

DIAGEO

# Our Code

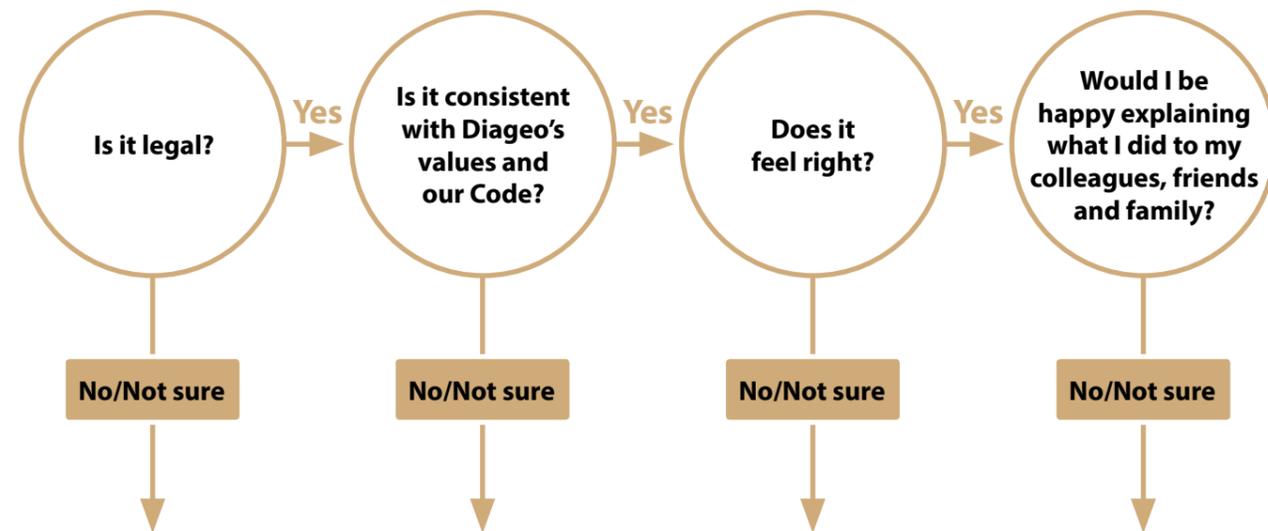


## We can all do the right thing, every time

We are trusted to make the right decisions by applying common sense and judgement, while acting according to Diageo's values and purpose.

If you do not find the guidance you seek in our Code, policies or standards, you should ask a simple question:

**Is my action in line with Diageo's purpose and values?**



## STOP! Seek advice and guidance

**If the answer to any of these questions is 'no' or 'not sure' then don't proceed.**

It is always better to ask a question, than to guess an answer. Guidance on who to speak to for help or advice, and how to raise a concern, can be found on [p45 \(inside back cover\)](#).

## OUR PURPOSE

**Celebrating life, every day, everywhere**

### OUR VALUES

**Passionate about our customers and consumers**

**Be the best**

**Freedom to succeed**

**Proud of what we do**

**Valuing each other**

### OUR CODE

**We** care about our business and are committed to the highest standards of business ethics and behaviour

**We** are expected to demonstrate personal integrity, and live the values and behaviours that underpin all of our work, every day, everywhere

## Dear colleague,

Our ambition is to be one of the best performing, most trusted and respected consumer products companies in the world. To achieve this we must earn the trust and respect of everyone that comes into contact with our company. Our commitment to all our stakeholders is to operate in the right way from grain to glass. Diageo's Code of Business Conduct is designed to help you understand your responsibilities as an important part of, and an ambassador for, our business.

We start from a great place: our business and its culture are founded on values that have been built over generations by extraordinary people, including founders of many of our great brands and these values inspire and guide how we work today. We are custodians of Diageo's reputation, culture and some of the most iconic brands in the world, and we all have a responsibility to keep our business strong and pass it to the next generation in even better shape.

### What we expect of you

We are all individually responsible for demonstrating the highest standards of integrity. Regardless of your role, seniority or location, you are required to comply with our Code, our policies and standards, and with all applicable laws, regulations and industry standards that relate to your work, at all times.

But no code, policy or standard can cover every situation we face. It's important to apply common sense and good judgement, and act only in ways that support our values and purpose. If you are ever in doubt, you should ask for guidance and if you have concerns, you should speak up.

### What you can expect from Diageo

You can expect to work in an inclusive and diverse culture where you are trusted and supported and given the freedom to be the best you can be.

Please take the time to read and understand our Code and with support from your manager ensure you understand your responsibilities, know who to go to for help, and how to raise a concern without fear of reprisal. Each one of us holds the hard-earned reputation of Diageo and our brands in their hands. I want us to continue to demonstrate good judgement in the decisions we make every day, everywhere and be proud of the work we do and how we do it.

Thank you.

**Ivan Menezes**  
Chief Executive




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## A guide to Our Code

Our Code is intended to embody our purpose and values and sets out our collective and individual commitment to conducting business in accordance with them, and with all relevant laws, regulations and industry standards.

	<p>Our purpose and values are the foundation of our business: they make us who we are and underpin our success.</p>
	<p>Our Code provides information on key areas of our business activities and outlines the responsibilities we all have as employees. In the sections that follow you will find guidance on the core principles that should govern how you behave.</p>
	<p>Our Global Policies and Standards support our Code and provide further information and guidance. You must apply any Global Policy or Standard that is relevant to your role, regardless of your location. <u>Our Global Policies</u> set out the principles we apply globally to our business activities, covering areas usually relevant to the majority of employees.</p>
	<p><u>Our Global Standards</u> are usually more specialist, setting out the principles we apply globally to specific business activities.</p>
	<p>In addition there may be local policies, laws and regulations that you need to comply with, so it is critical you familiarise yourself with any relevant to your role.</p>
<p>If you cannot find what you are looking for in our Code, try using our <u>'Do the right thing'</u> guide on the inside front cover. You will also find suggestions on where to get help, advice and how to raise a concern on the <u>inside back cover</u>.</p>	

## Our responsibilities

### Every employee must act as a custodian of our values and reputation

The responsibility for safeguarding the company's reputation as a trusted business and a great place to work rests with all of us. You are expected to demonstrate personal integrity, live the values and model the behaviours that underpin all of our work. Specifically, each employee is required to comply with our Code, policies and standards, and with all applicable laws, regulations and industry standards. Failure to do so may result in reputational damage and financial loss to Diageo, and could lead to disciplinary action being taken against you, up to and including dismissal, as well as potential civil and criminal liability.

### The role of managers

Our Code, policies and standards apply to everyone, whatever their role or seniority – but managers are also expected to be role models. If you manage people, you must ensure that all individuals in your team receive the guidance, resources and training they need to understand what's expected of them.

You should:

**Live our values and stand up for what is right**

**Know our Code, policies and standards, and ensure your team does too**

**Coach your team on doing the right thing and praise the right behaviours**

**Encourage the sharing of concerns, and support employees who do**

**Ensure there is no retaliation for reporting concerns**

### External business partners

We want to do business with partners who share our values. We strongly encourage 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 policies.

If you are responsible for a relationship with a business partner, you should make sure their commitments meet our standards. For guidance, [see p42](#).



# Our personal integrity

Trusted to act in Diageo's and society's best interests

- [Responsible drinking](#)
- [Insider trading](#)
- [Conflicts of interest](#)

## Responsible drinking

### We are all ambassadors for responsible drinking

We are proud of what we do and we promote a culture – both inside and outside Diageo – in which adults who choose to drink alcohol, do so responsibly. We should all be ambassadors for Diageo's reputation and actively promote moderation. We market our brands responsibly and we work in partnership with governments, society, individuals, non-governmental organisations and other companies to tackle the misuse of alcohol including excessive drinking, drinking and driving, and underage drinking.

### Do the right thing

You should:

- enjoy alcohol as part of a well-balanced lifestyle (if you choose to consume it)
- never let your performance and judgement at work be impaired by alcohol
- respect the legal drinking age in all markets and obey alcohol-related legislation
- seek medical advice or counselling for yourself if you are dealing with an alcohol-related problem
- report any alcohol-related offence and/or arrest to your manager.

### DRINKiQ

Our purpose is to celebrate life every day, everywhere and we encourage our employees and consumers to celebrate responsibly. Through DRINKiQ we raise awareness about responsible drinking and help inform responsible choices about drinking or not drinking. We promote DRINKiQ.com on all Diageo product labels, and the DRINKiQ training course is mandatory for all our employees.

**Q** Yesterday, one of my team came into work smelling of alcohol and they were unprepared for an important meeting. They had to leave the meeting because they were unwell and I needed to step in. This is not the first time that this has happened and the pattern is impacting their performance. What should I do?

**A** No one should let the consumption of alcohol affect their performance at work, as this can have negative consequences for the individual and the business. First, suggest that they seek guidance from the local occupational health team if they feel they may have a problem with alcohol. Secondly, you should speak with your local HR team for guidance and support on how best to manage their performance.

**Q** I was driving home after a night out for a friend's birthday. I was pulled over by the police and found to be over the local legal drink-driving limit. I didn't harm anyone, it was in my personal time and I don't need to drive for my job. Do I need to report this?

**A** We appreciate this occurred in your personal time, however, you must report this to your manager as all employees have a responsibility to uphold Diageo's position on responsible drinking. The DRINKiQ website has information to help you make informed choices about drinking or not drinking.

