DIAGEO PENSION SCHEME SCHEME REVIEW 2021

Read this update to see what's been happening in your Scheme this year.

DIAGEO

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CHAIRMAN'S REPORT

Welcome to the 2021 Diageo Pension Scheme Review. This is my first report as Chairman – I have succeeded Charles Coase who retired from the Board in December 2021. I would like to thank Charles, who has served as a trustee of the Scheme since 2006 and as Chair of the Trustee Board since 2014, for his excellent contribution over so many years to the success of the Scheme. Charles has led the Trustee Board and our extended team of advisers and administrators with great enthusiasm and capability in support of the delivery of your retirement benefits. He leaves the Scheme in a very healthy position.

Another year on and the worst of the challenges of the Covid pandemic appear to be behind us. I would like to thank the Diageo pensions team, our administrator and advisers and all the investment managers – their commitment and adaptability to the challenges that we have faced has enabled the Scheme to continue without material disruption, providing for and delivering the benefits at retirement of all members as they fall due.

It is pleasing to note also that Diageo has been able to deliver a strong performance in a challenging operating environment. Whilst the funding position of the Scheme means that we have no need for immediate support from Diageo, the Trustee regularly monitors the strength of the "Company covenant" and is satisfied that it remains willing and able to support the Scheme should the need arise.

Funding position of the Scheme

In last year's review, we set out the steps that the Trustee has been taking to reduce risk in the Scheme, by:

- amending the asset allocation to remove all public equities and hold only less volatile assets such as property, loans and UK Government bonds ("gilts");
- increasing our hedging against interest rate and inflation risks, with our hedging cover now broadly in line with the target level of 90% of the risks inherent in the liabilities of the Scheme; and
- making changes to the Pension Funding Partnership, in particular extending the term of this valuable protection out to 2030.

I can report now that the benefits of these changes are clear. With the support of the Scheme actuary, we have recently concluded a triennial valuation of the Scheme as at 31 March 2021 which shows very satisfactory results. After recognising favourable investment returns, ahead of our expectations, and after strengthening a number of key assumptions to deliver a more prudent basis for the valuation, the funding level of the Scheme stands at 105%, with assets of £6.9 billion representing a surplus of £318 million over the assessed value of the liabilities to pay benefits to members in the years ahead.

In light of this valuation, the Trustee will now consider whether there are further opportunities to strengthen the Scheme over the period to 2030. We will review whether a further reduction in investment risk can be made. We recognise that, generally speaking, people are living longer and thus pensions need to be paid for a longer period – so we will consider how to protect the funding position of the Scheme in such circumstances. By 2030, when the liabilities of the Scheme should reach their peak, we want the Scheme to be in an even stronger position than it is today – and there is every prospect that we will be able to achieve this objective.

Further information on the valuation is set out on pages 10 to 12.

CHAIRMAN'S REPORT

Other matters, including Responsible Investment

Turning to other matters, you will find the usual summary of the Scheme accounts on page 5, our investment report on pages 6 to 9 and some other news about the Scheme or pensions more broadly which may affect members on pages 13 to 15.

I would like particularly to comment here on the topic of "Responsible Investment", including 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. Research has shown 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. Your Trustee is playing an active part in this agenda. As set out more fully on page 8, we have established a Responsible Investment sub-group which has devoted considerable energy and time to this important topic, developing our policies and procedures and engaging extensively with our investment managers – who are themselves taking full account of our policies in their management of the Scheme's investments on behalf of the Trustee. Although we don't hold any shares in companies and thus cannot vote in AGMs, we will nevertheless use our influence wherever we can to encourage and support best practices.

Trustee Board

We said farewell in 2020 to David Heginbottom, Carolyn Isaacs, Catherine James, Liz Paxton and Ian Shaw and in December 2021 to Charles Coase and Sharon Fennessy. All have served on the Trustee Board for many years, applying their very considerable skills and experience to the Scheme with great dedication. I would like to thank them all for their service.

