

WOMEN'S EMPOWERMENT PRINCIPLES

MARCH 2020

WEPs IN ACTION



PRINCIPLE 2

Treat all women and men fairly at work – respect and support human rights and nondiscrimination

Contents

1. Context
2. Actions
3. Challenges
4. Results
5. Recommendations

CASE STUDY: DIAGEO HARNESSING A CULTURE OF INCLUSION AND DIVERSITY

LESSONS LEARNED

- Taking away some of the stress that people experience through periods of significant personal change helps employees return to work feeling supported and engaged.
- Putting the spotlight on male role models who have benefited from paternity leave helps to normalize the culture of men taking time off to care for their new child.
- Supporting employees with family-friendly policies helps attract the best talent in the market and creates a competitive advantage for the business as well as contributing to work-life balance and well-being of employees.
- Ensuring all genders can take extended parental leave, whether they become parents biologically, via surrogacy or by adoption, creates a culture of inclusivity within companies, while also helping to trigger positive societal change.
- Advancing real gender equality in the world of work requires fundamental changes to a broad range of practices, policies and cultural norms around parental leave.

CONTEXT

Diageo is a British multinational alcoholic drinks company. The business has over 200 brands including Smirnoff, Johnnie Walker, Baileys and Guinness, sold in 180 countries. It employs 28,000 people.

Over the last decade, Diageo has undergone a significant transformation in terms of inclusion and diversity, with a steep change in gender equality particularly apparent. In 2009, Diageo's Executive Committee consisted entirely of men and there were only a handful of women in senior leadership roles. Today, around 40 per cent of Diageo's Executive Committee are women and the Executive Committee is comprised of six different nationalities and multiple languages.

Diageo puts this change down to a commitment to gender equality and women's empowerment at the highest levels of the organization. The company's Chief Executive Officer Ivan Menezes, who joined Diageo in 2013, has been instrumental in driving the inclusion and diversity agenda. "Ivan fully recognizes the need to have a diverse leadership population and employee base and this permeates throughout the organization," says Mairéad Nayager, Chief Human Resources (HR) Officer. The work is driven by a core belief that inclusive and diverse businesses perform better.

A recent addition to Diageo's inclusion and diversity work is a new global family leave policy. The firm believes that supporting employees at the milestone moment of becoming a parent not only upholds

company values, but also advances its competitive edge by attracting the best talent and retaining employees as well as contributing to a positive work-life balance and the well-being of all employees.

ACTIONS

In April 2019, Diageo announced a new family leave policy for employees in the United Kingdom (UK), regardless of gender and sexual orientation. Under this policy, everyone is entitled to a full year off, whether they become parents biologically, via surrogacy or by adoption, with the first 26 weeks on full pay, while also retaining benefits and bonuses.

"True gender equality in the working world requires fundamental changes to a broad range of working practices, including a shake-up of the policies and cultural norms around parental leave. This initiative is about matching ambition with action and supporting all of our colleagues –regardless of gender– to experience the joy of raising a young family, while continuing to thrive at work," says Mairéad Nayager.

Just a few months later, Diageo started a global roll-out of the policy, initially offering female employees, in all markets, a minimum of 26 weeks of fully paid maternity leave, and setting a global minimum standard of four weeks' paternity leave on full pay. In the majority of countries, Diageo has fully equalized maternity and paternity leave.

The global family leave policy was established to ensure employee well-being. The policy allows employees an opportunity to bond with their children, while also taking away some of the stress that people experience in periods of significant personal change. It is proof of the Executive Committee's eagerness to be progressive and bold when it comes to inclusivity and diversity.

"We are committed to creating a fully inclusive and diverse workforce and we strongly believe that businesses play a significant role in shaping the future of society. Global businesses like Diageo must make bold moves on policies and the environments in which their employees work to ensure that the progress people deserve happens," says Nayager.

The fact that the new policy refers to all parents regardless of gender, demonstrates a commitment to gender equality. "Whether you are a man or a woman, you are entitled to experience the joy of raising a family and knowing that you have a job that you can come back to," says Ira Read, Head of Inclusion and Diversity.

This approach to family leave is more than just an internal policy for Diageo. According to Tatiana Sereno, HR Director in Paraguay, Uruguay and Brazil, the firm hopes that it will help trigger societal change and empower women in broader society. In Brazil, for example, the law entitles new fathers to five days of paternity leave. Going beyond the legal requirements has been a huge change for parents in Diageo in this part of the world.

"It was almost like a dream for them," says Sereno. "One father from Brazil told me how he now really understands the role of a parent, and what equality in terms of household work and raising a child means. He has had time to bond with his third child. When his partner goes to work, he is the one who is there for the doctor visits and plans everything with daycare. He will probably be the one to see his daughter's first steps. Not only that, this will allow his partner to further her career."

Ervin Trykowski is a Global Scotch Whiskey Ambassador based in Scotland and recently took six months of fully paid family leave. He says: "It was an incredible opportunity to spend the first six months with our son Rupert whilst receiving my full salary. There are so many key moments during those first months of life. It means a huge amount to have this chance to bond with our son and be there for every single moment. The last six months have also been some of the biggest learning experiences of my life. I've learnt everything from military levels of organization to keeping a cool head. I am sure I will be returning to work more organized, patient and compassionate. Some of my friends only had two weeks off work when they became a dad and it just isn't enough. Diageo's family leave policy has been game changing for the way we've been able to live as a family, and I hope more companies give dads this magical opportunity."



