



DIAGEO

# LAC - BP LEARNINGS AND CHALLENGES

IACC Annual Conference 2022

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# DIAGEO

- **WHO WE ARE:** We are a global leader in beverage alcohol with an outstanding collection of brands across spirits and beer. We produce an outstanding collection of over 200 brands – old and new, large and small, global and local – that are enjoyed in more than 180 countries around the world.
- **OUR PURPOSE:** Celebrating Life, Every Day, Everywhere
- **OUR PERFORMANCE AMBITION** is to be one of the best performing, most trusted and respected consumer products companies in the world.
- **OUR BP PROGRAM:** Evaluate and manage the risk of counterfeiting to protect our consumers, Diageo's reputation and our brands.
- **OUR BP PURPOSE:** Help consumers to celebrate safely every time everywhere

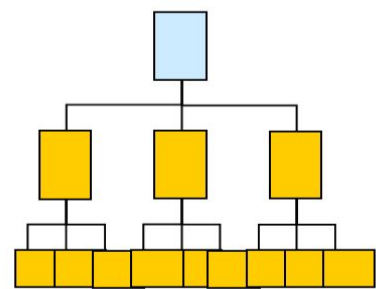
*“There is no level of counterfeit acceptable, given the potential harm to consumers and reputation.”*



# X-RAY & CHALLENGES

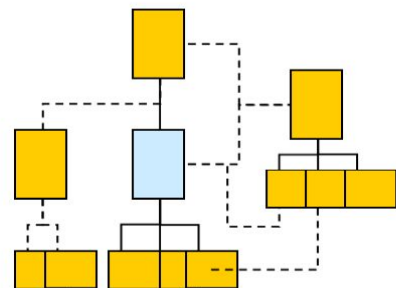
## Evolving structure of organised crime groups

Highly structured, cohesive mafia-type organisations are in decline...



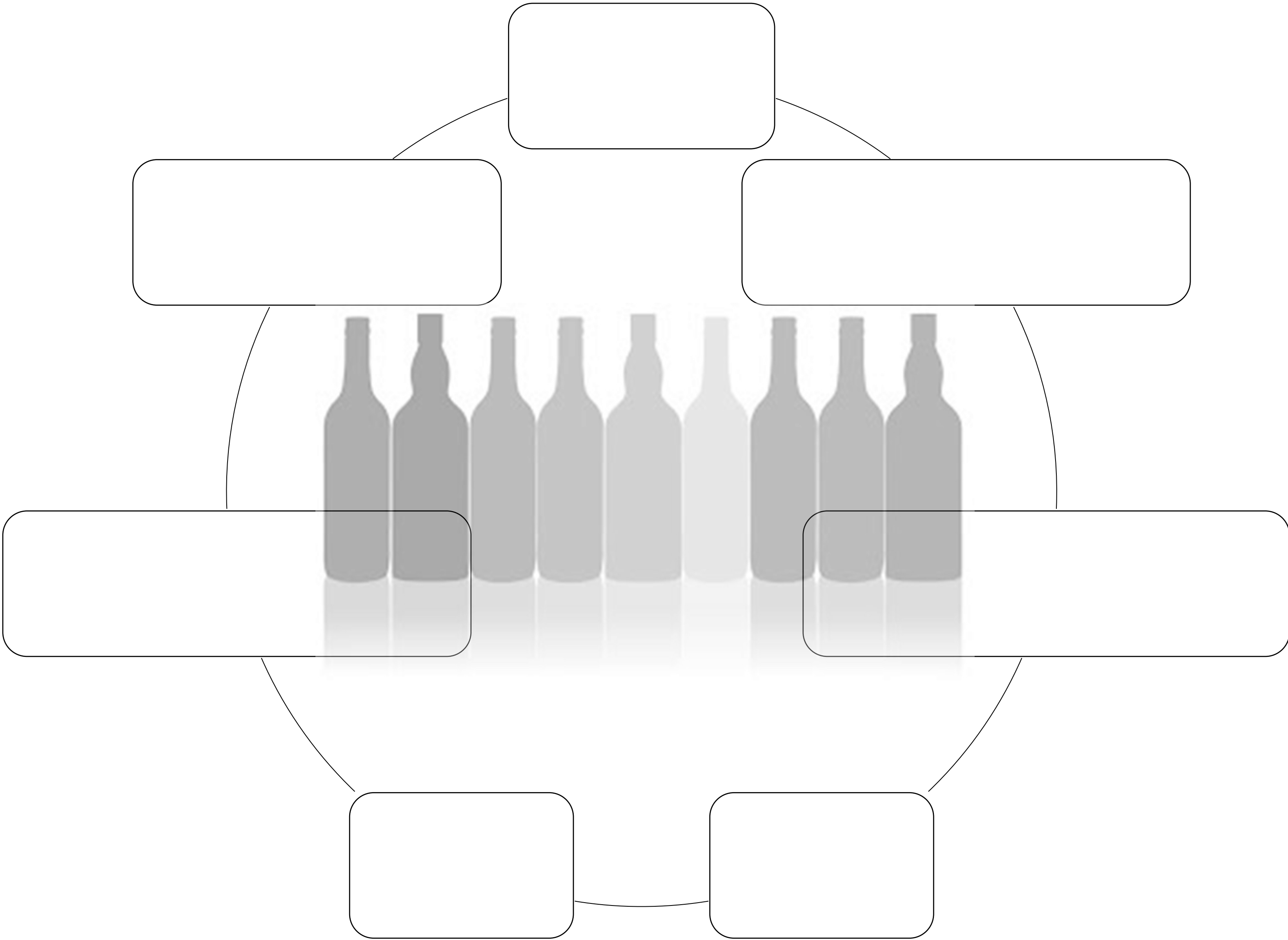
Clear structure  
Defined roles  
Hierarchical  
Rely on good internal discipline and external corruption