In 2020 we undertook a nomination and selection process to fill the vacancy for a Member Nominated Director (MND) from the pensioner population. We received 25 applications and interviewed ten very strong candidates. As a result of the high calibre of candidates, the Trustee agreed with the Company to appoint two MNDs in December 2020, Chris Lewin and Clare Reilly. In December 2021, Claire Jordan joined the Trustee Board and in January 2022 Independent Trustees Services Ltd, represented by Tegs Harding, joined the Trustee Board, both as Trustee Nominated Directors.

We now have ten members on the Trustee Board, of whom five have been nominated by members. You will find their names on page 16.

I joined the board on 1 January 2021 as an independent professional pension trustee. I have greatly enjoyed my first year and look forward to serving you, our members, as your Chair.

With best regards

Peter Goshawk

Chairman

SUMMARY OF THE SCHEME'S ANNUAL ACCOUNTS TO 31 MARCH 2021

Scheme Membership

Membership at 31 March 2021

798 Actives
10,023 Deferreds
22,862 Pensioners

Membership at 31 March 2020

874 Actives
10,602 Deferreds
23,416 Pensioners

Membership analysis at 31 March 2021

2% Actives
30% Deferreds
68% Pensioners

Active members – current employees who participate in the Scheme.

Deferred members – those members who have either opted out of the Scheme or left the Company and still retain a benefit which will be payable in the future.

Pensioners – those members who are currently in receipt of a pension, including spouses and dependants.

Overall membership of the Scheme has reduced from 34,892 to 33,683 during the year. This trend will continue over the years as no new members can join the Scheme.

Financial summary
For the year ended 31 March 2021

The summary of the accounts shown has been extracted from the Trustee's Annual Report and Scheme Financial Statements, which have been given a clean audit report by KPMG LLP.

	£m	£m
Value of the Scheme's Net Assets at 31 March 2020		**6,942**
Received by the Scheme		
Company and member normal contributions	15	
Investment income	129	
Income	+	**144**
Paid from the Scheme		
Benefits	213	
Payments in respect of leavers	56	
Administration costs and investment expenses	40	
Expenditure	-	**(309)**
Increase in value of investments	+	**88**
Value of Scheme's Net Assets at 31 March 2021	=	**6,865**

INVESTMENT UPDATE

Investment Committee

The Investment Committee is appointed by the Trustee and operates under its own terms of reference. Assisted by the Scheme's professional investment adviser, Hymans Robertson LLP, the Investment Committee is responsible for advising the Trustee on investment strategy and for appointing and supervising the external investment managers, who are independent of the Trustee and Diageo plc. It reports to the main Trustee Board, making recommendations as appropriate.

The Investment Committee meets on a regular basis throughout the year. It reviews the performance of the Scheme overall, as well as the investment returns of the individual managers, and deals with all other investment related issues. Manager monitoring meetings are held with each of the investment managers at least once a year and the outcomes are reported back to the Trustee Board.

Investment strategy and recent developments

The investment strategy of the Scheme aims for long-term performance without taking unnecessary risks. The Trustee categorises the Scheme's assets into three key groupings of "Growth", "Income" and "Protection" as the basis for the investment strategy. The Growth assets (such as property) seek to generate higher returns in excess of the Scheme's liabilities. The Income assets (such as loans) also seek to outperform liabilities or cash but by a smaller margin with returns more focussed on income generation to help provide greater stability to returns and meet ongoing net cash requirements. The Protection assets (such as Government bonds or Gilts) seek to reduce the volatility of the funding position by more closely matching the Scheme's liabilities. The Trustee has continued to review the required balance of assets across these three groupings in order to move the Scheme towards its long term target position, reduce risk and help meet net cash outflows as it becomes more mature over time.

The strategic benchmark asset allocation for the Scheme for the year ending 31 March 2021 is the same as for the year ending 31 March 2020 and is set out in the following table.

