

Cautionary statements concerning forward-looking statements and non-GAAP financial measures

The following presentations contain ‘forward-looking’ statements, including statements related to new medium-term guidance, future Total Beverage Alcohol market share ambitions and Diageo’s expectations of performance for the six months ending 31 December 2021. Forward-looking statements involve risk and uncertainty. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside Diageo's control. All oral and written statements made on or after the date of these presentations and attributable to Diageo are expressly qualified in their entirety by the factors set out in the cautionary statement concerning forward-looking statements at the end of the presentations and to the statements under “Our principal risks and risk management” in Diageo’s Annual Report and under “Risk Factors” in Diageo’s Annual Report on Form 20-F filed with the US Securities and Exchange Commission for the year ended 30 June 2021. The Form 20-F is available from the website maintained by the US Securities and Exchange Commission at www.sec.gov and, together with Diageo’s Annual Report, on the investors section of the website maintained by Diageo at www.diageo.com.

Any forward-looking statements made on or after the date of these presentations by or on behalf of Diageo speak only as of the date they are made. Diageo does not undertake to update forward-looking statements to reflect any changes in Diageo's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. You should, however, consult and take note of any additional disclosures that Diageo may make in any documents which it publishes and/or files with the US Securities and Exchange Commission. Filings with the US Securities and Exchange Commission are also available to the public from commercial document retrieval services, and from the website maintained by the US Securities and Exchange Commission at www.sec.gov.

These presentations include financial measures which are not presented in Diageo’s financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and are considered “non-GAAP financial measures” under US Securities and Exchange Commission rules. Please refer to the section “Definitions and reconciliations of non-GAAP measures to GAAP measures” set out in the cautionary statement at the end of the presentations.

Diageo Capital Markets Day 2021 – Advantaged Culture

Webcast Transcript – Tuesday 16 November

Mairéad Nayager – Chief Human Resources Officer

- Hello, I am Mairéad Nayager, Chief HR Officer for Diageo. I joined the company in 2006 and have held roles in Africa and Europe before being appointed to my current role in 2015.
 - In this presentation, I will bring to life Diageo's unique culture and with the help of Hina Nagarajan, our Managing Director and CEO of United Spirits in India, and John Kennedy, our President of Europe and Turkey, we will provide examples of our culture in action, driving Diageo's performance and creating competitive advantage.
 - Today, Diageo is a brand and consumer-obsessed organisation delivering strong performance and growth, with a restlessness to always do better.
 - We have an accessible purpose: to celebrate life every day, everywhere providing a holistic platform for us to be the best we can be at work, at home and in our communities.
 - And an inspiring performance ambition: to become the best performing, most trusted and respected consumer products company, with clear, consistent business priorities driving high performance expectations
 - All of which is underpinned by strong values rooted in competence and character.
 - In this presentation we will show how:
 - The passion our people have for our brands, and their engagement with our purpose and performance ambition, creates an ownership mentality, fuelling our desire to be the closest company to consumers and customers;
 - We will show how we are building agile, solution-orientated teams, able to meet the needs of our consumers and customers, and drive growth;
 - And we will show how we are winning and retaining talent in a fiercely competitive market.
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- Achieving our performance ambition means delivering efficient growth and value creation for our shareholders, while doing business the right way for all of our stakeholders.
 - Our people are the single biggest determinant of our success and critical to the delivery of the strong outcomes underpinning our Leveraged Growth Model, which Lavanya will discuss in her presentation shortly.
 - All of our 27,650 employees are very clear on the role they play in driving performance, both on the top and bottom line.