**For more information on what you need to read, see [p43](#)**

## Insider trading

### We must not profit illegally from information we hold at Diageo

Many of us come by information about the financial performance or future plans of Diageo Group companies through our employment. Using this 'inside information' in your dealings with shares or securities of Diageo or other Diageo Group companies which are publicly listed – 'insider trading' – is a criminal offence in the United Kingdom, the United States, and many other countries. It is the responsibility of every individual to comply with rules on insider trading.

Inside information – or 'material non-public information' in the United States – is information that has not yet been published and would, if generally available, be likely to have a significant effect on the share price or might influence investors' decisions to buy or sell shares. Buying or selling shares, exercising a share option, entering or leaving a share plan, or giving shares as security, can all be types of dealing that are prohibited to those with inside information. Insider trading rules also apply if you arrange for someone else to deal on the basis of inside information – and may apply even after you leave Diageo.

While you will normally be advised by Company Secretariat if Diageo deems you to be an 'insider' for a 'close period', the ultimate responsibility lies with you not to engage in insider trading.

### Do the right thing

You should:

- check with Company Secretariat ([you will find details on Mosaic](#)) before you deal in Diageo shares if you are in doubt.

**Q** I am PA to a senior executive, and I have access to quite a lot of confidential information, although I don't tend to read any of it in detail. I'd like to sell some of my Diageo shares but one of my colleagues suggested that I might not be able to because I have access to 'inside information'. Is this true?

**A** If you have information which is not generally available to the public and which could affect the share price or influence an investor, you may have inside information. However, not all confidential information would be regarded as inside information. You should ask Company Secretariat for advice before you sell your shares.

**Q** I know that I am in possession of inside information and therefore am at times restricted in buying or selling Diageo shares. However, my brother has mentioned that he'd like to buy some shares in Diageo. I never talk to him about my work, so is this ok?

**A** You should be cautious in this situation and be confident that there is no information you have ever disclosed to your brother which could be viewed as inside information. You should ask your brother not to buy shares until you have discussed the situation further with Company Secretariat, who will advise you on what is and is not acceptable.

**For more information on what you need to read, see [p43](#)**

## Conflicts of interest

### We all have a duty to act in Diageo's best interests at all times

Conflicts of interest can arise when our personal, family, financial, political or other interests interfere or conflict with our loyalty to the company or our ability to make the right decisions on behalf of Diageo. Diageo expects all employees to disclose in full any potential conflict of interest we may have with the company as soon as it has been identified so that it can be properly considered and the right action taken. In many cases, simply disclosing the conflict to your manager will be enough to resolve the problem; in more complex situations, further action may be needed.

### Do the right thing

To ensure that you do not compromise yourself or Diageo, if there is a chance that you might have a conflict of interest, you should:

- disclose any potential conflict of interest promptly to your manager in writing
- keep a record of any disclosure made and the actions agreed
- be vigilant for any new potential conflict of interest situations or changes to existing disclosures which may occur during your employment with Diageo and promptly disclose these as and when they arise.

If you are concerned as to whether something may be a conflict of interest, in particular if you are a Line Manager and are unsure if a matter brought to your attention might represent a conflict of interest, please check before any approval is given and contact your CC&E Manager, Diageo internal lawyer or HR business partner to discuss.

**Q** There is an open position within my team for which I think my nephew would be perfect. I'm worried about suggesting him though, given our relationship. What should I do?

**A** If your nephew is qualified for the position and would be a good addition to the department you should mention this to the hiring manager or relevant HR business partner. However, you should have no involvement in the recruitment process and the position should not be one which you directly or indirectly supervise.

**Q** I have become very good friends with a customer – we see each other socially. My family has been invited to her daughter's wedding. I'd like to attend the wedding and provide a gift. Is that ok? I would pay for the gift myself.

**A** Business and personal relationships often overlap. What is important is that you ensure that there is no perception of a conflict of interest between the two. You should make it clear that you are attending the wedding and providing a gift in your personal capacity and at your own expense, and not as a representative of Diageo. You should also disclose this to your manager and keep a record.

**For more information on what you need to read, see [p43](#)**

### What is a conflict of interest?

A conflict of interest may arise from a number of situations. Examples of conflict of interest might include:

Engaging in activities that might compete with Diageo – for example, participating in another business or having employment outside Diageo which affects your ability to perform your job.

Having a financial interest or a remunerated position in a company which does business with Diageo directly or indirectly or in which Diageo has an interest.

Letting your business decisions be, or appear to be, influenced by personal or family interests or friendships – including hiring or supervising a family member or someone with whom you have a close relationship.

Receiving any personal or financial benefit from any supplier, customer, or competitor, or a company that does business with Diageo.

Using company property, information or resources for your personal benefit or the benefit of others in a manner that is not permitted by Diageo.

### Could I have a conflict of interest?

If you answer 'yes' to any of these questions you must disclose a potential conflict of interest to your manager.

Could my relationship with a Diageo customer, supplier, joint venture entity or competitor give the appearance of divided loyalty?

Could this situation undermine my ability to make business decisions in Diageo's best interests?

Do I, or does someone I am close to, stand to benefit from my involvement in this situation?

Is there a chance that my decisions could be questioned or seen as not in Diageo's best interests?

Could my participation in this activity interfere with my ability to do my job?





# Our commercial integrity

Guardians of Diageo's reputation

Marketing and innovation

Gifts and entertainment

Bribery and corruption

Governments and political bodies

Illicit trade

Competition

Money laundering and facilitation of tax evasion

Sanctions

## Marketing and innovation

### We must ensure that our brands are advertised and marketed responsibly

We want Diageo's marketing and promotional activities to be recognised as the best in the world, and we are proud that our brands bring pleasure to millions of adults every day. However, we recognise that alcoholic beverages may be consumed irresponsibly, creating problems for individuals and for society.

The [Diageo Marketing Code \(DMC\)](#) and [Diageo Digital Code](#) (and its attached [Influencer and Endorser Disclosure Guidelines](#) and [Global Mandatory Social Media Guidelines](#)) apply to all marketing and/or digital marketing activities and must be adhered to, and set out that all our marketing must:

- be aimed only at adults and never target those younger than the legal purchase age for alcohol
- depict and encourage only moderate and responsible drinking
- not imply that our alcohol beverage brands offer any health, therapeutic, dietary, functional or performance benefits
- not portray or imply that drinking is necessary for social or other success
- reflect generally accepted contemporary standards of good taste and decency.

### Do the right thing

You should:

- apply the [DMC](#) to all marketing and promotional activities, including digital
- follow the approval process for all marketing activities as agreed by your Diageo business unit
- ensure third parties, such as advertising and digital agencies engaged in marketing and promotional activities on Diageo's behalf, understand and apply the [DMC](#)
- ensure that all digital marketing assets, including assets on sites hosted by third parties, are set up on Diageo platforms approved by Procurement in accordance with [Diageo's Digital Code](#) and relevant data privacy procedures (including, if applicable, GDPR).

**Q** I've been working on a marketing campaign for a new product. I'm concerned that some elements of the promotion might appeal to teenagers. What should I do?

**A** You should express your concerns to your manager and seek advice from your DMC approver. We have a responsibility to ensure that our marketing is always targeted at adults only and never designed or constructed in a way that appeals primarily to people younger than the legal purchase age.

**Q** I have received a complaint from a colleague in another country that one of our marketing activities is not compliant with the DMC. We have had no complaints here and the activity was signed off by all DMC approvers. Should I do anything?

**A** Yes, notify your manager, your local marketing director and the DMC subject matter expert, who can determine if the [DMC](#) has been breached. Local laws and regulations can vary and in some cases are stricter than the [DMC](#).

**For more information on what you need to read, see [p43](#)**

## Gifts and entertainment

### We should never give or accept inappropriate gifts or entertainment

Giving and receiving gifts and entertainment (G&E) have a role to play in building external business relationships and generating goodwill. However, we should never offer or accept gifts and entertainment where doing so might create a feeling of obligation, or give that impression, because this could be perceived as a bribe ([see p16](#)).

### Do the right thing

Whenever you give or receive gifts and/or entertainment, you must follow [Diageo's Gift and Entertainment Rules](#). Key points include:

- Always obtain approval from a Diageo internal lawyer before you offer, give or pay for any gifts or entertainment to a 'government official' (see definition [on p17](#)).
- Never offer or accept cash or cash equivalents as a gift under any circumstances.
- Obtain your manager's approval before giving to or accepting from an external party:
  - gifts to or from any one entity where the value in a financial year exceeds £100\* (or local currency equivalent) in total;
  - entertainment that is more than occasional, may not be business-related, or could be regarded as excessive or unreasonable.
- Keep an accurate and complete record of all gifts and entertainment that you offer to, or accept from, external parties in your gifts and entertainment register.
- Never offer or accept gifts, entertainment or hospitality benefits to/from our third party external auditors unless considered acceptable hospitality.

\*Or a lower value if specified in your local policy.

Are sponsorship and trade incentives the same as gifts?

No. When we offer a gift, it is with the expectation of nothing in return. We only offer trade incentives or sponsor external parties in return for a pre-agreed commercial benefit.

Pre-approval from a Diageo internal lawyer is required for trade incentives and for sponsorships where a government official is involved.