Asset Class	Benchmark Allocation %
Private equity	6
Property	8
Growth assets	**14**
Income assets (such as bonds and loans)	**38**
Protection assets (such as gilts, swaps and cash)	**48**
Total	**100**

The benchmark asset allocation excludes the Pension Funding Partnership and AVC investments.

The Trustee notes that, due to time required to increase the actual allocations to income mandates investing in more illiquid assets, the benchmark allocation used for performance reporting at the time of this review was 14% Growth, 36% Income and 50% Protection.

The Trustee has set ranges around the benchmark asset allocation representing minimum and maximum levels for each asset class. In the normal course of events, if the Scheme's actual asset allocation goes outside the range, the Trustee will rebalance by moving assets between the relevant asset classes.

INVESTMENT UPDATE

Managing risks

The value of the Scheme's actuarial liabilities, being benefits payable to members in future years, is significantly influenced by the rates of interest and inflation. Accordingly, as part of the investment strategy, the Trustee has had in place for some years a liability hedging programme, designed to mitigate the impacts on the Scheme of changes in the rates of interest and inflation. The programme is implemented by using interest and inflation swaps, gilt repurchase agreements and other suitable financial instruments.

The Trustee has increased the overall level of interest rate hedging from approximately 81% of the liabilities at 31 March 2020 to approximately 86% of the liabilities at 31 March 2021, with a long-term interest rate hedging target of 90% of the liabilities. A review of hedging arrangements was carried out at the end of 2020 which indicated that the Scheme was broadly hedged to its long-term interest rate hedging target when measured against the most up to date liabilities. The proportion of liabilities covered by inflation hedging remains broadly in line with the 90% inflation hedging target. The Trustee is refreshing the liability benchmark used in the hedging portfolio and is revisiting the liability hedging arrangements as part of an investment strategy review.

Although it appears that conditions in financial markets have largely recovered following a spike in volatility amid the COVID-19 pandemic outbreak in March 2020, the Trustee and its advisors continue to closely monitor developments in financial markets and their impact on the Scheme. It is important to take a long-term view on pension fund investments and the Trustee is confident that the Scheme is well placed to weather periods of economic uncertainty.

Investment structure

The table below shows the analysis of the Scheme's net assets at 31 March 2021 and the principal investment managers appointed to manage these assets.

Asset class	Principal investment managers	As at 31 March 2021 £m	%
Equities	Legal & General Investment Management (terminated 24 November 2020)	–	–
Private equity	Pantheon Ventures	595	9
Property	Savills	461	7
Growth-asset allocation		**1,056**	**16**
Income-asset allocation	Savills HPS Investment Partners Insight Investment Management Global M&G Investment Management Western Asset Management	**2,692**	**40**
Protection-asset allocation	Insight Investment Management Global	**2,970**	**44**
Assets subject to benchmark		**6,718**	**100**
Pension Funding Partnership		**155**	
AVCs	Prudential Assurance	**7**	
Other net liabilities		**15**	
Total net investments		**6,865**	

INVESTMENT UPDATE

Investment performance

The investment return achieved by the Scheme, and its constituent portfolios, is measured by the custodian, Northern Trust Global Services. The return for the year ended 31 March 2021, including the liability hedging programme, was 2.2% and the annualised return for the last three years was 6.1%. The table below shows the investment performance of the Scheme, by category of investment.

Investment category	Year to 31 March 2021 (%)	Three years to 31 March 2021 (%)
Growth assets	8.6	11.2
Income assets	7.6	2.3
Protection assets	-4.6	6.1
Scheme return	**2.2**	**6.1**

Self-investment

The investment managers are permitted to invest in securities issued by the Company, Diageo plc, to the extent that the security falls within their investment mandate, up to a maximum of 5% of their portfolio. At 31 March 2021 no manager held shares in Diageo plc.