- For example, in our most recent global employee survey in fiscal 21, 84% of employees said they see a clear link between their work and Diageo's immediate business priorities – this is 13% higher than the external benchmark.
 - In addition, 84% of employees said they know what they can do to help Diageo win market share.
 - Clarity of strategy and engagement has been key to the consistency of our performance delivery.
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- Our people are highly engaged.
 - Our recent employee survey showed 89% of our employees are proud to work for Diageo. Our overall engagement score increased by 1 percentage point to 81%, and our employer advocacy score has risen by five points since 2019.
 - And just as our organic net sales have grown over the last five years, setting aside F20 for Covid, of course, our 81% overall engagement score is not a one-off.
 - Overall engagement has increased since fiscal 2017.
 - High levels of engagement across the organisation drives accountability for performance delivery. Our people feel and act like owners no matter the circumstance or barriers they face.
 - Two of my favourite examples of this are from either side of the world.
 - The first, took place last year, at the start of the pandemic.
 - Our team at the Guinness Open Gate Brewery in Baltimore, Maryland, needed to close their doors to the public due to a Statewide lockdown.
 - The local team decided to pivot operations to help feed the local community by baking and donating bread to the Maryland Foodbank. 12,000 loaves of 'Brewers Bread' were baked, with 500 loaves donated each week.
 - They also launched a successful curbside beer pick-up program, to enable local fans to try new beers in a safe, convenient way, with all net proceeds over \$35,000 benefiting the same Maryland Foodbank.
 - Today, this is a sizeable, incremental business for the Brewery. Alongside local craft beers brewed at The Open Gate - the team extended their innovation to partnerships with local community leaders, to make beers inspired by the flavours of their unique cultures and celebrate local diversity.
 - It is this combination of craft and purpose that sets Guinness apart and has helped drive its market share to three times the national average.
 - The second example is from Australia. Where in March this year, extreme rainfall on the East Coast of Australia led to devastating and widespread flooding in New South Wales.
 - A particularly hard-hit customer was Cellabratations Wingham, whose store was completely flooded.
 - Dianne Juteram, their Diageo sales rep, went to help straight away and stood side-by-side with them, helping to clean up the store and recover.

- They were able to open again in just 18 days, in no small part thanks to Dianne’s sense of community, ownership and purpose.
- These are just two of the countless, stories of our purpose and culture in action through the pandemic.

- Being obsessed with consumers requires us to have diversity of backgrounds and experience in our talent base.
- We are committed to creating the most inclusive and diverse culture, not just because it is the right thing to do, but because we believe this commitment allows us to recruit and retain the best employees, achieve better performance and have a greater impact on society.
- Today, almost two-thirds of our Executive Committee members are home-grown talent with substantial experience in multiple roles across various markets.
- Each has worked in at least three different markets or regions and as a result has a broad view of our consumer and customer base.
- We are building deeper ethnic diversity within our business: 37% of our global leadership population are ethnically diverse; with eight nationalities represented on our Board and Executive Committee.
- Eleven years ago, the Diageo Executive Committee were all men.
- Today women make up 60% of the Diageo Board, and 38% of the Executive Committee.
- And globally, 42% of our leadership population are women.
- Increasing diversity should be led from the top, but the responsibility for change and the benefits therein, must be felt by the whole organisation for it to be sustainable.
- In February, we announced specific performance measures and targets, as part of the Diageo Long-term incentive plan for our leadership population, to drive clear accountability for progress on diversity.
- With stretching goals to transform gender and ethnic leadership representation we believe we will deepen our connection to our consumers, retain and recruit the best talent and increase preference for our brands.
- We are among the first companies to create such a clear link and direct accountability for our total ESG commitments with our senior management community.

- We believe the ultimate competitive advantage for any company is a culture that is able to adapt quickly to changing conditions and to finding new ways to succeed with customers and consumers.
- Our operating model is designed to ensure market General Managers are fully accountable and agile in the decisions they make based on local consumer insight and performance opportunity while leveraging the best of what Diageo creates globally, when it comes to tools, technology, capabilities, and insights

