

# EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

DIAGEO EU

## DIAGEO

REPORT SUBMITTED ON 17 JUNE 2022

<b>Type of business/sector</b>  <i>(E.g. retail, dairy)</i>	<b>Sustainability dimension</b>  <i>(E.g. environmental, social)</i>	<b>Code aspirational objective</b>  <i>(1-7)</i>	<b>Individual commitments with baseline</b>	<b>Progress on KPIs and goals (qualitative and/or quantitative) *</b>  <i>* Please note that updated data for July 2021 – June 2022 will become available when Diageo’s annual report is published in August 2022</i>	<b>Comments</b>  <i>(E.g. enablers, ideas on how to improve)</i>
<b>Agri-food industry (Spirits)</b>	<b>Social</b>	<b>1</b>	<b>Positive Drinking:</b> 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. We will create a new online platform which provides information to champion health	<i>Please find a progress update towards our Positive Drinking KPIs below:</i>	We want to change the way the world drinks for the better by promoting moderation and addressing the harmful use of alcohol. Our goal is for people to ‘drink better, not more’ – because we are proud of our brands, and we know that the best way

<p>literacy and tackle harm and educate consumers on alcohol <a href="http://www.DRINKiQ.com">www.DRINKiQ.com</a></p> <p><b>Baseline:</b> Annual global reporting over 10-year period will take place.</p>		<p>for them to be enjoyed is responsibly.</p>
<p><b>KPI 1:</b> Diageo will reach more than one billion people with messages of moderation from its brands.</p>	<p><b>Progress KPI 1:</b> In Financial Year 2021, we reached <b>367 million</b> people with responsible drinking messages from our brands. This reflects significant progress towards our 2030 goal of reaching one billion people.</p>	
<p><b>KPI 2:</b> Diageo will change the attitudes of five million drivers towards drink driving</p>	<p><b>Progress KPI 2:</b> In Financial Year 2021, we educated <b>9,859 people</b> about the dangers of drink driving. We developed an innovative new drink drive online module which aims to change attitudes about drink driving. We launched 'The Wrong Side of the Road' initiative in Great Britain in May 2021, which continues to be scaled up following delays in its roll out due to Covid-19.</p>	
<p><b>KPI 3:</b> Diageo will educate over 10 million people on the dangers of drinking underage through 'SMASHED', Diageo's award-</p>	<p><b>Progress KPI 3:</b> We educated <b>210,443 people</b> in Financial Year 2021 on the dangers of underage drinking through SMASHED. Survey data shows that</p>	

			<p>winning alcohol education awareness programme, now operating in every continent.</p>	<p>93% of those reached confirmed changed attitudes on the dangers of underage drinking.</p>
			<p><b>KPI 4:</b> Diageo will roll out a new digital platform, DRINKiQ, to lead to long-term positive change in consumers' relationships with alcohol.</p>	<p><b>Progress KPI 4:</b> An updated version of our DRINKiQ platform was launched in Financial Year 2021, with comprehensive information on alcohol and health and a new screening tool to identify whether users are drinking at higher risk levels. By the end of June 2021, we had <b>33 sites</b> live in <b>29 geographies</b>.</p>
	<b>Environmental</b>	<b>3</b>	<p><b>Grain-to-Glass Sustainability:</b> 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%.</p> <p><b>Baseline:</b> Annual global reporting over 10-year period will take place.</p>	<p><i>Please find a progress update towards our Grain-to-Glass Sustainability KPIs below:</i></p>

<p><b>KPI 1:</b> Net zero direct carbon emissions</p>	<p><b>Progress KPI 1:</b> In Financial Year 2021, we reduced our greenhouse gas emissions by <b>5.1%</b>. Reductions were driven by increased use of on-site renewable energy.</p>	<p>Our annual targets to achieve net zero by 2030 in our direct operations emissions have been calculated in accordance with the principles of Science Based Targets initiative (SBTi) and have been submitted to the SBTi for validation.</p>
<p><b>KPI 2:</b> 50% reduction in supply chain carbon emissions</p>	<p><b>Progress KPI 2:</b> Our value chain emissions increased by <b>2.1%</b>, mainly due to increased production and its associated increased use of raw materials, packaging, third-party operations and neutral spirit sourcing, as well as a relatively depressed new baseline year of 2020, which was affected by Covid-19.</p>	<p>We remain committed to accelerating progress on reducing total value chain emissions and working collaboratively with our suppliers and partners in future years.</p>
<p><b>KPI 3:</b> 100% renewable energy for own operations.</p>	<p><b>Progress KPI 3:</b> Our total renewable energy increased to <b>36%</b>. The main drivers of this progress are programmes switching from fossil fuel to renewable sources, including wider use of biomass and renewable electricity.</p>	<p>As a signatory to the RE100 global initiative committed to 100% renewable electricity, we aim to source 100% of our electricity from renewable sources by 2030.</p>

		<p><b>KPI 4:</b> 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.</p>	<p><b>Progress KPI 4:</b> In 2020, our first round of Sustainable Solutions challenges received around 300 applications across our first four challenges within the few weeks that the application window was open. Our second round of challenges, launched in November 2021, focused on finding technologies that can help our packaging become more sustainable.</p>	<p>Applications are being assessed for the second round of challenges, which focus on the following four areas: i) sustainable container design ii) refill and reuse iii) glass bottle/container decoration iv) sustainable bottle/container design for eCommerce.</p>
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