See the guidance on Gifts, Entertainment and Sponsorship for Government Officials in the [Pre-Approval Request form](#) on Mosaic.

What is a cash equivalent gift?

A gift card, certificate or voucher are considered a cash equivalent gift and can never be accepted from any business partner, whatever the value. Our policy is not to offer or accept cash or cash equivalents as gifts.

**Q** I have just received a food basket from a customer, which is worth £50. The same customer sent me two bottles of wine earlier this year, each worth £40. I know the total value exceeds £100\* but I could not obtain my Line Manager's approval before accepting the food basket as I wasn't aware that I would receive it. What should I do?

**A** You should contact your Line Manager straight away and explain what you have been sent by this customer in this financial year. If (s)he agrees that you can accept, ensure (s)he confirms in writing, thank your customer for the gift and record it accurately in your G&E register. If your Line Manager does not grant approval, then you will need to return the gift. If that is not possible (e.g. because it is a perishable item or it would cause irreparable damage to the relationship), then it should be shared with your team or offered as a raffle prize in market etc. This should also be recorded in your G&E register.

**Q** I am hosting a trade event to promote Baileys. Each attendee will receive a 50ml (miniature) bottle to sample. Do I need to record giving these samples as a gift in my G&E register?

**A** A sample size bottle of Diageo product, when used only for promotional purposes, is not considered a gift. It therefore does not need to be recorded in your G&E register. However, you must make sure all the sample bottles are accounted for in A&P spend to track free goods allocation.

**For more information on what you need to read, see [p43](#)**

## Bribery and corruption

### We do not tolerate bribery or corruption in any form

We are proud of our reputation as a trusted and respected business. We do not tolerate any form of corruption, whether direct or indirect, by employees or by business partners who act on our behalf. We do not offer, give, ask for or receive, bribes or other improper advantages for business gain. This prohibition applies to any form of bribe of any value, and is not limited to cash.

We must all take special care that our actions cannot be interpreted as bribery, particularly in the areas of gifts, hospitality, entertainment, expenses, customer travel, trade incentives, political contributions, charitable donations, lobbying, and sponsorship. We must also ensure that our relationships with our business partners and government officials do not create bribery or corruption risks for Diageo.

It is important that we record all transactions completely and accurately in our accounting and financial records.

If you are offered or asked for a bribe you must refuse – and you must report it promptly to your Diageo internal lawyer or via [SpeakUp](#).

**Q I was told I would have to make a small payment to a minor customs official to get our products cleared through customs. We are under pressure to get the delivery to the customer as soon as possible and it's not against the law in my country. What should I do?**

**A** *Diageo must not make payments to officials to ensure they carry out their official duties. The UK Bribery Act makes it illegal to pay 'facilitating' or 'grease' payments wherever the request is made – we therefore strictly prohibit all such payments, even in countries where they are not illegal. Speak to your manager or your Diageo internal lawyer to determine what legally acceptable alternatives there are to secure the release of the goods.*

**Q I've been told that the best way to get the permits I need from a foreign government is to hire a consultant to take care of it. I've met one and she's asked for \$50,000 as a retainer. Do I need to worry about what she does with this money, as long as we get the permits?**

**A** *Yes, you have a responsibility to ensure that proper due diligence is carried out before engaging anyone who will be interacting with government officials on Diageo's behalf. Before the consultant is hired, contact your Diageo internal lawyer so that proper due diligence is performed and appropriate contractual arrangements are put in place.*

**For more information on what you need to read, see [p43](#)**

### Do the right thing

You should:

- never offer, authorise, or accept bribes, including 'facilitating payments' (i.e. small payments made to speed up what should be routine government action), or any other form of improper payments with the intention of obtaining a commercial benefit for Diageo
- always follow the [Gifts and Entertainment Rules](#) and our [Anti-Bribery and Corruption Global Policy](#)
- ensure that all accounts and financial records are complete and accurate, that it is clear what each transaction relates to, and that there are no undisclosed, unrecorded or vaguely described transactions
- refer to your Diageo internal lawyer any requests for cash payments of any value to a government official or any other business partner
- never ask for any payment from any of our business partners for your own personal gain
- before establishing a relationship with a business partner on behalf of Diageo, follow the appropriate steps in our [Know Your Business Partner \(KYBP\) Standard](#) and satisfy yourself that the business partner does not pose a risk of bribery or corruption
- refer to the sections of our Code which cover [Charitable contributions \(p38\)](#), [Governments and political bodies \(p18\)](#) and [Gifts and entertainment \(p15\)](#) for further information.

**Who is a government official (GO) for the purposes of our Code?**

Officers and employees of all branches of government, at any level, including military and police.

Officers and employees of state-owned or controlled businesses, including charitable enterprises, and any state-funded alcohol store or media.

Officers and employees of public international organisations (e.g. the United Nations), including embassy staff.

Individuals acting in an official capacity for or on behalf of any of the above.

Political party officials, employees and candidates for political office.

Members of a royal family.

Individuals otherwise categorised as 'government officials' under local law.

'Politically Exposed Persons' (PEPs) i.e. current and former senior 'government officials', family members (i.e. spouses, partners, children and their spouses or partners, or parents) and known close associates, either socially or professionally, of these individuals.



## Governments and political bodies

### We should only engage with government or political bodies if we have prior approval

As part of doing business, Diageo engages with government officials and members of political organisations around the world – but we need to do it appropriately. You should never engage in lobbying or conduct Diageo business with government officials, legislators, political candidates, other government employees or public interest groups without the approval of your local market corporate relations director.

#### Do the right thing

You should:

- never make payments or offer goods or services, such as the free use of facilities on Diageo's behalf to politicians or political parties, or to support political activities
- always obtain pre-approval from a Diageo internal lawyer before you offer, give or pay for any gifts, entertainment or sponsorship to a government official (see [Gifts and entertainment on p15](#))
- declare a conflict of interest if you have links with a particular political group with which your work brings you into contact (see [Conflicts of interest on p10](#)).

#### Donations

Diageo's general practice is to not make political contributions, donations or expenditure (except in very limited circumstances, with prior approval from the relevant Global Corporate Relations and Legal Function lead).

You must never make donations in an attempt to influence a government or political party to make decisions in Diageo's favour. Any donations or services to political entities must be transparent and made in accordance with applicable laws.

#### Your personal politics

Diageo recognises your right to participate as an individual in legal political activities. However, we must all keep these activities separate from the workplace, and never use Diageo funds or resources to support them. In particular, Diageo disassociates itself from any activity that incites extremism or undermines our commitment to cultural diversity and equal opportunity.

**Q A business contact has suggested I meet a friend who is an influential politician who can help Diageo's business. What should I do?**

**A** Consult your market corporate relations director for approval – you must not have contact with the politician without it. Depending on the circumstances they may agree some messages with you so you can meet the politician and report back, or instruct you to refer your contact's friend to the corporate relations team, who will take it forward.

**Q I am at an event and a politician starts talking to me about Diageo's business. What should I do?**

**A** If you know in advance that the event is likely to have politicians attending, talk to your corporate relations director beforehand to agree messages. If it is a chance encounter, answer honestly but without revealing any confidential information, and, if appropriate, offer to introduce the politician to the corporate relations team.

**Q The governing political party in my market is organising its birthday celebrations and has asked the Corporate Relations (CR) team if Diageo could sponsor the event.**

**A** Contact your Diageo internal lawyer to take advice on whether sponsoring the event could be considered a political donation and if so, whether it is possible to go ahead or not.

**For more information on what you need to read, see [p43](#)**

## Illicit trade

### We act responsibly to protect our brands from counterfeit, and must not allow ourselves to become involved in smuggling

#### Counterfeit and look-alike

We are passionate about ensuring that consumers can trust our products to deliver great taste and quality. Counterfeit and 'look-alike' products may lead consumers to confuse them with, or falsely link them to, genuine Diageo products, eroding this trust.

'Look-alike' or 'copycat' products use similar names, logos, packaging shapes, trademarks, designs and colours to our genuine products, for example 'JOHNNY WALTER' in place of 'JOHNNIE WALKER'. Counterfeit products aim to be identical in appearance to our genuine products but have fake, inferior quality, and sometimes toxic contents; often our genuine bottles are simply refilled.

If you see a product you suspect may be counterfeit or a look-alike, you should report it immediately, so Diageo can take action. This may include enforcing laws which protect our intellectual property assets, such as trademarks, copyrights, patents, trade secrets, and domain names.

#### Smuggling

Smuggled goods are those that are imported without payment of applicable duties. Our products, like those of many other consumer goods companies, are sometimes smuggled into markets by third parties. We must not manage, promote or otherwise allow ourselves to become involved in smuggling.

#### Do the right thing

- You should report any suspected counterfeit, look-alike or other product infringements through '[Spot and Stop](#)' on Mosaic, or directly to your Diageo internal lawyer or brand protection contact
- You must never manage, promote or become involved in any way in smuggling. Report any concerns immediately to your Diageo internal lawyer.

**Q One of my customers told me that he had heard that a number of small retail outlets are buying our brands from unregulated sources, and that some of it could be counterfeit. What should I do?**

**A** Request as much information and intelligence as possible from your customer, including brand and outlet specifics, and explain that Diageo will use it in conjunction with the appropriate authorities for investigation. Forward all the information you gather to your local brand protection contact and your Diageo internal lawyer, or through '[Spot and Stop](#)' on Mosaic.