- As Lavanya will discuss later, over the last five years, we have delivered significant savings in overheads that have been reinvested in areas to drive growth, and we have also created a simpler organisation, more accountable organisation for our people.
- As an example, we have significantly improved our spans of control that define how many direct reports a manager or a leader has.
- Moving from a historical average of under 4 direct reports per manager to 7.2 today has driven greater autonomy and faster decision making across the organisation.
- We are building a culture that empowers every employee to take personal ownership for everyday efficiency and acting on barriers that get in the way of performing at their best.
- We launched ‘Radical Liberation’ earlier this year to fuel culture that enables ‘speed’ by taking rapid action to reduce and stop processes and activities that do not add value, add complexity and drain the energy of our people.
- For example, we have simplified and automated controls for our Travel and Expenses reimbursement approval process, which has led to a 95% reduction in line manager approvals in less than a month.
- By removing excessive line manager approvals for IT equipment, annual leave requests and by simplifying processes such as resourcing and procurement, we are freeing up time, energy and focus.
- Across nearly 28 thousand employees, that really makes difference!
- The way Diageo is structured is testament to our consumer-centricity.
- 71% of our total employees are directly involved in the production, distribution, marketing and selling of our products.
- 75% of employees in our markets work in the Front Office, for examples Sales & Marketing. This number jumps to 80%+ when we include our third-party sales teams in markets such as North America.
- Our operating model gives the General Managers of our markets the freedom to win locally, and ensures we stay as close possible to consumers and customers.
- You’ll hear from John shortly on how we have reorganised our European business to get even closer to consumers and customers.
- We channel our resources to the highest growth opportunities at speed.
- Overall, we have added 90 new roles into the US and China in the last few years to seize opportunities in these key markets to drive performance and deliver results.
- In China, some of these new roles support our new state-of-the-art R&D centre in Shanghai - the first of its kind in the beverage alcohol sector in Shanghai, together with the recent opening of our major logistics hub in Shenzhen.
- In the US, we created a new team to drive the North American RTD strategy to go after the significant opportunity we see in the Convenience category.
- Across our business, we have also established agile ways of working where we bring cross-functional teams together to work on our biggest priorities – we call these ‘sprints’ and they align to our quarterly goal setting which I’ll come back to.

- Later, John and Hina will share examples of how teams in Europe and India have moved quickly to reallocate resources, which is fuelling a culture of speed and agility.
 - Now I want to share two examples from other markets across our business, Uganda and Colombia.
 - In Uganda, in less than four months, a cross-functional, e-commerce team created and implemented a disruptive strategy of using ‘Boda-Boda’ motorbikes for the last mile delivery of our brands to consumers during the COVID lockdown.
 - This led to more than double the NSV from the Ecommerce channel in Q1 F21.
 - In F22, NSV growth from this channel is expected to more than double again year on year.
 - And in Colombia, we have reassigned 35% of our organisation to the biggest business opportunities, including e-commerce.
 - This led to e-commerce NSV growth from 2% to 8% of sales and gave our people the opportunity to develop new digital capabilities.
 - Through these focused, cross-functional teams, our people are gaining critical new skills while delivering work that’s adding value quickly to some of our highest priorities.
 - Looking ahead, we will continue to rapidly reallocate resources to enable the development of new capabilities including data analytics and strengthening our route to consumer in key markets such as North America and China to support our future growth ambitions.
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- We take this focus on agility right through to our incentive programmes.
 - As part of the consideration of appropriate annual and long-term incentive outcomes, we consider performance against financial metrics and actions taken by leaders and employees to protect the longer-term interests of the business.
 - Our Annual Incentive Program, or AIP, performance measures and targets are reviewed carefully every year to align with the business strategy and ever-changing market conditions.
 - We have made changes to our AIP structure in all but two of the past eight years, to reflect the priorities in a given year, while keeping constant the key performance measures of NSV and operating profit.
 - For example, in F21, we introduced market share as a modifier and incentivised all employees against total Diageo performance targets rather than individual markets.
 - This facilitated speed of reinvestment and allocation of resources across the globe to help the business emerge strongly.
 - And to complement the introduction of “sprints” to our ways of working, in F21, we shifted our performance management framework from half-yearly performance conversations, to quarterly goals, clearly linked to our performance ambition.
 - This has increased the focus on every day, in-the-moment performance for teams.
 - We believe these changes supported our delivery, enabling us to hold or grow our off-trade share in approximately 85% of measured markets in F21.

