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Diageo makes progress to close gender pay gap; announces STEM scholarships for female students

- **Diageo Great Britain and Diageo Scotland combined median pay gap of +5.4% (2017: +8.6%)¹**
 - Diageo Great Britain median pay gap of -12.6% (2017: -9.8%)
 - Diageo Scotland median pay gap of +18.0% (2017: +16.7%)

Today, Diageo publishes its second Gender Pay Gap Report showing an improvement in the median pay gap to +5.4% (2017: +8.6%) for Diageo employees across all legal entities in Great Britain and Scotland. The mean pay gap also improved this year across these businesses to -3.5% (2017: +0.6%).

In the Diageo Great Britain business, we have a median gender pay gap of -12.6% this year. This position reflects the good progress made to date on developing, promoting and recruiting female talent into more senior roles within the company. In 2018, the number of women in senior leadership positions globally at Diageo also increased to 34% (2017: 30%). We invest in job design to support flexible working to retain female talent; in coaching pre, during and post maternity leave; and in diversity training for senior leaders.

In Diageo Scotland, our 24/7 manufacturing business, we have a median pay gap of +18.0% (2017: +16.7%). This gap grew in 2018, as we saw a reduction in the number of women opting for shift allowances for unsociable hours and the continuation of a long-term trend of manufacturing roles being filled by men. This year, we have recruited more women than men into entry level roles in our Scotland business; 50% of all promotions were women; 66% of graduates hired were women; and we placed female science undergraduates in our innovation lab in Menstrie. Our focus for our business in Scotland is to build a strong pipeline of future female leaders across both office and manufacturing roles and we are confident that we have the right plans in place to narrow this pay gap in the future.

Today, we are therefore pleased to announce the creation of two new scholarships in partnership with Heriot-Watt University in Edinburgh. The Diageo Scholarships aim to encourage more female students into Science, Technology, Engineering and Mathematics (STEM) careers and provide a pipeline of talent for the future in areas specifically related to our business. Over each of the next three years, the scholarships will provide two women studying a BSc in Brewing and Distilling and an MEng in Mechanical Engineering with paid internships, mentoring from senior women in our manufacturing business and funding for the duration of their degrees.

Overall, women make up 40% of the global Diageo Executive Committee and currently hold 34% of leadership roles. Following the retirement of two Non-Executive Directors in September 2018, three out of eight board positions are held by women. We intend to restore gender parity in due course.

Mairéad Nayager, Chief Human Resources Officer, Diageo said, “We aim to be the best employer for women in the UK and are actively working to ensure we have a strong pipeline of female talent, across the broad variety of roles in our business. While there is more work to do, we are proud that our work on inclusion and diversity is making Diageo a stronger company and I am pleased with the progress we have made this year towards closing the gender pay gap across our combined businesses in Great Britain and Scotland.”

Diageo was recently ranked 1st in the UK in Equileap’s Gender Equality Ranking and the 4th Most Diverse and Inclusive Workplace globally by the Thomson Reuters Diversity & Inclusion Index 2018.

To review Diageo’s Gender Pay Report visit www.diageo.com

ENDS

¹ Diageo’s combined gender pay figure includes all employees across all legal entities in England, Scotland and Wales.

For further information

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Notes to Editors:

- 40% of Diageo's Executive committee are women and following the retirement of two Non-Executive Directors in September 2018, three out of eight board positions are held by women. We intend to restore gender parity in due course.
- Women currently hold 34% of leadership roles and we aim to achieve 40% of senior leadership roles being held by women by 2025.
- Ranked 4th Most Diverse and Inclusive Workplace globally by the Thomson Reuters Diversity & Inclusion Index 2018.
- Ranked 1st in the UK and 11th globally in Equileap's Gender Equality Global Ranking 2018.
- Ranked 1st in the Cranfield School of Management Female FTSE Report 2018 for Companies with Female Executive Directors.

Diageo GB and Scotland legal entities

Across England and Scotland, Diageo has two legal entities with more than 250 employees, Diageo Great Britain and Diageo Scotland. Across these businesses, we employ 4,400 people. Diageo Great Britain employs 1,300 people in functional roles, the packaging of beer and the distribution, marketing, import and sale of beer and spirits across England and Wales. Diageo Scotland employs 3,100 people, primarily in a 24/7 manufacturing business, which includes distilling, maturation and bottling of our Scotch whisky, gin and vodka brands.

In addition to the statutory requirements, we are also providing combined Diageo Great Britain and Scotland numbers, which includes all employees across Diageo Great Britain legal entities.

Employees based in Northern Ireland are not included in this data. The Northern Irish Assembly has committed to bringing in their own Gender Pay Reporting requirements but to date no further details have been released.

About Diageo

Diageo is a global leader in beverage alcohol with an outstanding collection of brands across the spirits and beer categories. These brands include Johnnie Walker, Crown Royal, J&B, Buchanan's and Windsor whiskies, Smirnoff, Cîroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company, and our products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO).

Celebrating life, every day, everywhere.