**Q A couple of my friends had one of our products in a bar recently and both thought that it didn't taste right. Should I report this?**

**A** Yes, you should report the matter through '[Spot and Stop](#)' or inform your local brand protection contact or Diageo internal lawyer directly so that they can investigate further. Infringements of our products can take many forms and it is possible that the product may have been tampered with or could have been counterfeit.

**For more information on what you need to read, see [p43](#)**

## Competition

### We must adhere to all laws intended to protect and promote free and fair competition around the world

We all want the freedom to succeed – but that success must always be within the law and in line with our purpose and values. In most countries, competition or antitrust laws regulate dealings with competitors, customers, distributors and other third parties. Competition laws may also cover conduct that takes place outside your market.

#### Do the right thing

You should:

- familiarise yourself with the competition laws that apply in your market, and, when in doubt, seek advice from a Diageo internal lawyer on what is acceptable.

You should never:

- agree or even discuss with competitors to: fix prices or other terms; limit production; allocate territories or products or customers; or refuse to deal with any customer or supplier
- discuss commercially sensitive information with competitors, for example pricing, costs, margins, trading terms, marketing plans or new product launches
- use a trade association as a forum for discussing or agreeing a common approach to a customer or to a commercial issue such as promotions.

If you are present when something of this nature is raised, you should leave the meeting or end the conversation, and inform a Diageo internal lawyer immediately.

**Q** My colleague used to work for a competitor. She told me that she still has her old employer's pricing strategy for next year on her personal laptop, and asked if I would like to see it. What should I do?

**A** Explain that you cannot discuss or accept any information relating to competitor pricing, and that the information should not be disclosed to anyone at Diageo. If appropriate, arrange a meeting for yourself and your colleague with your manager or a Diageo internal lawyer to discuss what to do.

**Q** In a meeting with a retail customer to discuss a new product launch, he showed me a file on his computer which contained detailed information on every competitor's planned promotions for the year ahead. What should I do?

**A** Tell the customer that it is not appropriate for you to have access to a competitor's commercially sensitive information, and ask him to close the file. Report this to a Diageo internal lawyer immediately, and do not make any notes on what you saw, or disclose any of the details to anyone else at Diageo.

**For more information on what you need to read, see [p43](#)**

#### Dealing with competitors

In gathering competitive information, always follow the [Diageo Know the Competition Guidelines](#).

Never seek or accept commercially sensitive information from competitors.

Similarly, never seek or accept commercially sensitive information about competitors from customers or other third parties.

However, if during a pricing negotiation, a customer voluntarily compares a competitor's pricing (for example 'Absolut is \$10 a case cheaper than Smirnoff'), you may use and retain that information.

#### Dealing with customers

Never discuss one customer's terms with another, and never use customers to pass commercially sensitive information to competitors.

In many countries it is illegal to agree resale prices, fix a minimum resale price or incentivise customers to follow pricing recommendations.

Many countries also limit suppliers from imposing restrictions such as exclusivity or limiting a customer's ability to resell.

Make sure you know the rules in your own market to ensure you don't inadvertently contravene them.



## Money laundering and facilitation of tax evasion

### We act responsibly to mitigate the risk of money laundering and the facilitation of tax evasion

Money laundering is the process by which the proceeds of crime are converted into assets which appear to have a legitimate origin.

Tax evasion is the illegal practice of not paying taxes. Facilitation of tax evasion is the act of a third party to help an individual or organisation evade tax.

We all need to be vigilant to potentially suspicious transactions and requests and illegal activity by others so that we can protect Diageo and ensure we aren't used by others to launder money or facilitate tax evasion.

#### Do the right thing

You should:

- follow the Know Your Customer (KYC) and Know Your Business Partner (KYBP) processes detailed in the [Anti-Money Laundering and Anti-Facilitation of Tax Evasion Global Policy](#) and the [Know your Business Partner \(KYBP\) Standard](#)
- note any changes in a customer's or vendor's details, circumstances or profile, and give the information to your local finance team
- only do business with customers and business partners on whom we have carried out the required sanctions checks (see Sanctions on p23)
- promptly report to your Diageo internal lawyer, any red flags that could indicate that a customer or vendor is involved in money laundering or tax evasion.

#### Red flags for possible money laundering and tax evasion

We all need to be vigilant to potentially suspicious transactions, such as when a business partner:

- is unreasonably reluctant to provide personal or business background information
- wants to pay with cash
- wants to overpay or pay in a different currency to that of the invoice
- is incorporated in a different place from its place of main operations or tax residence
- wants to receive or pay funds into an offshore account or a bank account in a different country from where business is conducted
- wants to receive or pay funds into or from multiple bank accounts, or through a third party.

**Q One of our customers has asked if he can pay through a mix of different accounts using a combination of cash and cheques. Is this okay?**

**A** *You should be careful with this transaction. It is potentially suspicious and could indicate money laundering. Remember that Diageo cannot accept third-party cheques. Ask advice from your Diageo internal lawyer before responding to the customer.*

**Q I have just received notice that one of our distributors has been convicted of money laundering. What should I do?**

**A** *Notify your Diageo internal lawyer immediately and stop accepting orders from the distributor. Diageo will not sell to persons or entities who are convicted of money laundering.*

**Q A distributor has asked if he could be paid for A&P investments in a bank account outside the contracted territory for distribution. Can I agree to this?**

**A** *No, this is a suspicious request that you should immediately report to your Diageo internal lawyer who will need to be supplied with all the relevant information to advise whether, and if so how, to continue the commercial relationship with the customer.*

**For more information on what you need to read, see p43**

## Sanctions

### We comply with international sanctions and other trade restrictions

As set out in further detail in [Diageo's Sanctions Global Policy](#), in the course of doing business, we must comply with all applicable laws and regulations concerning international sanctions and other trade restrictions, taking account of continuous developments of these measures.

Sanctions and trade restrictions are put in place by recognised authorities, including the United Nations, the European Union and the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury. Sanctions are designed to prevent or limit trading with certain countries and/or their nationals, the aim of which is to further various foreign policy and national security objectives. Sanctions can take different forms, including financial sanctions, asset freezes, travel bans and import/export bans.

We must not do business, directly or indirectly, with persons, entities, governments or states if doing so fails to respect existing sanctions programs. It is therefore key that we know the identity of our customers, vendors and other business partners.

#### Do the right thing

You should:

- never establish a relationship with a business partner until we are certain of their true identity and the business partner has been sanction screened, as appropriate, through our KYC/KYBP Programmes
- immediately refer any 'hits' or concerns arising from the sanctions screening process to your Diageo internal lawyer and/or the Sanctions Compliance Officer (SCO)
- inform your Diageo internal lawyer and/or the SCO if you are doing business or are planning to do business in a sanctioned country.

**Q We have an opportunity to work with a new distributor who has some unrelated business interests in a neighbouring sanctioned country. What should I do?**

**A** *Ensure the distributor has been sanction screened through the KYC/KYBP process and inform your Diageo internal lawyer and/or the SCO immediately so they can advise on how to proceed.*

**Q What should I do if one of my customers shows up on a sanctions lists?**

**A** *If the sanctions screening tool identifies one of your existing customers as being on a sanctions list, you must immediately suspend trading with them and inform your Diageo internal lawyer and/or the SCO.*

**For more information on what you need to read, see p43**





# Our people

Valuing each other  
and respecting others

Health, safety and  
personal security

Discrimination  
and harassment

Human rights

## Health, safety and personal security

### We are all responsible for ensuring a safe and secure work environment

One of the key ways in which we show that we value each other is by keeping ourselves and all those around us safe. We all have a role to play in ensuring the health, safety and personal security of anyone working at Diageo locations or affected by our activities, and we must all play our part in making sure that everyone goes home safe, every day, everywhere.

A safe environment is where everything we do complies with applicable laws, standards and best practice in workplace health, safety and security.

#### Do the right thing

You should:

- know and follow the safety and security policies and standards that apply to your location and type of work
- challenge unsafe behaviours, conditions or practices in a timely manner to prevent injury and illness
- promptly report accidents, incidents, near misses, breaches of policies, standards or laws, or any other risk to health, safety and security
- complete any required health, safety and security training
- ensure that the [Diageo Event Planning and Risk Management Guide](#) has been adhered to.

**Q I'm organising an event for our team at an off-site venue. I've been told that I need to do a safety and security risk assessment. Is it really necessary?**

**A** Yes, it is. We all have a responsibility to ensure safe and secure working conditions for all employees even if business is conducted outside our premises. Conducting a risk assessment helps us do this. Making sure the venue complies with our standards, and mitigating any risks you identify, will help to protect your colleagues and our reputation.

**Q I am travelling to an overseas market in a few weeks. I am worried it isn't very safe and that I may require vaccinations. What do I do?**

**A** Before you travel, you need to speak to your occupational health and corporate security contacts. They will ensure you have any vaccinations, medicines, and country security information or training you need for your trip. For many higher risk destinations, you will not be allowed to book your ticket unless you have completed TAPS (travel and personal security) training and are passed medically fit to travel.

**Q Diageo brands are continuously being promoted at events, from large scale concerts and sports events, to activations in single outlets. Where can I get guidance on an event I am running to ensure the event is safe and secure?**

**A** You can find guidance in the [Diageo Event Planning and Risk Management Guidelines](#) and by filling in the [Event Security Questionnaire](#). For further advice please consult [corporate.security@diageo.com](mailto:corporate.security@diageo.com).