Environmental, Social and Governance Policy

Over the past year, the Trustee has continued to work actively on incorporating the principles of Responsible Investment (RI) into the Scheme's investment strategy and the ongoing management of the assets. The Trustee continues to pay particular attention to Environmental, Social and Governance (ESG) factors and is working towards being more active across various areas of RI, to the extent that this is in the best interests of the Scheme and its members.

The Trustee has established its RI beliefs and developed a policy to guide the Trustee's decisions when considering ESG factors within the Scheme's investments, recognising that these factors could have a potentially material financial impact.

The Scheme is now in a relatively mature investment phase, seeking to reduce investment risk where possible and appropriate, and therefore does not hold any listed equities. As such we are unable to directly vote or buy/sell equity positions to demonstrate our RI beliefs. However, there are RI considerations to be taken in all our investments and we are working closely with our investment managers to understand their monitoring and decision-making processes for considering ESG factors to ensure they align with our policy and beliefs.

The Trustee continues to believe that our investment managers are best placed to engage with investee companies on ESG related matters on behalf of the Trustee and we review and discuss their engagement activities as a key element of our regular review meetings with managers.

This year a separate RI sub-group has been established to ensure that the Trustee appropriately addresses RI matters. In particular, as the Scheme falls under the definition of a "large pension scheme", we will need to meet the requirements of reporting in line with new climate change regulations that came into effect from 1 October 2021.

INVESTMENT UPDATE

These new regulations require schemes to assess, manage and disclose climate risk in line with a framework put forward by the Taskforce for Climate Related Financial Disclosures (TCFD). Our first report on how we are achieving these TCFD requirements will be published by 31 October 2022. The new regulations aim to ensure that pension schemes:

- have appropriate governance and risk management processes in place to assess and manage climate related risks;
- identify climate related risks and opportunities that could impact the Scheme; and
- measure climate risk using appropriate metrics and set targets for some of these metrics to monitor progress.

To ensure compliance with this new regulation the RI sub-group has reviewed the Trustee's governance and risk management policies and processes to ensure that these account for the risks and opportunities associated with climate change in an appropriate way.

The sub-group, with assistance from the Trustee's investment advisers, has held numerous meetings with the Scheme's investment managers to gain a better understanding of the climate risks and opportunities within the Scheme's investment portfolio. Each manager has been required to demonstrate how they consider ESG factors, monitor and assess climate risk and provide a summary of the climate related data they are able to provide for the investment portfolio. The level of data available from each investment manager currently varies significantly and continued engagement with managers will be required to ensure this data improves over the coming years.

The next step for the sub-group will be considering what climate-related targets can and should be set for the Scheme's mandates.

The full Trustee Board continues to receive regular updates and training on RI related developments. The Trustee attended a climate risk training day in January 2021 and received training on the various metrics that can be used to measure climate risk.

The Trustee will report further to members on this important topic in next year's Review.

ACTUARIAL VALUATION AS AT 31 MARCH 2021

The purpose of an actuarial valuation is to review the financial health of the Scheme and to estimate how much money the Scheme needs in order to pay the pension benefits members have already earned as well as determine the contributions the Scheme needs to provide for benefits building up in the future for the active members.

We carry out a full valuation every three years, with annual updates in between. In the full valuation we review all the assumptions used in the valuation and make changes as appropriate, whereas the annual update simply reflects changes in Scheme membership, asset values and market conditions without any update in the assumptions.

The funding target

Under the requirements of the Pensions Act 2004, the Trustee is responsible for setting a funding target for the Scheme, known as Technical Provisions, being the amount of money that the Scheme needs to hold in order to provide the pension benefits that members have already earned. The Scheme Actuary helps the Trustee to consider the funding target in detail and check the Scheme's position in relation to the target.

