling slightly. He is wearing a light-colored safety vest with reflective stripes over a collared shirt. He is standing in a field of tall, green, blade-like grass. The background shows a clear blue sky and a line of trees in the distance.

# THANK YOU

MARTINA HENRY

GLOBAL SUSTAINABLE  
AGRICULTURAL MANAGER

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