**For more information on what you need to read, see [p43](#)**

## Discrimination and harassment

### We celebrate diversity, value each other and do not tolerate discrimination or harassment

We are all accountable for creating an environment in which employees, suppliers, business partners and members of our communities feel valued, respected and free to succeed. At Diageo we celebrate cultural and individual diversity as part of an energising team culture, and we are a signatory of the United Nations Women's Empowerment Principles. We do not discriminate or tolerate harassment based on grounds such as race, religion, colour, ethnicity, national origin, disability, sexual orientation, gender, gender identity, gender expression or marital status. Each of us is individually responsible for demonstrating the highest standards of integrity in our behaviour.

#### Do the right thing

You should:

- treat everyone with dignity and respect
- celebrate cultural and individual diversity
- foster an atmosphere of openness, teamwork and trust
- not tolerate or engage in discriminatory, offensive or intimidating behaviour, harassment, or bullying.

#### What is considered bullying?

Examples of bullying might include:

- shouting at, being sarcastic towards, ridiculing or demeaning others
- making physical or psychological threats
- overbearing supervision and making inappropriate and /or derogatory remarks
- abuse of authority or power by those in positions of seniority
- unjustifiably excluding colleagues from meetings/communications.

#### Behaviours that will not be tolerated

The following constitute behaviours that will not be tolerated:

- harassing, sexually harassing or bullying anyone
- victimizing, threatening or retaliating against anyone who raises a harassment or bullying complaint
- making allegations of bullying, harassment or sexual harassment maliciously, or in bad faith
- giving false or intentionally misleading information during any investigation.

**Q My manager has high performance standards and wants us to perform well, but she can be very intimidating and sometimes even personally insulting. I want to help her but I am worried that if I tell someone, it might make the situation worse or even jeopardise my job. What should I do?**

**A** We aim to provide an environment that promotes openness, teamwork and trust, and behaving in a bullying and intimidating way is unacceptable, regardless of the circumstances or an individual's position. We recognise that everyone is different and will have a different tolerance threshold - yours will be respected. If you are unable to talk to your manager, you should raise the matter with your local HR contact or your manager's manager. Please be assured that we will not tolerate any reprisal for raising such an issue.

**Q During my P4G, my Line Manager gave me some very negative feedback on my performance and repeatedly highlighted my shortcomings. I felt his style was too aggressive and as a result I felt intimidated and believe I was treated unfairly**

**A** Workplace bullying commonly involves (but not exclusively) repeated inappropriate behaviour, direct or indirect, whether verbal, physical, psychological or otherwise, conducted by one or more persons against another or others. An isolated incident of the behaviour described may feel disrespectful at work but may not amount to bullying.

Bullying at work does not include legitimate and constructive criticism of an employee's performance or behaviour, nor making reasonable requests of our employees. This is part of normal employment and management and should not be interpreted as anything different. However, if a performance conversation, as mentioned in this example, makes you feel uncomfortable or upset, we still encourage you to report the incident through the usual channels.

**For more information on what you need to read, see [p44](#)**

## Human rights

### We want to make a positive contribution to human rights and society

We recognise our responsibility to respect and promote international human rights standards in everything we do. Diageo is committed to acting in accordance with the United Nations Guiding Principles on Business and Human Rights. Our policies are informed by the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights to Work, the Children's Rights and Business Principles, UN Global LGBTI Standards of Conduct for Business, UN Women's Empowerment Principles and the UN Global Compact, to which we are signatories.

#### Do the right thing

You should:

- treat everyone with dignity and respect
- celebrate cultural and individual diversity
- not tolerate discriminatory, offensive or intimidating behaviour, harassment, or bullying
- 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 you work to adopt similar standards with respect to human rights and operate within the principles in our [Partnering with Suppliers Global Standard](#).

**Q** I found out that one of our suppliers may not be paying fair wages. Our contract with the supplier won't be reviewed until next year, but I don't want to ignore the issue. What should I do?

**A** Diageo expects suppliers and business partners to pay fair wages within their industry. You should share your concerns with your manager and the procurement team and agree an appropriate course of action.

**For more information on what you need to read, see [p44](#)**



# Our assets and information

Acting as owners

[Information management and security](#)

[Data privacy and personal information](#)

[Company property and resources](#)

[Business records](#)

## Information management and security

### We all have a responsibility to protect and manage Diageo's information

Diageo's information is a valuable asset, and we all need to help to protect and manage it effectively. If confidential or highly confidential information is shared outside Diageo, it could hurt us competitively, affect our financial results and damage our reputation. Where we have been entrusted with an external business partner's confidential information we must protect and manage it appropriately.

#### Do the right thing

You should:

- use strong passphrases, and keep these and your user identifications secure and private
- classify all Diageo information not in the public domain, using the classifications General, Confidential or Highly Confidential as defined in our [Information Handling Standard](#)
- only discuss with and give access to confidential or highly confidential information to those who need it to do their job and ensure that any confidential or highly confidential information has appropriate access controls in place
- keep all information, confidential or otherwise, well organised, identifiable and accessible in accordance with the [Information Location Guidelines](#) and securely dispose of it in accordance with your function or market information asset inventory
- when in a public place (e.g. cafes, airports or train stations), do not work on anything potentially confidential if there is a risk that information could be inadvertently disclosed and ask the proprietor for the network name and password to ensure you have a legitimate Wi-Fi access point
- take particular care when people join, move or leave the company that their information access requirements are correctly provided, changed or removed.

**Q** I believe information has been accessed without authorisation. What should I do?

**A** All information security incidents should be reported to [csi@diageo.com](mailto:csi@diageo.com) immediately. The computer security incident response team will deploy a response process to investigate and contain the incident and take any further steps to manage the risks most effectively. Where personal information may be compromised report immediately as we may have regulatory requirements to make notifications within short timelines e.g. 72 hours.

**Q** I am going to be travelling a lot over the next few weeks and don't really want to have to take my laptop. I know I'll be able to get access to my personal email over the internet so can I just set up a rule in my Diageo inbox to auto-forward all my emails to my personal address?

**A** No, you should not auto-forward Diageo emails to a personal address. This can put the security of our information at risk, as emails could contain confidential information normally protected by the Diageo digital security systems, which don't cover your personal email account.

**For more information on what you need to read, see [p44](#)**

#### What highly confidential information?

An information asset is highly confidential if its unauthorised disclosure would lead to material damage or significant harm to Diageo's interests or if it is prohibited by law or regulation from being disclosed.

One way to distinguish between confidential and highly confidential information is to consider the level of impact to Diageo if that information was disclosed. The disclosure of highly confidential information may, for example, impact on Diageo's reputation or share price but this may not always be the case for disclosure of confidential information.

Examples of highly confidential information

- trade secrets, like our recipes and distilling processes
- sensitive personally identifiable information.

#### What is confidential information?

An information asset is confidential if its unauthorised disclosure (even within Diageo) could cause damage or harm to the interests of Diageo or its subsidiaries.

Examples of confidential information include:

- non-public financial information
- business plans, projections or strategies
- marketing, innovation and promotional activity plans
- price lists and customer lists
- non-sensitive personal information about our employees, customers, suppliers, consumers and others (see [Data privacy and personal Information on p32](#))
- salary data.

#### Information asset inventories and legal hold

We are required to retain securely certain types of information for specific periods of time. These retention periods are documented in information asset inventories. Each team should have an 'information retention contact' who can tell you how to access your team's inventory.

From time to time it may become necessary to suspend the normal retention periods specified in information asset inventories and preserve information for longer if required for investigation, audit or litigation. This is commonly known as 'legal hold', and a Diageo internal lawyer will tell you what you need to do if you are ever in this situation.



## Data privacy and personal information

### We respect personal information and handle it responsibly

In the course of our business some of us will hold or have access to personal information about colleagues, customers, suppliers, consumers, and other individuals. It is essential that we respect and protect this information to ensure we meet the requirements of data privacy regulations in effect where we do business. Any personal information which we hold, or which others collect, hold or process for us, or to which we have access, must only be used for legitimate Diageo business purposes.

Sensitive personal information relating to an individual's health, race, ethnic origin, political opinions, moral and religious beliefs, sexual life, or criminal activity needs to be handled with particular care.

### Do the right thing

You should:

- ensure that we have an appropriate legal basis or legal reason to handle personal information, that individuals who provide personal information are made appropriately aware of the purpose for which this information will be handled and who will have access to their data and how long it will be retained
- consider privacy risks with your Diageo internal lawyer and any need for a privacy impact assessment before starting any new activity involving personal information (especially high risk processing, such as processing employee or sensitive personal information, monitoring or profiling individuals or combining new data sets)
- contact your Diageo internal lawyer if you are handling sensitive personal information, statutory or regulatory demands, or formal requests by individuals to access personal information
- ensure contractual clauses are signed with any third party which holds, collects or processes personal information on behalf of Diageo via procurement or your Diageo internal lawyer
- report to [csi@diageo.com](mailto:csi@diageo.com) promptly, copying Diageo's Global Data Privacy Officer at [DPO@diageo.com](mailto:DPO@diageo.com), of any potential or actual data breach incident involving personal information whether of employees, customers or consumers and ensure that [Diageo's Crisis Management Procedures](#) are followed as appropriate.