Setting the assumptions

It is not possible to predict what will happen in the future with certainty, but it is possible, by using sensible assumptions, to estimate how much money is needed now to provide members' benefits. The Trustee takes advice from the Scheme Actuary on a number of assumptions about what will happen in the future. In particular, the Trustee considers the following principal assumptions:

- how long people might live – taking account of the actual mortality experience of the Scheme, the general pattern of mortality in the UK and industry estimates of how mortality might improve in future;
- what future inflation might be – based largely on the expectations of financial markets; and
- what returns the Scheme may be able to earn on its investments – based on a combination of the returns currently available on UK government bonds ("gilts") of duration appropriate to the liabilities of the Scheme and an assessment of the excess return which the Scheme might earn on the assets it holds, now and in future years.

As part of the process, the Trustee consults with the Company on these assumptions. The basis of the Technical Provisions, including details of the assumptions, is recorded in a formal document called the Statement of Funding Principles, which is approved by the Trustee and the Company.

The funding level

The Scheme Actuary will compare the Technical Provisions with the market value of the Scheme's net assets to get the funding level, which is expressed as a percentage. The net assets for this purpose include all the Scheme's investments, including the Pension Funding Partnership, but excluding the Additional Voluntary Contribution (AVC) investments of members. A funding level of more than 100% means that the value of the net assets is greater than the Technical Provisions (i.e. there is a funding surplus).

ACTUARIAL VALUATION AS AT 31 MARCH 2021

Results of the actuarial valuation at 1 April 2021

As shown in the diagram below, the valuation as at 1 April 2021 shows that the Scheme has a surplus of £318 million. To put this another way, the Scheme's assets (excluding AVCs) cover 105% of the value placed on the benefits members have built up to date (the liabilities). After recognising the strengthening of certain assumptions to deliver a more prudent basis for the 2021 valuation, this funding position is a solid improvement from the funding level of 103% and surplus of £193 million shown in the interim actuarial review at 1 April 2020 and the funding level of 104% and surplus of £234 million at the last formal actuarial valuation at 1 April 2018.

The value of the Technical Provisions (liabilities)	**£6,540m**
The value of the Scheme's net assets (excluding AVCs)	**£6,858m**
Surplus	**£318m**
Funding Level	**105%**

The improvement in the funding level is mainly as a result of positive investment returns, ahead of expectations, since the last actuarial valuation, partly offset by strengthening of certain demographic assumptions (in particular the assumptions relating to whether or not pensions may be payable to dependants of members). We have also built in a reserve to cover the expenses of running the Scheme, which means that the Company will no longer be required to make contributions to the Scheme in relation to expenses.

As a result of the strong funding position of the Scheme, no contributions will be paid by the Company in respect of accrued or future service benefits for the next three years. This will be reviewed again following the next actuarial valuation.

We have set out elsewhere in this Review the actions that have been and are being taken by the Trustee to reduce risk in the Scheme, through reduction of investment risk, hedging of interest rate and inflation risks and turning our attention to the mitigation of longevity risks. As previously reported, the Trustee has a long-term goal of achieving "self-sufficiency" by 2030. In other words, being fully funded and invested in lower risk assets and protection strategies which are designed to move in line with the Scheme's liabilities. The Trustee has also agreed with the Company that it would be appropriate for the Scheme to target continuing to hold some surplus that could be used as a buffer against future adverse experience. In addition, the Scheme retains its interest in the Pension Funding Partnership (PFP) with the Company, which provides a "back-stop" security for the Scheme in the event of a deficit in 2030 of up to a maximum of £430 million.

Future service pension benefits for active members

Current employees are accruing pension benefits in respect of future service on a Career Average Revalued Earnings (CARE) basis. The accrual rate is 1/70th of pensionable salary for the period to 31 March 2022. In light of the results of the valuation, which has shown that the costs of providing future service pension benefits continue to increase predominantly as a result of changes in market conditions and the reduction in bond yields since the last valuation in 2018 and in accordance with the rules of the Scheme, the accrual rate from 1 April 2022 will be 1/108th of salary.

Company covenant

As required by legislation, the Trustee has conducted a thorough review of the Company's ability and willingness to fund the benefits that have accrued in the Scheme, known as the "Company covenant". The Trustee believes that the Company covenant is sufficiently strong to allow it to take a degree of investment risk within the Scheme. The Trustee will continue to monitor the covenant of the Company.

