



Our Material Themes

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Championing Inclusion and Diversity

2024
EABL Sustainability Report

Our Material Topics and How We Identify Them

Businesses like ours, face ever-increasing demands from consumers, politicians, regulators, investors, and others to create societal value that goes far beyond simply producing products, employing staff, and rewarding shareholders. They are called upon to address societal challenges, reduce inequalities, and contribute to the communities in which they operate. As a result, businesses are increasingly trusted to play their part in resolving the issues faced by the society they are a part of. As a leader in our industry, we embrace this shift. We are committed to leveraging innovative processes, the green transition and associated technologies to tackle some of the region's most pressing challenges.

Understanding the impact of our actions is integral to our strategic thinking. We see this as essential not only for our continued success as a business but also to ensure we positively impact society. We review our material topics through a detailed assessment every three years to identify which Environmental, Social, and Governance (ESG) topics are most important to our internal and external stakeholders. These assessments help us understand how our ESG impacts are perceived along our value chain and how they translate into both opportunities and risks for our company today and in the future. Materiality assessments also help us build trust with key stakeholders by facilitating a dialogue that ensures their views and priorities are considered and reflected in our strategy.



Materiality is the principle of defining the social and environmental topics that matter most to your business and stakeholders. According to the Global Reporting Initiative (GRI), materiality refers to "those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large".

¹GRI G4 Guidelines

Nothing remains static in our world. What is relevant and pressing today may no longer be an issue in the future. In contrast, what seems unimportant today may be business-critical in the months or years ahead. We therefore need to view our analysis as a constantly evolving process, rather than a one-off exercise, and examine a series of possible future scenarios. The materiality process allows us to ensure that we prioritise the issues that have the most impact on the economy, society and the environment, and that most influence the decision making of our stakeholders.



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Double Materiality and Why We Measure it

A changing climate has implications across our end-to-end operations. It can affect crops like barley, sorghum and wheat, and natural resources like water that we rely on to make our products.

It can cause disruption to our manufacturing sites and supply chain through extreme weather. It can drive up our costs of production as policies, and regulations seek to put a higher price on carbon, and it can affect the communities where we live, work, source and sell by threatening their livelihoods. But there are also opportunities that arise from making our operations and products more sustainable.



The practice of 'double materiality' allows us to account for both the risks and opportunities that arise in a deliberate way. It looks at how various sustainability related issues affect our business, and how our operations and activities affect the environment and society at large.

As part of our materiality review process, we considered the financial impact of sustainability related issues, specifically climate change, on EABL in addition to the impact of our activities on society and the environment.

How We Measure Our Material Topics

EABL takes a systematic approach to materiality to enable us assess both our stakeholders' views on the impacts we make on society and the environment, and the potential effect of outside events on our business. Measuring these helps EABL identify potential vulnerabilities that could affect its ability to deliver on its strategic goals, while also enabling the company to manage its impacts and be more aware of how it is perceived by stakeholders. Our materiality assessment follows a multi-step process that leverages on both quantitative and qualitative data, including desk research, stakeholder identification, in-depth interviews and a problem solving learning and collaboration space.

Method	Activities	Key Questions
<p>Document Review</p>	<ul style="list-style-type: none"> Gather a comprehensive set of documents that provide insights into the organisation's activities, strategies, risks, performance, and stakeholder engagements. Peer review – benchmarking. Review key developments in existing material topics. 	<ul style="list-style-type: none"> Are we capturing trends/new opportunities? Emerging risks?
<p>Key Informant Interviews</p>	<ul style="list-style-type: none"> Consideration of factors such as the significance of the issue to the organisation's operations and stakeholders, the magnitude of its impact, the level of stakeholder concern. Consideration of potential risks and opportunities associated with it. Consideration of performance. 	<ul style="list-style-type: none"> Are our current activities/projects mutually exclusive, collectively exhaustive? What are some of the key learnings? What could we be doing better and what support is needed to get there?
<p>Stakeholder Workshops - Learning and Collaboration Space</p>	<ul style="list-style-type: none"> Participative – action oriented. Identify opportunities to strengthen material topic coverage. Identify new partnership opportunities. Recommend new/ update risk management frameworks. Update stakeholder mapping. 	<ul style="list-style-type: none"> What could we be doing better and what support is needed to get there? What are some of the key learnings? What does a clear action plan look like? What does a clear stakeholder map look like?

We measure double materiality through a combination of a climate change risk assessment², stakeholder engagement, review of regulatory requirements, and industry standards. This approach helps us identify areas where we can create the most significant positive impact while mitigating potential risks. We then plot our results on a double materiality matrix that allows us to identify and address potential risks and opportunities from ESG factors proactively. This proactive approach is also important in maintaining compliance with evolving regulations.

²For the moment, this assessment is spearheaded by Diageo at global level.