- While we are very focussed on the present, we have a strong pipeline of experienced talent with deep knowledge about the business.
- In the last three years, an average of 70% of our internal leadership roles were filled by internal talent, and since July 2020, four out of six appointments to the Executive Committee were internal promotions.
- We focus our external talent acquisition at leadership levels on bringing in new capabilities in areas such as Digital and E-commerce, while also building greater diversity.
- In F21, 56% of external hires into our leadership population were women; and 44% were ethnically diverse.
- Increasingly, we are also hiring external talent from broader industries, especially for new capabilities such as digital, data and analytics.
- We have created a distinctive employer brand which enables us to attract talent from leading consumer focused companies as well as from other sectors, including major technology companies.
- We have high standards for leadership and talent. For example, at the point of recruitment, we benchmark our leaders against the top quartile of leaders from FTSE 100 companies. This allows us to hire only the best talent.
- We hire leaders for Diageo first – leaders who have the potential for bigger roles or those with new skillsets.
- In the last 18 months, 77% of our most senior leaders have joined us from large multinationals.
- Talent retention within our leadership population is strong, with only around 2% regrettable attrition in the last 12 months.
- And, in our recent employee survey, two-thirds of leaders told us that the quality of our brands, people and leadership development were the main reasons they joined Diageo.
- We firmly believe we are retaining and recruiting talent in a fiercely competitive market as a result of our culture, purpose, and performance ambition.
- Hina will now show how the passion of our people and their level of engagement has transformed our business in India.

Hina Nagarajan – Managing Director and CEO of United Spirits Limited

- Hello, I am Hina Nagarajan, and I am the MD and CEO of United Spirits Limited, Diageo's business in India.
- Prior to taking up this role, I ran Africa Regional Markets for 2.5 years, having joined Diageo in 2018.
- Mairéad talked about the extraordinary passion and engagement of our people globally. And Diageo India is no exception.

- Our culture has been transformed by igniting the power of purpose within the business and empowering individuals and teams.
- This has enabled bold performance delivery, along with significant productivity savings.
- While our business results are a strong measure, our own employee survey results, from May 2021, are testimony to how engaged our employees are:
 - At 88%, overall engagement has increased 2 points since 2019.
 - 93% of employees are proud to work for Diageo, and 87% of our employees would recommend working at Diageo to others - up 6 points vs 2019.
 - And 93% of our employees know what they need to do to help Diageo win market share.
- An example to illustrate this is when Our East region team turned the COVID disruption into an opportunity in West Bengal.
- They unlocked the “home delivery” channel in a short period of time. A cross functional team co-created policy with regulators and energised the retailers to participate.
- End of F21, 300+ retailers had signed up, 20% of Prestige segment sales in the state came from this channel and we won significantly against competition.

- Speed, Agility and Empowerment are the key pillars of our culture. Let me share a few examples with you.
- Post the COVID lockdown last year, our biggest challenge was to restart operations in line with stringent government guidelines.
- We empowered our employees to share ideas, which enabled us to be the fastest in the industry to restart and ramp up our capacity to almost 100% of pre-covid levels within 3 weeks.
- This helped us rebuild our business rapidly and outperform competition.
- In previous years, it would take on average 18 months to bring new innovation products to market.
- In 2021, thanks to strong consumer insights applied at pace, we were able to understand the opportunity, disrupt our conventional ways of working and create a new limited-edition whiskey in 85 days, from idea to delivery.
- A sprint team, empowered and non-hierarchical, acted with an entrepreneurial mindset, committed to its purpose of rapid innovation.
- They behaved like founders making quick decisions.
- The India leadership team changed engagement from “reviews” to “enablement” and simplified the Innovation process to manage risks while enabling speed.
- This experiment has created a significant new business growth opportunity, Indian Craft, and with it exciting, new ways of working for USL.
- We are now using sprints to drive powerful outcomes across several critical business mandates.

- And our business performance in F21 is a strong proof point of our new ways of working:
 - We outperformed the competition in F21, with reported NSV growth – of 13%, including 18% growth in scotch and 41% growth for Johnnie Walker
 - We were also able to generate productivity savings of almost £17m ahead of target, despite the commodity price escalation and challenges presented by COVID 19.