ACTUARIAL VALUATION AS AT 31 MARCH 2021

What is the funding level on the full solvency position?

Even though the funding level is currently more than 100%, the Trustee is required to advise members of the financial position of the Scheme in the unlikely event that the Scheme discontinued and the Company was unable to pay the benefits due. If the Scheme had been wound up on 1 April 2021, the Actuary estimated that the shortfall on the full solvency basis would have been some £750 million, equal to a funding level of 90%. The full solvency position assumes that benefits would be secured by buying insurance policies; the cost of securing pensions in this way is significantly more expensive than funding them in the Scheme and this is the principal reason for the lower funding level.

It is important to understand that the Pensions Regulator requires us to report the full solvency position but this does not mean that the Company intends to wind up the Scheme. Furthermore, the law now stipulates that the sponsoring employer (in this case Diageo plc) cannot wind up a pension scheme unless it is funded on a full solvency basis. The only circumstances under which a scheme might be wound up without members receiving their full accrued benefits is if the sponsoring employer becomes insolvent and is unable to give the scheme any further support. In such a circumstance, the Pension Protection Fund (PPF) might step in and administer the scheme, but with some curtailment of benefits. Further information about the PPF can be obtained on its website at **www.pensionprotectionfund.org.uk**.

Other matters

The Pensions Regulator requires that we tell you if there have been any payments from the Scheme to the Company in the last twelve months. We can confirm that there have been no such payments.

The Pensions Regulator's powers also allow it to intervene in the running of pension schemes if it believes this is in the members' best interests. For example, it can change the rate at which benefits build up in the future, give directions about working out funding targets or impose contribution rates on pension schemes. It has not needed to use its powers in this way for the Diageo Pension Scheme.

Where can I get further information

Further details of the Scheme, including copies of the following documents, can be found on the pensions website at **www.hartlinkonline.co.uk/diageo**.

- Annual Report and Accounts for the year ended 31 March 2021, which includes the full accounts and membership figures, statements from the Actuary and Auditors, an update on the Scheme's investment performance and details of the Trustee and advisers.
- Actuarial Valuation - shows the funding position of the Scheme as at 1 April 2021.
- Statement of Funding Principles - explains the approach adopted for funding the Scheme.
- Schedule of Contributions - shows how much money is being paid into the Scheme.
- Statement of Investment Principles - explains how the Trustee invests the Scheme's assets.

Copies of these documents are also available from the Scheme Administrator.

SCHEME AND OTHER NEWS

Scheme website – Hartlink Online

In addition to a wide range of Scheme materials, the Scheme website also allows real-time access to your pension record, and enables you to update your personal details (name, address, marital status) and your nomination details using the online Expression of Wish form. A range of additional functionality is also available and depends on your category of membership:

Active members

- obtain transfer/retirement illustrations
- view your annual benefit statements
- access information regarding your benefits in relation to the Annual Allowance
- access other information regarding your benefits including leaving service options and death benefits

Deferred members

- obtain transfer/retirement illustrations
- access other information regarding your benefits such as a deferred benefits summary and death benefits

Pensioner members

- view your monthly payslips
- view your P60 information (including from previous years)
- update your bank details
- access information relating to death benefits

SCHEME AND OTHER NEWS

Government's 2021 Budget

The Chancellor announced in his budget statement that the Lifetime Allowance will be frozen at its existing level of £1,073,100 until April 2026, instead of continuing to increase in line with CPI inflation. No changes were announced to the Annual Allowance, Money Purchase Annual Allowance or Tapered Annual Allowance.

Ensure your dependants are looked after when you die

As part of your Scheme membership, a lump sum benefit may become payable if you die. Further details are provided in the Employee Guides available on the Scheme website at **www.hartlinkonline.co.uk/diageo** under Scheme Information.

