



DIAGEO
PENSIONS

DIAGEO RETIREMENT SAVINGS PLAN REPORT TO MEMBERS TO 30 JUNE 2022

Read this update on what has been happening in the Diageo Retirement Savings Plan

CHAIRMAN'S REPORT



Welcome to our annual report which is in respect of the period 1 July 2021 to 30 June 2022.

By the time you receive this report, you will have become a member of the Irish Life Empower Master Trust and your retirement savings in the DRSP will have been transferred to the Master Trust. In the run up to this change, the Trustee and Irish Life have issued a number of communications to explain the reasons for the change and to provide reassurance that, whilst there are changes to the trust structure in which your retirement savings are held, your savings remain secure with Irish Life.

As all members of the DRPS have now transferred to the Irish Life Master Trust, your Trustee Board will soon begin the formal process of winding up the residual DRSP Trust that no longer has members or assets. We will write to you in due course to confirm that this wind-up process has been completed.

This is the last full annual report that you will receive from the DRSP Trustee – with future communications about your retirement savings coming to you directly from Irish Life. But the message and information provided in this report and those you will hear from Irish Life in future will likely be the same: are you saving enough for your retirement?

As a reminder, in a DC pension plan, the responsibility for determining whether or not you are likely to achieve the income in retirement that you hope for lies with you. Your individual benefit statement sent to you in December includes a projection of your retirement income. If it does not meet your expectations, then you need to take action! It is likely that you will need to increase your contributions – which may cost less than you think: take a look at page 4. There is also some handy technology available from Irish Life which enables you to monitor your retirement account and ensure you are on track to achieve the retirement income you desire, there is no change following the move to the Irish Life Empower Master Trust – see page 9 for details.

As usual, I provide comment on the investment environment of the period and I would note that it has been a volatile year for financial markets with equities fallen from all-time highs over tighter central bank policies, higher bond yields and uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia. Whilst returns have been disappointing over the year under review, over an extended period to retirement, members can reasonably expect to receive favourable investment returns, albeit with a risk of volatility in the shorter term.

Since our last review, the strong recovery in the markets that was seen in 2021 gave way to a weak start in 2022 and this has continued during the year to deliver a negative return over the period. The performance of the Plan's funds is provided on page 6. Over 84% of the total value of members' retirement savings is invested in the High Risk/Return Growth Strategy, which has delivered a disappointing return of -7% for the year ended 30 June 2022. Over the five years to that date, the compound annual return is over 4.11% - giving a favourable boost to members' contributions in building your retirement savings. The period since 30 June 2022 has seen an improvement in the performance of the Plan's fund with the High Risk/Return Growth Strategy delivering a return of 2.7% when measured over the 7 month period to 31 January 2023. Of course, past performance is no guarantee of future performance.

I hope that you find this report interesting and easy to understand. The Trustee welcomes any feedback you may have; please address any comments or questions to the Registered Administrator, Irish Life, whose contact details are shown on page 11.

Finally, I always like to thank my fellow Trustee Directors and all our advisers for their dedication and work for the Plan and you, its members, throughout the year.

Charles Coase, Chairman,

Diageo Retirement Savings Plan Pension Trustee Designated Activity Company

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SUMMARY OF THE PLAN'S ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

Members

At the end of the year, 30 June 2022, the total membership comprised **423 active members** (that is, members who are employed by the Company and for whom contributions are being received) and **278 deferred members** (members who have left the Plan but retain benefits in the Plan until retirement age).

Summary of Plan accounts

Over the year, the assets of the Plan increased from €23.4 million at 1 July 2021 to €26.0 million at 30 June 2022. Contributions from members, including AVCs and transfers-in, were €2.2m and those from the Company were €2.9 million. Benefits paid from the Plan and payments to and on account of members amounted to €0.5 million. The market value of investments reduced by €1.9 million.

Costs

The cost of the administration service provided by Irish Life is paid by members from the Annual Management Charge applied to retirement accounts; all other expenses of running the Plan, such as those for the investment and legal advisers and the services of the Diageo Pensions Team, are paid by the Company.

Contribution rates

As a member of the Plan you make contributions and the Company also make contributions on your behalf. The contribution rates can be found in the member booklet for your section of the Plan which is available on the Plan website at:

www.mydiageopension.com/en/diageo-retirement-savings-plan

Remember that you will receive tax relief on all your contributions up to certain Revenue limits, which are based on age – see further on the next page.

