

DIAGEO FINANCE PLC

Statement on Section 172 of the Companies Act 2006

Section 172 of the Companies Act 2006 requires the Directors to promote the success of the company for the benefit of the members as a whole, having regard to the interests of stakeholders in their decision-making. In making decisions, the Directors consider what is most likely to promote the success of the company for its shareholders in the long term, as well as the interests of the group's stakeholders. The Directors understand the importance of taking into account the views of stakeholders and the impact of the company's activities on local communities, the environment, including climate change, and the group's reputation.

The company is a member of the group of companies whose ultimate holding company is Diageo plc ("Diageo"). In accordance with the requirements of UK company law, Diageo has included in its 2020 Annual Report and Accounts on page 5 a statement as to how the Directors of Diageo have had regard to the matters set out in Section 172 of the Companies Act 2006.

In order to ensure consistency in how the group operates with regard to its wider stakeholders, the group has adopted an internal Code of Business Conduct alongside a comprehensive framework of global policies and standards that are designed to ensure, amongst other things, that all companies throughout the group, including the company, have regard to its wider stakeholders in a consistent manner.

The company has therefore had regard to the matters set out in Section 172 of the Act in a manner that is consistent with the approach adopted by Diageo, while at the same time ensuring the Directors of the company are fulfilling their duties.

Main activities of the Board

The main activities of the Board during the year include:

- Approval of updates to the Company's European debt issuance programme.
- Approval of various agreements relating to intragroup funding.
- Approval of the financial statements for the financial year ended 30 June 2019.
- Approval to issue listed debt instruments under the European debt issuance programme and approval of the updates to the listing prospectus and related documentation; and
- Approval to enter into a facilities agreement with various banks.

On behalf of the Board

Csaba Hajos
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16 December 2020