### Handling and using personal information

Personal information must be:

- fairly and lawfully obtained, and managed with appropriate legal basis (check with your Diageo internal lawyer) including any sharing with third parties
- processed only for limited or stated purposes and minimised to what is necessary for the purpose
- minimised, accurate, relevant, not excessive, and not held for longer than is necessary
- handled securely with access limited to those for whom access is necessary for their role
- handled with respect for an individual's legal rights and transferred to other countries in line with our Data Privacy Global Policy.

**Q** I want to engage an agency to run an innovative 'big data' internet analytics project to gain behavioural insights. How do we assess the data privacy risks?

**A** When planning a new high-risk processing or project, you should seek legal advice from your Diageo internal lawyer and carry out a privacy impact assessment and submit it to your lawyer for review. This applies even when you request an agency to process personal information on our behalf.

**Q** I came across an unprotected excel spreadsheet on our system, containing some employees' personal information that I should not have access to. I know that we need to protect this information with a password and restrict access, but I am not sure what to do.

**A** You're right, we do need to protect this information carefully. Report this personal data incident to [csi@diageo.com](mailto:csi@diageo.com) immediately to enable them to investigate this matter and ensure that adequate technical and organisational security controls are put in place.

**For more information on what you need to read, see [p44](#)**

## Company property and resources

### We are all responsible for protecting company property and resources

We are all entrusted with Diageo property and resources, ranging from Diageo's intellectual property (IP) to company equipment (such as mobile devices, computers, printers, photocopiers, and company cars), company money, facilities, and information, some of which may be stored on a personal device. At times we may also be entrusted with resources belonging to other organisations, individuals or business partners.

### Do the right thing

You should:

- only use Diageo's property and resources in a way that is reasonable, lawful and appropriate, and never use, take, sell, lend, borrow or give any away without proper authorisation
- always be responsible and act in Diageo's best interests when spending Diageo's money or making financial commitments on the company's behalf
- comply with your local travel and expenses policy and demonstrate integrity and diligence in submitting your travel and expense claims, and in approving those of others
- respect the property and resources of other organisations and of our business partners, and never download, copy, distribute, post on a website or use any materials covered by another person's or organisation's copyright without obtaining their permission
- consult your Diageo IP lawyer if you are involved in developing any products, technology, advertising or promotional campaigns, to ensure our intellectual property rights are properly protected
- understand that your work (such as email, communications via any channel and content you create) belongs to Diageo and, where legally permitted, may be accessed and used by the company, even after you have left.

### What is intellectual property?

- Our trademarks which protect our brands
- Patents which protect our inventions, such as our unique technologies and production methods
- Copyrights and designs which protect our communications, advertising and marketing materials, and our distinctive bottles and packs
- Our trade secrets, such as recipes and distilling processes.

**Q** Can I email my friend to arrange a drink after work from my Diageo email address?

**A** Yes, you may use your Diageo email address for personal emails, as long as you do so only occasionally. However, remember to identify it in the subject line as 'personal', otherwise it may be accessed and used by Diageo for its legitimate business purposes in accordance with our policies and local law.

**For more information on what you need to read, see [p44](#)**

## Business records

Diageo is committed to holistic performance in all areas of our business. We all must ensure our business records are complete, accurate, and appropriately authorised

Everyone has a responsibility to ensure that any records we create on behalf of Diageo represent the facts objectively and accurately.

Accurate recording and reporting of financial and non-financial information is required to meet our legal and regulatory requirements. Falsifying such records can, in some circumstances, amount to fraud and result in civil and criminal penalties for you and for Diageo. In addition, accurate records help us make informed decisions about our business and are essential to fulfilling our responsibilities to our shareholders, regulators, and others. Diageo does not accept or condone any efforts to shift sales from one period into another in the absence of a genuine, compelling commercial justification.

### Do the right thing

You should:

- ensure that all business records are accurate, meet regulatory requirements and comply with our internal controls
- never carry out or endorse any activity aimed at period ends without legitimate reason as these may indicate a desire to shift sales or costs to artificially change profit between reporting periods. Examples could include changing or extending payment terms to a particular customer, altering the return policy on purchased goods, granting special or unusual credit terms to a customer or providing “free” or “subsidised” warehousing until delivery is taken in the next period
- ensure that any contractual commitments made on behalf of Diageo are approved by the appropriate person – you can find details either in the [Group Statement of Authorities \(Group SoA\)](#) or in your local market Statement of Authorities
- report to senior management any unusual levels of stock-in-trade at period ends as part of the company’s ongoing disclosure process
- maintain business records in accordance with the relevant retention period set out in your market’s or business unit’s information asset inventory ([see p31](#))
- consult with your finance and legal colleagues if you have any questions about proposed period-end practices or programs.

#### What is a business record?

A business record includes any document or communication created or received in the course of doing business. This means financial information and accounts, and also records such as presentations, business plans, legal documents, the results of any research or tests, HR documents and travel and expense related documents.

**Q** We are approaching the end of our financial year and my manager has asked me to offer an incentive to a couple of customers to buy a large amount of product now rather than in the next period. Based on previous sales figures, these customers won’t be able to sell all of this through to the consumer this year. Is this okay?

**A** No, this is called ‘trade loading’, a practice that deliberately seeks to shift sales from one financial reporting period to another, and it is not acceptable. There may be legitimate occasions when we and our customers believe it is appropriate to increase levels of stock in trade outside the ordinary course of business – for example, purchases made prior to anticipated increases in duty, label or packaging changes, or ahead of major promotional activity or announced increases in price. However, such activities will always be driven by clear, genuine commercial reasons. Speak to your local Diageo internal lawyer and finance team if you need advice.

**Q** I need to agree a five-year contract with a new supplier. What approvals do I need?

**A** As this contract is for a period of five years, it needs to be treated as a significant procurement contract. Please see the [Group Statement of Authorities \(Group SoA\)](#) which sets out specific requirements for this approval process. Most markets also have a local Statement of Authorities, so please talk to your local finance contact to ensure any local requirements are also met. Additionally, as this is a new supplier, you will need to ensure that the requirements in our [Know your Business Partner \(KYBP\) Standard](#) are adhered to.

**For more information on what you need to read, see [p44](#)**

# Our leadership and partnerships

Proud of the relationships we develop

[Quality](#)

[Environment](#)

[Charitable contributions](#)

[External communication and social media](#)

[Relationships with customers, suppliers and other business partners](#)

## Quality

### The quality of our brands is at the heart of every sale both now and in the future

We are the stewards of many of the most successful and respected premium drinks brands in the world, and we are passionate about bringing consumers the best possible product experience. We are all responsible for ensuring that we sustain and grow the reputation of our brands by delivering the highest quality standards in all parts of our business, from our ingredients to our packaging; from customer service to product design, and throughout our supply chain.

#### Do the right thing

You should:

- ensure that our brands and associated products are safe for consumption, meet all applicable regulations, are free from packaging defects, fully functional, and taste consistently good
- ensure all packaging designs and other product changes are properly delivered in accordance with our quality standards
- ensure that business partners, including vendors and third-party producers, work in line with our [Quality Global Policy](#)
- follow the quality management system of your business unit or location.

**Q** My brother bought a bottle of Smirnoff Red recently, and told me it wouldn't open. What should I do?

**A** We have a duty to respond promptly to any concerns about product quality or safety, even if that requires recalling a product. You should raise the issue immediately with your local supply team.

**Q** I work on the production line and I've noticed some defective finished goods that are not within our normal tolerance levels. I've mentioned it to my manager but she has told me not to worry as the defect is small. Is she right?

**A** No. We strive to achieve the highest quality standards in everything we do. We want our customers to enjoy the best products and even a small quality fault could compromise this and potentially do damage to our reputation. You should go back to your line manager and challenge their decision and if necessary raise it with your manager's manager.

**For more information on what you need to read, see [p44](#)**

## Environment

### We are all committed to conducting our business in an environmentally responsible way

Managing the impact of our operations and our supply chain on the environment is important to us, our stakeholders, and the long-term success of Diageo.

We are committed to making our brands and business more sustainable by significantly reducing our environmental impact along our entire supply chain and considering the environmental implications of every major business decision that we make. Within our own business we aim to use more renewable energy, improve how we manage and use water, eliminate waste, and optimise packaging design; and we also work with our business partners, suppliers and contractors to reduce impacts along the whole supply chain.

#### Do the right thing

You should:

- challenge unsustainable activities when you see them, including people wasting water, energy and other resources; not recycling effectively (including packaging, process by-products, and equipment at the end of its life)
- challenge colleagues failing to consider environmental impacts in business decisions – for example with Brand Change introducing non-recyclable materials
- support local environmental sustainability initiatives, such as green travel and energy savings
- ensure you promptly report any environmental risks, hazards, or situations which do not look or feel right
- seek opportunities to work with our suppliers to reduce their impact on the environment.

**Q** I work in marketing and want to ensure that changes to brand packs take into account environmental considerations. How do I make sure they do?

**A** The [Diageo sustainable packaging guidelines](#) provide detail on the environmental issues you need to consider as part of the brand change process. These include reducing the weight of the pack, ensuring the pack is 100% recyclable, and increasing the recycled content in the primary packaging. If you follow these commitments, you will be doing the right thing.