What if I wish to contribute more than the Plan contribution rate available?

You can pay Additional Voluntary Contributions (AVCs) into your retirement account - and these will also attract tax relief subject to the Revenue limits. You can pay AVCs as a regular monthly deduction from salary or as a single one-off payment. It's a great way to enhance your retirement income.

Diageo Benefits HUB



Visit the Diageo Benefits Hub and select an anytime event to amend your contribution level or to make a single one-off payment.

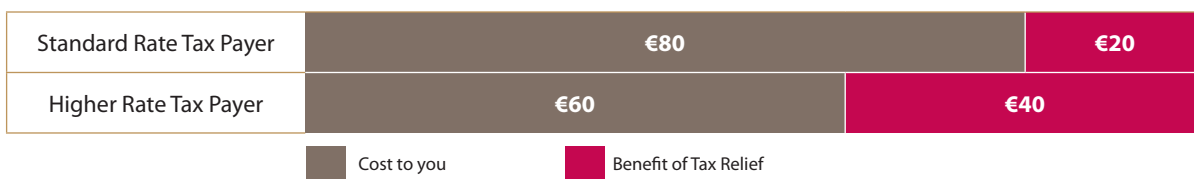
MAXIMISING YOUR INCOME IN RETIREMENT

When you make the decision to contribute to a pension, you generally view this as a long-term commitment which will benefit you in retirement. There is also a more immediate benefit to plan membership which is often overlooked: tax relief on pension contributions. Your pension contributions are deducted from your salary before tax, so you receive immediate tax relief up to your highest rate of tax up to a limit that corresponds to your age. Additionally, up to certain limits, the Company makes contributions.

So, the net cost to you of increasing your contributions might be less than you think – and the benefits considerably higher. No other savings arrangement will give you these benefits.

The chart below illustrates the actual cost to you of a €100 contribution.

The benefit of tax relief on a contribution of €100



Tax relief on your pension contributions is not the only tax benefit: the investment returns on your retirement account are also free from income and capital gains tax. This means that you do not pay any tax on any gains arising on your investment choices.

Maximum pension contributions that benefit from tax relief

Broadly speaking, the maximum amount that you can contribute to a pension in a given year is determined by your age and your income. The table below illustrates the maximum pension contribution for individuals as a percentage of total taxable earnings (for tax relief purposes, earnings are capped at €115,000).

Age	Under age 30	Age 30 to 39 years	Age 40 to 49 years	Age 50 to 54 years	Age 55 to 59 years	Age 60+
Maximum Pension Contributions as % of total taxable earnings	15%	20%	25%	30%	35%	40%

Employer contributions

As a member of the Plan, the Company makes contributions towards your retirement savings – the employer contribution is dependent on your section of the Plan. Generally, the higher your own contribution, the higher the Company contribution up to certain limits. In the case of members in the Guinness Storehouse section, your length of service with the Company is also a determining factor. You are encouraged to review your contribution rate to ensure you are receiving the most from the Company. The Company contribution rates can be found in the member booklet for your section of the Plan which is available on the Plan website at: www.mydiageopension.com/en/diageo-retirement-savings-plan

INVESTMENT NEWS AND UPDATE

Investment strategy

The Trustee’s overall objective is to make available a range of investment options which are likely to meet the varying investment needs and risk tolerances of Plan members. The returns on the investment funds and the fees charged on the funds under management are reviewed regularly by the Trustee. In addition, the Trustee measures the Plan against the benchmark for best practice as set out in the guidelines issued by the Irish Association of Pension Funds.

Investment options

As a member of the Plan, you can choose from the range of investments made available by the Trustee. A short summary of the “Do it for me” and “Do it myself” options are provided below - full details can be found in the investment guide which is available on the pension website.

“Do It For Me” which means you delegate your investment choices to the Trustee

Phase	Period to Retirement	Investment Fund
Growth Phase	More than 20 years	High Risk/Return Growth Strategy
Transition Phase	From 20 to 6 years	High Risk/Return Growth Strategy gradually transitioning to the Medium Risk/Return Growth Strategy
Consolidation Phase	Less than 6 years	<p><i>Allocation to the Empower Cash Fund of up to amount up to 150% of salary with the balance (intended to fund a pension) invested in the Empower Pension For Life Fund OR</i></p> <p><i>Allocation to the Empower Cash Fund up to 25% of retirement savings with the balance (intended for future income drawdown) invested in the Low Risk/Return Growth Strategy</i></p> <p><i>The allocation depends on which method provides a higher cash option on retirement</i></p>

The Annual Management Charge (AMC) on the “Do it for me” option is 0.45%, including the charge for administration of the Plan.