- In a traditionally male-dominated industry, inclusion and diversity has been an important pillar of our performance ambition in India.
- In the last seven years, we have made tremendous progress in this area.
- With confidence, I can say that we lead the India marketplace in our policies, practices and outlook on inclusion & diversity.
- Today, 50% of the USL Executive Committee in India are women. There were no women in leadership roles in 2014.
- And as a female CEO, I am proudly standing here representing the change we have brought about.
- 50% of our hires in the last 18 months are women.
- Across our overall employee base, female representation has changed from 6.6% to 22.5% in last 6 years.
- In this year's employee survey, our inclusion and diversity index score is strong at 86%.
- And 87% of our people believe they can be themselves and thrive at Diageo, a rise of 2% versus 2019.
- As producers of some of the country's best loved brands, we know we can make a difference in culture by changing the narrative for our brands and by showing progressive portrayals of gender and inclusivity, in line with what we stand for as a business.
- Whether it is changing "yaari", friendship, by making it universal and gender agnostic through McDowell's no.1 or bringing a strong message of women's individuality through Black & White, our brands represent inclusion!
- Our recent "Challenge Accepted" campaign from Royal Challenge featured women cricketers promoting equality by accepting the challenge to play the first mixed gender cricket match.
- Let's watch.

[VIDEO]

- Our purpose also comes to life through the way we are meeting our responsibilities to our communities, society and the environment.
- To promote positive drinking, we partnered with Network 18 to launch a nationwide anti-drink and drive awareness campaign, reaching nearly 90 million people.

- We have also trained almost 235,000 people in 300 schools across 15 states on the dangers of underage drinking.
- By 2030, we intend to change the attitudes of 800,000 people to drink driving in partnership with the United Nations Institute for Training & Research.
- We intend to educate 1.5 million young people, parents and teachers on the dangers of underage drinking.
- And will reach 2 Million people with responsible drinking messages.
- By 2030, we also intend to provide business and hospitality skills to 12,000 people, through our Learning for Life and skills programmes.
- Environmentally, we are challenging ourselves to do more and more.
- We have replenished almost 408,000 cubic meters of water across our water stressed areas, improved our water use efficiency by 55%, reduced carbon emissions by 95% and collected 20 thousand metric tons of Plastic waste.
- By 2026, we have also committed to replenish more water than we use in our operations.
- All our operations will be net zero by 2025 and we will be plastic positive by end F22, meaning we will be collecting more plastic than we put out.
- Our business in India has undergone significant transformation in recent years. Our culture is strong, our people highly engaged in our performance ambition and proud to work for a company that can deliver sustainable, inclusive performance in the right way from grain to glass.
- John will now explain how our Europe business has been transformed to get even closer to consumers.

John Kennedy - President, Europe and India

- Thanks Hina.
- Hello, I am John Kennedy, President of Europe and India.
- In Europe, we are also building a culture where extraordinary engagement drives performance.
- I'll focus particularly on how our people have worked with agility and speed to drive significant success coming through the pandemic.
- Pre-Covid, the Europe business started from a strong base as the best performing, major total beverage alcohol company over a five-year period.
- For a number of years, we had operated with a 'one-Europe' structure, which had allowed us to drive major efficiency gains and implement best practices in many areas.
- Yet, we believed there was more opportunity for growth, by getting even closer to local consumers and customers.
- We therefore took the decision to move from the 'one-Europe' structure to create a new 'six-market' model.

- We announced the new organisation in March 2020, during the week Italy and Great Britain implemented their first major COVID lockdowns.
 - In that environment, with no travel, and no in-person meetings, we completed consultations in dozens of countries resourced 2,000+ roles and hired 18 senior-level external leaders.
 - Critically we stood up full marketing departments in Budapest, Hamburg, Amsterdam and Madrid for the first time.
 - We also advanced our I&D goals, by moving from 42% to 52% of leadership roles filled by women through this change.
 - We successfully launched our new market structure on time, three months later, on July 1st.
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- Our new local leadership teams were given the freedom to succeed and a simple brief which was to emerge stronger from the pandemic.
 - We implemented the new quarterly performance management system and market share metrics to ensure everybody was focused on the fast-moving external environment.
 - Let me walk through examples of how a number of markets successfully tackled this challenge.
 - In Great Britain, as consumers shifted to relaxing at home, the team pivoted to whisky which leads in these occasions.
 - Building and implementing new plans across Johnnie Walker, Haig Club, Bulleit, Talisker and Bell's has led to a 330bps share increase in the category for Diageo.
 - We also spearheaded the growth of no alcohol spirits with the launch of Gordon's 0.0% and Tanqueray 0.0%, creating excitement and momentum.
 - In Great Britain overall, Diageo's share of the spirits market in the last three months is 410bps above two years ago.
 - In Northern Europe, going into the pandemic, the gin and aperitif categories were accelerating fast, as the early evening drinking occasion grew.
 - The gin category had grown 29% compared to two years ago.
 - So the team ramped-up their innovation plan including the launch of Tanqueray Royale and Gordon's Sicilian Lemon, as well as tripling media investment, to drive a 370bps increase in Diageo's category share.
 - And overall, Diageo's share of the spirits market in Northern Europe has increased by 59bps compared to two years ago.
 - In Southern Europe, whisky has been our top priority and with our new organisation model we have recruited high-quality, local marketing talent and are seeing this translate into strong creative platforms.
 - Johnnie Walker's 'Keep Walking Together' campaign focuses on promoting the return of live music and supporting the musician community.