Materiality Workshops



EABL Double Materiality Matrix

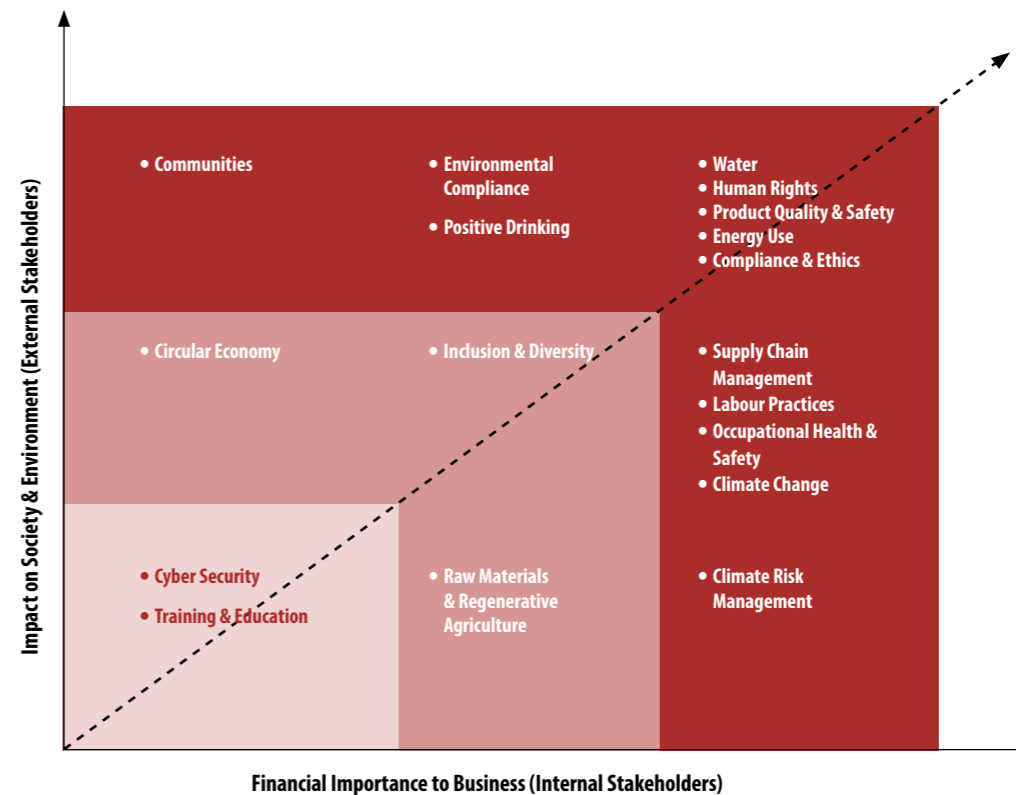
As a result of our materiality assessment review, we updated our materiality matrix with the following key changes:



Removed topics from the list that were deemed inconsequential:
COVID 19 Management and Recovery.

Included additional topics deemed significant based on key insights:
human rights, supply chain management, cyber security, labour practices, climate risk management, product quality and safety and environmental compliance.

Included results of our double materiality exercise. The matrix distinguishes between two types of materiality. The first is financial materiality, which evaluates the potential impacts of sustainability issues on EABL's financial performance. The second, is impact materiality which assesses how EABL operations impact society and the environment.



2024 EABL Materiality Matrix

Management of our Material Topics

We describe our management of material topics in detail, alongside the relevant indicators identified in measuring performance against 'Spirit of Progress', including emissions on page 131 detailing our F24 performance. We include the management approach and evaluation of our additional material topics under the 'Doing Business the Right Way' section. This includes economic performance, supply chain management, human rights, labour / management relations, occupational health and safety, cyber security (including customer privacy), training and education.

Effectively managing our material topics involves a systematic and proactive approach that integrates sustainability considerations into our overall strategy, operations, and decision-making processes.

Here are some key elements to show how we manage our material topics:

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1 Identification and Prioritisation: we conduct a thorough assessment process every three years to identify and understand the material topics relevant to our business and our stakeholders.
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2 Stakeholder Engagement: we prioritise meaningful stakeholder engagement. This allows us to gain insights, build trust and ensure that our sustainability initiatives address the needs and interests of our multiple stakeholders - internal and external.
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3 Strategy and Decision Making: we review our identified material topics internally, and we integrate sustainability considerations into our overall strategy, governance structure and decision-making process.
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4 Performance Measurement and Reporting: we ensure that our material topics are embedded within our robust systems for measuring, monitoring and reporting. Where necessary, we establish frameworks and key performance indicators to cover additional topics.
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5 Improvement & Innovation: we review our material topics consistently, and ensure that we are updating our understanding of their coverage across the organisation. We identify and include opportunities to respond to emerging risks and stakeholder expectations as part of our decision-making framework.

However, ESG strategy and reporting is a fast-moving area, and we regularly assess our strategy in the context of successes and challenges, changes in the reporting landscape and feedback from our stakeholders. All companies are dealing with uncertainty in meeting ESG-related ambitions, and we are no different. We focus on external factors we can influence, however there remain many external factors which we can't control. As a result, our roadmaps to delivery on our targets remain subject to uncertainty across most areas.

Therefore, in fiscal 24, we have reconsidered the underlying targets in our three priority areas of Promote Positive Drinking, Champion Inclusion and Diversity and Pioneer Grain to Glass Sustainability. Our objective has been to direct our resources towards those areas where our learning and engagements with stakeholders tell us we have the best opportunity to mitigate the highest risks and deliver the highest impact.

Our Sustainability Report sets out our progress against our twelve priority performance targets where we believe we can make the biggest impact, across Promote Positive Drinking, Champion Inclusion and Diversity and Pioneer Grain to Glass Sustainability. We believe the selected performance targets also address our highest risks and as a result, we will be directing a higher proportion of our resources to these priorities to accelerate action, maintain momentum and refocus our efforts.



Our Sustainability Report sets out our progress against our twelve priority performance targets where we believe we can make the biggest impact, across Promote Positive Drinking, Champion Inclusion and Diversity and Pioneer Grain to Glass Sustainability.



Our Response To Our Material Themes - 'Spirit of Progress'