“Do It Myself” which allows you to take control of your investment choices.

The range of funds available to members under the Do It Myself option is as follows:

Investment Fund	
Indexed World Equity Fund (partially hedged)	The AMC on all these funds is 0.45%.
High Risk/Return Growth Strategy	
Medium Risk/Return Growth Strategy	
Corporate Bond Fund	
Euro Government Bond Fund	
Empower Cash Fund	

INVESTMENT NEWS AND UPDATE

Summary of investments for the year ended 30 June 2022

At 30 June 2022, the total value of the funds under management was €25.6 million with over 84% of the total invested in the High Risk/Return Growth Strategy.

The High Risk/Return Growth Strategy and Medium Risk/Return Growth Strategy are known as blended funds, which means they have a mix of investment classes which can help reduce the level of volatility and risks associated from investing in only one asset class.

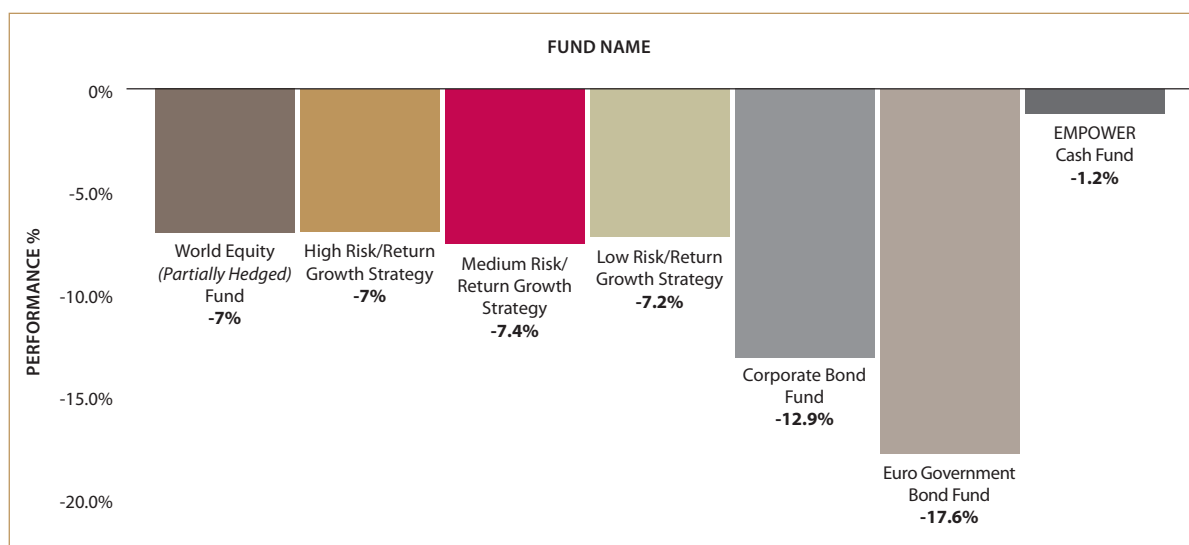
The High Risk/Return Growth Strategy holds 55% in World Equities, 20% in Minimum Volatility Equities and 5% in Emerging Market Equities, together with 5% in Irish Property, 12% in Euro Corporate Bonds and 3% in Emerging Market Bonds. The Medium Risk/Return Growth Strategy has a lower allocation to equities and a higher allocation to bonds than the High Risk/Return Growth Strategy.

Over the long term, equities are expected to outperform bonds but with a higher level of risk (i.e. ups and downs). Therefore, over the long term, the High Risk/Return Growth Strategy is expected to produce higher returns than the Medium Risk/Return Growth Strategy, albeit with greater fluctuations over the shorter term.

The Trustees have the power to amend the asset allocations from time to time.