TIMELINE

April
2019

July
2019

January
2020

New family leave policy is launched in the UK offering all employees six months of fully paid leave and up to a year off.

Global roll-out of the policy begins. All women are eligible for six months of maternity leave on full pay. Diageo sets a minimum standard of four weeks of paternity leave globally.

The majority of markets move to equalize maternity and paternity leave including across Europe, North America, Singapore, Australia, Russia, Thailand and the Philippines.

CHALLENGES

Diageo recognized that if they were going to accelerate true gender equality in the workplace, their parental leave policy needed radical change. But they also knew that achieving this level of cultural change in an organization that spans 180 countries and has employees from a vast range of backgrounds would be challenging. It was crucial to ensure that men felt comfortable taking up the opportunity.

With this in mind, Diageo ensured that members of the Executive Committee were highly visible in launching and communicating the policy, offering clear endorsement and support. Examples of male

role models who had taken or planned to take paternity leave were shared, aiming to normalize it. This included a video of an employee who had taken paternity leave which was shared widely both internally and outside of Diageo.

Diageo also gathered immediate feedback from employees when the policy was introduced and captured this in a series of short video clips. The response was overwhelmingly positive, with one male employee saying they were “blown away” by the knowledge that they could play an equal role as a parent.

CHALLENGE

Implementing cultural change in an organization that spans 180 countries and has employees from a vast range of backgrounds.

Normalizing the culture of men taking paternity leave.

Ensured that the endorsement of the Executive Committee was highly visible and clear when launching the policy.

Highlighted male role models who had taken or planned to take paternity leave and widely shared their positive response.

HOW IT WAS ADDRESSED

RESULTS

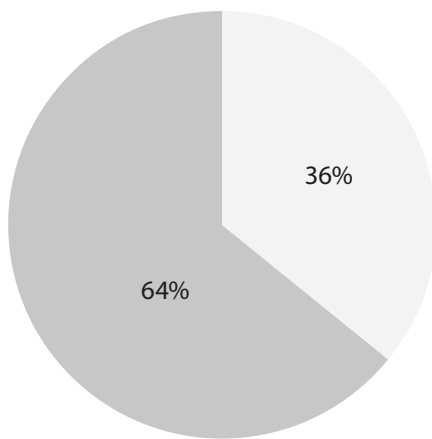
Diageo's new family leave policy received a very positive response from employees. The number of men taking family leave has increased, as has the length of leave they are taking.

This immediate positive uptake can be attributed to the decade-long effort to build and promote an inclusive culture. For example, employee resource groups such as the Spirited Women group, Rainbow Network and the recently formed REACH group for ethnically diverse employees in the UK have played a significant role in empowering employees and creating a sense of awareness within them, as has

the celebration of inclusion weeks that cover diverse and inclusive topics ranging from ally-ship and autism in the workplace to the importance of LGBTQ+ role models.

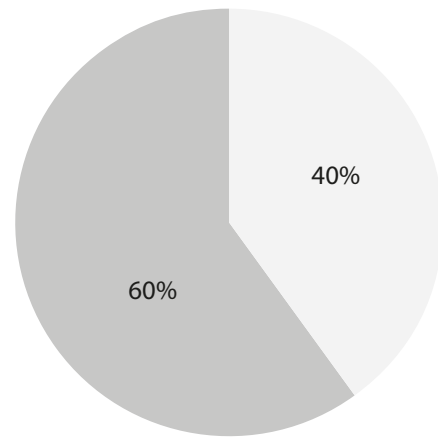
Such efforts have accompanied a steady improvement in gender balance in the organization: around 40 per cent of Diageo's Executive Committee are women, over 36 per cent of senior leaders are women, and the business has a goal of reaching 40 per cent women in the senior leadership team (a group of roles below the Executive Committee) by 2025.

WOMEN IN EXECUTIVE COMMITTEE



2020

WOMEN IN THE SENIOR LEADERSHIP TEAM










2020


Women
Men

THE ROLE OF WEPs


Diageo is proud to have been the first alcoholic drinks company to sign the Women's Empowerment Principles. Being signatories and a part of this global community aligns with Diageo's commitment to not only deliver workplace diversity

for their own business, but to also grow the talents, skills and capability of women working elsewhere in the industry. Diageo is also a signatory of the UN Global Compact and is aligned to UN Sustainable Development Goal 5 on gender equality.

- Principle 1  Establish high-level corporate leadership for gender equality.
- Principle 2  Treat all women and men fairly at work- respect and support human rights and nondiscrimination.
- Principle 3  Ensure the health, safety and well-being of all women and men workers.
- Principle 4  Promote education, training and professional development for women.
- Principle 5  Implement enterprise development, supply chain and marketing practices that empower women.
- Principle 6  Promote equality through community initiatives and advocacy.
- Principle 7  Measure and publicly report on progress to achieve gender equality.

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**WOMEN'S
EMPOWERMENT
PRINCIPLES**

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