



Independent Limited Assurance Report to the Directors of Diageo plc

The Board of Directors of Diageo plc (“Diageo”) engaged us to provide limited assurance on the information described below and set out in Diageo’s Annual Report and ESG Reporting Index for the year ended 30 June 2021.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 30 June 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the information marked with the symbol Δ in Diageo’s ESG Reporting Index 2021 and Diageo’s Annual Report 2021 (“Annual Report 2021”) (the “Selected Information”). We assessed the Selected Information using Diageo’s Reporting Methodologies (the “Reporting Criteria”) as set out on pages 86 – 101 of the ESG Reporting Index 2021. Our assurance does not extend to information in respect of earlier periods or to any other information included in the ESG Reporting Index 2021.

Environmental and Safety indicators: 1 July 2020 – 30 June 2021	Reported data
Direct and indirect carbon emissions by weight (market/net based) (1,000 tonnes CO ₂ e)	481
Direct and indirect carbon emissions by weight (location/gross based) (1,000 tonnes CO ₂ e)	692
Total direct (renewable and non-renewable) energy consumption (TJ)	10,832
Direct and indirect energy efficiency (MJ/litre packaged)	3.2
Market based (net) intensity ratio of GHG emissions (g CO ₂ e per litre of packaged product)	123
Location based (gross intensity) ratio of GHG emissions (g CO ₂ e per litre of packaged product)	177
Percentage reduction in absolute carbon emissions (direct and indirect carbon emissions by weight (market / net based)) from the prior year	5.1%
Total volume packaged (litres)	3,905,130,148
Total mains water withdrawn (cubic metres)	8,033,549
Total ground water withdrawn (cubic metres)	6,995,574
Total surface water withdrawn (cubic metres)	1,761,157
Water use efficiency per litre of product packaged (litres/litre)	4.3
Percentage improvement in litres of water used per litre of product packaged from the prior year (percentage)	7.7%
Wastewater polluting power (‘BOD’), total under direct control (tonnes)	29,547
Percentage reduction in wastewater polluting power (‘BOD’), total under direct control (tonnes) from the prior year	-54.3%
Total volume of waste sent to landfill (tonnes)	46
Percentage reduction in total waste sent to landfill from the prior year	97.5%
Lost time accident frequency rate per 1,000 full-time employees.	1.03
Smashed – underage drinking programme indicators: 1 June 2020 - 31 May 2021	Reported data
Educate 10 million young people, parents, and teachers on the dangers of underage drinking	210,443
Number of people educated on the dangers of underage drinking through a Diageo supported education programme	210,443
Number of people who confirmed changed attitudes on the dangers of underage drinking following participation in a Diageo supported education programme	195,544
Inclusion and Diversity indicators: 1 July 2020 – 30 June 2021	Reported data
The percentage of female leaders globally	42%
The percentage of ethnically diverse leaders globally	37%

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’, issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and quality Control

We complied with the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria, which Diageo is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 30 June 2021.

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of Diageo’s management, including those with responsibility for management and group reporting of ESG data;
- performed walkthrough procedures to understand reporting processes for environmental and safety indicators;
- performed walkthrough procedures to understand how number educated and confirmed attitudinal change is captured via Collingwood Learning systems for Smashed – underage drinking programme indicators;
- performed walkthrough procedures to understand how gender and ethnicity data is captured via Diageo’s HR system, Workday and non-Workday markets;
- reviewed significant estimates and judgements made by management in the preparation of the reported data;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information. We performed virtual site tours using live feed streaming under our direction for 11 sites in order to understand the key processes

and controls for reporting site performance data to the group team. Sites were selected based on their inherent risk and materiality to the group;

- performed limited substantive testing remotely on a selective basis of the Selected Information for 11 sites to check that data had been appropriately measured, recorded, collated and reported;
- performed a governance review of the Selected Information for one site to confirm appropriate control and review process are in place;
- performed limited substantive testing remotely of BOD under direct control for the four sites using the DEFECO pipeline to check that data had been appropriately measured, recorded, collated and reported;
- attended a live-events online module for Smashed – underage drinking programme;
- performed limited substantive testing remotely on a selective basis of the Selected Information for five countries where Smashed Live or Virtual is delivered to check that data had been appropriately measured, recorded, collated and reported;
- performed limited substantive testing remotely on a selective basis of the Selected Information to assess accuracy of underlying evidence for Gender and Ethnicity of Diageo leadership population; and
- considered the disclosure and presentation of the Selected Information.

Diageo's responsibilities

The Directors of Diageo are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the ESG Reporting Index 2021 and Annual Report 2021.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Diageo.

This report, including our conclusions, has been prepared solely for the Board of Directors of Diageo in accordance with the agreement between us dated 20 January 2021, in order to assist the Directors in reporting Diageo's performance and activities. We permit this report to be disclosed in the ESG Reporting Index 2021 and onlineⁱ www.diageo.com/en/in-society/our-role-in-society/our-reportingⁱ for the year ended 30 June 2021, to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Diageo for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

London

28 July 2021

ⁱThe maintenance and integrity of Diageo's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on Diageo's website.