Investment performance

Over the year ended 30 June 2022 the performance of the funds was as follows:



INVESTMENT NEWS AND UPDATE

Investment Performance - continued

Global equities are down over the twelve months to 30 June 2022, falling 11.9% in local currency terms and 4.0% in Euro terms, as the weaker euro boosted returns for euro based investors. Equities had risen through most of the second half of 2021, supported by the strong economic environment but have fallen from all-time highs in early January on concerns over tighter central bank policies, higher bond yields and uncertainty over the potential fallout on growth and inflation following the invasion of Ukraine by Russia adding to volatility in markets. Eurozone bonds fell and yields rose through the year with the Eurozone 5yr+ sovereign bond benchmark down -17.3%. Bond yields, which move inversely to price, rose through 2021 as growth forecasts were revised higher on the back of strong economic news flow and increasing optimism that the successful vaccine rollout would facilitate a permanent reopening of economies. Eurozone bonds have sustained further losses in 2022 as the ECB is set to tighten monetary policy in a bid to tackle inflation concerns with the Bank looking to take a less accommodative policy stance in 2022.

Please note that past performance is not a reliable guide to future performance. Funds with a higher risk tend to have a high level of volatility and therefore are most suitable for longer term investment.

You can find out more about the funds and their current performance from the factsheets on the pension website at www.mydiageopension.com/en/diageo-retirement-savings-plan then select your section of the Plan and go to Investment Options.

Investment switching

You can change your current and/or your future investments at any time during your membership of the Plan online at www.pensionplanetinteractive.ie or by completing an Investment switch form, available on the pension website, and returning it to Irish Life.

RESPONSIBLE INVESTMENT & LOOKING AFTER YOUR DEPENDANTS

Responsible Investment

The topic of “responsible investment” is very much in the news and this extends to the pension plan and includes the stance of the Trustee on what are commonly called environmental, social and governance (or “ESG” for short) risks, including the risk of climate change. We can all recognise that companies which are well run and which address ESG risks are more likely to be able to repay their borrowings and more likely to deliver stronger returns for their shareholders. There is now increasing focus on the role that pension schemes, as significant stakeholders in companies as either shareholders or providers of debt capital, can play in encouraging, indeed demanding, better performance from companies on ESG risks including climate change.

The Trustee recognises the importance of ESG related factors in determining the investment funds available. The Trustee delegates activities associated with the integration of ESG principles to the investment manager as part of their day-to-day fund management activities. It is the Trustee’s intention to undertake the following actions in relation to ESG:

- Monitor the activities of its investment manager on a regular basis
- Take advice from the appointed investment consultant regarding industry best practice in terms of stewardship, namely exercising of voting rights and engagement, with a view to being suitably equipped to assess the activities of the Scheme’s investment manager in this area
- Take ESG factors into account when periodically reviewing investment strategy.

The Trustee is committed to ensuring that the Plan is an active, long-term asset owner.

Looking after your dependants

Ensure your dependants are looked after when you die

As part of your employment, you are covered for life assurance as per your category of membership. In the event of your death, this life assurance together with the value of your Pension Account is payable at the discretion of the Trustee.

To ensure the Trustee considers your wishes, the Trustee would encourage you to complete an 'expression of wishes' form online on Pension Planet to let the Trustee know who you want to receive the death benefit. Your wishes are not legally binding (if it were, then any lump sum benefits would be included in your estate and would be taxable) but the Trustee will consider your wishes when it decides who should receive the money.

If you die after leaving employment and before retirement whilst entitled to Deferred Benefits from your Pension Account. The value of your Pension Account is payable to your Estate.

Have your personal circumstances changed?

You may update your expression of wish at any time – and should review it periodically. If you have divorced, married or had children, or if there have been any other changes in your circumstances, you may wish to update your expression of wishes to let the Trustee know of any changes to your wishes.



Pensions Quality Standard

The plan holds Pensions Quality Standard (PQS) award from the Irish Association of Pension Funds (IAPF).

The PQS recognises those defined contribution pension schemes that attain a high standard of contributions, communication and governance.

MEMBER SUPPORT - TECHNOLOGY

Technology and communications

The Trustee wants you to get the most from your membership of the Plan and would encourage you to consider the technology options available with Irish Life. It has never been easier to monitor your pension savings and check if you are on track for the income you hope to achieve in retirement.

Irish Life has an app available to download: **Irish Life EMPOWER**. Alternatively, you can access your account from a desktop by using **Pension Planet Interactive (PPI)**.