- The local insight has been that artists and musicians are seen as having contributed significantly to helping people get through covid and deserve to be supported in recovery.
- We've formed partnerships with Dani Martin in Spain, Fedez in Italy and Konstantinos Argyros in Greece; each iconic and highly visible artists. The creative content has struck a chord in each country.
- Overall, our spirits market share in Southern Europe has grown by 68bps.
- In Ireland we experienced one of the longest pub lockdowns in Europe.
- Diageo stepped in as the key supporter to the on-trade with our 'Raise the Bar' programme providing essential support for publicans throughout the island.
- We've provided training and upskilling courses, as well as supporting mental health for hospitality workers, with 22,000 participating to date.
- We've supported the design of safe, outdoor spaces for over 1,200 publicans with over 6,000 weatherproof pagodas, barrels, umbrellas, and windbreakers installed so far.
- During shutdown all of the Guinness Storehouse staff switched to working as merchandisers in grocery stores.
- And when we reopened, a series of events to support the local community were put in place.
- All frontline workers were given free admission as a thank you and over 8,000 frontline staff visited.
- Cloghna Sexton, a nurse from Cork, was the first visitor when we re-opened and was splashed across the national media.
- These efforts put Guinness at the heart of the conversation about recovery and re-opening.
- We've seen a genuine surge of goodwill for the Guinness brand with share up 400bps in the on-trade versus pre covid and 251bps in the off-trade versus pre covid.
- In Ireland, as in the other markets, Diageo's spirits market share has also increased, up 22bps.
- Here is the Guinness ad we ran as pubs started to re-open a few months ago.
- I think it is a brilliant demonstration of the passion, creativity and imagination that our teams continue to bring to their work every day.

[VIDEO]

- Now like Hina in India, I'm also delighted with the progress our people have continued to make bringing our purpose to life across our ESG goals in Europe.
- Just in the last year we have trained 2,800 people for a career in hospitality through Learning for Life, we've educated 67,000 young people on the dangers of underage drinking through our Smashed programme and reached 79 million consumers with messages of moderation.

- And all of this has been delivered through passionate, engaged people. The evidence demonstrates that our teams are focused and feel accountable for delivery.
- In our annual employee survey, nine months after launch of the new markets, 93% of our people in Europe said they know what they can do to help Diageo win market share’.
- And the ownership mentality is well embedded in Europe with 84% of our employees saying that the people around them take accountability for business outcomes – this marks a seven-point improvement versus 2019.
- The changes we have made in Europe are working well, have brought us closer to our consumers and customers and enabled even greater pace across the business.
- As Mairéad, Hina and I have hopefully illustrated, Diageo’s progressive culture is providing us with significant competitive advantage.
- The passion for our purpose and our brands, the celebration of inclusion and diversity and the value we place on speed and agility are distinct and advantageous and will continue to drive our performance in the future.
- Thank you.

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This document contains ‘forward-looking’ statements, including statements related to new medium-term guidance, future TBA market share ambitions and our expectations of performance for the first half of fiscal 22. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook, objectives and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to Diageo, anticipated cost savings or synergies, expected investments, the completion of any strategic transactions or restructuring programmes, anticipated tax rates, changes in the international tax environment, expected cash payments, outcomes of litigation or regulatory enquiries, anticipated changes in the value of assets and liabilities related to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside Diageo's control.