**Q** On a recent visit to a site I noticed that there were no recycling bins visible or any notices encouraging recycling – what should I do?

**A** You should raise your concerns with the facilities manager or site manager. Every office and production site should have recycling bins and encourage all employees to recycle as much as possible. If you want to take a more active role at your site, then contact your GREENIQ team to see how you can help us reach our global target of sending no waste to landfill by 2020.

**For more information on what you need to read, see [p44](#)**



## Charitable contributions

### We want to play an active and positive role in our communities

Our business activities directly affect the lives of millions of people around the world, and we believe that the countries and communities in which we operate should benefit from our presence. Making corporate charitable donations is one way in which Diageo seeks to make a difference.

We act with integrity when giving to charitable causes, ensuring all our contributions are transparent, made in accordance with applicable laws, and are never given in an attempt to obtain an unfair business advantage for Diageo. We only give to genuine charities and we ensure that our contributions are used solely for charitable purposes.

Before making a contribution on behalf of Diageo, no matter what the value, you must get the necessary approvals, as set out below. This is to ensure that there is no risk of a genuine donation being misconstrued as anything else, such as a bribe. If a government official ([see definition on p17](#)) or someone acting on their behalf solicits, suggests or requests a charitable contribution or is connected in any way to a charity Diageo is supporting, you must inform your local corporate relations team and your Diageo internal lawyer.

#### Do the right thing

You should:

- obtain approval from your local corporate relations team before making any charitable contribution on Diageo's behalf
- obtain approval from a Diageo internal lawyer before making any charitable contributions which involve a government official
- record charitable contributions in the relevant Diageo accounting systems and records, as per your market's local charitable contribution criteria.

**Q We have been asked to sponsor a table and provide products at a charity fundraising event. Can we do this?**

**A** *Yes you can, but, as with all charitable support we give, you should ensure that the organisation receiving it is suitable. Before you go ahead, ensure you have approval from your local corporate relations team and record the payment for the table, and the donation of the products, according to your market's local charitable contributions criteria.*

**Q I'm personally involved with a programme to support local schools in helping children to improve their reading. They are currently looking for new volunteers and I am thinking of asking my colleagues whether they would like to get involved. Is this okay?**

**A** *You may of course ask your colleagues to take part, but as it is not part of a Diageo programme, it must not take place on company time. We encourage employees to pursue causes which are important to them and their communities, but we must be particularly careful that our actions are not misinterpreted as an attempt to market our products to those under legal purchase age. For further advice, please speak to your local corporate relations team.*

**For more information on what you need to read, see [p44](#)**

**What type of organisation does Diageo support?**

We consider supporting charities, non-governmental organisations (NGOs), not-for-profits and community associations which operate for charitable or social purposes and to benefit the public in general. Your local corporate relations team will be able to advise you.

**What is a corporate charitable contribution?**

Diageo's support for charitable activity can come in many forms, which could include money, donations of our products, or other in-kind donations such as clothing and time volunteering.

**Personal charitable activity**

Sometimes employees ask colleagues to support their personal charitable activities by, for example, sponsoring them to run a marathon, fundraising with homemade cakes, or collecting unwanted toys. If this is not an initiative officially supported by Diageo then it is not regarded as corporate giving, and not subject to the procedures outlined in this section. However, if you are concerned that a personal donation or charitable activity may be misinterpreted as a business donation, please seek advice from your local corporate relations team.



## External communication and social media

### We all need to communicate responsibly

Everything we do, everything we say, and everything our stakeholders say about us can affect Diageo's reputation. In an interconnected world, where information travels in an instant, it is crucial that we carefully manage communications with our external stakeholders, including investors, the media, community or government representatives, commercial partners, customers and consumers.

Diageo's day-to-day contact with the media, government, NGOs and communities is managed by the global and local market corporate relations teams, who also must approve any speaking engagement on behalf of the company and any media interviews, including with the trade press on behalf of the company or involving Diageo's brands. Communication with investors is managed by the global investor relations team. You should always direct all enquiries to the relevant team.

#### Social media

Outside of work, if you decide to comment on social media (i.e. blogging, tweeting, posting on social media) about the company, our brands, the alcohol industry or any other issue that relates to Diageo, you should make it clear that the opinion you are expressing is your own and not Diageo's. You must take extra care to exercise good judgement before you make such a comment, and ask yourself the following question: 'Could what I am saying have a negative impact on Diageo, our brands, or our stakeholders?' If the answer is 'yes' or 'possibly', you should not proceed. For more help and advice, consult the [Diageo Employee Social Media Guidelines](#).

**Q I am outraged by a significant world event and want to write a personal tweet about it, but I believe some people, including a number of my colleagues, may find my views controversial. What should I do?**

**A** *Pause. Consider whether, as an employee of Diageo, your post is likely to have a negative impact on the company's reputation, irrespective of this being a personal opinion. On balance it's probably best not to tweet as writing in the heat of the moment may not be the best thing to do.*

**Q I have just received an invitation to speak at an industry conference. I think it would be a great marketing opportunity for Diageo. I'd like to accept. Do I need to check with anyone first?**

**A** *Yes, you should discuss the invitation with your manager and the corporate relations team before accepting. Always be careful to seek appropriate approvals when you are representing, or seen to be acting as a spokesperson for, Diageo.*

**For more information on what you need to read, see [p44](#)**

### Do the right thing

You should:

- not engage with the media on Diageo's behalf without approval from corporate relations, or in the case of brand PR (public relations) activity, the relevant communications lead within the brand team
- refer any approach by an investor or financial analyst to the investor relations team
- seek approval from the corporate relations team before accepting an invitation to speak at or take part in an event on behalf of Diageo. Be careful not to appear to be endorsing external persons, organisations, goods or services without express approval
- ensure all media announcements and press releases are approved before publication by corporate relations and the appropriate notification process has been followed
- be transparent and accurate on social media – you should be open about your connection with Diageo and, in personal communications, make clear that the views you are expressing are your own
- apply good judgement to communications in all channels and media: never make misleading, malicious, offensive, inappropriate, discriminatory, intimidating, negative, culturally insensitive, or unfair statements online or in any other medium about Diageo, your colleagues, our competitors, or our external stakeholders, commercial partners, customers or consumers.



## Relationships with customers, suppliers and other business partners

### We expect our business partners to apply the same core principles in their operations as are in this code

We want to do business with partners who share our values. We strongly encourage 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 policies. If you are responsible for a relationship with a business partner, you should make sure that their commitments meet our standards.

As a minimum, we expect our business partners to:

- comply with all relevant and applicable laws, regulations and industry standards
- be aware of our Code of Business Conduct and our expectations that they will meet the principles of our Code of Business Conduct in their own operations
- conduct ethical business in an honest and trustworthy manner
- respect human rights and core labour standards
- value diversity and demonstrate a commitment to a fair working environment
- maintain a safe and healthy working environment
- be actively committed to environmental sustainability
- have zero tolerance of bribery and corruption in any form, including extortion or any other improper payments such as facilitation payments, and disclose if they have any connections with government officials (see definition on p17)
- avoid situations where a conflict of interest may occur, and always disclose where one potentially exists
- take a zero-tolerance approach to the evasion of taxes wherever they operate, and to the facilitation of another's tax evasion
- proactively safeguard confidential and personal information and respect individuals' data privacy rights.

Business partners can speak up too

We expect our business partners to raise any potential or actual breach of our Code directly with their contact in Diageo, a Diageo internal lawyer or confidentially via SpeakUp (see p45).

**We take every report seriously and will not tolerate any reprisal by an employee against a business partner who has reported a concern or assisted us with an investigation.**

For more information on what you need to read, see p44

### Do the right thing

Diageo is committed to:

- ensuring every non-wholly-owned subsidiary and every joint venture which we control adopts a Code of Business Conduct and policies aligned with our core principles
- actively encouraging our partners in the joint ventures that we do not control to meet the requirements of our Code in both the joint ventures and their own operations.

You should:

- ensure that third parties representing or acting on behalf of Diageo (including temporary and contract employees, consultants and agents) are made aware of our Code and our expectation that they comply with it
- actively encourage our suppliers to apply the same core principles of our Code in their own operations, and understand and comply with the Partnering with Suppliers Global Standard
- follow the requirements of the Purchasing Global Standard if you are sourcing and purchasing goods or services on behalf of Diageo
- complete the Know Your Customer (KYC) and Know your Business Partner (KYBP) procedures, as appropriate, with a business partner.