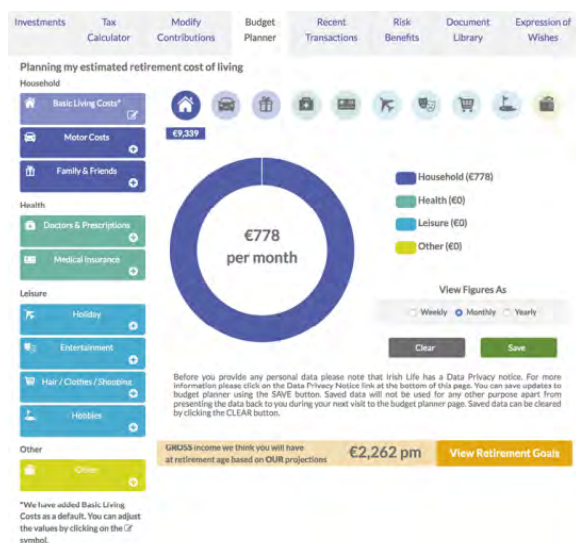


Irish Life EMPOWER

Irish Life EMPOWER is an app designed to help you plan for your retirement. It's an individual pension calculator on the go and lets you take control of your pension. This app will also help you to stay up to date with the progress of your pension. It also offers lots of useful information about the Plan and your investment choices and details.

You can download the app for free from the Apple Store or the Google Play Store.

Further details can be found at:
www.irishlifecorporatebusiness.ie/irishlifeempowerme-app2



Pension Planet Interactive (PPI)

Pension Planet Interactive (PPI) is the central pension information tool from Irish Life Corporate Business. PPI helps you to stay up to date with your individual pension and plan for retirement. PPI is easy to use and offers you a wealth of information and features. You can view your contributions, your current pension fund value and your investment choices. You can also make fund switches and utilise the budget planner which helps to analyse current outgoings and compare to your projected pension at retirement.

You can register for PPI at:
www.pensionplanetinteractive.ie/ppi/login/land.action

Roadshows

In addition to technology offerings, Irish Life also present roadshows for active members with the next set of roadshows being planned for later this year. Announcements will be made nearer the time. If you no longer work for the Company, you can contact Irish Life directly (see page 11 for contact details).

THE TRUSTEE AND ITS ADVISERS

The Trustee of the Plan is Diageo Retirement Savings Plan Pension Trustee Designated Activity Company. The Board of the Trustee comprises six Trustee Directors who have responsibility for ensuring that the Plan is run in accordance with its Trust Deed and Rules.



Charles Coase is a professional pension trustee. The other Trustee Directors are drawn from each of the Plan's participating employers.

Trustee Secretary	
Aedin Kenealy	
Advisers to the Trustee	
Consultant & Investment adviser	Willis Towers Watson (Ireland) Limited
Registered administrator	Irish Life – Corporate Business
Investment manager	Irish Life Investment Managers
Legal adviser	Arthur Cox
Registered Auditors	Ernst & Young
Guidance	Diageo Pensions Team
Participating Employers	
Diageo Ireland, Diageo Ireland Holdings, R&A Bailey & Co and Guinness Storehouse Limited are the participating employers, referred to in this report as the “Company”	

WHERE TO GET FURTHER INFORMATION

Registered Administrators

Diageo Retirement Savings Plan
Irish Life – Corporate Business
Lower Abbey Street
Dublin 1

Email: happytohelp@irishlife.ie

Telephone: 01 704 2000

Irish Life: www.irishlifecorporatebusiness.ie

Pension Planet: www.pensionplanetinteractive.ie

Plan website: www.mydiageopension.com/en/diageo-retirement-savings-plan

Current employees

If you have a query regarding deductions from your salary that you cannot resolve via the Diageo Benefits Hub, please email: dcpensions@diageo.com

Irish Life website

You can find further useful information about your pension and saving for retirement on the Irish Life website www.irishlifecorporatebusiness.ie. There is a dedicated section for members, containing a lot of useful information to help you understand how pensions work, how much needs to be saved for retirement and how benefits can be claimed at retirement. It also includes member education videos, FAQs, information about investment options and fund performance to keep you up to date with the returns on your pension savings. The investment centre is full of features such as a comparison tool to track and compare funds, weekly and monthly updates and investment video commentary on latest market developments.

Personal details

It is very important that we hold your correct personal data on our records. If you are a member of the Plan employed by Diageo, please keep Workday up to date with changes to your personal details. If you are a deferred member, please notify Irish Life of any changes in your circumstances.

Keep in touch (deferred members)

It is important that you notify Irish Life of any change of address, even after you leave the Company, so that they can ensure that you receive your benefits when they become due.

Expression of wish

It is important that you complete, and keep up to date, your Expression of Wish form. The Trustee will take into account any wish you may have expressed in the event of any death benefits becoming payable although these are not binding. This form is available on the pension website and through the Diageo Benefits Hub.