In such cases, the Trustee needs to consider all potential beneficiaries and make a decision on who should receive the death benefit. To ensure the Trustee considers your wishes, you should update the Expression of Wish section on Hartlink Online. If you are not yet registered for Hartlink Online, a PDF copy of the form can be downloaded from the Scheme website at **www.hartlinkonline.co.uk/diageo** and selecting Scheme Information and then the Diageo Pension Scheme. You may update your wishes at any time and should review it when there has been a change in your circumstances.

The form is 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 get the money.

Finally, make sure that your family knows where to find your pension paperwork as they will need it in the event that you are no longer around.

Additional Voluntary Contributions (applicable to active members)

Additional Voluntary Contributions (AVCs) are a simple and effective way to provide benefits in addition to your benefit from the Scheme. As the name suggests, AVCs are contributions that you choose to pay voluntarily on top of any contributions you are required to pay to the Scheme. Your AVC fund is used to provide additional benefits when you retire.

AVCs can only be paid into the Scheme by members who have existing AVC accounts, for which the principal provider is Prudential. Members who have not paid AVCs before have the option to pay AVCs to the Diageo Pension Plan (DPP) administered by Scottish Widows. A range of investment options is available for your AVC fund. You can elect to start paying AVCs via the My Diageo Benefits Hub. Information about the DPP can be found under 'Your key documents library' on the following website **www.scottishwidows.co.uk/save/dpp/**

SCHEME AND OTHER NEWS

Don't let a scammer enjoy your retirement

Scammers are targeting pension pots of all sizes – make sure you know how to spot the signs.

Pension scammers are targeting people like you - you could lose all your retirement benefits!

Scams are hard to spot and are often disguised with credible websites, testimonials and materials which make them look like the real thing. To help you spot the signs and protect yourself from a scam, the Financial Conduct Authority (FCA) and The Pensions Regulator suggest following four simple steps.

Step 1 – Reject unexpected offers

If you're contacted out of the blue about pension a opportunity, chances are it's a scam. Pension cold calling is illegal and you should be very wary. An offer of a free pension review from a firm you've not dealt with before could well be a scam.

Step 2 – Check who you are dealing with

Search ScamSmart (**www.fca.org.uk/scamsmart**) and check the FCA's register to make sure anyone offering you advice is authorised. If they are, check they're permitted to give pension advice by calling the FCA Consumer Helpline on 0800 111 6768. If you don't use an FCA-authorised firm, you risk not having access to compensation schemes.

Step 3 – Do not be rushed or pressured

Take your time to make all the checks you need – even if this means turning down what seems to be an 'amazing deal'.

Step 4 – Get impartial information or advice

You should seriously consider seeking financial advice before changing your pension arrangements. In some cases, for example where you are wanting to transfer more than £30,000 from a defined benefit scheme, you must obtain this advice.

Consider using **MoneyHelper** (**www.moneyhelper.org.uk**) which provides free independent and impartial information and guidance.

If you suspect a scam, report it.

You can report an unauthorised firm or scam to the FCA using the online reporting form (**www.fca.org.uk/consumers/report-scam-unauthorised-firm**) or on 0800 111 6768.

If you suspect a scam, report it to Action Fraud on 0300 123 2040 or at **www.actionfraud.police.uk**.

Be ScamSmart with your pension. To find out more, visit www.fca.org.uk/scamsmart.

THE TRUSTEE

The Trustee of the Scheme is Diageo Pension Trust Limited. There are currently 10 Trustee Directors of the Trustee Company who have the responsibility for ensuring that the Scheme is run in accordance with its Trust Deed and Rules.

At present, half of the Directors have been nominated by employee or pensioner members. The Chairman is a professional trustee, as defined by the Pensions Regulator. All Directors have regular training in connection with their role and are supported by professional advisers who are independent of the Company.