## What you need to read

Topic	What you need to read (These can all be found on Mosaic)	Who we expect to read this
<b>RESPONSIBLE DRINKING</b>	<u>Employee Alcohol Global Policy DRINKiQ (www.DRINKiQ.com)</u>	All employees All employees
<b>INSIDER TRADING</b>	<u>Diageo Dealing in Securities Code</u>	If you believe you are in possession of inside information especially if you are intending to deal in Diageo shares or securities
<b>CONFLICTS OF INTEREST</b>	<u>Gifts and Entertainment Rules</u> <u>Purchasing Global Standard</u> <u>Resourcing Global Standard</u>	All employees If you are managing relationships with vendors If you are involved in the resourcing process
<b>MARKETING AND INNOVATION</b>	<u>Diageo Marketing Code (DMC)</u> <u>Diageo Digital Code</u> <u>Diageo Mandatory Social Media Guidelines</u> <u>Responsible Research Global Standard</u> <u>Diageo Consumer Information Global Standard</u>	Marketing, innovation, sales, corporate relations and legal If you are involved in any aspect of digital marketing If you are involved in any aspect of digital marketing If you are involved in any aspect of consumer or customer research If you are involved in the labelling of our brands
<b>GIFTS AND ENTERTAINMENT</b>	<u>Gifts and Entertainment Rules</u> <u>Anti-Bribery and Corruption Global Policy</u> <u>Pre-Approval Request form – Gifts, Entertainment or Sponsorship for Government Officials</u>	All employees All employees All employees
<b>BRIBERY AND CORRUPTION</b>	<u>Anti-Bribery and Corruption Global Policy</u> <u>Gifts and Entertainment Rules</u> <u>Know Your Business Partner (KYBP) Standard</u>	All employees All employees If you are involved in on-boarding customers and vendors, or if you work in legal
<b>GOVERNMENTS AND POLITICAL BODIES</b>	<u>Anti-Bribery and Corruption Global Policy</u> <u>Gifts and Entertainment Rules</u>	All employees All employees
<b>ILLICIT TRADE</b>	<u>Brand Protection Global Policy</u>	If you are in sales, marketing, procurement/brand change, corporate relations or legal
<b>COMPETITION</b>	<u>Competition and Antitrust Global Policy</u> <u>Diageo Competition Law Guidelines for your market</u> <u>Know the Competition Guidelines</u> <u>Mind your Language Communication Guidelines</u>	These four documents apply to all employees in sales, marketing, finance, corporate relations and legal. Also relevant to supply and procurement, depending on role and seniority
<b>MONEY LAUNDERING AND FACILITATION OF TAX EVASION</b>	<u>Anti-Money Laundering and Anti-Facilitation of Tax Evasion Global Policy</u> <u>Know Your Business Partner (KYBP) Standard</u>	These two documents apply to all employees in finance, sales, legal, supply, procurement and any other employees involved in on-boarding customers and/or vendors
<b>SANCTIONS</b>	<u>Sanctions Global Policy</u> <u>Anti-Money Laundering and Anti-Facilitation of Tax Evasion Global Policy</u> and any applicable local guidelines <u>Know Your Business Partner (KYBP) Standard</u>	This topic applies to employees in finance, sales, legal, supply, procurement, commercial, commercial finance, tax, treasury, Group controller, or involved in on-boarding customers and/or vendors or in product import or export
<b>HEALTH, SAFETY AND PERSONAL SECURITY</b>	<u>Your location's health and safety policy and security guidelines</u> <u>Health Safety and Wellbeing Global Policy</u> <u>Corporate Security Global Policy</u> <u>Travel Security Guidelines</u> <u>Event Planning and Risk Management Guidelines</u>	All employees  All employees If you are a manager or travel on business If you travel on business or work away from your usual Diageo location If you are involved in organising or running an event

## What you need to read

Topic	What you need to read (These can all be found on Mosaic)	Who we expect to read this
<a href="#">DISCRIMINATION AND HARASSMENT</a>	<a href="#">Human Rights Global Policy</a> <a href="#">Dignity at Work Global Policy</a>	All employees All employees
<a href="#">HUMAN RIGHTS</a>	<a href="#">Human Rights Global Policy</a> <a href="#">Partnering with Suppliers Global Standard</a>	All employees If you work with suppliers
<a href="#">INFORMATION MANAGEMENT AND SECURITY</a>	<a href="#">Information Management and Security Global Policy</a> <a href="#">Acceptable Use Policy</a> <a href="#">Information Handling Standard</a> <a href="#">Information Location Guidelines</a>	If you use a PC, laptop, or mobile device for work  As above As above If you create or handle any documents
<a href="#">DATA PRIVACY AND PERSONAL INFORMATION</a>	<a href="#">Data Privacy Global Policy</a> <a href="#">Diageo Digital Code</a> <a href="#">Information Management and Security Global Policy</a> <a href="#">Diageo's Crisis Management Procedures</a>	All employees If you handle consumer information as part of marketing or innovation activities If you handle personal information  If you are involved in a breach incident involving personal information
<a href="#">COMPANY PROPERTY AND RESOURCES</a>	<a href="#">Your local Travel and Expenses Policy</a> <a href="#">Purchasing Global Standard</a>  The same policies, standards and guidelines listed for the Information management and security section	All employees If you are involved in sourcing and purchasing goods or services on behalf of Diageo; are accountable for a budget; use a purchasing card (P-Card); or if you raise a purchase order
<a href="#">BUSINESS RECORDS</a>	<a href="#">Group and local Statement of Authorities (SoA)</a>  <a href="#">Your local Travel and Expenses Policy</a> <a href="#">Know Your Business Partner (KYBP) Standard</a> <a href="#">Q&amp;A Period end practices</a> <a href="#">Revenue Recognition Policy</a>	Especially if you are a senior leader or involved in transactions resulting in significant financial commitments outside normal day-to-day trading activities All employees If you are involved in on-boarding customers and vendors, or if you work in legal If you are in the commercial or commercial finance teams If you are involved in finance or selling good/services on behalf of Diageo
<a href="#">QUALITY</a>	<a href="#">Quality Global Policy</a>	If you are involved in any aspect of the marketing, design, supply and sale of our brands
<a href="#">ENVIRONMENT</a>	<a href="#">Environment Global Policy</a> <a href="#">Sustainable Packaging Guidelines</a> <a href="#">Partnering with Suppliers Global Standard</a> <a href="#">GREENIQ</a>	All employees If you are involved in the packaging of our brands If you work with suppliers  All employees
<a href="#">CHARITABLE CONTRIBUTIONS</a>	<a href="#">Bribery and corruption section of our Code (p16/17)</a> <a href="#">Gifts and entertainment section of our Code (p15)</a>	All employees All employees
<a href="#">EXTERNAL COMMUNICATION AND SOCIAL MEDIA</a>	<a href="#">External Communications Global Policy</a>  <a href="#">Employee Social Media Guidelines</a> <a href="#">Diageo Digital Code</a>	If you interact with the media; communicate as a Diageo representative at public events or conferences; or are asked to contribute to articles, books, case studies or other endorsements  All employees If you are in any way involved in engaging our employees to support a Diageo marketing campaign (a 'call to action')
<a href="#">RELATIONSHIPS WITH CUSTOMERS, SUPPLIERS AND OTHER BUSINESS PARTNERS</a>	<a href="#">Partnering with Suppliers Global Standard</a> <a href="#">Purchasing Global Standard</a>  <a href="#">Know Your Business Partner (KYBP) Standard</a> and <a href="#">Know Your Customer (KYC) procedures</a>	If you work with suppliers If you are involved in sourcing and purchasing goods or services on behalf of Diageo; are accountable for a budget; use a Purchasing card (P-Card); or if you raise a purchase order  If you are involved in on-boarding customers and vendors, or if you work in legal



# HELP, ADVICE AND RAISING CONCERNS...

## WE ALL NEED GUIDANCE IN SOME SITUATIONS – NEVER BE AFRAID TO ASK FOR HELP

Every situation is different, and no code, policy or standard can cover everything. If you are ever in any doubt about how to do the right thing, you should seek help or advice.

## SPEAKING UP ON ETHICAL CONCERNS OR BREACHES

If you believe that something is happening which is wrong, you should speak up. We are all expected to promptly report any potential or actual breaches of our Code, policies or standards. Other issues that should also be reported include knowledge or reasonable suspicion of violations of legal, accounting, or regulatory requirements, or any questionable conduct.



## WHO TO SPEAK TO:

Whether seeking advice or speaking out, you should always go to your manager or, if you prefer, any senior manager. The following contacts will also be able to help:

YOUR LOCAL CONTROL, COMPLIANCE AND ETHICS (CC&E) MANAGER

YOUR DIAGEO INTERNAL LAWYER

YOUR LOCAL HR TEAM

GLOBAL RISK AND COMPLIANCE TEAM  
[global.compliance.programme@diageo.com](mailto:global.compliance.programme@diageo.com)

## OUR CONFIDENTIAL SPEAKUP SERVICE

If you believe there has been a breach of our Code, policies or standards, and don't feel comfortable speaking to someone inside the company, you can use **SpeakUp**. This is a confidential service for raising concerns about our business conduct and compliance and ethics matters.



## ZERO TOLERANCE OF RETALIATION

Raising a concern or speaking up can take courage, and sometimes what holds us back is a fear of the reaction from our colleagues and managers.

Please be assured that Diageo will not tolerate any reprisal against anyone reporting a problem or assisting an investigation.



**SpeakUp** is managed by a company independent of Diageo, and has access to people speaking many languages. If you contact **SpeakUp**, they will ask for your name, but they will protect your confidentiality, unless disclosure is required as a result of legal proceedings or a government investigation. You can, if legally permitted, remain anonymous, and no one will try to find out who you are. However, giving your name is likely to help any investigation into the issue you have raised, because it enables us to contact you if we have any questions or require further information.



You can find the contact details for **SpeakUp** on **MOSAIC** and at [www.diageospeakup.com](http://www.diageospeakup.com)



# CODE OF BUSINESS CONDUCT

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Bahasa Indonesian  
Chinese (Simplified)

Chinese (Traditional)  
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Greek  
Italian  
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Korean

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