Twenty first century organised criminal groups operate differently



- Looser, flatter networks
- Collaborate as necessary for specific projects
- Impacts of technologies on crime capabilities
- Impacts on intervention effects

Source: Prof. Michael Levi, Cardiff University

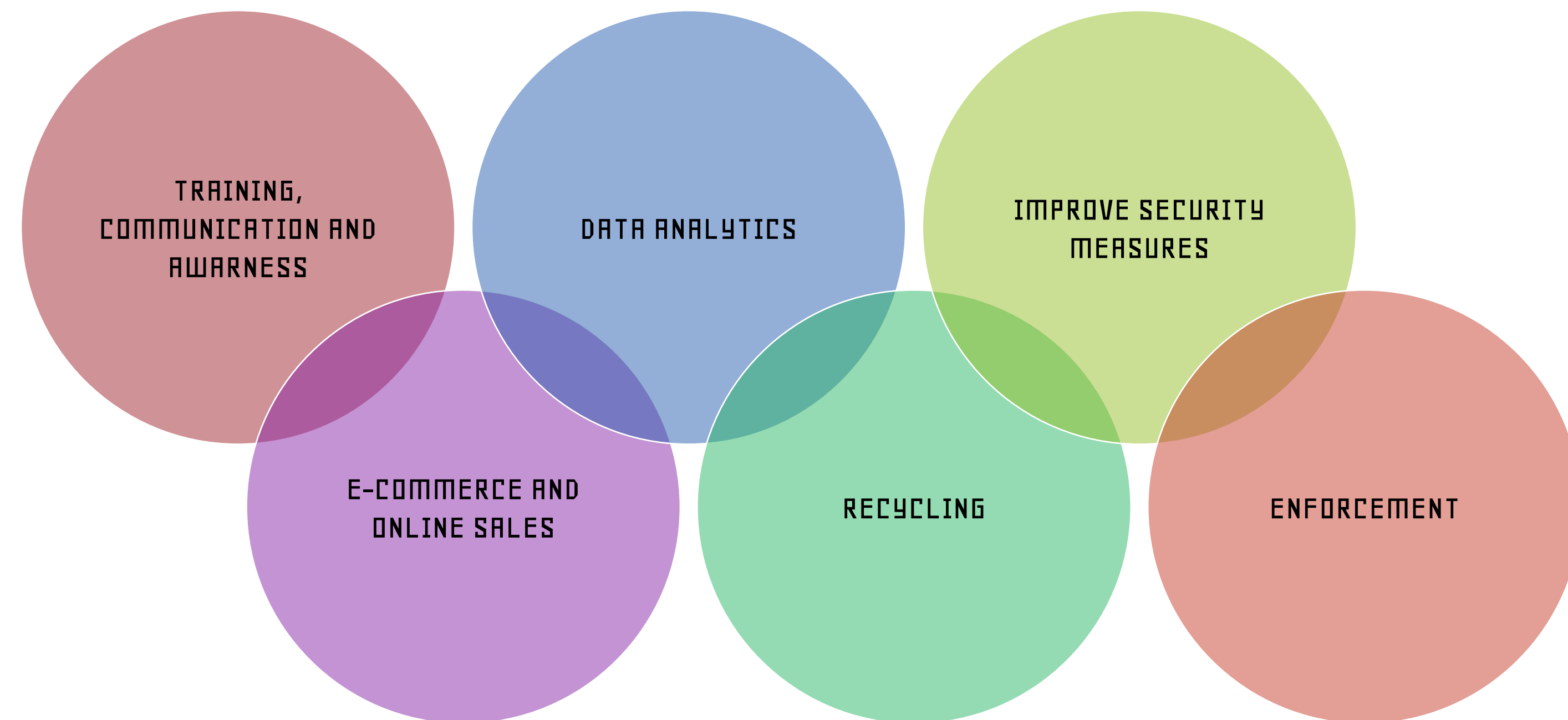






We Dream of having **100% Legal Market** and we Believe it is possible, but we need to ACT!

LAC BP **STRATEGY** to  
Protect, Prevent and Enforce



**+43%** Sales Volume FY22 Vs. FY20

**- Lower** counterfeit products found FY22 Vs  
FY20

*In conclusion:*

1. BP actions supported the profitable and sustainable growth of the company in the market, and
2. The amount of counterfeited product found decreased in an even bigger market.





Communication	Technology and Security	Cooperation	Regulations and Studies	Enforcement
Communication campaign/plan aimed at all key actor (consumers, customers, local authorities and government)	SECURITY PACKAGING	TRANSVERSAL ACTIONS TO ENCOURAGE LEGALITY	PROMOTE STRONG CONTROLS FOR ILLEGAL MARKET.	PROMOTE ACTIONS ENCOURAGING STRONGER AND EFFECTIVE PENALTIES
1. CROSS LEVEL PROGRAM TO PROMOTE EFFECTIVE ACTIONS TO FIGHT THE ILLEGAL MARKET: 2. EDUCATION AND AWARENESS (INDUSTRY & NATIONAL TRADE ASSOCIATION)	1. RESEARCH AND PROPOSAL OF SECURITY ELEMENTS AND TRACEABILITY	1. MASSIVE RECYCLING PLAN 2. LEGAL TRADE ZONES PLAN (NATIONAL TRADE ASSOCIATION, LOCAL AUTHORITIES, INDUSTRY AND CUSTOMERS) 3. TRAININGS PLANS TO KEY STAKEHOLDERS	1. COLLABORATE WITH SELF-REGULATION OF LIQUOR ON DIGITAL PLATFORMS. 2. BUSINESS ANALYTICS – DASHBOARD AND MODEL PREDICTION TO IDENTIFY COUNTERFEITING TRENDS.	•1. FOCUS ON CRIMINAL NETWORKS •2.. PROMOTE ASSET CONFISCATION •3. ONLINE LICIT MARKET