Factors that could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements include, but are not limited to:

- economic, political, social or other developments in countries and markets in which Diageo operates (including as a result of the Covid-19 pandemic), which may contribute to a reduction in demand for Diageo's products, adverse impacts on Diageo's customer, supplier and/or financial counterparties, or the imposition of import, investment or currency restrictions (including the potential impact of any global, regional or local trade wars or any tariffs, duties or other restrictions or barriers imposed on the import or export of goods between territories, including but not limited to, imports into and exports from the United States and the European Union and/or the United Kingdom, as well as the United Kingdom's recent departure from the European Union);
- the impact of the Covid-19 pandemic, or any other global or regional public health threats, on Diageo's business, financial condition, cash flows and results of operation;
- the effects of climate change, or legal, regulatory or market measures intended to address climate change, on Diageo's business or operations, including on the cost and supply of water;
- changes in consumer preferences and tastes, including as a result of disruptive market forces, changes in demographics, evolving social trends (including any shifts in consumer tastes towards at-home occasions, premiumisation, small-batch craft alcohol, lower or no alcohol, or other alternative products), changes in travel, holiday or leisure activity patterns, weather conditions, health concerns, pandemics and/or a downturn in

economic conditions;

- changes in the domestic and international tax environment, including as a result of the OECD Base Erosion and Profit Shifting Initiative and EU anti-tax abuse measures, leading to uncertainty around the application of existing and new tax laws and unexpected tax exposures;
- changes in the cost of production, including as a result of increases in the cost of commodities, labour and/or energy or as a result of inflation;
- any litigation or other similar proceedings (including with tax, customs, competition, environmental, anti-corruption or other regulatory authorities), including litigation directed at the beverage alcohol industry generally or at Diageo in particular;
- legal and regulatory developments, including changes in regulations relating to production, distribution, importation, marketing, advertising, sales, pricing, labelling, packaging, product liability, antitrust, labour, compliance and control systems, environmental issues and/or data privacy;
- the consequences of any failure of internal controls, including those affecting compliance with existing or new accounting and/or disclosure requirements;
- the consequences of any failure by Diageo or its associates to comply with anti-corruption, sanctions, trade restrictions or similar laws and regulations, or any failure of Diageo's related internal policies and procedures to comply with applicable law or regulation;
- cyber-attacks or any other disruptions to core business operations including manufacturing and supply, business service centres and/or information systems;
- contamination, counterfeiting or other circumstances which could harm the level of customer support for Diageo's brands and adversely impact its sales;
- Diageo's ability to maintain its brand image and corporate reputation or to adapt to a changing media environment;
- increased competitive product and pricing pressures, including as a result of actions by increasingly consolidated competitors or increased competition from regional and local companies, that could negatively impact Diageo's market share, distribution network, costs and/or pricing;
- increased costs for, or shortages of, talent, as well as labour strikes or disputes;
- Diageo's ability to derive the expected benefits from its business strategies, including in relation to expansion in emerging markets, acquisitions and/or disposals, cost savings and productivity initiatives or inventory forecasting;
- fluctuations in exchange rates and/or interest rates, which may impact the value of transactions and assets denominated in other currencies, increase Diageo's financing costs or otherwise adversely affect Diageo's financial results;
- movements in the value of the assets and liabilities related to Diageo's pension plans;
- Diageo's ability to renew supply, distribution, manufacturing or licence agreements (or related rights) and licences on favourable terms, or at all, when

they expire; or

- any failure by Diageo to protect its intellectual property rights.

Other Information

All oral and written forward-looking statements made on or after the date of this document and attributable to Diageo are expressly qualified in their entirety by the above risk factors, by those set out in Diageo's annual report for the year ended 30 June 2021 under "Our principal risks and risk management", and by the 'Risk factors' section contained in the annual report on Form 20-F for the year ended 30 June 2021 filed with the US Securities and Exchange Commission (SEC). Any forward-looking statements made by or on behalf of Diageo speak only as of the date they are made. Diageo does not undertake to update forward-looking statements to reflect any changes in Diageo's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Diageo may make in any documents which it publishes and/or files with the SEC. All readers, wherever located, should take note of these disclosures.

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