Employer nominated

Peter Goshawk[2, 3], Chairman
Appointed 1 January 2021

Trustee nominated

Tegs Harding[2]
Appointed 24 January 2022

Claire Jordan[2]
Appointed 1 December 2021

Caroline Wehrle[1, 2]

Eddie McShane[1, 2]

Member nominated

John Cant [2]

Jim Donaldson

Andrew Lynn[1, 3]

Chris Lewin[1, 2]
Appointed 1 December 2020

Clare Reilly[3]
Appointed 1 December 2020

1 Audit Committee member	2 Investment Committee member	3 Member Services Committee member

David Heginbottom resigned from the Trustee Board on 30 September 2020, Carolyn Isaacs, Catherine James, Liz Paxton and Ian Shaw resigned on 1 December 2020 and Charles Coase and Sharon Fennessy resigned on 1 December 2021.

The main committees of the Trustee Board are the Audit, Investment and Members Services Committees, the members of which are identified above. The roles of the Audit and Member Services Committees are summarised below. Further information on the work of the Investment Committee is provided on page 8.

THE TRUSTEE

Audit Committee

The Audit Committee oversees the Scheme's governance, the services and internal controls of the Scheme's Administrator and other advisors, and the integrity of the financial statements, including specific areas of judgement and risk. The Audit Committee makes recommendations to the Trustee as appropriate.

Member Services Committee

The Member Services Committee is responsible for supervising the work of the Administrator and exercising on behalf of the Trustee certain discretions under the Rules of the Scheme.

Secretary	
Aedin Kenealy	
Advisers to the Trustee	
Actuary	James Miller – Aon
Administrator	Capita Employee Solutions
Auditor	KPMG LLP
Bank	Lloyds Bank plc
Custodian	Northern Trust Global Services Limited
Investment Adviser	Hymans Robertson LLP
Solicitor	Linklaters LLP
Life Insurance	Canada Life Group Insurance

WHO TO CONTACT

If you would like further information about your benefits in the Scheme, you can contact the Administrator in the following ways:

Email: diageopensions@capita.co.uk

Telephone: Administration queries: 0333 222 0086

Pensioner payroll queries: 0333 220 0259

Website: **www.hartlinkonline.co.uk/diageo**

Writing: Diageo Pension Scheme
Capita
PO Box 555
Stead House
Darlington
DL1 9YT

Please note that whilst the Diageo Pension Scheme is administered from Capita's office in Edinburgh, all post is directed via Capita's office in Darlington.

When contacting the Administrator, it is helpful if you provide your full name, address and telephone number, date of birth and your National Insurance number.

If you have a complaint, please raise it with the Diageo Pension Team Manager, at the above address. If you are dissatisfied with the decision of the Diageo Pension Team Manager, please ask for details of the Trustee's Internal Disputes Resolution Procedure.

Please note that any queries related to your employment with Diageo should be referred to your line manager or local Human Resources Manager.

WHO TO CONTACT

In the current "working from home" environment, the preferred method of contact with the Administrator is by email to: diageopensions@capita.co.uk

Keep in touch

It is important that you notify the Scheme Administrator of any change of address, even after you leave Diageo, so that we can ensure that you receive your benefits when they become due. You can do this via the Scheme website or by writing to the Administrator (as above). If you are still employed by Diageo, you need to update your address in Workday.

Holding personal information

In providing services to members, the Trustee, the Company and the Scheme's professional advisers and administrators require access to personal data about members and their dependants. Any information you give us is handled in accordance with the Scheme's Privacy Notice and in accordance with Data Protection Legislation (meaning, as applicable, the General Data Protection Regulation 2016/679, all applicable regulations, domestic legislation and any successor legislation relating to the protection of individuals with regards to the processing of personal data to which the Trustee is subject).

It is also helpful if you are able to provide a personal email address - you can provide this via the Hartlink Online portal.

The Privacy Notice has recently been reviewed to ensure it is up to date and is available on the Scheme website at **www.hartlinkonline.co.uk/diageo**. If you have further questions regarding the processing of your personal information, please contact the Scheme Administrator.

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