

EU Code of Conduct for Responsible Business and Marketing - Company Commitments

DIAGEO welcomes the European Commission's initiative to develop with the EU food and drinks sector the "Code of Conduct for Responsible Business and Marketing".

We believe that our commitments included here are ambitious and that they consider the environmental, societal and health dimension of sustainability. They also contribute to the targets of the EU Green Deal, and the Farm to Fork Strategy, as well as the United Nations SDGs. Our ambitions extend until 2030.

We would like to **confirm our interest to sign the Code** and we would like to put forward **two commitments**. We have received information and guidance via our associations so far and therefore we would like to suggest that, should more clarity or explanations be required, you contact us and we would be happy to discuss or share further information if something is not clear.



Pledge 1:

We will promote positive drinking by changing the way Europe drinks for the better by celebrating moderation and continuing to address alcohol-related harm, expanding our programmes that tackle underage drinking, drink-driving and binge drinking. In particular we will create a new online platform which provides factual information to champion health literacy and tackle harm and educate consumers on alcohol www.DRINKiQ.com

Why

Our ambition is to be one of the best performing, most trusted and respected consumer products companies in the world. Promoting positive drinking is, and always has been, at the heart of this. Our global brands have been part of people's celebrations for generations. We make them with pride, and we want them to be enjoyed responsibly. That's why our aim is for people to drink better, not more. We are committed to promoting moderation, tackling misuse, and improving laws and standards, while respecting the fact that many people choose not to drink at all. We believe that this is a constructive addition to the EU Code.

Motivation for quantitative targets

As Diageo we want to help create a more inclusive and sustainable world by promoting positive drinking. We want to force a step change in our work globally to prevent underage drinking, drink-driving and heavy episodic ("binge") drinking over the next decade. Our goals have also been selected to align with the UN SDG goals.

Indicators/KPIs to measure progress

- Diageo will reach more than one billion people with messages of moderation from its
 brands
- Diageo will change the attitudes of five million drivers towards drink driving.
- Diageo will educate over 10 million people on the dangers of drinking underage through 'SMASHED', Diageo's award-winning alcohol education awareness programme, now operating in every continent.
- Diageo will roll out a new digital platform, DRINKiQ, to lead to long-term positive change in consumers' relationships with alcohol.

Baseline against which to monitor progress.

Annual global reporting over 10-year period will take place.

The agencies that run our brand moderation campaigns will collect data about numbers of consumers reached through advertising and marketing and report it to us. We will work with these agencies to tag each communication promoting moderation, so data can be collected on the reach of each campaign. The total will include campaigns from our well know consumer brands, as well as those run under the Diageo brand.

Clarification on if existing or new commitment

This commitment is linked to our global 2030 ambitions and specifically our commitment on promoting positive drinking announced in November 2020. However, these are new and ambitious goals and will run until 2030. In view of that we believe it is appropriate to share these in the context of the EU Code of Conduct.



Pledge 2:

We will pioneer grain-to-glass sustainability. We commit to working towards a low-carbon future, harnessing 100% renewable energy to achieve net zero carbon emissions for direct operations and working with suppliers to reduce indirect carbon emissions by 50%.

Why

As a global business, we are committed to playing our part to protect the future of our planet and to leading the way for others to follow. We are immensely proud of Diageo's sustainability and responsibility achievements to date, and this new, ambitious action plan will challenge us even further to deliver more over the critical decade to 2030. We believe this commitment is in line with the EU Code and its aspirations.

Motivation for quantitative targets

The planet needs significant science-based action to create a sustainable low-carbon future, so we are committed to decarbonising our own operations by 2030 and working with our suppliers to halve indirect carbon emissions.

Indicators/KPIs to measure progress

We will partner with our suppliers on renewable energy solutions, circular designed products and regenerative agriculture to halve the carbon in our supply chain by 2030, helping them move towards net zero carbon emissions.

We will prioritise carbon-positive innovation to help influence the changes needed to create and develop tomorrow's low-carbon solutions. Find out more here.

Our 2030 carbon targets include:

- Net zero direct carbon emissions
- 50% reduction in supply chain carbon emissions
- 100% renewable energy for own operations.
- The launch of Diageo's 'Sustainable Solutions, a global platform that will provide non-equity funding to start-up and technology companies in order to develop to help Diageo continue to embed sustainability in its supply chain and brands.

Baseline against which to monitor progress

Annual reporting over 10-year period will take place.

Our other areas of focus will also include partnering with our suppliers to cut our share of their carbon in half by 2030, moving towards zero carbon by partnering with them on circular designed products, regenerative agriculture and more.

Clarification on if existing or new commitment

This commitment is linked to our global Society: Spirit of Progress goals and specifically our commitment on <u>pioneering grain to glass sustainability</u> announced in November 2020. However, these are new and ambitious goals and in view of that we believe it is appropriate to share these in the context of the EU Code of Conduct.