

DIAGEO



Be YOU at your Best

Total Rewards at Diageo



Agenda

01

Pillars of
Total
Rewards

02

Ensuring
competitiveness

03

Salary
review
principles

04

Annual
Incentives
Plan

Total Reward
pillars

The pillars of our
total reward offer
serve different
purposes

Guaranteed Reward

Variable Reward

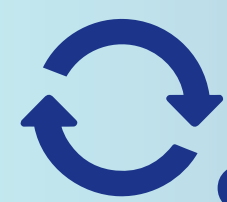
Benefits and Growth



Guaranteed Compensation

Fair and competitive base elements that are granted on a regular basis and guaranteed within your annual compensation

- Base Salary
- Fixed Allowances



Variable compensation

Incentive plans designed with the aim of recognising and rewarding individual performance and business performance

- Annual Incentive (AIP)
- Long Term Incentive (Deltip)

Benefits & Growth

We support our people to have fulfilling lives by contributing to their health and security - physically, mentally, financially, and socially whilst investing in their growth



Life & Social



Physical & Mental



Financial



Growth



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Life & Social

- Flexible Working
- Flex Allowance
- Product Allowance
- Vacations
- Recognition
- Family Leave (26 weeks)
- Volunteer Leave
- Snacks
- Free parking
- Awards for years of service



Physical & Mental

- Annual health checks
- Vision Plan
- Dental Plan
- Health Insurance
- Travel Insurance for business trips
- Unmind
- EAP Latina



Financial

- Death and Life Cover
- Christmas Bonus (Aguinaldo)
- Employee Referral Program
- Childcare Support



Growth

- Career Development & Mobility Opportunities
- In person & Online Learning & Development Opportunities
- Access to 1000s of courses through My Learning Hub
- Tuition and Language Programs



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Life & Social

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- Product Allowance
- Vacations
- Recognition
- Family Leave (26 weeks)
- Volunteer Leave
- Snacks
- Free parking
- Awards for years of service



Physical & Mental

- Dental Plan
- Health Insurance
- Unmind
- EAP Latina
- Travel Insurance for business trips



Financial

- Death and Life Cover
- Christmas Bonus (Regalia Pascual)
- Vacation Bonus
- Childcare Support
- Utilities (45 or 60 days)
- Employee Referral Program



Growth

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Life & Social

- Flexible Working
- Flex Allowance
- Product Allowance
- Vacations
- Recognition
- Family Leave (26 weeks)
- Volunteer Leave
- Snacks
- Free parking
- Awards for years of service



Physical & Mental

- Annual health checks
- Dental plan
- Vision plan
- Travel Insurance for business trips
- [Health Insurance](#)
- [Unmind](#)
- [EAP Latina](#)



Financial

- Death and Life Cover
- Thirteenth month
- Employee Referral Program
- Childcare Support



Growth

- Career Development & Mobility Opportunities
- In person & Online Learning & Development Opportunities
- Access to 1000s of courses through My Learning Hub
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Life & Social

- Flexible Working
- Product Allowance
- Vacations
- Recognition
- Free parking
- Awards for years of service



Physical & Mental

- Dental plan
- Vision plan
- Travel Insurance for business trips
- Health Insurance
- Unmind
- Employee Assistance Program (liveandworkwell.com)



Financial

- Death and Life Cover
- Employee Referral Program
- Pension plan
- (401K) Saving Plan
- Basic Short Term Disability



Growth

- Career Development & Mobility Opportunities
- In person & Online Learning & Development Opportunities
- Access to 1000s of courses through My Learning Hub
- Tuition and Language Programs

Ensuring *competitiveness*

External competitiveness is how we compare to our competitors, and it is what helps us to attract and retain the right talent in each of our markets. Diageo ensures competitiveness through a competitive pay framework that is fair and consistently applied.

Job sizing



Different jobs bring different value to the organisation – to determine the relative value of a role and where it should sit within the hierarchy, organisations use systematic external job sizing methodologies. The outcome of this job sizing is expressed as levels and grades.

Job sizing provides a framework for gathering data externally on what our talent competitors are paying for similar sized roles. This is called **reward benchmarking** and is done through analysis of external salary surveys.

Benchmarking



Salary ranges



Reward benchmarking inform how salary ranges are set. We assign a salary range to each grade, per country: this is our pay framework. Our salary ranges are created around the midpoint and go from 75%to 125% of that midpoint. The **midpoint is identified by comparing what other companies in our peer group pay** for the same job in the same country. Our ranges are **reviewed on an annual basis** to ensure we remain competitive.



DIAGEO
Peer Group



Consumer Goods

General Market

PHILIP MORRIS
INTERNATIONAL



DIAGEO

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What is the appropriate *salary positioning*?

Below 75%

Out of Diageo salary ranges

Emerging 75%-89%

- Individual with limited experience relevant to role
- Displays essential skills, but developing capability to fully deliver in role OR
- Individual in role where the skillset required is common in the external market

Example:

- Incumbent with little experience in similar role
- Needs further development in role to be fully proficient.
- Skillset required for role is common in external market.

Market Competitive 90%-109%

- Individual with solid, well-rounded experience relevant to the role.
- Fully/largely self-sufficient in executing key responsibilities and meeting all role deliverables.

Example:

- Incumbent has enough experience in similar role (or role requiring similar skillset) to be fully proficient within a year or less (if not immediately) and demonstrates strong performance with high degree of competence.

Highly Competitive 110%-125%

- Individual with extensive experience who consistently meets all role deliverables and regularly excels (mastery)

Example:

- Incumbent with proven track-record of outstanding performance in role, who is considered top talent (might be promotable) OR
- Has a unique specialist skill set not commonly found in the external market.

Above 125%

Out of Diageo salary ranges



DIAGEO

Celebrating life, every day, everywhere