

Governance Statement for Diageo Pension Scheme –

Additional Voluntary Contributions

This governance statement is in relation to the Additional Voluntary Contributions (AVCs) arrangements under the Diageo Pension Scheme (DPS) and is provided on a voluntary basis by the Trustee of the DPS, taking account of The Pensions Regulator's Code of Practice 13: Governance and administration of occupational trust-based schemes and the six accompanying how-to guidance documents, insofar as they apply to pension schemes that only provide money purchase benefits through AVCs.

- We have reviewed and assessed that our systems, processes and controls across key governance functions are consistent with the Code of Practice 13 and how-to guidance documents, insofar as they apply to AVCs.
- Where we are seeking to achieve or maintain 'best practice' level, we explain this below.
 - A selection of funds is available to AVC members including a default strategy. The funds on offer cover a range of asset classes with varying levels of risks.
 - We will continue to undertake an annual review of the AVC scheme. This will include: a review of the investment performance, fees, and administration services of the providers, an assessment of the financial strength/credit worthiness and continued appropriateness of the providers and funds on offer, a review of the security and quality of the portfolio and an assessment of the changes to regulations impacting AVCs.
 - AVCs will continue to be invested in regulated markets.
 - The Trustee has appointed an investment consultant, Hymans Robertson who advise the Trustee on the AVC scheme and support the Trustee in the annual review.
 - Robust governance practices are in place including a risk footprint which is regularly reviewed. There are a number of internal controls relating to AVCs which mitigate significant operational, financial, regulatory and compliance risks.
 - AVC statements are issued on an annual basis and meet all statutory and disclosure requirements.

Signed: Charles Coase
Chairman of the Trustee

Date: 1 December 2020