

Diageo plc Board Diversity Policy

Purpose

1. The purpose of this Board Diversity Policy is to ensure an inclusive and diverse membership of the board of directors of Diageo plc (the “Board”) resulting in optimal decision-making and assisting in the development and execution of a strategy which promotes the success of Diageo plc (“Diageo”) for the benefit of its shareholders as a whole, having regard to the interests of other stakeholders.
2. Valuing inclusion and diversity is one of the core principles of Diageo’s global Human Rights Policy which applies to all employees, subsidiaries and third party contractors and which has been implemented as part of Diageo’s Code of Business Conduct programme. This Board Diversity Policy is applicable to the Board only but sits alongside Diageo’s Code of Business Conduct and associated global policies, which set out Diageo’s broader commitment to inclusion and diversity. Other details of Diageo’s practices, initiatives and balance in relation to inclusion and diversity are disclosed in the company’s Annual Report.

Policy Statement

3. The Board believes that:
 - a. it is critical that membership of the Board includes a diverse mixture of skills, professional and industry backgrounds, geographical experience and expertise, gender, tenure, ethnicity and diversity of thought;
 - b. a diverse Board with a range of views, insights, perspectives and opinions will improve its decision-making and be of benefit to the company’s shareholders and other stakeholders; and
 - c. a culture of inclusion and diversity is cultivated through clear tone from the top, with the Board and executive committee championing diversity and inclusion in support of Diageo’s values.

Diversity Objectives

4. The Board aspires to maintain a balance so that:
 - a. female / male parity on the Board is the ultimate goal, with a commitment to have no less than 40% female representation on the Board; and
 - b. at least one director is from an ethnic minority background¹,while recognising that periods of change in Board composition may result in temporary periods when this balance is not achieved.
5. The Board supports the recommendations set out in the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic diversity.
6. The Board supports and monitors management’s actions to increase the proportion of senior leadership roles held by women, people from ethnic minority backgrounds and other under-represented groups across Diageo in support of the Hampton-Alexander Review and Parker Review recommendations.

Monitoring and Reporting

7. The Nomination Committee is responsible for ensuring that the Board has the right balance of skills, experience and knowledge and, in accordance with its terms of reference, shall:
 - a. regularly review Board composition, succession planning, talent development and the broader aspects of diversity;

¹ As defined by the Parker Review.

- b. work with executive search firms who understand Diageo's values and approach to diversity, including this Board Diversity Policy, and will comply with those values and approach in identifying and proposing suitable candidates for appointment to the Board;
- c. identify suitable candidates for appointment to the Board on merit against an objective criteria having regard to:
 - i. the benefits of diversity in promoting the success of Diageo for the benefit of its shareholders as a whole; and
 - ii. the skills, experience, background, independence and expertise of current members of the Board;
- d. report annually in the corporate governance section of the Annual Report on the implementation of the Board Diversity Policy and other matters as required by the UK Corporate Governance Code and other regulatory and statutory requirements; and
- e. review the Board Diversity Policy regularly and recommend any revisions to the Board.

Approved by the Diageo plc board of Directors on 23 April 2020.