1. #YoComproLegal campaign: reach: 25.2 M of consumers 2. 1215 people trained from Distributor's' teams and customers as Ambassadors of legality. 3. 4.975 people trained from authorities in 75 events.	New local alternatives and assurance of proper security in products.	a) 1. 8 M bottles recycled = 1.7 K tons of glass (Vision 30/30 partnership) b) Zonas de Comercio Legal: 5.904 establishments owners received the legality message in 11 cities and 485 establishments signed the legality pact turning formal establishments. c. Diageo Challenge	1. National Decree to regulate import of Ethanol / potable alcohol 2.Characterization study of the criminal chain of the ilegal market in Colombia (ICP)	•70 raids •92 people arrested, •84.920 bottles and dry goods seized. •61 people convicted







1. *ACT! ....“Execution Eats Strategy for Lunch”* [Joseph Plumeri]
2. Get the right DATA and define a proper objective to reach for each action.
3. Adaptability: “One size does not fit all.”.
4. Define your resources, use it and invest it intelligently.
5. Get the right Allies [competitors, costumers' authorities, associations, etc.] and COLLABORATE in order to:
  - Anticipate counterfeit trends and
  - Scale actions and impacts
6. *Educate / train your stakeholders should always be a key element for fighting counterfeit and generate awareness when needed.*
7. *Strong Enforcement* ☐ *Look for hitting hard criminal organizations not just with penalties but also hitting their finances.*
8. *Try new ways of working. Counterfeiters evolve and transform, you should do it too.*

The background features a series of overlapping, flowing, translucent lines in shades of purple and pink, creating a sense of movement and depth. These lines originate from the top right and sweep downwards towards the bottom left, set against a light, off-white background.

# DIAGEO

*Celebrating life, every day, everywhere*